

**UNIVERSITY OF KWAZULU-NATAL**

**CONSUMER-BASED BRAND EQUITY OF LUXURY CAR  
BRANDS IN PIETERMARITZBURG: A GENDER  
PERSPECTIVE**

**By**

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## DECLARATION

I .....declare  
that

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(ii) This dissertation has not been submitted for any degree or examination at any other university.

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**#God's favourite**

## **DEDICATION**

This dissertation is dedicated to my nephew RAPHAEL CHRISTIAN MADZIVADONDO. May you, my dearest muzukuru, know the value of education and strive to be all you were created to be.

Tete loves you.

## **ABSTRACT**

The objectives of the study were to determine the factors that influence consumer perceptions and attitudes in relation to the brand equity of luxury car brands and to ascertain if there were any significant differences between male and female consumers' perceptions. Luxury car brands were chosen as the focus of the study mainly because consumers typically maintain strong relationships with luxury car brands.

An extensive review of literature on the brand equity, luxury brands, gender and consumer behaviour in relation to luxury consumption was carried out. Primary data was collected through a questionnaire based survey done via mall intercepts and at car dealerships in Pietermaritzburg CBD. The questionnaire had been designed using validated measuring scales and had been pre-coded to facilitate easy capturing. The data on the completed questionnaires from 256 consumers of luxury car brands was captured and analysed using SPSS. Descriptive statistics were used in detailing the profiles of the respondents and the factors that influence their perceptions of the value of luxury car brands. Inferential statistics were also used to highlight the most important brand equity factors and to ascertain the correlations between them and the extent to which attitudes and perceptions of male and female consumers differed with regards to the brand equity of luxury car brands.

The main findings of the research were that across gender, 'Perceived Brand Quality', 'Brand Loyalty', 'Brand Awareness' and 'Brand Image' were the key drivers of consumer perceptions in relation to the brand equity of luxury car brands. Although males and females perceived most of the brand equity indicators similarly, significant statistical gender differences were noted in relation to 'Perceived Brand Quality', 'Brand Awareness' and also other value attitude variables such as 'Need for Uniqueness' 'Self-Expression' 'Social Presentation' and 'Affective' Attitude. The findings provide guidelines for branding strategy formulation.

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# CHAPTER 1: INTRODUCTON

## 1.1 Introduction

There are divergent views on the conceptualisation and measurement of brand equity (Srivastava & Shocker, 1991; Keller & Lehmann, 2003; Ailawadi, Lehmann & Neslin, 2003; Erdem, Swait & Valenzuela, 2006; Ruževičiūtė & Ruževičius, 2010; Christodoulides & de Chernatony, 2010). Aaker (2004:176) defines it as those assets that relate to a brand or its identity that add to the value consumers and firms get from a product or service. The management of brand equity - a key asset to companies, involves several variables and should therefore be strategic, visionary and long term oriented (Keller & Lehmann, 2003). There are other factors that can influence brand equity but nevertheless, most researchers concur with the view that consumers are indispensable in defining brand equity as success with consumers is often crucial for the success of the firm (Duncan 2002:6; Keller & Lehmann, 2003:38; Ambler, 2003:44; Atilgan, Akinci, Aksoy & Kaynak, 2009:115).

Although a vast amount of studies have been conducted on brand equity (Aaker, 1991 & 1996; Keller, 1993; Berry, 2000; Yoo & Donthu, 2001), most of these have been in the U.S, Europe and Asia. The conclusions drawn from research that is conducted abroad are not always applicable to the South African context, given the cultural diversity and other socio-economic factors that need consideration.

## 1.2 Motivation for the study

There have been frameworks developed over the years that define brand equity from various perspectives. Given that brand equity is built when brand means something to the consumer, it is important to establish the factors that affect consumers' perceptions of and the attitudes they have towards brands and what it is that motivates them to value a brand. Hence the purpose of the study was to determine the factors that affect consumers' perceptions of the brand equity of luxury car brands. Luxury car brands were chosen as the focus of the study as luxury is a key influencer in differentiating

brands in a product category and also “a central driver of consumer preference and usage” (Vigneron & Johnson, 2004:484; Heine, 2012). Also, most research relating to consumer perceptions and cars focus on physical attributes of cars, consumer loyalty and brand switching (Anuriti, Newman & Chansanka (2009). Consumers typically are loyal to and maintain strong relationships with luxury car brands due to brand affinity and quality (Parment, 2008; Anuriti, 2009). This is so because when consumers purchase luxury items they are not just purchasing the physical products but also the functional and non-attribute benefits and values that are tied to products.

The study also sought to understand if gender played a role in CBBE perceptions of luxury car brands. Gender is a well-known variable in determining consumer behaviour (Meyers-Levy & Sternthal, 1991:84; Bakshi, 2012) as male and female consumers are said to be different in terms of culture, physiology and sociology (Fisher & Dube, 2005; Frieden, 2013). Gender is now being commonly used by marketers in segmenting markets for products and services, with them specifically targeting one or the other gender group (Kotler & Armstrong, 2012; Aziz & Naz, 2013).

A research study that focused on and highlights the factors that drive female and male consumer-based brand equity of luxury car brands has significant benefits for both companies and consumers. It was envisaged that this research would generate a body of knowledge towards a more enlightened interpretation of CBBE and luxury consumption in the South African context. The results from this study will be useful to owners of luxury car brands in that they can have a better understanding of luxury car (brands) consumption. They can then, in turn, address consumer perceptions in relation to the value of luxury car brands and then seek to effectively meet their consumer needs (Zhan & He, 2011).

The findings will also assist marketing practitioners (marketers, brand managers and advertising agents) with regards to the segmentation of the luxury car markets according to brand attributes or benefits that are valued by the different target consumers. Better decisions about the brands can be made and marketing strategies that take cognisance of and are linked to the various factors that influence CBBE in both male and female consumers can be developed. Also, this study will facilitate the successful positioning of brands in the market as companies will align their brands with the values, meanings

and experiences sought by consumers when they purchase luxury brand cars. This will present mutual benefits for both the consumers and the brands as it will not only help marketers avoid the risk of passing up excellent marketing opportunities but will win them increased brand loyalty and popularity as they will understand the consumers better and increase their consumer-based brand equity.

### **1.3 Problem Statement**

Companies tend to focus on the financial evaluation of brand equity whereby they evaluate whether brand building efforts have met financial goals. This information however, does not reflect upon customers' knowledge and behaviour, which are crucial to the successful building of strong brands. More direct guidance on how companies can proceed with brand equity building and assessing customer responses to their marketing activities based on their brand knowledge development is required.

It is crucial that marketers tailor their brand equity building efforts and brand designs according to consumers' needs and wants. Gender roles in society have shifted with females pursuing careers and experiencing increased wealth and purchasing power (Parumasur & Lombard, 2012:67). Consequently, women are actively involved in purchasing decisions that used to be left to their male counterparts, such as the purchasing of luxury cars (Chen, Green and Miller, 2008:9). Not taking cognisance of what the consumers value about luxury brands and also the distinctiveness between male and female consumers will result in brands missing out on exploiting opportunities presented by untapped segments and also could result in the loss of valuable consumers to competitors.

There is therefore, the essential need for brand owners to have a clear understanding of consumer perceptions of their brands and the factors that influence them as this will assist brand owners in enhancing the brand image, creating brand loyalty among customers and consequently increasing their consumer-based brand equity.

## **1.4 Research Objectives**

The primary objective of this study is:

- To determine the factors that influence consumers' perceptions of the brand equity of the luxury car brands and to ascertain the interrelationships that exist between these factors.

The secondary objectives of this study are:

- To determine which luxury car brands consumers perceive to have value.
- To ascertain the extent to which male and female consumers' perceptions of the brand equity of the luxury car brands differ.
- To determine the factors that underlie the differences in how male and female consumers perceive the brand equity of luxury car brands.

## **1.5 Research Questions**

The main research question underpinning this study is:

- What are the factors that influence male and female consumers' perceptions of the brand equity of luxury car brands?

The sub-research questions, which stem from main research question, are:

- Which luxury car brands do consumers perceive to have value?
- To what extent do male and female perceptions of the brand equity of the luxury car differ?
- What are the key factors that underlie the differences in male and female consumers' perceptions of the brand equity of luxury car brands?

## **1.6 Research Hypotheses**

The main hypothesis of this study is that there is a positive relationship between the identified dimensions and Consumer-based brand equity of luxury brands with the sub-hypotheses being in relation to the brand equity dimensions correlating (Table 1.1).



**Table 1.1: Hypotheses of study**

Null hypothesis (H <sub>1o</sub> ) There is no relationship between Perceived Quality and each of the other brand equity variables	Alternative hypothesis (H <sub>1a</sub> ) There is a relationship between Perceived Quality and each of the other brand equity variables
Null hypothesis (H <sub>2o</sub> ) There is no relationship between Brand Loyalty and each of the other brand equity variables	Alternative hypothesis (H <sub>2a</sub> ) There is a relationship between Brand Loyalty and each of the other brand equity variables
Null hypothesis (H <sub>3o</sub> ) There is no relationship between Brand Awareness and each of the other brand equity variables	Alternative hypothesis (H <sub>3a</sub> ) There is a relationship between Brand Awareness and each of the other brand equity variables
Null hypothesis (H <sub>4o</sub> ) There is no relationship between Brand Image and each of the other brand equity variables	Alternative hypothesis (H <sub>4a</sub> ) There is a relationship between Brand Image and each of the other brand equity variables
Null hypothesis (H <sub>5o</sub> ) There is no relationship between Overall Brand Equity and each of the other brand equity variables	Alternative hypothesis (H <sub>5a</sub> ) There is a relationship between Overall Brand Equity and each of the other brand equity variables

Null hypothesis (H <sub>6o</sub> ) There is no relationship between Need for Uniqueness and each of the other brand equity variables	Alternative hypothesis (H <sub>6a</sub> ) There is a relationship between Need for Uniqueness and each of the other brand equity variables
Null hypothesis (H <sub>7o</sub> ) There is no relationship between Self-expression/attitude and each of the other brand equity variables	Alternative hypothesis (H <sub>7a</sub> ) There is a relationship between Self-expression/attitude and each of the other brand equity variables

<p style="text-align: center;">Null hypothesis (H<sub>8o</sub>)</p> <p>There is no relationship between Lifestyle and self- presentation and each of the other brand equity variables</p>	<p style="text-align: center;">Alternative hypothesis (H<sub>8a</sub>)</p> <p>There is a relationship between Lifestyle and self- presentation and each of the other brand equity variables</p>
<p style="text-align: center;">Null hypothesis (H<sub>9o</sub>)</p> <p>There is no relationship between Social presentation / attitude and each of the other brand equity variables</p>	<p style="text-align: center;">Alternative hypothesis (H<sub>9a</sub>)</p> <p>There is a relationship between Social presentation / attitude and each of the other brand equity variables</p>
<p style="text-align: center;">Null hypothesis (H<sub>10o</sub>)</p> <p>There is no relationship between Purchase Intention and each of the other brand equity variables</p>	<p style="text-align: center;">Alternative hypothesis (H<sub>10a</sub>)</p> <p>There is a relationship between Purchase Intention and each of the other brand equity variables</p>
<p style="text-align: center;">Null hypothesis (H<sub>11o</sub>)</p> <p>There is no relationship between Purchase Intention and each of the other brand equity variables</p>	<p style="text-align: center;">Alternative hypothesis (H<sub>11a</sub>)</p> <p>There is a relationship between Purchase Intention and each of the other brand equity variables</p>

## 1.7 Research Methodology

### 1.7.1 Research Design

The study was based on a deductive approach. Exploratory research was undertaken in the form of secondary research which facilitated the identification of a knowledge gap and formulation of research approach. The study used a quantitative research methodology. A structured questionnaire based survey was used to collect data which was then analysed using both descriptive and inferential statistics.

### 1.7.2 Data collection methods

In carrying out the study, both primary and secondary data collection methods were used. Secondary research was carried out in the form of an extensive review of literature on the branding, brand equity, luxury goods, and gender and consumer behaviour. The researcher looked to a variety of sources including academic resources such as textbooks, peer reviewed journals and other publications such as industry reports and

statistics. The primary data collection was a questionnaire based survey. The questionnaire was designed and structured according to a validated measuring scale by Yoo and Donthu (2001). The target population for the questionnaire based survey were consumers of luxury car brands, that is, owners and/or drivers of luxury cars within Pietermaritzburg. These consumers were solicited for participation through intercepts in shopping malls car parks and at dealerships in Pietermaritzburg CBD.

### **1.7.3 Data Analysis and Statistical Techniques**

The questionnaire was coded and data was captured then analysed using SPSS Version 22. Descriptive statistical tools such as the mean, median and standard deviation were used in detailing the profiles of the respondents and the factors that influence their perceptions of the value of luxury car brands. Inferential statistics such as Chi-Square tests, Fishers Exact tests, correlation analyses, and non-parametric tests such as the Krusal Walles and Mann Whitney U tests were used (as the empirical data was found to be not normally distributed) to ascertain if significant statistical differences existed with regards to female and male consumers' perceptions of the (value) brand equity of luxury car brands.

### **1.7.4 Ethical Considerations**

Prior to commencement of the empirical study, the Ethics Committee at the University of KwaZulu-Natal granted ethical clearance to the researcher to conduct the study. This was after they had assessed that the research and data collection methods were morally acceptable and did not pose any ethical issues. All the respondents in the questionnaire based survey were given an informed consent document informing them that their participation in the study through completing the questionnaires was voluntary, confidential and anonymous. The questionnaires and the data gathered from the empirical study will be kept securely at the School of Management, IT and Governance for duration of five (5) years in compliance with the Ethical Clearance that was granted for the research project.

## **1.8 Limitations of the study**

Given that would have been time consuming and impractical to do a national survey, the geographic boundary for the questionnaire based survey is within Pietermaritzburg.

- The findings of the study cannot be generalised, based on the sampling strategies that were employed.
- Respondents only included actual owners or drivers of luxury cars.

## **1.9 Structure of dissertation**

### Chapter 1

The initial chapter will give a background of the study together with the primary objectives of the study as well as the justifications for the selection of the topic under study. This chapter will also introduce all the integral issues that will be dealt with in subsequent chapters.

### Chapter 2

This chapter provides an extensive review of literature relating to the study which focuses on Consumer-based Brand Equity (CBBE). Brand equity and CBBE are defined. The main theories relating to CBBE and the dimensions of CBBE that are conveyed within literature are reviewed in depth. This is followed by a discussion on gender that interlinks with CBBE and then finally measurement of CBBE.

### Chapter 3

Chapter 3 explores luxury brands and consumer buying behaviour in relation to luxury brands. The various factors that influence luxury consumption are discussed. The chapter also examines studies relating to consumer perceptions of luxury brands' value. It then ends with a summary of the variables that were used in the study.

### Chapter 4

This chapter reviews the purpose of study and the research methodology that was used in the empirical study including the collection methods and techniques and analysis of data that facilitated the attainment of research objectives. The chapter

concludes by looking at various considerations that had to be factored in the research such as validity and reliability and ethical issues.

#### Chapter 5

This chapter presents the findings from the data that was collected in the empirical study and was coded, captured and analysed using SPSS. Descriptive and inferential statistics are presented and interpreted.

#### Chapter 6

This chapter presents a synthesised discussion of the results (presented in the previous chapter) in relation to the research objectives while linking them to reviewed literature. Conclusions that are drawn from the discussion and interpretation of study findings of the study followed by implications for marketers will be presented. The limitations of the study will also be highlighted followed by recommendations for future research.

### **1.10 Conclusion**

This chapter presented the purpose of and the motivation for the study. The problem statement, research questions and objectives were highlighted. This was followed by brief outlines of the research design, ethical considerations and delimitations of the study. Lastly, a structure of this dissertation is provided. The next chapter will review literature that is related to the scope of the study.

## **CHAPTER 2: CONSUMER-BASED BRAND EQUITY THEORY**

### **2.1 Introduction**

Chapter 1 was centred on the background, introduction and rationale for the study. This chapter focuses on reviewing the literature on Consumer-based Brand Equity (CBBE). Brand equity is defined and the various determinants of it are reviewed. This is followed by a discussion of the theories relating to CBBE. The chapter also looks at CBBE measurement and ends with a summary of the dimensions or constructs of CBBE.

### **2.2 Brand Equity**

There are divergent views on the conceptualisation and measurement of brand equity (Srivastava & Shocker, 1991; Keller & Lehmann, 2003; Ailawadi, Lehmann & Neslin, 2003; Erdem, Swait & Valenzuela, 2006; Ruževičiūtė & Ruževičius, 2010; Christodoulides & de Chernatony, 2010). According to the Keller (2001) “brand equity refers to the set of associations and behaviours on the part of the brand’s customers, channel members and parent corporations that permit the brand to earn greater volume or greater margins than it could without a brand name and that gives the brand a strong, sustainable and differentiated advantage over competitors”.

Aaker (2004:176) defines it as those assets that relate to a brand or its identity that add to the value consumers and firms get from a product or service. Simply put, brand equity is the additional value that results due to the reason that the product has a brand name as opposed to that which would have resulted if the product was without a brand name (Pappu, Quester and Cooksey, 2005:144). As evidenced by the definitions above, brand equity can be viewed from either the perspective of the firm or that of the consumers (Atilgan Akinci, Aksoy & Kaynak *et al.*, 2009:115; Ruževičiūtė & Ruževičius, 2010: 723).

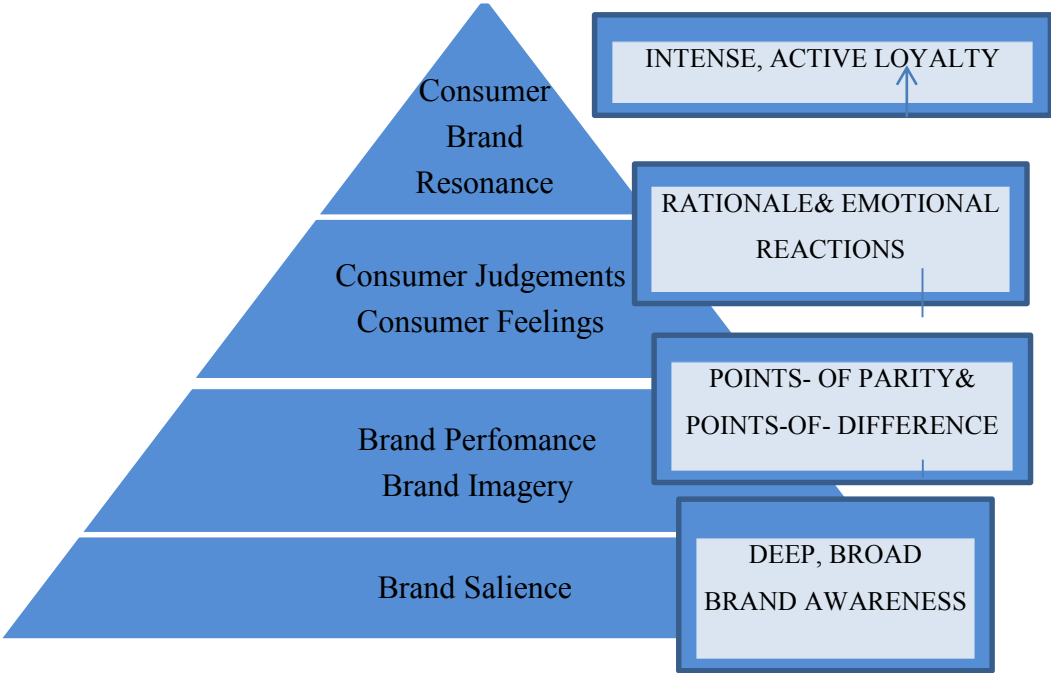
Regardless of the definition one chooses to adopt, the value of brand equity to marketers is determined by how they use it. The management of brand equity - a key asset to companies, involves several variables and should therefore be strategic, visionary and long term oriented (Keller and Lehmann, 2003). There are other factors that can

influence brand equity but nevertheless, most researchers concur with the view that consumers are indispensable in defining brand equity as success with consumers is often crucial for the success of the firm (Duncan 2002: 6; Keller & Lehmann, 2003: 38; Ambler, 2003: 44; Atilgan *et al.* 2009:115).

**2.3 Consumer-based Brand Equity (CBBE)**

Ambler (2003: 46) defines Consumer-based Brand Equity as the information that is stored in people’s minds about a brand and highlights the importance of delving into consumers’ perceptions, preferences and buying decisions According to Keller (1993: 48), who was at the forefront of the development of the theoretical basis for brand equity, CBBE arises due to what the consumer knows about the brand and the marketing of that brand. Although a wide range of theoretical views are conveyed within literature with regards to the sources and dimensions of consumer-based brand equity, they are mostly developed from and add on to the two (2) pioneer models by Aaker (1991) and Keller (1993, 2003, 2008).

**2.4 Keller’s Customer-based brand equity Model**



**Figure 2.1: Keller’s Consumer-based brand equity Model**  
(Keller, 2008: 94)

**Figure 2.1** which is the CBBE model (pyramid) by Keller summarises the consumer-based brand equity building process. Brands have value when they have an identity which consumers are aware of (brand salience). In addition, consumers have awareness and understanding of the needs that are satisfied by the brand. Consumers assess the performance of a brand based on how it differentiates itself from other competing brands and meets the functional needs of consumers in terms of reliability, durability and quality (Keller, 2008: 60). The non- tangible imagery and associations that consumers form in relation to the brand based on brand purchase and usage, past experiences and brand communications are also important. These then elicit (rational) functional and (emotional) symbolic reactions from consumers through brand judgements and feelings. Keller (2008: 67) highlights the importance of brands tapping into the emotions of consumers. With increased competition, firm's that are successful are those that not only produce innovative products, but those that use their products and brands to create emotional connections with its customers. Consumers will grow to like the brand and develop feelings such of "warmth, respect, trust or friendship" towards it. According to Aaker (1991) and Keller (2008), these consumer feelings raise the barriers to entry for competing brands.

According to Keller (2013), through increased brand awareness and knowledge gained through prior exposure or usage, consumers build long term and sustainable relationships with certain brands that they know can be trusted and conveys an image that matches their needs, values and lifestyles (Consumer Brand Resonance). Thomson, MacInnis and Rogers (2005) elaborate that such consumer-brand relationships are characterised by loyalty, commitment and attachment to the brand which subsequently leads to consumers being active engaged with the brand and the creation of a sense of community between the users of the same brand. Schmitt and Rogers (2008: 6) agree with this view and further assert that "while consumers who are strongly attached to a brand undoubtedly have strong and positive attitudes towards it, not all strong and positive brand attitudes are indicative of strong customer-brand relationships"

Thus, brand equity depends on the consumers' experiences with the brand, over a given time and their perceptions of the marketing activities of the company. Keller (1993) and Brick (2011: 38) concur with this view and further assert that consumers' views on a



brand's equity are a reflection of and are driven by the knowledge and experiences that they have about the said brand.

## **2.5 Keller's Model of Brand Equity**

Keller (2013:48) also put together another **model of brand equity** (presented in Figure 2.2) known as the Brand knowledge Breakdown structure in which he reiterated how brand knowledge is the main antecedent of Consumer-based brand equity (CBBE). As illustrated in the model, consumers knowledge of the brand is dependent on their **awareness** of the brand and also the **image** that they have of the brand. The various aspects of the model as represented in **Figure 2.2** are discussed in detail next.

### **2.5.1 Brand Awareness**

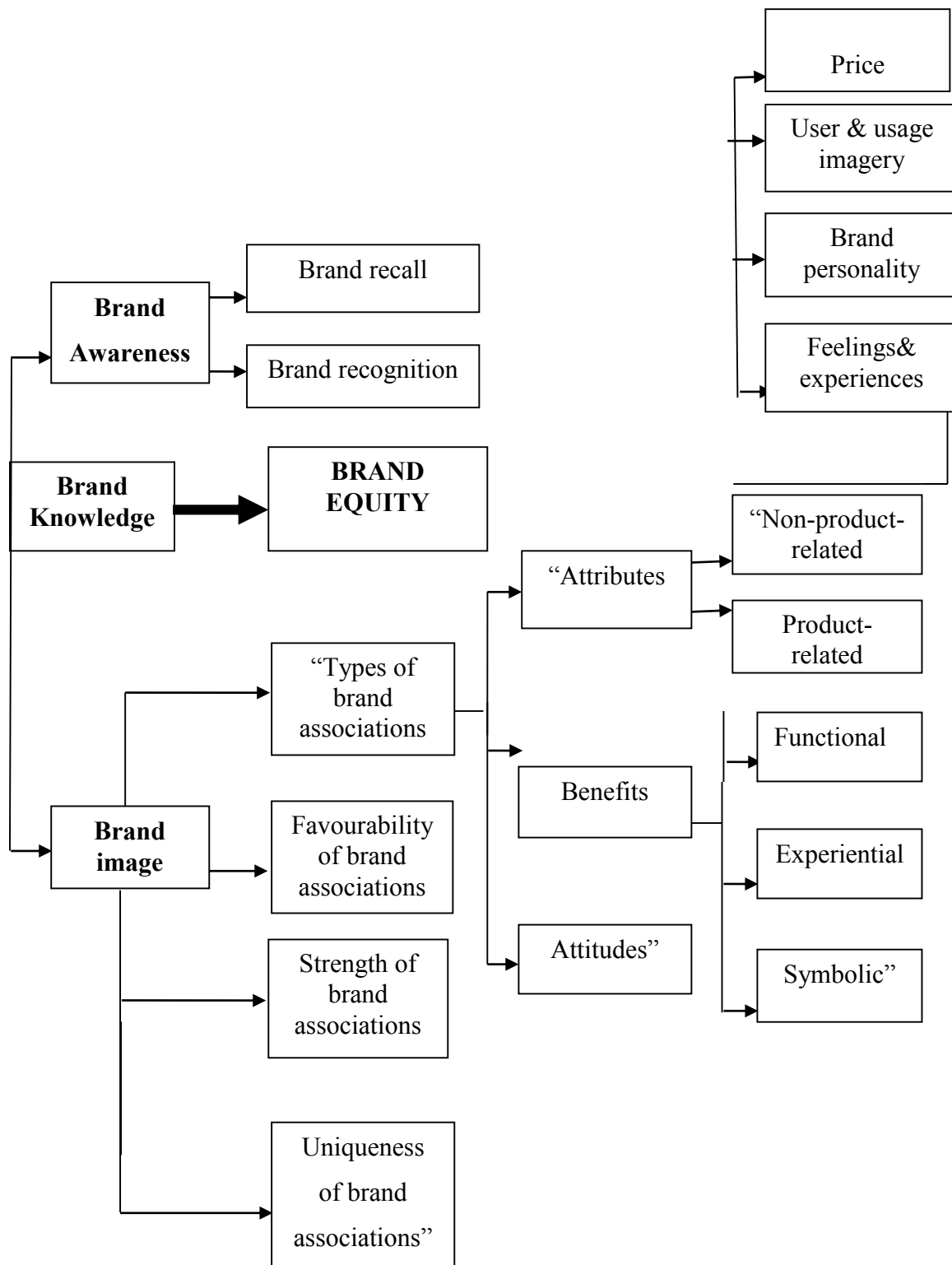
The consumers' capability to distinguish the brand in different circumstances is termed brand awareness (Keller, 2013:73). In other words, brand awareness is about whether and when the consumers know the brand. It is a critical, though not exhaustive step in building CBBE. (Brand awareness will also be discussed in detail under Aaker's model).

Brand awareness has two (2) subcategories (as shown in **Figure 2.2**):

“**Brand recognition** - refers to the consumer's ability to confirm prior exposure to the brand”. It reflects familiarity and subsequently, liking (Keller, 2013:73).

**Brand recall** - refers to the ability of the consumer to recollect a brand when its product class, usage or purchase is mentioned (Keller, 2013:73).

According to Keller (2013:74), it is imperative that the marketer researches and identifies the stage at which the consumer(s) make the purchase decision. This is so because the role played by brand recognition is more crucial in cases where the decision to buy is made at a location where the brand name and logo is displayed, for example, a car dealership. Keller (2013:74). Brand recall, though less important in such cases, should however not be disregarded as consumers' brand selection are influenced by their recollections regarding the brands.



**Figure 2.2: Keller's model of brand equity**  
 (Keller, 1998:94)

### **2.5.1.2 Advantages of High Levels of Brand Awareness**

Keller (2013:74) identified three (3) distinct advantages that are consequential to having a high level of brand awareness and are therefore building blocks in consumer perceptions of CBBE. These are:

- Learning advantages: High levels of brand awareness increase the creation and strength of the associations that constitute the image of the brand. Keller theorises that registering the brand in the memory of the consumer, by marketers, signifies the most crucial step in building brand equity (Keller, 2013:74). The chosen brand elements affect how easily the consumer learns and stores additional brand associations which then influences consumer purchasing decisions and brand preference.
- Consideration advantages: Research has shown that raising brand awareness increases the chances of the brand being among the handful of brands that the consumer will focus on and give serious attention to when making a purchase within the particular product category that the brand falls under (Aaker, 2004: 38; Keller, 2013:74). It stands to reason then, that all the other brands that are not in the set are less likely to be considered or even recalled.
- Choice advantages: A high level of awareness is said to increase a brand's chances of being selected, even when there are no other linkages to it (Adaval, 2003: 353). Keller (2013:74) expands on this view in his observation that this benefit relates mostly to low involvement products where consumers do not perceive any differences among brands in a product category (lack purchase motivation) or they do not have any knowledge on or experience upon which they can judge the brands in a category (lack purchase ability). In such cases, the consumer is likely to opt for a familiar, well established brand.

### **2.5.1.3 Increasing Brand Awareness**

In providing a theoretical framework for brand awareness, Keller (2013:73) also provides a synopsis on establishing brand awareness. He highlights that creating brand awareness implies increasing brand familiarity through repeated exposure. He however points out that this applies more to “brand recognition than brand recall” (Keller 2013:75). Seeing the logo or symbol and hearing the slogan or thinking about the brand improves its likelihood of strongly registering in the consumer’s memory. Marketing communications such as advertisements, promotions, sponsorship are ways through which firms can increase familiarity and awareness of elements of a brand (Aaker, 1996:103). Keller (2013:75) goes on to further recommend reinforcement of a wide variation of brand elements by the marketer as this enhances awareness.

Repetition increases consumer recognition of the brand, but improving brand recall also entails linking the brand to the relevant product categories spending cues. The way in which marketers link the “brand and its product category helps determine the strength of product category links” (Keller, 2013: 75). The positioning of the brand should also be reflected in the linkages of brand elements and cues as this will ensure consistency, thereby strengthening the image of the brand. Mercedes Benz and BMW are examples of luxury car brands that have managed to build strong category associations.

It is imperative that brand managers have a thorough understanding of how information gets into the minds of consumers and how it is recalled and retrieved. Several researchers concur with this and have, in empirical studies, focused on analysing the importance and effects of a range of brand aspects including preference, knowledge and loyalty on consumer purchase intentions (Thiripurasanduri & Natajaran, 2011b:158; Chen, Chen & Lin, 2011: 8272). Such studies enable companies to identify and prioritise the areas that they should focus on in building CBBE.

### **2.5.2 Brand Image**

Once reasonable steps have been taken to develop brand awareness, marketers can then focus on creating a positive brand image. According to Sutherland and Canwell (2007: 48), brand image is a measurement of the perceptions consumers have about a brand,

based on known associations such as brand attributes or brand benefits (Keller, 2013: 77). It is imperative that brands show consistency in terms of design and the image that they portray in their marketing activities as brands are given value by **strong associations** that are consistent with the products' positioning and which consumers can therefore relate to (Yoo *et al.*, 2000:198; Chen 2001: 441).

With increased competition, consumers choose brands that are relevant to them in terms of quality, meeting their needs, reliability and durability (Keller, 2008: 70). Brands that excel are those that deliver the benefits that consumers desire. Consumers not only buy the product but also the intangible factors relates to the brand, which make an attractive package (Keller, 2008:147). As brand serve as expressive functions, consumers tend to buy and value brands that they believe, portray and support their desired self-image. This correlation has been empirically validated by Tong and Hawley (2009). In a study in which they investigated the extent to which the CBBE model could be applied to the sportswear market, Tong and Hawley (2009:267) found that the results provided support for the correlation between the **value of a brand** and **strong association linkages** that consumers resonate with.

Keller elaborates that in order to create the differential responses that subsequently lead to CBBE, marketers need to analyse the consumers and competition and then design and engage in marketing programs that facilitate the linking of the brand with associations that are strong, favourable and unique (2013: 77; Atilgan *et al.*, 2009:120).

### **2.5.2.1 Brand Associations**

Brand associations can be linked to a product benefit, with tangible attributes or organisational associations attached to the culture, people and skills of the organisation. Marketers can also link brand associations to a set of human characteristics as identified by its **brand personality** (Keller, 2013:334). Common brand association categories are:

- **Product Attributes and Customer Benefits**

Product attributes and customer benefits have been identified as “the associations that have obvious relevance as they provide a reason to buy and thus a basis for brand

loyalty” (Aaker & McLoughlin, 2010:177). However, consumers do not always make decisions based upon a particular specification. They may feel that small differences in some attribute are not important or they may simply lack the motivation or ability to process information at such a detailed level (Aaker, 1991). It is therefore imperative that brand associations go beyond product attributes and benefits. Morgan (2000:66) and Keller (2013; 94) concur with this and highlight that stronger brands are those that develop associations on other dimensions (non-product related attributes) that can be more credible and hard to copy such as brand personality, organisational intangibles and product category associations. According to Vanern and Johnson (2004:485), the reasons consumers purchase luxury products are not limited to their functional attributes. Other key motivating factors include quality and the need to be unique and to attract attention from peers (Atilgan *et al.*, 2009:1055). Luxury car brands, through customisation, cater to the consumers’ varying needs for uniqueness and are perceived by consumers to be highly valuable the more they differentiate against competitors (Tolba & Hassan, 2009:360).

- **Product Category and Breadth of Product Line**

The choice of a product category which a business will be linked to can benefit the brand in that battles with direct competitors can be avoided and also it can facilitate future expansions. “A broad product offering signals substance, acceptance and leadership”. Expanding the product offerings, even under a strong brand, also has its risks in that the brand might be eroded and resources that could be better utilised elsewhere may be wasted (Aaker & McLoughlin 2010:182).

- **Organisational Intangibles**

Organisational attributes such as **being global** or sustainable have significant advantages and thus creates value for brands (Steenkamp, Batra & Alden, 2003; Atilgan *et al.*, 2009:116). Aaker (1996:48) concurs with this and states that being global provides the prestige and assurance that comes from global association; knowing that the company has the capability of competing successfully worldwide. Holt, Quench and Taylor (2004:68) carried out a study of associations made of global brands and the findings included such associations as perceived quality, prestige, social responsibility. All these were seen to have an influence on consumer perceptions and preference of certain brands.

Being global also provides functional benefits in that one can access the brand services throughout the world. Lexus, Mercedes, BMW are all examples of global car brands. There is a challenge for brands to have the energy, vitality and relevance in today's marketplace and "to be part of the contemporary scene" (Aaker & McLoughlin 2010:162). This usually involves improving their offerings through innovation. Examples include improving customer experience, enhancing the product and introducing line extensions.

- **Emotional and Self-Expressive Benefits**

"Emotional benefits relate to the ability of the offering to make the customer feel something during purchase or use."(Aaker & McLoughlin 2010:183). Research has shown that the strongest brands are those that often offer emotional benefits (Rouhani & Hanzaee, 2012:1059; Riezebos, Kist & Kootstra, 2003:201). For example, the purchaser can feel safe while travelling in a Volvo, strong when driving a Range Rover. Self-expressive benefits, on the other hand, are a reflection of the consumer being able to express him or herself through the brand's products which he or she would have purchased (Aaker & McLoughlin 2010:183). For example, being 'successful, in control and a leader' is a self-concept that might be expressed by a customer when they drive a Mercedes. In order to test if an emotional/ self-expressive benefit can play a role in differentiating the brand; the marketer can engage in research and find out the feelings and self-concepts evoked in each of the brands' most loyal consumers['I feel...' and 'I am ...' statements]. If a particular emotional or self-expressive benefit is repeatedly identified and "associated with using the brand, then it should be considered as part of the strategic position of the brand" (Aaker & McLoughlin 2010:183). Emotional and self- expressive benefits play a predominant role especially in the purchase of luxury items ((Rouhani & Hanzaee, 2012:1055).

- **The Experience**

According to Shukla (2008:17), consumers respond more positively to, and store information about brands that they have had an experience with. When the experience of using a brand includes emotional and self- expressive benefits combined with functional advantage, then it is broader and more rewarding (Keller, 2013: 79; Kapferer, 2012:454). Luxury car brands like Mercedes and Audi are now also positioning and differentiating themselves based on the customer experience at their outlets, showrooms

and with their products. This is done through ensuring quality products and services and also pleasurable purchase and consumption experiences (Kapferer and Basten, 2009a:311). A host of factors need careful control and consideration. These include service, ambience, efficiency, accessibility, reliability and safe shopping guarantee (Aaker & McLoughlin 2010:184). BMW has a licensing business that started as a marketing initiative whose objective was to broaden the brands' presence and strengthen loyalty. The business, through selling branded and internally designed BMW mobility products such as bicycles and skateboards for children, has enabled consumers to experience the brand more while at the same time, optimising equity flow (Keller, 2013).

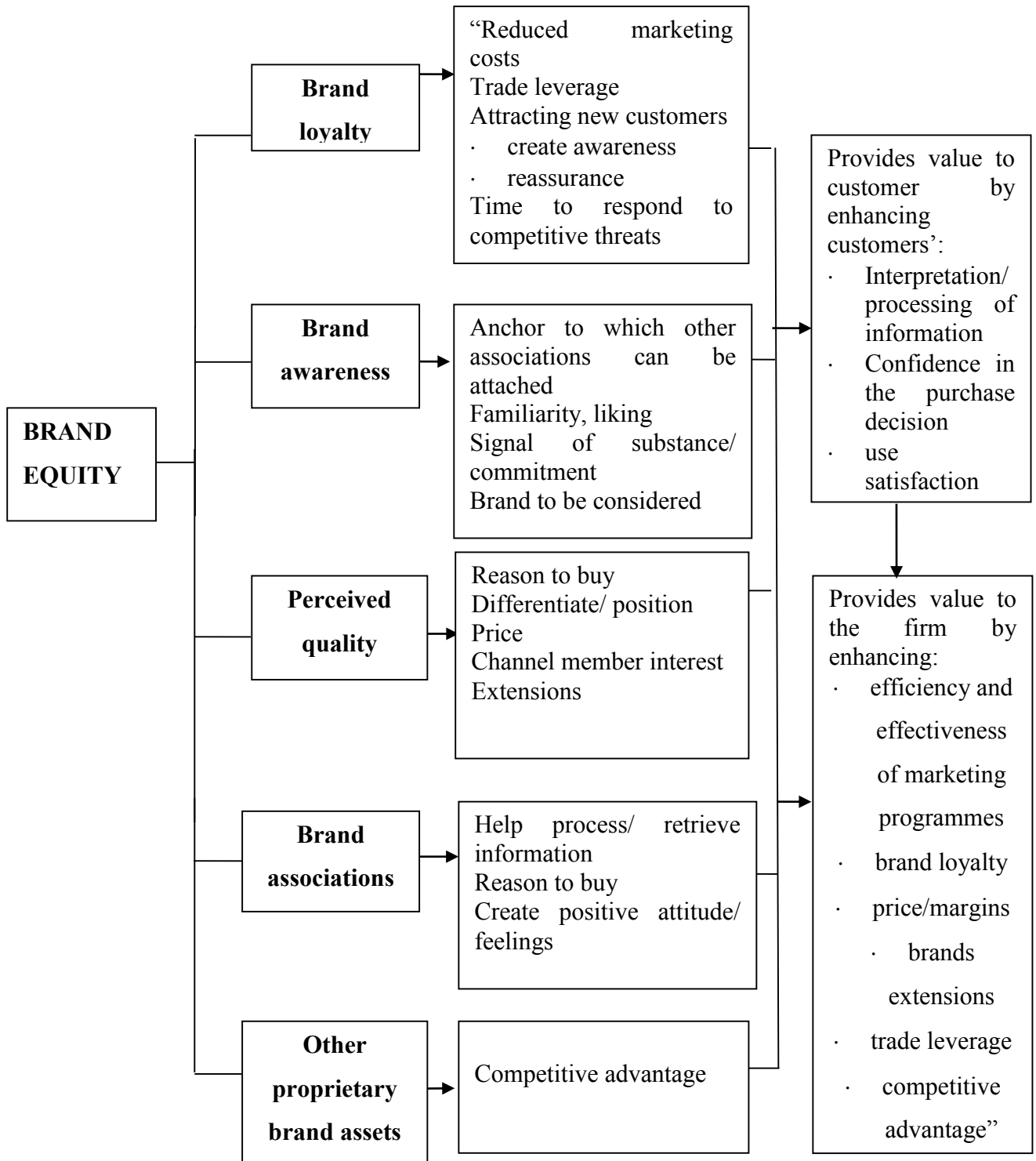
- **Brand Personality**

Most successful brands have a strategic positioning that includes the projection of an image onto their brands. This enables the firm to assign characteristics to the product or service and its associated advertising and marketing activities (Aaker 1996). There are often alternative personalities that can be adopted and the first recommended step in the process is brand research. Examples of brand personality facets include 'Outdoorsy' (Jeep), 'Daring' (BMW) and 'Upper-class' (Mercedes). Several authors have concurred with Aaker by highlighting that 'choosing a personality that closely matches the target audience' is a particularly successful technique in the establishment of a brand personality (Freeland, 2002; Sutherland & Canwell, 2007:52).

Aaker (1991) postulated five major dimensions of brand equity: "Brand loyalty, Brand awareness, Perceived quality, Brand associations and Other Proprietary brand assets". These dimensions, together with the ways in which each of them generate consumer and firm value are illustrated in **Figure 2.3**. Each of these key brand assets creates formidable competitive advantage and should be aggressively managed (Atilgan *et al.*, 2009:120; Aaker & McLoughlin 2010:176; Jung & Walden, 2015). Yoo, Donthu and Lee (2000) concur with each of Aaker's five brand equity attributes and used these in their study in which they found advertising spending, store image and price deals were all antecedents of brand equity.



## 2.6 Aaker's Brand Equity Model



**Figure 2.3: Aaker’s model of brand equity**

(Aaker, 1996: 9)

**Figure 2.3** is a presentation of **Aaker's model of brand equity** which illustrates the sources or dimensions of consumer-based brand equity (brand loyalty, brand awareness, perceived quality, brand associations (imagery) and the benefits derived from these by both consumers and brand owners.

The value of Aaker's model, which is also deemed to be a pioneer in the field of brand equity is that it is applauded by most researchers for integrating aspects relating to both perception and behaviour (Yoo & Donthu, 2001b:14; Atilgan *et al.*, 2009:116; Ruževičiūtė & Ruževičius, 2010:720). Aaker's model is also advantageous in that the five dimensions that are identified can be applied to any product or market (Atilgan *et al.*, 2009:119). The drawback to this model, however, lies in the fact that there is no linkage of the elements indicated and no weighting is allocated to each of the attributes and hence its practicality in actually measuring CBBE is questionable (Ruževičiūtė & Ruževičius, 2010:720).

### **2.6.1 Brand loyalty**

The consumers' continued willingness and preference to purchase a specific brand is referred to as brand loyalty (Aaker & Biel, 1993:4; Freeland, 2002:118; Moon, Park & Choi, 2010: 99). Aaker (1991:31) emphasises that consumers' loyalty to the brand is at the core of a brand's equity. Agarwal (2004) and Tong and Hawley (2009) all draw attention to the inverse relationship between brand loyalty and competitive risks. According to Aaker (1996a:24), the loyalty that a brand engenders among its consumers is the strongest measure of its value. He further asserts that "brand loyalty is qualitatively different from the other dimensions of brand equity in that it is inextricably linked with the brand experience of the consumers" while the others are characteristics of many brands that a person might never have used (Aaker 1996a:25). Brand loyalty can only exist after the consumer has purchased the product, has a liking for and feelings of warmth, respect or trust for the brand and is satisfied with it (Aaker, 1991:45; De Chernatony, 1992). In the case of cars, loyalty to a brand can be a reflection of an efficiency motive. This is when the customer perceives the brand to be so good and hence they automatically choose it (Amine, 1998; Lehmann & Winer, 2005:230).

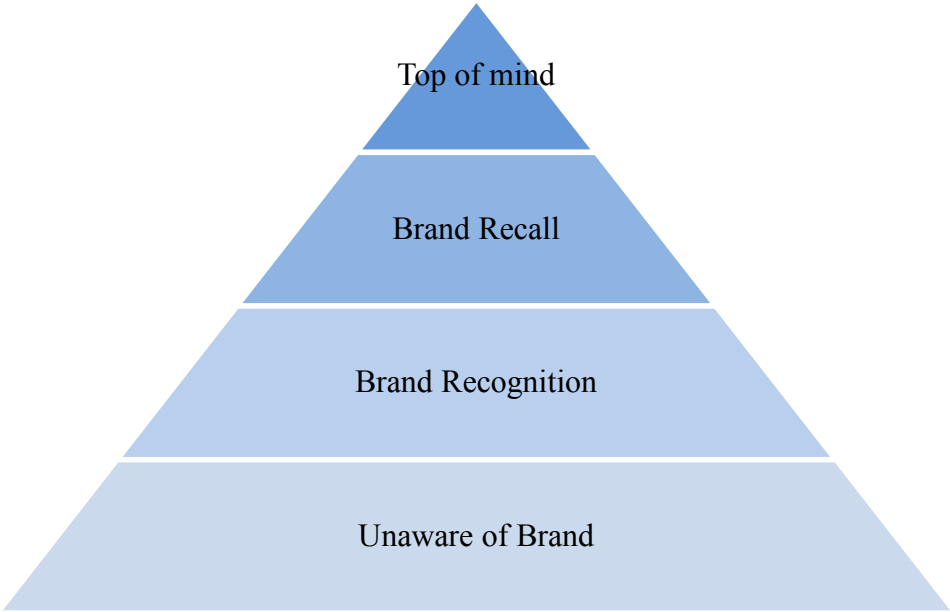
Authors concur that the brand loyalty of existing customers is crucial in the building and sustenance of brand equity (Aaker, 1991; Tong & Hawley, 2009; Bick, 2011). The stronger the relationship between the brand and the consumer, the more the brand will benefit. According to Cant *et al.* (2009:266) consumers will buy the brand more frequently to the exclusion of others and will be more inclined to try brand variants and extensions. By and large, consumers will be willing to pay a price that is higher than the category average for the brand (Aaker, 1991). The brand will also have reduced marketing, advertising and distribution costs as the cost of keeping existing consumers happy and reducing the risk of them changing to a competitor is significantly less than that of trying to reach new consumers and convincing them to switch to another brand (Aaker & McLoughlin (2013:178).

In their research, Yoo *et al.* (2000:195) and Tolba and Hassan (2009:358) found there to be a positive correlation between high loyalty and consumers satisfaction. In addition, as brand loyalty increases, consumers realise that the brand offers them value that they would not get from competing brands and are willing to pay more, making it possible for the firm to charge premium prices for its products and services. A large number of loyal consumers, in turn, provide assurance to other loyal consumers as they find comfort in the fact that others have also selected the brand (Holbrook, 1996:139). This epitomises a deterrent to market entrants and further reinforces loyalty to the brand and positively impacts the consumers' view of the brand and its value (Lehmann *et al.*, 2008:233).

Aaker (1991) and Lehmann *et al.* (2008:233) assert that loyalty is vital for a brand's survival and companies should manage customer touch points to ensure that their brand does not falter in vital contexts. Aaker (1991) goes on to further recommend that companies should measure the loyalty of existing consumers not only in terms of satisfaction but also through enquiring whether they like the brand and are committed to the brand. Consumers who like the brand may prefer it based upon associations such what the brand symbolises or due to a long term emotional/ feeling attachment. For example, a consumer might have grown up in a family where the family car is a Mercedes-Benz and therefore developed a liking for and grown attached to the brand.

Consumer commitment to the brand is what every company wants for their brand (Aaker, 2004:46). Consumers that are devoted to the brand take pride in being users of or being associated with it. The brand is important to them, either functionally or as an expression of their identity (Aaker, 1991:41). They have high levels of interaction and communication with and have a high regard for the brand and its products. Not only do they value the brand but they place great importance to it and are confident in it such that they would recommend the brand to other people (Aaker, 2004:48). The value of, for example, consumers that are committed to a specific car brand is not so much defined by the business that they generate, but rather, by the impact that they have on other people that they interact with and on the market.

**2.6.2 Brand awareness**



**Figure 2.4: The Brand Awareness Pyramid**

(Aaker 1991:62)

According to Aaker (1991:61), “brand awareness is the ability of a potential buyer to recognise or recall that a brand is a member of a certain product category.” It involves a continuum of three varying levels as illustrated in **Figure 2.4**. Brands that maintain strong, top-of-mind awareness through constant exposure create not only brand

awareness but also brand salience that can inhibit the recall of other brands (Aaker 1996b:76).

Lehmann (2005:229) and Moon *et al.* (2010: 99) identify brand awareness as being ‘the simplest form’ of brand equity. In support of this view, Aaker and McLoughlin (2010:177) also highlight how brand awareness has been widely recognised as providing a sustainable competitive edge in sectors with product parity, that is, where there are very similar products in terms of function and attributes. In such cases, brand awareness is said to serve the purpose of differentiating the brand (Kotler & Keller, 2012:18; Washburn & Plank, 2002:48). Aaker and McLoughlin (2010:177) also point out how the salience of the brand is the main determinant of brand recall at the time the consumer is deciding on, for example, which cars they can test drive. At the extreme end of the brand salience scale is name dominance. This is when consumers are able to remember only one specific brand in a product class when they are prompted to do so (Aaker & McLoughlin 2010:177).

Rouhani and Hanzae (2012:1054), assert that **brand awareness** on its own is insufficient to ensure a brand's success as consumers do not make purchasing decisions solely on the basis of brand awareness but also consider other variables. Tong and Hawley (2009:268) also state that **brand awareness** has the function of paving the way for **brand image** and **brand loyalty**. Because consumers are being inundated with a lot of marketing messages, Keller (2013:242) suggests several routes to visibility which include extending the brand over product categories (wide product scope) and also going beyond the traditionally channels and using other methods such a social media and event sponsorships. Not only do these strategies provide brand exposure. In addition, they increase brand awareness levels much more effectively than if brands only relied on mass media advertising (Aaker & McLoughlin 2010:177).

### **2.6.3 Perceived quality**

A common dimension in several CBBE frameworks is perceived quality (Keller, 1993; Aaker, 1996a; Yoo, Donthu & Lee, 2000; Moon *et al.*, 2010). It is an indication of the attainment of differential brand positioning and for many consumers, the basis upon which their purchasing decision is made (Aaker & McLoughlin, 2010:162). **Perceived**

**quality** directly influences **purchase decisions** and **brand loyalty**, especially in situations where the consumer is not motivated or is unable to conduct a detailed pre-purchase analysis (Aaker, 1991:19; Bick, 2011:36; Buil, Martinez & Dechernatony, 2013).

Perceived quality is said to reduce the risks (functional, time security, financial) that consumers perceive to be linked to the purchasing of unknown or unfamiliar brands (Tolba & Hassan, 2009:363; Keller, 2013:35). In terms of financial performance, perceived quality supports customer loyalty and also justifies the price that can be charged and the reason for the consumer's purchase (Aaker, 1991; Keller, 1993; Netemeyer, Krishnan, Pullig, Wang, Yagci & Dean, 2001:212). According to Atilgan *et al.* (2009:119), perceived quality "creates a basis for differentiation and extension" and is an important "construct of brand equity". It therefore plays a key role in consumers' perceptions of the value of global luxury car brands like BMW, Audi, BMW and Mercedes.

According to Aaker (1991) in nearly all contexts, a single overall indicator of quality exists, which is relevant to consumers and in fact, drives other more specific dimensions of performance. Tong and Hawley (2009:264) concur with this view and further assert that in order to understand what drives perceived quality and actively manage it, these underlying dimensions need to be determined as they vary with situations and across cultures. Product quality dimensions include: "performance; conformance to specifications; features; customer support; process quality and aesthetic design" (Aaker & McLoughlin 2010:162; Yoo *et al.*, 2000:196). As the drivers of quality will change over time, Tong and Hawley (2009:264) and Choy, NgChen and Ch'ng (2011) recommend the monitoring of customer trends, preferences and sources of dissatisfaction and unmet needs. This way, brand managers will have a clear understanding of their consumers and the factors that could not only result in increased CBBE but also those that negatively impact on their perceptions of brands (Tong & Hawley, 2009:264).

#### **2.6.4 Brand associations**

Anything that has linkage to the brand in the consumers' mind is a brand association (Aaker & McLoughlin 2010:177). Chen (2001:440) and Bick (2011:38) concur with this and put forward that brand associations create brand equity in that they create positive feelings and attitudes in consumers and generate a reason for them to make a purchase. Brand associations are significant in that they enable consumers to process and retrieve brand related information and the creation of attitudes (Aaker, 1991; Yoo *et al.*, 2000:197). They also provide a critical understanding of diverse consumer related aspects (Christodoulides, Michaelidou & Li, 2009). This can then be useful in the measurement of the effectiveness of various forms of marketing activities such as persuasion, brand perception, product evaluation and categorisation (Sutherland & Canwell, 2007:42; Keller, 2013). Brand association categories were discussed under the 'Brand Image' construct of Keller's model).

#### **2.6.5 Other Proprietary assets**

Goodwill, patents, trademarks and other sources of competitive advantage are valuable in that they restrain competitors and ensure that they do not erode the loyalty of consumers (Lehmann & Winer, 2005:229). As the focus of this research is CBBE, these will not be discussed as they are more directly linked to the brand product and processes rather than the consumers and therefore do not fall within the scope of this study.

Both the Aaker and Keller models recognise that brand equity represents the incremental value to the brand's products or services due to its prior marketing initiatives. Both also rely on an associative network model of memory whereby the ease of recalling favourable brand associations is a prime determinant of brand equity. However, the two models have been developed from different perspectives with Aaker (1991, 1996a & 1996b) focusing on consumer perceptions and behaviour and relate to brand preference and usage intentions whereas the Keller model focuses on the consumers' knowledge of the brand in relation to brand awareness and brand image.

Firms benefit greatly from having strong brands and they build brand equity through the leveraging of secondary brand associations such as sponsorships platforms, country of origin and other third party sources such as reviews and awards (Lehmann & Winer,

2005:229). For example Mercedes Benz, a German luxury car brand, had the highest ranking in the Customer Satisfaction Index by Fortune magazine (PRNewswire, 2009). The brand has also maintained top ranking, for three consecutive years in the “annual ‘Customer Retention Study’ by J.D. Power and Associates” which “measures the percentage of vehicle owners and lessees who replace a previously purchased vehicle with another from the same brand” (PRNewswire, 2009). Customer loyalty and retention is crucial to building and maintaining brand equity (Lehmann & Winer, 2005:229). Over the years, the study has highlighted several factors which influence car brand loyalty. These include safety, quality, fuel economy, appearance and styling and also “customer perceptions of resale value of the brand’s models” (J.D. Power & Associates Report, 2009).

## **2.7 Gender and Brand Equity**

Gender related factors refer to “a particular culture’s feelings, behaviours and attitudes towards one’s biological sex” (Musekiwa, Runyowa & Chikosha, 2014:2). Differences between females and males are acknowledged in the field of marketing (Parumasur & Lombard, 2012). According to Meyers-Levy and Sternthal (1991:84) and Shohan (1998) gender is a well-known variable in determining consumer behaviour. Gender is now being commonly used by marketers in segmenting markets for products and services, with them specifically targeting one or the other gender group (Kotler & Armstrong, 2012). This is in line with the studies that were carried out which found that male and female’s social roles are guided by the interests and knowledge that they have that the other gender does not have.

The Selectivity Model, which was developed by Meyers-Levy (1989) points out that there are differences in the way females and males process information. This is relevant for marketing messages such as advertising and promotions. **Male** consumers are said to be schematic, that is, they are selective of the information they process, while **female** consumers make use of a greater amounts of elaborate information Meyers-Levy (1989:221). Consequently, there are varying levels between genders of **recognition** and **recall** that influences **brand awareness**.



Meyers-Levy and Sternthal (1991) carried out experiments and based on their findings, concluded that females are more likely to elaborate on message cues when they are related to males and the opposite is true for the male consumers. Moutinho and Goode (1995:73) did an empirical study in which they interviewed 434 male and female consumers. They carried out a univariate test and regression analysis in order to ascertain the effects that gender variables have on perceived risk, brand loyalty and customer's overall product satisfaction in relation to cars. Notable gender differences were highlighted in terms of self- image and other people's opinions. Male consumers were also found to be **more loyal** to car brands than female consumers. Homburg and Giering (2001:43) also did a survey on consumers of German car producers and based on their findings they concluded that males tend to be loyal on the basis of the performance of car, while females' loyalty stems from their appreciation of the service provided in the process of purchasing and in terms of after sales support.

## **2.8 Measurement of CBBE**

Brands serve as strategic reference points as they identify, give dimension to, signify and stabilise the interaction between the firm and consumers, hence the need for the management and measurement of the brand's value, based on the perspective of the consumer (Keller & Lehmann, 2003:27; Ruževičiūtė & Ruževičius, 2010:720). It is crucial to measure the value in terms of stature and strength (Lehmann & Winer, 2005:233; Enslin & Klopper, 2011:17). A brief explanation of each of the broad factors that are applied in measuring brand equity is given below.

- Differentiation: This pertains to the uniqueness of the brand in terms of its offering to the consumer and the extent to which the brand can leverage value through marketing (Enslin & Klopper, 2011:17; Netemeyer *et al.*, 2004:210).
- Relevance: This is the “personal appropriateness of a brand to consumers” and relates to how the brand is perceived to be valuable to a large segment of consumers (Enslin & Klopper, 2011:17).

- Esteem: This relates the perceptions of the consumer with regards to brand popularity. This determines the consumer’s response to a brand’s marketing activities (Enslin & Klopper, 2011:17).

Having considered the above criteria and assessed various brand equity measurement scales, the one by Yoo and Donthu (2001a) which builds on the main theories of Brand Equity by Keller (1993) and Aaker (1991 and 1996) was considered to be the most relevant in terms of a consumer-based brand equity (CBBE) measurement scale to be used in the empirical study. Table 2.1 summarises the dimensions and the reasons for the choice. The measurement scale categorises brand equity into the following variable or dimensions: Perceived quality, Brand awareness, Brand associations, Brand loyalty and Overall Brand Equity (which relates to brand preference and usage intention). The scale has been validated across cultures and across all product and brand categories.

**Table 2.1: Summary of CBBE measurement scales which will be used in the study**

Author(s) (year)	Dimensions of CBBE	Strength(s)	Weakness(es)
Keller (1993 & 2001)	Brand awareness Brand image	The two dimensions together measure brand knowledge	The dimensions do <b>not</b> measure consumer behaviour
Aaker (1991& 1996)	Brand loyalty Perceived quality Brand awareness Brand associations	The dimensions measure both consumer perceptions & behaviour Relate to brand preference& usage intentions Have been used by other researchers	n/a
Yoo and Donthu (2000 & 2001)	Brand loyalty, Perceived quality, Brand awareness or associations	Validated Keller and Aaker’s dimensions across all brands & cultures.	n/a

		Measure both consumer perceptions & behaviour. Relate to brand preference& usage intention Dimensions correlated	
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(Own compilation- based on literature review)

## 2.9 Conclusion

This chapter provides an extensive review of literature relating to the study which focuses on Consumer-based Brand Equity (CBBE). Brand equity and CBBE are defined. The main theories relating to CBBE and the dimensions of CBBE that are conveyed within literature are reviewed in depth. This is followed by a discussion on gender that interlinks with CBBE and then finally measurement of CBBE.

## CHAPTER 3: LUXURY BRANDS

### 3.1 Introduction

Chapter 2 defined and reviewed the various determinants CBBE. This chapter provides a contextual framework for the study by exploring luxury brands and consumer buying behaviour in relation to luxury brands. The various factors that influence luxury consumption are discussed. The chapter also examines studies relating to consumer perceptions of luxury value.

### 3.2 Luxury brands

Prestige or luxury brands are those that offer products that are of the highest quality in the market (Vigneron & Johnson, 2004:484). These brands are aimed at a small purchasing public, since they cater for consumers with a need for high quality, premium goods and services. Luxury brands are priced relatively high. They are based on a prestige strategy, have a high quality perception and are usually targeted at status-conscious consumers (Han, Nunes & Drèze, 2010). Global luxury brands are said to symbolise prosperity and social eminence across different cultures (Vigneron & Johnson, 2004:485; Kim, Ko, Xu & Han, 2012:1496) and according to Riezebos *et al.*, (2003) and Martensen and Gronholdt (2004:41) the most successful luxury brands are those that serve expressive functions for consumers.

Zhan and Hu (2011) point out that luxury brands tend to have “the highest ratios of price to quality in the market”. Despite this, consumers find luxury brands still highly desirable based on the functional and psycho-social benefits that they derive during the consumption experience (Riezebos *et al.*, 2003:199) By purchasing luxury brands, consumers purchase not only the “solutions to their individual problems, but also pay a price premium for the added values provided by buying the said brands” (Wiedmann, Hennigs & Siebels, 2009:45; Heine & Trommsdorff, 2010).

Kapferer (2012: 96) points out how the ‘concept of luxury’ is constantly evolving. Yeoman and McMahon-Beattie (2006:320) concur and state that it “is incredibly fluid and changes dramatically across time and cultures”. They go on to further point that

luxury in the present age has become more difficult to define as it is “neither a necessity or necessarily expensive” but seems to have become a “mass marketing phenomenon of everyday life”. With increased affluence, luxury is no longer for just the elite.

According to Truong, Simmons, McColl and Kitchen (2008:12), the market for luxury goods has been growing exponentially. This striking increase, they further state, has been as a result of improvements in both productivity and Total Quality Management which have facilitated decreases in costs and increases in the introductions of “new luxury goods”. These luxury products and brands have, therefore, become more affordable and more accessible (Vigneron & Johnson, 2004). Given the trending “cultural shift for personal fulfilment and aspiration through experience” Yeoman and McMahon-Beattie (2006:321) and Casaburi (2010) further argue that luxury is no longer about monetary value but about authenticity and emotional engagement.

### **3.3 Consumer buying behaviour and Luxury brands**

An understanding of consumer behaviour is the basis for formulating marketing and branding strategies that allow companies to react better to consumer needs (Parumasur & Lombard, 2012:17). Companies ought to take cognisance of their ability to meet improved technology, globalisation and the speed with which developments are taking place, a drastic increase in competition in the market has occurred where organisations compete not only on a local or national scale, but also on a global scale (Dubois, Czellar & Laurent, 2001). Moreover, the differences between competitors are shrinking in terms of product quality and it is therefore crucial for organisations to understand their competitors’ capabilities and strategies as well as the behaviour of customers (Parumasur & Lombard, 2012:19). According to Vigneron and Johnson (2004), luxury is a key influencer in “differentiating brands in a product category” and also “a central driver of consumer preference and usage”. They, however point out how there tends to be very little consideration given to the marketing and monitoring of luxury brands. Luxury brands must pay careful attention to the delivery of long term customer value if they are to survive and thrive (Dubois, Czellar & Laurent, 2005). They can only achieve this if they retain customers by being focused on satisfying their customers’ needs (Parumasur & Lombard. 2012:8).

According to Parumasur and Lombard (2012:39), there are market values that are sought by consumers when they purchase a product (Casaburi, 2010). Customers expect sales people to be knowledgeable about their brands and also expect prompt, reliable and maintenance service from dealerships. This brings about personal values which can be classified into two: convenience and personalisation. There are savings in terms of time and effort and also benefits by means of customisation and interpersonal relations that are created for the consumer (Parumasur & Lombard, 2012:39).

According to Parumasur and Lombard (2012:8), “one of the major problems encountered by many South African consumers is the great economic risk involved when buying high involvement decision making products such as a car”. Consumers who purchase well established premium or luxury brands, in so doing, feel confident that they have the freedom from the risk and post purchase, they are assured that they received value for their money. Parumasur & Lombard (2012) and Keller (2013) assert that “this influences consumers’ brand loyalty and positive word-of-mouth communication”.

As stated by Martensen and Gronholdt (2004:41), “social and emotional values prompt consumers to buy brands that are in line with the norms and standards of their peer groups or friends”. Yeoman and McMahon-Beattie (2006:319) concur with this and state that with more real disposable income and more aspirations, consumers - especially the middle class are “trading up for products that meet their aspirational needs and trading down for those products which they perceive as commodities” Conspicuous consumption has become more relevant as consumer behaviour is increasingly being “driven by the attainment of esteem and envy of fellow men rather than subsistence or comfort” (Rousseau, 2007; Heine, 2012; Parumasur & Lombard, 2012). This presents marketers with “opportunities for premium pricing in luxury” (Yeoman, 2006).

Vigneron and Johnson (1999) developed a framework with the intention of informing and elaborating on consumer motives and value perceptions. According to Vigneron and Johnson (1999 & 2004) consumers derive tangible benefits from luxury brands that span beyond functional benefits.

These benefits or values were categorised into five (5) as detailed below:

- **Conspicuousness** - cost of the product (preferably high) and consumed in public, therefore signals wealth and prestige.
- **Uniqueness** - perceived rarity and exclusiveness of the product (Phau & Prendergast, 2000)
- **Extended Self value or Social value** - perceived benefits one gets within social groups as a result of making the purchase.
- **Hedonic value** - intangible benefits for example fun or recreation
- **Quality** – superiority in terms of performance, durability,

Wiedmann *et al.* (2009) managed to also conceptualise luxury in terms of identifying the dimensions of consumers' perceptions of luxury brand values. According to them, the value of luxury brands is not just derived based on “socially oriented motives of conspicuous consumption” and having the motive to fit into peer groups but also based on other functional, financial, personal and social variables. The framework developed by Wiedmann *et al.* (2007:10 & 2009:626) integrates rational and expressive dimensions of value and results in a more broadened and enlightened view with regards to the factors that drive consumer perceptions in relation to the value of luxury brands.

Luxury consumption is influenced by demographic and cultural shifts (Yeoman & McMahon-Beattie, 2006:321; Hudders & Pandelaere, 2009; Casaburi, 2010). The amount of consumers' disposable income has increased significantly mainly due to the increasingly active role of female consumers (Yeoman & McMahon-Beattie, 2006). A further key influence of luxury consumption, according to Willmott and Nelson (2003) is the relative sophistication of the consumer (Yeoman & McMahon-Beattie (2006:323) affirm that middle market consumers have become “increasingly better educated, better travelled, more adventurous and more discerning”. Truong *et al.* (2008:191) concur with this view and further assert that with the increase in consumer: purchasing power, tastes, education and need for personalisation, luxury brands are now being targeted at a new segment of consumers (Truong *et al.*, 2008:191). These consumers are much younger than those who used to buy luxury brands in years before, more materialistic and consequently place a high value on affluence and “status possessions” (Truong *et al.*, 2008:191). They also have more flexibility in terms of financing and are frivolous

when making purchasing decisions and are generally more “willing and able to pay a price premium for higher quality, higher status products” (Twitchell, 2002; Truong *et al.*, 2008:191).

The availability, affordability and accessibility of luxury brands have also had a huge impact on luxury consumption (Yeoman & McMahon-Beattie 2006:323). With ‘new luxury brands’ being more affordable and accessible, even those consumers who are not wealthy can now mimic the affluent by driving the same luxury car brands (Truong *et al.*, 2008). Top brands that have strong equity like Mercedes and BMW have managed to maintain and even increase their sales volumes. Even in times of economic downturns, there is a steady demand for used luxury brand cars. With luxury car brands, some consumers consider buying a new luxury car a waste and prefer to buy a used car that is a luxury brand. That way, they still manage to maintain their luxurious lifestyle, while those consumers who are constantly on the lookout for new brands can sell their vehicles and use the cash from the resale to offset the cost of upgrading to newer models. Therefore it can be concluded that the motivation for consumers’ luxury consumption can be categorised into two. The wealthy consumers buy luxury brands so as to “assert status and membership to the elite class” while some modest consumers “buy the same brands to gain status but with a purely conspicuous intention” (Truong *et al.*, 2008:190).

Martensen and Gronholdt (2004:41) and Truong *et al.* (2008) further assert that other market choices are based on the brands’ ability to satisfy emotions, that is emotional value. For example, a Mercedes Benz has emotional value as it tells the world that the owner has succeeded and ‘has arrived’ at that point where they can buy expensive cars: “WaBenzi” is an East African expression for wealthy people especially those who are rich enough to afford expensive foreign cars such as Mercedes Benz (Parumasur & Lombard, 2012:38). The term WaBenzi is coined from the Swahili ‘wa’ meaning people and Mercedes Benz. Luxury brand manufacturers have taken into account all the emerging consumer trends, needs and other social and economic factors and have therefore, in recent years sought to cater to the needs of the middle class through brand extensions. For example BMW introduced ‘its 1 series’ which is priced much lower relative to the rest of the brand’s cars with the goal of appealing to a greater number of new luxury segments (Truong *et al.*, 2008:190).



### 3.4 Studies relating to consumer perceptions of luxury brand value

Kim *et al.*, (2012:1497) carried out a study using a self-administered questionnaire survey at a private university in Korea. They were exploring female consumers' attitudes towards luxury fashion brands" in order to facilitate and increase customer and brand equity. Their findings were that there is a positive correlation between consumers' attitudes towards a luxury brand and their assessment of the value of the luxury brand (Kim *et al.*, 2012:1498).

Kapferer (2012:454) offers insight into the evolvement of luxury brands in his study. He highlights that luxury shifting from being a 'consequence' of social stratification to 'creating' social stratification especially in developing countries; South Africa included (Kapferer and Basten, 2009:303; Kapferer, 2012:454). Findings from focus group participants revealed that the primary reason that consumers purchase and like luxury products is because they are 'expensive' (Kapferer, 2012:455).

Riezebos *et al.* (2003:200) mentions that the financial advantages of luxury brands can be high to very high. However, the strategic advantages of these brands are lower than those of other types of brands (for example fighter and flanker brands). Another downside is that luxury brands are poorly suited to extensions due to the fact that they target a very small customer segment (Riezebos *et al.*, 2003:200). Riley, Pina and Bravo (no date), carried out a study on how vertical extensions of luxury car brands affect consumers' perception of the luxury car brands' image. Riley *et al.* (no date:7) found that following vertical extensions, luxury car brands face the risk of having the image diluted and losing their competitive position and associations with prestige (Riley *et al.*, no date:3) with the risk being lower as the brand moves up the prestige scale (Riley *et al.*, no date:7). This means that for example Audi's brand image would be diluted faster than Porsche which is a more prestigious brand if they extended their product range to lower value cars (Riley *et al.*, no date:7).

Even in the case of upward vertical extensions, where they introduce products that are of a higher range under the same brand name, car brands also run the risks of consumers being sceptical of the brands' motives and questioning whether the brand can really deliver on the greater quality and other "premium" market benefits (Riley *et al.* no

date:7). Luxury car brands Lexus (Toyota), Acura (Honda) and Infinity (Nissan) were introduced because the quality perceptions of Toyota, Honda and Nissan were so strongly linked with the middle segment of the car market and so people would not have paid a higher price had the brands just simply extended their product range to include more luxurious cars, under the same brand name. In order to position the cars in the top segment, different names had to be used.

Tolba and Hassan (2009) carried out a study with the objective of linking CBBE with brand market performance so as to enable marketers to develop customised brand equity strategies for each market. They compared the luxury car consumer market and economy car consumer market. Part of their findings was that luxury car consumers were more knowledgeable about their car brands than their economy counterparts (Tolba & Hassan, 2009:363). Also, they thought very highly of brands, in terms of the prestige and performance of their car brands, unlike the consumers of economy brands (Tolba & Hassan, 2009:363). Economy car consumers, however, rated their brands positively in terms of value propositions and this led to increased brand loyalty which Tolba & Hassan (2009:363) attributed to the avoidance of perceived risks associated with shifting to alternatives brands. Tolba and Hassan also concluded that luxury consumers were lot more prone to switch brands if there is no differentiation as 'brand image' is what they value (2009:364).

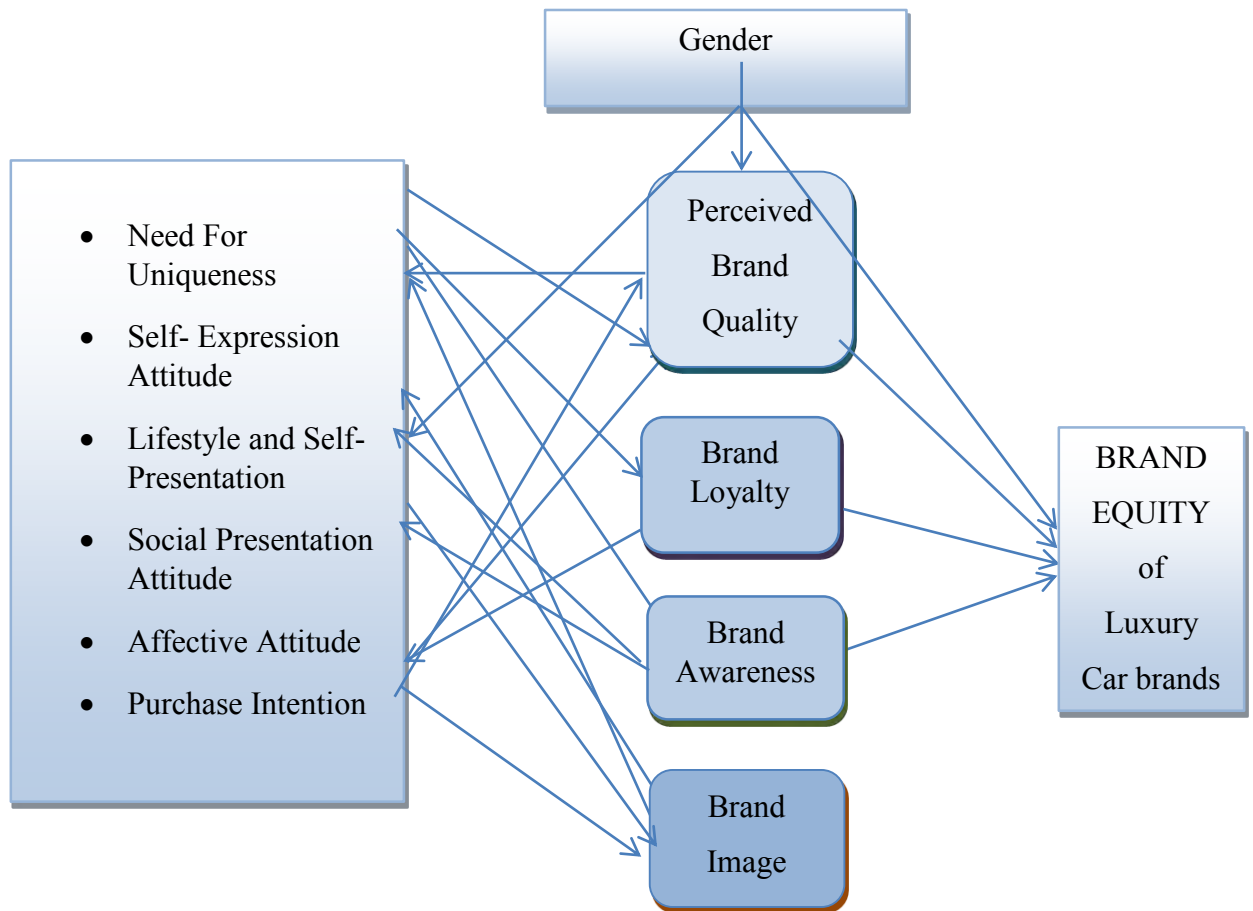
Rouhani and Hanzae (2012) carried out a study to investigate consumers' perception of luxury cars and the effect that demographic factors such as age, income and gender has on Iranian consumers' intention to purchase luxury cars. Mercedes Benz and Lexus were the two brands that were used in the study and the findings of the two were compared (Rouhani & Hanzae, 2012:1059). The empirical study was carried out through a survey on a sample of 390 participants. Prior research had pointed to the important role played by value in consumers' choosing among different luxury brands and also how value influences repeat purchases of luxury items (Dodds, Monroe & Grewal, 1991: 07; Holbrook, 1996:138; Irani & Heidarzadeh, 2011:1718). Rouhani and Hanzae (2012:1056) therefore hypothesised a positive correlation between each of the five perceived values of luxury cars and 'consumers purchase intention' of the same.

- Conspicuous value - cost of the product (preferably high) and consumed in public, therefore signals wealth and prestige.
- Unique value - perceived rarity and exclusiveness of the product (Kapferer, 2012:458)
- Social value - perceived benefits one gets within social groups as a result of making the purchase.
- Hedonic value - intangible benefits for example fun or recreation (Kapferer 2012:454).
- Quality value - superiority.

The findings with regards to the individual brands (Mercedes Benz and Lexus) were both in support of each of the hypothesis except the one on social value. Also, Rouhani and Hanzaee (2012:1057-9) hypothesised a direct relationship between gender and the consumers' brand perception of luxury cars but this hypothesis was rejected, based on their findings. It is however, worth highlighting that the sample in their study was made up of 343 males and only 46 females and therefore the sample was not a fair representation of both genders and therefore not a good basis for testing this hypothesis.

Rouhani and Hanzaee (2012:1054) point out how luxury cars such as BMW, Lexus and Porsche command great demand even though they can be priced at about double their original cost values as a result of tariffs. In addition to this, Rouhani and Hanzaee (2012:1054) assert that brand awareness on its own is insufficient to ensure a brand's success as consumers do not make purchasing decisions solely on basis of brand awareness but also consider other variables. Sadeghi and Ghaemmaghami (2011:698) concur with this notion by mentioning that the luxury brands that are perceived to be valuable by consumers, are those that differentiate themselves in terms of their product offerings. The **uniqueness and exclusivity** of the brand's offerings is said to increase the consumer's preference of and the value of a brand especially if it is also perceived to be expensive (Sadeghi & Ghaemmaghami, 2011:698; Kapferer & Bastien, 2009b).

**Figure 3.1: Variables influencing CBBE of luxury car brands**



**Figure 3.1** shows the factors which consumers associate with luxury value and therefore affect their perceptions and attitudes with regards to luxury brands. The commonly identified consumer-based brand equity variables based on the theories and as identified in **literature** are also presented. These variables, also validated by Yoo and Donthu (2000 & 2001) will be used in designing the questionnaire which is the research instrument in the empirical study.

### 3.5 Conclusion

This chapter provided a contextual framework for the study by exploring luxury brands and consumer buying behaviour in relation to luxury brands. The various factors that influence luxury consumption were discussed followed by a brief history of top luxury car brands. The chapter ended with an examination of the prior studies relating to consumer perceptions of luxury value and an illustration showing the variables which will be measured in the empirical study.

## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 Introduction**

The previous chapter reviewed the literature on brand equity and luxury brands including the findings of empirical studies on gender and branding. This chapter reviews the research methodology used in the study including the collection methods and techniques and analysis of data that will facilitate the attainment of research objectives. The chapter concludes by looking at various considerations that have to be factored in the research such as validity and reliability and ethical issues.

### **4.2 Research Problem**

Companies tend to focus on the financial evaluation of brand equity whereby they evaluate whether brand building efforts have met financial goals. This information however, does not reflect upon customers' knowledge and behaviour, which are crucial to the successful building of strong brands. More direct guidance on how companies can proceed with brand equity building and assessing customer responses to their marketing activities based on their brand knowledge development is required. There is therefore, the essential need for brand owners to have a clear understanding of consumer perceptions of their brands and the factors that influence them as this will assist brand owners in enhancing the brand image, creating brand loyalty among customers and consequently increasing their consumer-based brand equity.

#### **4.2.1 Research Objectives**

The primary objective of this study is:

- To determine the factors that influence consumers' perceptions of the brand equity of the luxury car brands and to ascertain the interrelationships that exist between these factors.

The secondary objectives of this study are:

- To determine which luxury car brands consumers perceive to have value.
- To ascertain the extent to which male and female consumers' perceptions of the

brand equity of the luxury car brands differ.

- To determine the factors that underlie the differences in how male and female consumers perceive the brand equity of luxury car brands.

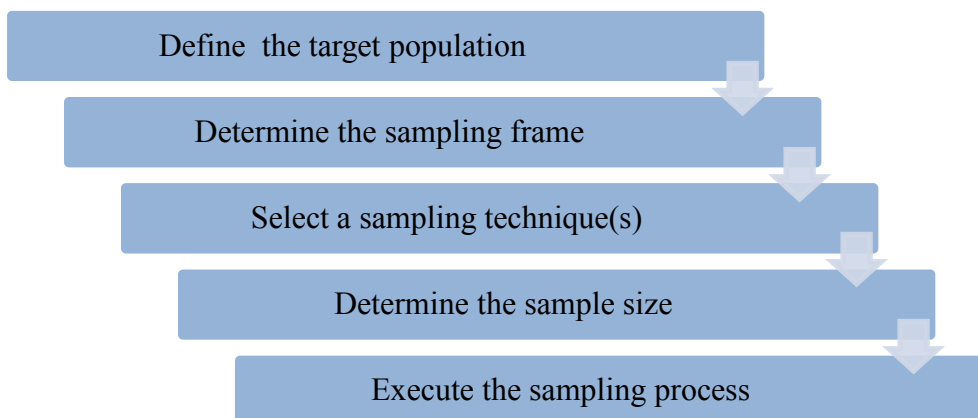
### 4.3 Research Design

Exploratory research was undertaken in the form of secondary research which facilitated the identification of a knowledge gap and formulation of research instrument (Malhotra, 2010:104). This was in the form of an extensive review of literature on the branding, brand equity, luxury goods, and gender. The researcher makes use of the quantitative research technique through inferring evidence for consumer- based brand equity theories through measurement of variables that produce numeric outcomes (Field, 2014). Questionnaires were used to get an accurate and defined count of consumer attitudes and opinions (Cooper & Schindler, 2003) with regards to the brand equity of luxury car brands.

### 4.4 Sampling Design

Sampling is a component of research design that has a significant bearing on the quality of the data that emerges from a study (Bryman & Bell, 2007:183). The ‘sampling design process’ is made up of five sequential steps (as detailed in **Figure 4.1**) which are closely interrelated and relevant to all aspects of the study, from definition of the problem to the presentation of the findings.

**Figure 4.1: “The Sampling Design Process”**



(Malhotra, 2010:372).

#### **4.4.1 Target Population**

The population of interest (Malhotra, 2010:369), that is, the people relevant to the study are luxury car brand consumers. It is crucial to have a precise definition of the target population in terms of the elements, units of analysis and geographic boundaries (Maholtra, 2010:372). This is to ensure that only relevant and useful information are selected in order to mitigate the risk of non-response and other response errors (Saunders, Lewis & Thornhill, 2009:241). Not everyone is a consumer of luxury car brands and given the information gathered in the literature review, the knowledge gap identified relates to understanding the value and meaning of the brand and the esteem with which it is viewed by the actual consumers of the said luxury car brands. The criteria was, therefore that one must own or drive luxury car. Also, given the second objective of the study, the target population includes both male and female consumers. Conducting the research across the country would have been impractical and hence the researcher therefore limited the empirical study to Pietermaritzburg to ensure accuracy and precision (Bryman & Bell, 2007:182; Cooper & Schindler, 2003:181). The geographic boundaries for the target population will be within Pietermaritzburg.

#### **4.4.2 Sampling Frame**

The sampling frame refers to a list of people belonging to the population of interest or directives that specify how the population of interest will be identified (Malhotra, 2010:373). The researcher had no useful sampling frame in terms of access to an exhaustive database that could identify owners of luxury brand cars that would include purchasers of both new and used vehicles purchased from various dealerships. Therefore the target population for the questionnaire based survey was redefined to consumers of luxury car brands, that is, owners and drivers of luxury cars within Pietermaritzburg. These consumers were solicited for participation through intercepts in shopping malls car parks and at dealerships.

#### **4.4.3 Sampling Technique**

The researcher used the convenience sampling technique. This is when the researcher uses a sample based on its availability (Field, 2014). It was deemed to be the most appropriate sampling technique considering that there was no access to a comprehensive

sampling frame and already, and by virtue of this, the sample derived would not be representative of the target population regardless of chosen sampling method (Bryman & Bell, 2007:183). The findings of the research will therefore not be able to be generalised. However this sampling method has the advantage of being easier and also cheaper to conduct than the other methods (Cooper & Schindler, 2003:200). Respondents were selected on basis of availability and convenience until the targeted sample size was reached.

#### **4.4.4 Sample Size**

The researcher had to take into account several considerations in calculating the sample size. In order to allow for the required investigation and make reliable conclusions with regards to the CBBE variables, valid estimates of the population parameters had to be made (Hair, Bush & Ortinau, 2006:577). The total car population for Pietermaritzburg is 39251 (Department of Transport, 2014). According to the National Association of Automobile Manufacturers of South Africa (NAAMSA) (2013), approximately 5% car sales in the KZN region are in the premium category. Hence for the purpose of this study, **luxury brands car population** is estimated to be **1963**. Using a sample calculator, based on 95% confidence, the sample size (targeted) **312**. Since one of the objectives of the study is to ascertain if there are significant differences in male and female consumers' perceptions of luxury car brands, both genders should, ideally, be equally represented so as to facilitate fair comparison (153 male and 153 females).

#### **4.5 Research Instrument: Questionnaire**

A structured questionnaire (Appendix A) was used for the collection of relevant data in trying to address the research objectives. Questionnaires generate information in a systematic way, as all respondents are given the questions in a similar manner and can methodically record their responses (Shao, 2002; Bryman & Bell, 2007). The advantages of using questionnaires are that they can be used to collect quantities of data from a considerably large number of people over a relatively short period of time (Shui, Hair, Bush & Ortinau, 2009). Also, the results of questionnaire-based research studies



can be quantified easily through the use of computers and statistical software (Cooper, 2010).

#### **4.5.1 Questionnaire Design**

The questionnaire was designed and structured according to a validated measuring scale by Yoo and Donthu (2001). This ensured that the questions were relevant to this specific research topic and that the information provided would be able to assist in making accurate conclusions.

The questionnaire comprises of between three and four statements per brand equity dimension with a five (point) Likert scale used as recommended by Yoo and Donthu (2001a). According to Cooper and Schindler (2003:252), points on a scale provides for greater sensitivity of measurement and extraction of variance. When using single dimension scales, large numbers of scale points are needed to produce more accuracy. The Likert scale is the most frequently used design for measuring attitudes of respondents (Rousseau, 2007). This scale was used as it has the advantage of enabling the researcher to manipulate the data mathematically and apply various techniques in analysing the data (Rousseau, 2007). Additionally, it gives the researcher has the option of treating the responses as separate attitudes or combining the responses of items that pertain to the same basic attitude dimension into composite attitude scores (Rousseau, 2007).

In the questionnaire, the researcher makes use of a set of agreement and disagreement 'scale descriptors' to denote a person's attitude towards a given itemised scale category or variable (Cooper & Schindler, 2003:52). The questionnaire starts by asking the consumer to identify a luxury car brand which they perceive to have value and then answer the rest of the questions based in relation to the identified brand. The questions that follow were divided into 3 sections with the first two sections establishing attitudes on various Brand Equity constructs and the third section providing demographic information on the respondent.

*Question 1* was the control question which asks the respondents to identify ONE luxury car BRAND which they perceived to have value.

The questionnaire was then further split into three sections with the questions in the first two sections being answered in relation to the Luxury Car brand identified as being valuable in Question 1

The respondents were then asked to indicate their level of agreement with the statements being made based on a 1-5 scale. On the Likert rating scale, disagree represented a negative attitude in relation to the statement, while agree represented a positive attitude in relation to the statement made.

*Strongly disagree 1 .....strongly agree 5*

The first section comprised of 18 statements which measured consumers’ perceptions and behaviour regarding the brand based on each of the brand equity dimensions (as shown below) as identified in the Consumer-based brand equity measurement scale developed and validated across all brands and culture by Yoo and Donthu, (2000 & 2001). All these are CBBE variables are sources and outcomes of brand equity and they have been, in prior studies, been empirically proven to have a direct positive relationship with Consumer- based brand equity. This study sought to establish if these variables affected consumer perceptions with regards to the brand equity of luxury car brands and to ascertain if findings showed significant differences across gender.

*Questions 2-6 -Perceived Brand Quality*

*Questions 7-10 -Brand loyalty*

*Questions 11-13-Brand awareness*

*Questions 14-16- Brand image*

*Questions 17-19- Overall Brand equity*

The respondents were once again asked to indicate their level of agreement with the statements being made based on a 1-5 scale, with ‘disagree’ representing a negative attitude in relation to the statement, while ‘agree’ represented a positive attitude in relation to the statement made.

*Strongly disagree 1 .....strongly agree 5*

The second section comprised of 13 statements which measured consumer value attitudes in relation to luxury car brands. Based on the fact that the study is to do with luxury car brands, 6 variables were identified in literature, which were related to the intangible benefits or values sought by consumers when they buy luxury brands. This study sought to establish if these variables affected consumer perceptions with regards to the brand equity of luxury car brands and to ascertain if findings showed significant differences across gender.

*Question 20-21 Need for Uniqueness (conspicuous value)*

*Question 22-23 Self-expression attitudes*

*Question 24-25 Lifestyle and self-presentation*

*Question 26-27 Social presentation attitudes*

*Question 28-29-Affective attitude*

*Question 30-32 Purchase Intention*

The final section comprised of 5 questions (Question 33-37) that required demographic data through the use of ordinal scales. Respondents were asked to mark with an X or tick.

*Question 33- Age*

*Question 34- Marital Status*

*Question 35- Gender*

*Question 36- Race*

*Question 37-Highest level of education*

This demographic data was used in profiling the sample. This was in line with literature that highlighted that luxury consumption is driven by demographic shifts. Gender was also a very important variable and the researcher needed to know the gender of the respondents in order to accurately capture the data and statistically analyse it. This was in line with one of the objectives of the study which was to make a comparison of the findings and ascertain if there were any differences with regards to factors that influence consumer perceptions and attitudes in relation to the brand equity of luxury car brands and if they exist, then to ascertain if these differences are statistically significant.

#### **4.6 Pilot- Testing**

The questionnaire was pre-tested to refine the measurement instrument and ensure that the questions are clear and are easily understood by the consumer. This process was aimed at reducing bias and is known as ‘non collaborative pretesting’ (Cooper & Schindler, 2003:391). A convenience sampling method was used to select 15 respondents who meet the criteria of the target population (own luxury car). This was in line with Cooper & Schindler (2003:390) who recommend participant pre-tests where the questionnaire is field tested by individuals with similar characteristics to the targeted population. The respondents were not made aware that the activity is a pre-test and were probed for opinions regarding the questionnaire after they had answered the questions.). This enlightened the researcher in terms of how long it would take for the respondents to complete the questionnaire, and also in terms of whether the researcher should list a few of the popular luxury car brands so the respondents could tick the brand that they perceived to have value. However, **ALL** the pre-test respondents objected to this and said this would introduce bias to the study as they said ‘luxury’ was a matter of perspective. They were of the opinion that the questionnaire should just ask the consumer to identify a brand they perceive to have value and so the questionnaire was adjusted to reflect. Based on the results of the pre- test, some additional minor adjustments were made in terms of the format and presentation of the questionnaire.

#### **4.7 Data Collection**

Both primary and secondary data collection methods were used in carrying out this study. Secondary research was carried out in the form of in-depth reviewing of literature from a variety of sources including academic resources such as textbooks, peer reviewed journals and other publications (Table 4.1). Primary data collection was done through a questionnaire based survey (Table 4.2). The researcher has no useful sampling frame in terms of access to an exhaustive database that could identify owners of luxury brand cars that would include purchasers of both new and used vehicles purchased from various dealerships. Therefore the target population for the questionnaire based-survey had been redefined to consumers of luxury car brands, that is, owners and/ or drivers of luxury cars within Pietermaritzburg. These consumers were solicited for

participation through intercepts in shopping malls car parks and at car dealerships. This was based on the researcher having seen them driving and parking a car that was one of the luxury car brand identified in the pilot study. It was made clear to respondents that in identifying the car brand that they perceived to have value, they were at liberty to choose any, not necessarily the one they were presently driving. The data collection was done over duration of two (2) months and on different days (week days and weekends) in order to increase chances of getting a diversity of people to participate.

**Table 4.1: Sources of secondary data**

Sources	Quantity (numbers)
<b>Peer reviewed journal articles</b>	65
<b>Textbooks</b>	35
<b>Other sources (Working papers, Industry Statistics &amp; Reports)</b>	9

(Own compilation)

**Table 4.2: Sources of primary data**

Sources	Participants (numbers)
<b>Questionnaire- based survey</b>	256 consumers -130 male and 126 female

(Own compilation)

Consumers who agreed to participate were informed of their right to anonymity and confidentiality as well as their right to withdraw from the study at any point as stated in the Informed Consent document which they were given to read and sign. Most of the consumers chose to collect the questionnaires and return them to the researcher upon completion at a later time on the same day or the following day.

**4.8 Data Analysis**

Data preparation was carried out prior to data analysis. This process involved checking the quality (completeness and correctness) of the data gathered in the questionnaire (Welman, Kruger & Mitchell, 2005:229) and then converting it into an electronic

format so that it can be analysed and interpreted (Nel, Nel & Koetzi, 2003:149). The questionnaire had been pre coded at design stage, with numbers assigned to answers. This facilitated the grouping of responses into a limited number of categories which were required for analysis (Cooper & Schindler, 2003:424). As the respondents remained anonymous, incomplete questionnaires were discarded and the questionnaires were numbered to allow for easier and faster data entry or transference (Hair, Money, Samouel & Page, 2007:339). An electronic data capturing template was designed on SPSS Version 22 and the responses given in the questionnaires were entered and checked again to ensure there were no data entry errors (Nel *et al.*, 2003:149). Data cleaning was carried out with the software doing extensive checks for consistency and missing responses.

Data was then analysed using SPSS through the statistical techniques and tools discussed below.

#### **4.8.1 Descriptive statistics**

The frequencies of each of the question or variables were used in detailing the profiles of the respondents and presenting the findings. As the variables had a limited number of categories, producing actual frequency distributions and also visuals (pie charts, bar graphs and histograms) of the same was seen to be the easiest way to gain an initial sense of how each of the variables was distributed (Lubbe & Klopper, 2005). A frequency distribution shows how many cases and the percentages of cases that belong to each category of a variable (Kumar, 2005).

Statistical measures of location and tendencies such as the mean, median were used. Measures of variability such as the range and standard deviation were also used. These were deemed to be the appropriate tools to succinctly provide important information about the variables in question, given that the researcher was working with interval-ratio measures that contain numerous categories (Kumar, 2005; Malholtra, 2012). According to Cooper and Schindler (2003:55), the mean is the arithmetic average of all the responses, while the mode is the most frequently occurring value in a set of responses. The median, on the other hand, is the midpoint of the distribution curve.

The Standard deviation is, according to Wegner (2012:210), a relatively stable measure which describes how the observations are spread about the mean. On a scale of 1 to 5, a Standard deviation that is:

- More than 1.0 – indicates that there is a greater spread of responses in relation to the mean and is also an indication of low agreement with regards to the question or variable
- Less than 1- indicates that most of the responses are gathered about the mean and is also an indication of agreement with regards to the question or variable (Wegner 2012:210).

In order to address the objectives of the research, various hypotheses were formulated and tested in analysing and interpreting the data. According to Malhotra (2010:58), a hypothesis is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher. A hypothesis refers to possible answers to the research questions and helps in directing and bringing to focus the aim of the study (Nel *et al.*, 2003:41). The hypothesis that uniquely specifies the population parameter is called a null hypothesis ( $H_0$ ). It is a statement of status quo, one of no difference or effect. An alternative hypothesis ( $H_1$ ) specifies a set of values for the population parameter that are not specified by the null hypothesis. Contrary to the later, the alternative hypothesis is a statement in which some differences or effects are expected (Nel *et al.*, 2003).

The statistical test used to test the hypotheses was the Chi-Square test. Wegner (2012:211) and asserts that this test provides a goodness of fit, in relation to a random variable, between a frequency distribution that is observed and that which was expected. A 0.05 level of significance was deemed to be appropriate and used in comparing the variables since they were eleven. The *test statistic* for each hypothesis was calculated with the relevant *critical test value* derived from the Chi Square distribution table and the hypothesis accepted or rejected.

#### **4.8.2 Principal Component Analysis (PCA)**

The researcher employed **Principal Component Analysis (PCA)** which is an extraction method used to find out the extraction of each variable in the study. This method was chosen since the Likert scale used in the collection of data presented the

researcher with the flexibility of treating the responses as separate attitudes and also combining the responses of items that pertain to the same attitude dimension into composite attitude scores (Rousseau, 2007). Overall measures were computed for the grouped Brand Equity variables. The Kaiser Meyer Otkin (KMO) measure of sampling adequacy was used to test if the data met the criteria for undergoing factor analysis and this should be higher than 0.6 to proceed with the factor analysis. This was found to be 0.987 which was extremely high as 98.7% common variance was explained by the factors.

Principal Component Analysis (PCA) was then used to extract the variables in the study in-order to determine the most important factors which influenced (sample) consumers' perceptions and attitudes of consumer- based brand equity (CBBE) of luxury car brands. Factors with Eigen values greater than one (1) were extracted and retained. The Eigen value is "the sum of the square of the factor loading" (Field, 2014). The factor loadings are the coefficients for each of the variables in the study. The higher the factor loading, the more important (and higher in ranking) the scale item (Field, 2014).

#### **4.8.3 Correlation Analysis**

Correlation Analysis was used to ascertain if any relationships existed between the measured variables and if so, the extent of such relationships. The correlation coefficient is a measure of strength of the relationship (among different variables) that lies between -1 and 1 (Wegner, 2012). A correlation test therefore shows either a negative or a positive relationship, which can either be weak or strong, depending on the range of the value of the coefficient: 0.3-weak, 0.5-moderate, 0.7-strong (Cooper, 2010).

#### **4.8.4 The Kruskal-Wallis Test**

The Kruskal-Wallis test, which is an ordinal measurement test, was also used to compare the medians of the three or more groups or categories of data (Saunders *et al.*, 2009:450). This statistical test is able to determine whether the differences in observed medians, which are calculated from the results obtained, are a result of statistical chance or they are significant and hence representative of a given population (Cooper & Schindler, 2003:816). Having tested the data for normality, the data had been found to be not normally distributed and so non-parametric tests were used. Non-parametric tests



do not assume anything about the shape or form of the data being tested (Crowther & Lancaster, 2008).

#### **4.8.5 The Mann-Whitney U test**

The Mann-Whitney U test was then also performed to further investigate and isolate the differences in significant findings obtained from the Krusal Wallis test. This was done through the computation and comparison the medians of the two groups so as to ascertain if significant statistical differences existed with regards gender (male and female). The medians for the two broad groups will also be given in the output and the researcher will make use of these through citations when quantifying the extent to which perceptions differ. Groupings that are not significant (Asymptotic significance which is more than 0.05) are not further analysed as the results obtained could be as a result of statistical chance and not as a result of differences within the population (Leedy & Ormrod, 2005). Significant differences did exist and are noted and interpreted within the context of the study (Chapter 4). This is line with the second objective of the research which is to ascertain if significant statistical difference exist with regards to how female and male consumers perceive the brand equity of luxury car brands and what drives their purchase intention.

### **4.9 Reliability and Validity**

Issues of reliability and validity were given careful consideration during the designing and implementation of the research study.

#### **4.9.1 Reliability**

Reliability is concerned with the question of whether the research can be replicated in terms of the procedures used and also whether more or less the same findings would be attained (Field, 2014). The researcher ensured that they avoided introducing bias into the research study in terms of not influencing the responses of the respondents by not communicating any opinions with regards to the research except just informing them about it and getting their permission with regards to participation. All the participants in the survey were given the same questionnaire. After the data collection, the questionnaires were checked for accuracy and completeness (Malhotra, 2012:470; Field, 2014). Questionnaires that were returned to the incomplete (greater portion) were

disregarded to ensure lessen the risk of participant errors and bias jeopardising the reliability of the research.

**4.9.1.2 Reliability Testing**

Apart from the demographic variables, the questionnaire had 31 questions that fell under 11 constructs. The questionnaire had several sub-constructs that addressed the objectives of the study. The combined questionnaire items must be deemed reliable in order to ensure that the statistical analyses based on it are to be relied upon (Saunders, Lewis & Thornhill, 2009). The Chronbach’s Alpha (coefficient) statistic was used to check the reliability of all the Likert scaled variables in order to check for internal consistency of the responses to the questions posed in the questionnaire.

The results in Table 4.3 show that the questionnaire was reliable research instrument as a Chronbachs Alpha statistic of 0.837 was obtained which exceeds the minimum value of 0.70 ( Saunders (2009)). There were also very few missing values as only 4 cases were excluded in the calculation.

**Table 4.3: Reliability statistics for questionnaire**

Cases	N	%		
Valid	252	98.4	Cronbach's Alpha	Number of items (qns)
Excluded <sup>a</sup>	4	1.6	0.837	31
Total	256	100		

<sup>a</sup>. Listwise deletion based on all variables in the process.

The results in Table 4.4 also show the results of the reliability tests for each of the sections that are in the questionnaire. As can be seen, all the Chronbach Alpha statistics exceed the minimum value of 0.70 except for Need for Uniqueness (0.698) and Lifestyle and Self- presentation (0.693) which are very close to (and when rounded off to 0.70) the minimum value.

**Table 4.4: Reliability statistics for each section of the questionnaire**

Questionnaire Sections (CBBE variables)	No. of scale items	Cronbach's Alpha
Perceived Brand quality	3	0.822
Brand Loyalty	4	0.732
Brand Awareness	3	0.709
Brand Image	3	0.752
Overall Brand Equity	3	0.733
Need for Uniqueness	2	0.698
Self-Expression Attitude	2	0.720
Lifestyle and Self- presentation	2	0.693
Social-Presentation Attitude	2	0.736
Affective Attitude	2	0.733
Purchase Intention	3	0.760

#### **4.9.2 Validity**

According to Bryman and Bell (2003:165) it is crucial for researchers to ensure measurement validity. This is defined as the extent to which a data collection method(s) or instrument draws accurate conclusions that is, accurately measures what it is supposed to measure (Hair, Bush & Ortinau, 2006:356). Content and construct validity were ensured in terms of the questionnaire in that the researcher did not develop new measures or constructs (Bryman & Bell, 2003:165). An already validated measurement scale by Yoo and Donthu (2001) was used. Hence the researcher just had to select the questions and make minor adjustments to align the questionnaire to the research objectives. However the main variables being measured in the questionnaire are identified CBBE dimensions and have been validated across markets (Yoo and Donthu, 2001). Nevertheless, as already highlighted, a pilot study was conducted in order to improve the reliability of the questionnaire and make it easy to understand, thereby mitigating the risk of respondents' errors (Field, 2014).

#### **4.10 Ethical Issues**

Prior to commencement of the empirical study, the Ethics Committee at the University

of KwaZulu-Natal granted ethical clearance to the researcher to conduct the study. This was after they had assessed that the research and data collection methods were morally acceptable and did not pose any ethical issues. The researcher ensured that good relations were fostered with consumers and tool cognisance of all ethical considerations (Sarantakos, 2005). No coercion or deception was used in the information gathering process (Wrenn, Stevens & Loudon, 2005). The researcher identified the intentions for the use of the information gathered and participants did not have to disclose their names on the questionnaire.

All the respondents in the questionnaire based survey were given an informed consent document informing them that their participation in the study through completing the questionnaires was voluntary, confidential and anonymous (Sekeran, 2003; Saunders *et al.*, 2009). They were also informed that that they had the right to withdraw from the study at any time. The questionnaires and the data gathered from the empirical study will be kept securely at the School of Management, IT and Governance for duration of five (5) years in compliance with the Ethical Clearance that was granted for the research project.

#### **4.11 Conclusion**

The previous chapter reviewed the purpose of study and the research methodology that used in the study including the collection methods and techniques and analysis of data that will facilitate the attainment of research objectives. The chapter concluded by looking at various considerations that have to be factored in the research such as validity and reliability and ethical issues. The next chapter presents the findings in a format that facilitates easy comparison and comprehension, based on the data that was collected through the questionnaire based survey.

## **CHAPTER 5: PRESENTATION & INTERPRETATION OF EMPIRICAL RESULTS**

### **5.1 Introduction**

The previous chapter explained the methodology that was used in carrying out the study. This chapter presents the findings in a format that facilitates easy comparison and comprehension, based on the data that was collected through the questionnaire based survey. Data was coded, captured and analysed using SPSS Version 22. The profile of the sample will be presented, based on their demographics followed by the data gathered on the consumer perceptions and attitudes in relation the value of luxury car brands.

### **5.2 Response Rate**

The targeted sample size was 312. 275 completed questionnaires were given back to the researcher. A response rate of approximately 88% was therefore achieved. This high response rate was attributed to the simplicity and short length of the questionnaire and also the way in which the questionnaire was administered (consumers were given the questionnaires and were told that once they had completed them they could return them to the researcher) the focus of the research (car brands). 19 questionnaires were discarded due to inaccuracies and hence data from 256 respondents was captured and analysed

### **5.3 Demographic Profile of the Sample**

Table 5.1 provides a summarised demographic profile (age, race and marital status, highest level of education and annual income levels) of the sample categorised by **gender** as it was a key variable in the study. Despite the sample being skewed towards younger and more educated consumers, all the various ages, education and marital status groups were represented.

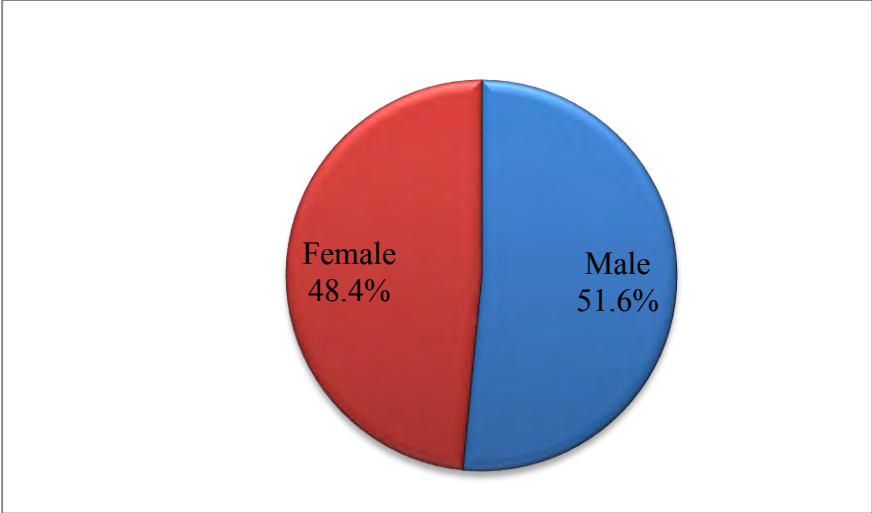
**Table 5.1 Demographic characteristics of the Respondents by Gender**

Dem Variable	Category	MALE n=131		FEMALE n=124	
		Frequency	Percentage	Frequency	Percentage
<b>Age</b>	<20 years	8	6,1%	12	9,7%
	20 - 29 years	73	55,3%	56	45,2%
	30-39 years	32	24,2%	39	31,5%
	40-49 years	17	12,9%	11	8,9%
	50-59 years	2	1,5%	6	4,8%
<b>Race</b>	Black	83	62,9%	72	58,1%
	White	10	7,6%	17	13,7%
	Coloured	12	9,1%	13	10,5%
	Indian	27	20,5%	22	17,7%
<b>Marital Status</b>	Single	93	70,5%	81	65,3%
	Married	29	22,0%	28	22,6%
	Widowed	1	0,8%	3	2,4%
	Never married	6	4,5%	4	3,2%
	Divorced	3	2,3%	8	6,5%
<b>Highest Level of Education</b>	Secondary School Certificate -S10.	4	3,0%	3	2,4%
	High School Certificate-Matric	38	28,8%	33	26,6%
	Certificate	5	3,8%	4	3,2%
	Diploma	15	11,4%	19	15,3%
	Bachelor's degree	56	42,4%	53	42,7%
	Master's degree	9	6,8%	11	8,9%
	Doctorate	5	3,8%	1	0,8%

### 5.3.1 Gender

As can be seen from Table 5.1 and **Figure 5.1**, of the 256 respondents included in the study, 48.4% (124) were female and 51.6% (131) were male. This is a good representation of both genders as the study sought to make comparisons and the

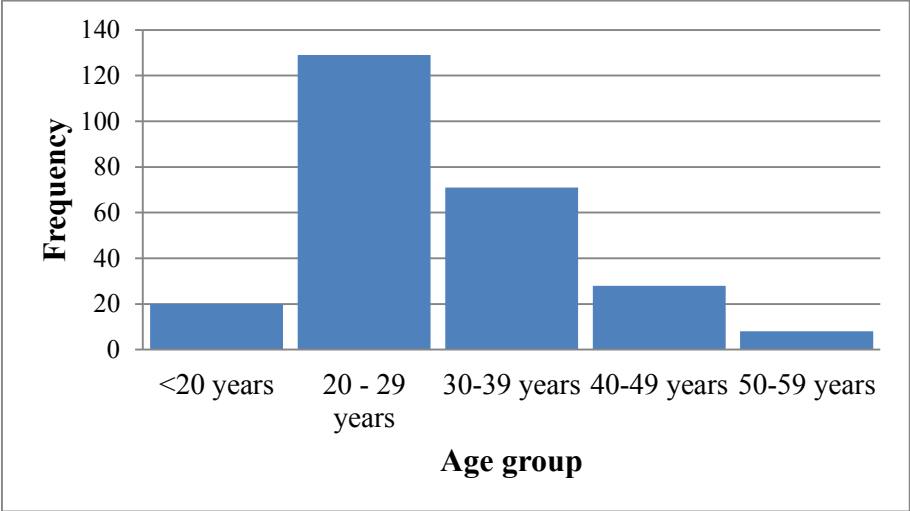
researcher had been aiming for a balanced gender distribution. Given that the study related to luxury car brands, more males were more readily willing to participate in the study.



**Figure 5.1: Gender distribution of the Respondents**

**5.3.2 Age**

As shown in Figure 5.2, the majority of the respondents: a total of 50.4% were between the ages of 20 and 29, while 27.7% and 10.9% were from the 30-39 and 40-49 age groups respectively.



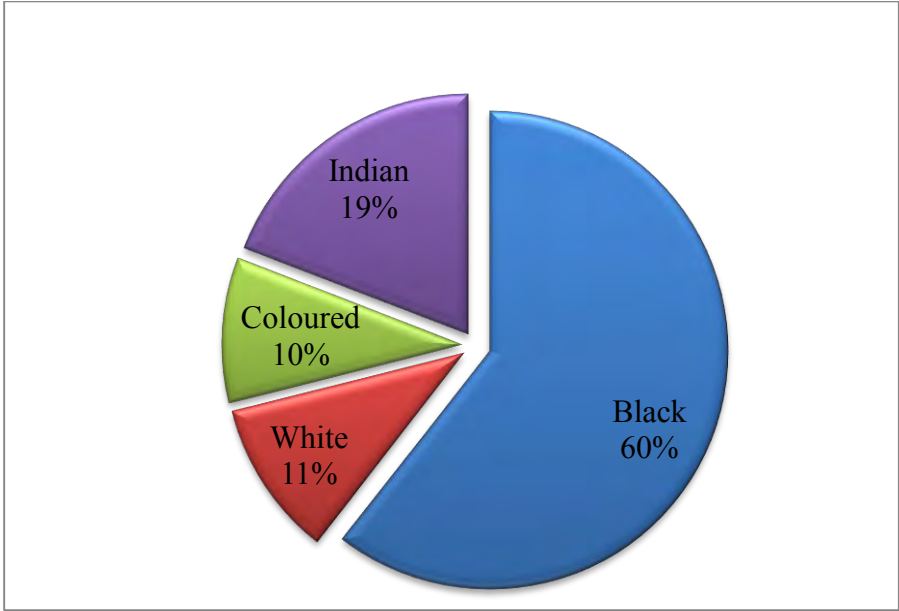
**Figure 5.2: Age distribution of the Respondents**

The researcher used the convenience sampling method and observed that relative to the other age groups, respondents of the 20- 29 age group were more willing to participate in the study. Table 5.2 which presents the age distribution of the sample by gender shows that a cumulative 79.5% (55.3+24.2) of the male respondents and 76.7% (45.2+31.5) of the female respondents were in the 20-39 age groups, respectively.

**Table 5.2: Age distribution by gender**

	Category	MALES		FEMALES	
		Frequency	Percentage	Frequency	Percentage
<b>AGE</b>	< 20 years	8	6.1%	12	9.7%
	20 - 29 years	73	55.3%	56	45.2%
	30-39 years	32	24.2%	39	31.5%
	40-49 years	17	12.9%	11	8.9%
	50-59 years	2	1.5%	6	4.8%

**5.3.3 Race**



**Figure 5.3: Race of the Respondents**

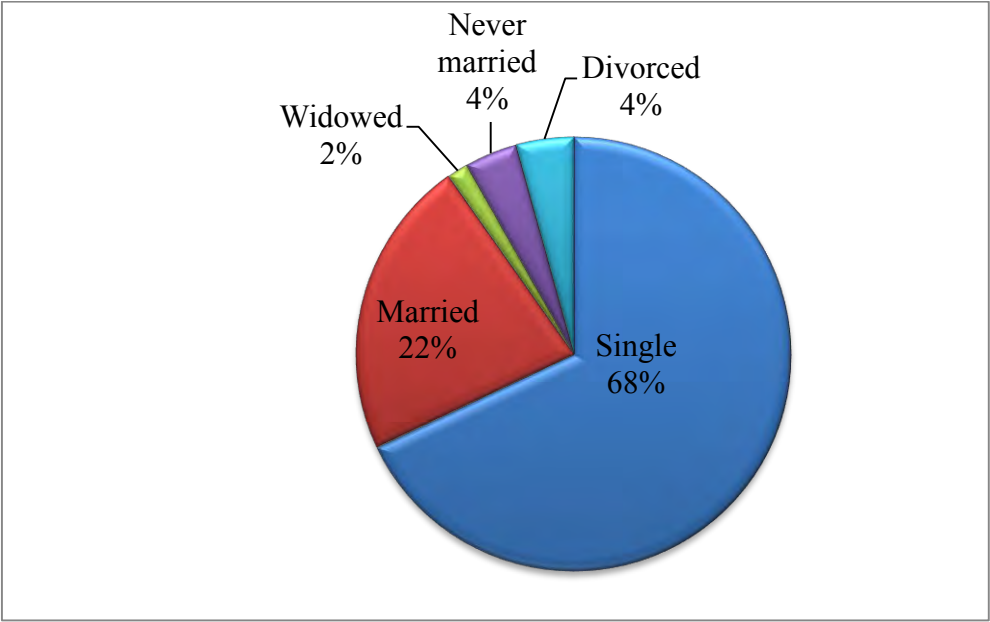


Figure 5.3 shows the race distribution of the sample. 60% of the respondents were Black, while 19% were Indian. Coloureds and Whites represented 10% and 11% of the sample respectively. The sample used in this study is therefore representative as the proportions are similar to the Pietermaritzburg population constituency as the majority of the respondents were Black followed by Indian, then White and then Coloured participants. Table 5.3 shows the race distribution of the sample by gender in terms of frequency and percentage.

**Table 5.3: Race distribution of sample by gender**

		MALES		FEMALES	
RACE	Category	Frequency	Percentage	Frequency	Percentage
	Black	83	62.9%	72	58.1%
	White	10	7.6%	17	13.7%
	Coloured	12	9.1%	13	10.5%
	Indian	27	20.5%	22	17.7%

**5.3.4 Marital Status**



**Figure 5.4: Marital status distribution of study sample**

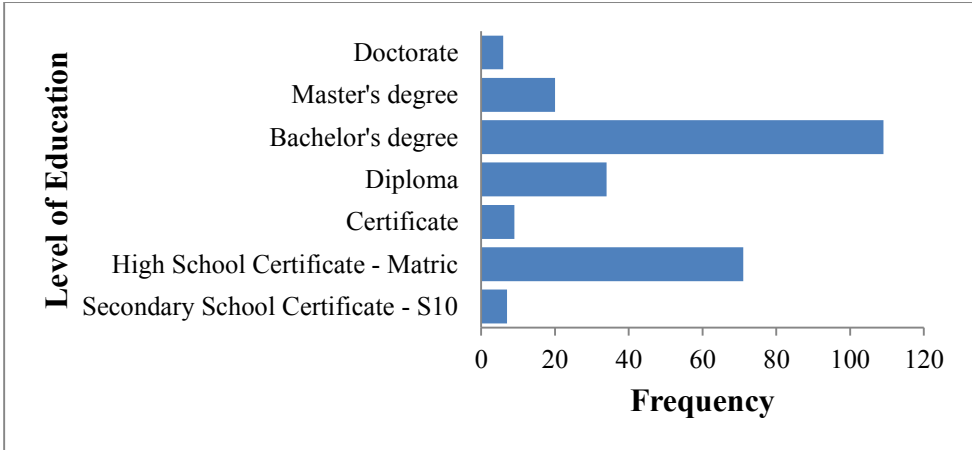
The pie chart shows that a large proportion of the sample was either single (68%) or married (22%). Given the age distribution of the respondents, this is a fair representation. A minority were divorced, never married or widowed. This was the case for both male and female respondents as can be seen in Table 5.4 which shows the marital status frequency and percentage distribution of the sample by gender.

**Table 5.4: Marital status distribution by gender**

		MALES		FEMALES	
Marital Status	Category	Frequency	Percentage %	Frequency	Percentage %
	Single	93	70.5	81	65.3
	Married	29	22.0	28	22.6
	Widowed	1	0.8	3	2.4
	Never Married	6	4.5	4	3.2
	Divorced	3	2.3	8	6.5

**5.3.5 Highest Level of Education**

The highest levels of education of the respondents are shown in Figure 5.5 below.



**Figure 5.5: Highest Level of education the Respondents**

The majority of the respondents had some form of tertiary education with 152 (55.9%) and 26 (10.1%) having undergraduate qualifications (certificate, diploma and degree) and postgraduate qualifications (post grad diploma or degree, masters, and doctorate) respectively. The other 78 (30.4%) had high school qualifications.

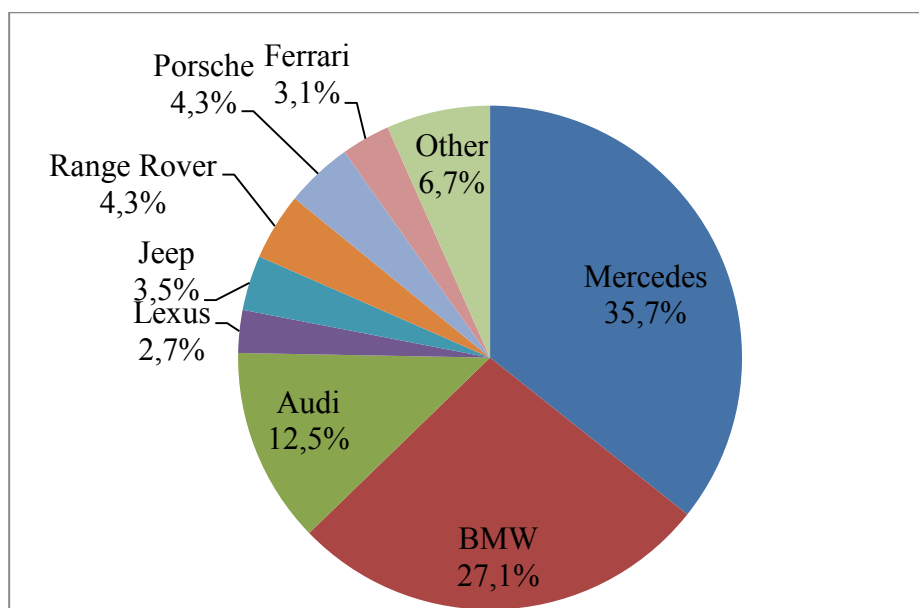
**Table 5.5: Highest Level of Education distribution by gender**

HIGHEST LEVEL OF EDUCATION	Category	MALES		FEMALES	
		Frequency	Percentage	Frequency	Percentage
	Secondary School Certificate -S10.	4	3.0%	3	2.4%
	High School Certificate-Matric Certificate	38	28.8%	33	26.6%
	Diploma	5	3.8%	4	3.2%
	Bachelor's Degree	15	11.4%	19	15.3%
	Master's degree	56	42.4%	53	42.7%
	Doctorate	9	6.8%	11	8.9%
		5	3.8%	1	0.8%

As depicted in Table 5.5 , the highest level of education distribution of the sample by gender shows that 53% of the male respondents and 52.4% of the female respondents had at least a Bachelor's degree or higher educational respectively.

## 5.4 Frequencies and Distribution

### 5.4.1 Luxury Car Brands perceived to be valuable by respondents



**Figure 5.6: Brand representation: Percentages**

The luxury car brand respondents commonly identified in terms of perceiving it to have value, as shown in **Figure 5.6** and Table 5.6 was Mercedes Benz (35.7%). BMW brand was a close second (27.1%) while Audi was third in terms of representation (12.5%). Range Rover, Porsche, Jeep, Ferrari and Lexus were also named as valuable luxury car brands. The car brands which have been collectively categorised as ‘other’ include Bentley, Jaguar, Land Rover, and Cadillac.

**Table 5.6: Brands representation**

Car Brand	Frequency	Percentage
Mercedes	91	35.7%
BMW	69	27.1%
Audi	32	12.5%
Lexus	7	2.7%
Jeep	9	3.5%
Range Rover	11	4.3%
Porsche	11	4.3%
Ferrari	8	3.1%
Other	17	6.7%

**5.4.2 Luxury Car Brands Perceived to have value: distribution by gender**

Table 5.7 shows the brand representation by gender. Both males and females identified Mercedes, BMW and Audi in relatively similar proportions. However more females (6.5% - both) identified Jeep and Range Rover compared to males (0.8% and 2.3% respectively). On the other hand, 6.1% of male respondents identified Ferrari as a valuable brand while none of the female respondents (0%) did.

**Table 5.7: Luxury Car Brands Perceived to have value - distribution by gender**

BRAND	MALES		FEMALES	
	Frequency	Percentage	Frequency	Percentage
<b>Mercedes</b>	49	37,4%	42	33,9%
<b>BMW</b>	35	26,7%	34	27,4%
<b>Audi</b>	13	9,9%	19	15,3%
<b>Lexus</b>	5	3,8%	2	1,6%
<b>Jeep</b>	1	0,8%	8	6,5%
<b>Range Rover</b>	3	2,3%	8	6,5%
<b>Porsche</b>	7	5,3%	4	3,2%
<b>Ferrari</b>	8	6,1%	0	0,0%
<b>Other</b>	10	7,6%	7	5,6%

### **5.5 Summary Statistics of CBBE variables (factors) by Brand**

The summary statistics of the comparative relationships between gender and each of the Brand Equity and the Brand (value) attitude variables that affect consumer perceptions in relation to the value of luxury car brands are reported in Tables 5.8 and 5.9 respectively. These are based on the means of the responses given by respondents.

**Table 5.8: Summary Statistics of Measured Brand Equity Variables by Brand**

Brand Equity Dimension	Brand	N		Mean for consumers		Mean Differences	Standard Deviation	
		Males	Females	Males	Females		Males	Females
Perceived Quality	Mercedes	50	42	4.66	4.68	0.02	0.40	0.37
	BMW	35	34	4.59	4.46	0.13	0.45	0.47
	Audi	13	19	4.60	4.56	0.04	0.48	0.41
	Others	34	29	4.77	4.20	0.57	0.40	0.50
Brand Loyalty	Mercedes	50	42	4.22	4.30	0.08	0.71	0.53
	BMW	35	43	4.10	3.88	0.22	0.74	0.77
	Audi	13	19	4.10	4.23	0.13	0.62	0.60
	Others	34	29	4.35	3.96	0.39	0.60	0.80
Brand Awareness	Mercedes	50	42	4.36	4.45	0.09	0.67	0.52
	BMW	35	34	4.58	4.02	0.56	0.53	0.65
	Audi	13	19	4.18	4.15	0.03	0.81	0.79
	Others	34	29	4.50	4.07	0.43	0.55	0.74
Brand Image	Mercedes	50	42	4.22	4.23	0.01	0.70	0.61
	BMW	35	34	4.13	4.02	0.11	0.53	0.65
	Audi	13	19	3.67	3.95	0.28	0.67	0.75
	Others	34	29	4.46	3.98	0.48	0.77	0.89
Overall Brand Equity	Mercedes	50	42	4.33	4.18	0.15	0.63	0.66
	BMW	35	34	4.15	3.71	0.44	0.85	0.79
	Audi	13	19	4.09	4.09	0	0.69	0.56
	Others	34	29	4.36	4.13	0.23	0.69	0.77

It can be deduced, from the Table 5.8, based on the means (average value) of the responses for each factor that: Perceived Brand Quality, Brand Awareness, Overall Brand Equity, Brand Loyalty and Brand Image (in that order) are all important to respondents and are therefore important factors when they are considering the brand equity of luxury car brands.

**Table 5.9: Summary Statistics of Measured Brand Value attitude Variable by Brand**

Brand Value Attitude Variables	Brand	N		Means for Consumers		Mean differences	Standard Deviation	
		Males	Females	Males	Females		Males	Females
Need for Uniqueness	Mercedes	50	42	3.42	3.29		0.88	1.02
	BMW	35	34	3.46	3.22		0.83	0.87
	Audi	13	19	3.00	3.24		1.14	0.81
	Others	34	29	3.60	3.36		1.01	0.84
Self-Expression/ Attitude	Mercedes	50	42	4.28	3.94		0.81	0.68
	BMW	35	43	3.85	3.38		1.12	0.88
	Audi	13	19	3.77	3.63		0.95	1.08
	Others	34	29	4.59	3.72		0.85	0.84
Lifestyle & Self -presentation	Mercedes	50	42	4.08	4.00		0.72	0.63
	BMW	35	34	3.83	3.63		0.85	0.98
	Audi	13	19	3.46	3.68		0.85	0.82
	Others	34	29	3.93	3.83		0.72	0.67
Social Presentation/ Attitude	Mercedes	50	42	4.28	3.94		0.81	0.68
	BMW	35	34	3.93	3.69		1.04	0.86
	Audi	13	19	3.65	3.92		0.97	0.67
	Others	34	28	4.12	3.89		0.83	0.71
Affective Attitude	Mercedes	50	42	4.55	4.52		0.58	0.58
	BMW	35	34	4.57	4.24		0.65	0.73
	Audi	13	19	4.31	4.42		0.56	0.63
	Others	34	29	4.43	4.28		0.73	0.64
Purchase Intention	Mercedes	50	42	4.36	4.48		0.63	0.62
	BMW	35	34	4.47	4.09		0.66	0.90
	Audi	13	19	4.17	4.52		0.58	0.67
	Others	34	29	4.20	4.10		0.76	0.60

It can be deduced, from Table 5.9, based on the means (average value) of the responses for each of the brand equity attitudes that Affective Attitude, Purchase Intention, Social Presentation Attitude, Self-Expression Attitude, Lifestyle & Self- presentation and Need

for Uniqueness (in that order) have an effect on consumers' perceptions with regards to the brand equity of luxury car brands.

## **5.6 Frequencies of factors that influence CBBE**

The measures of brand equity are discussed further based on the responses given by luxury brand consumers in the questionnaire based-survey.

### **5.6.1 Perceived Quality**

The questions that address perceived quality are questions 2 to 6 in the questionnaire. The summary of these questions are presented in Table 5.10. The results indicate that most respondents held the quality of their chosen brands in high esteem as shown by the percentages of people who agreed or strongly agreed to the perceived quality of the brands that they regarded to have value. For example 98.83% agreed or strongly agreed that their chosen brand is of extremely high quality. Only 0.78% gave the 'neutral' response while no one disagreed nor strongly disagreed that the quality of their chosen brand was extremely high. It is important to note that none of the respondents perceived the quality of their chosen valuable car brand negatively. Perceived quality is therefore an important variable in consumer-based brand equity in relation to luxury car brands.

An indicator variable for overall perceived brand quality was developed using the principal components. The overall measure of perceived brand quality was then computed using the coefficients of the principal component shown in Table 5.10. This is a very reliable measure of perceived brand quality as indicated by the Chronbach's alpha statistic of 0.822 (which is above 0.700).



**Table 5.10: Perceived Quality - Frequencies and Computation of Principal Component**

Perceived Brand Quality (PBQ)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q2: The quality of the brand is extremely high	Frequency %	1 0.39%	0 0.00%	2 0.78%	66 25.78%	187 73.05%	98.83%	0.718	% of Total variation =59.162%, Chronbachs Alpha=0.822
Q3: The reliability of the brand is very high	Frequency %	0 0.00%	0 0.00%	9 3.52%	89 34.77%	158 61.72%	96.48%	0.798	
Q4: The brand is consistent in the quality it offers	Frequency %	0 0.00%	0 0.00%	8 3.13%	77 30.08%	171 66.80%	96.88%	0.810	
Q5: The performance of the brand is very high	Frequency %	0 0.00%	0 0.00%	9 3.52%	79 30.86%	168 65.63%	96.48%	0.792	
Q6: The durability of the brand is very high	Frequency %	0 0.00%	2 0.78%	20 7.81%	94 36.72%	140 54.69%	91.41%	0.722	

Overall perceived brand quality (PBQ) is calculated from the five questionnaire items as:

$$PBQ=0.718 \times Q2 + 0.798 \times Q3 + 0.810 \times Q4 + 0.792 \times Q5 + 0.722 \times Q6$$

This overall measure of perceived brand quality will be used further on, together with the overall score for other brand equity constructs, in establishing if any significant correlations exist between these constructs. All the other overall measures of the constructs that follow were also calculated from the principal components that appear in the relevant summary tables (Tables 5.11 - 5.21).

### 5.6.1.2 Perceived quality sub-constructs: Distribution by car brand

Based on the finding that almost all respondents rated the perceived quality of their identified valuable brand positively the researcher found it to be more informative to analyse how consumers with different brand choices rated the quality of their chosen brands in relation to each sub-construct of the ‘perceived quality’ variable. The results in Table 5.11 summarise how different brands fared on the perceived quality scale. Because very few people selected the categories of Strongly Disagree, Disagree and Neutral, these three were combined in order to carry out valid Chi-square tests.

**Table 5.11: Perceived brand quality for the different luxury car brands  
(Chi- square Test Results)**

Car Brand	Q2: The quality of the brand is extremely high			Q3: The reliability of the brand is very high			Q4: The brand is consistent in the quality it offers			Q5: The performance of the brand is very high			Q6: The durability of the brand is very high		
	(Strongly)Disagree/Neutral	Agree	Strongly Agree	(Strongly)Disagree/Neutral	Agree	Strongly Agree	(Strongly)Disagree/Neutral	Agree	Strongly Agree	(Strongly)Disagree/Neutral	Agree	Strongly Agree	(Strongly)Disagree/Neutral	Agree	Strongly Agree
Mercedes	0	22	69	1	28	62	3	23	65	0	31	60	3	34	54
BMW	3	19	47	5	26	38	3	24	42	2	22	45	6	32	31
Audi	0	8	24	0	14	18	0	11	21	1	13	18	4	12	16
Others	0	17	46	3	21	39	2	19	42	6	13	44	9	16	38
<b>Total</b>	3	66	186	9	89	157	8	77	170	9	79	167	22	94	139
Chi-Square Tests			Chi-Square Tests			Chi-Square Tests			Chi-Square Tests			Chi-Square Tests			
	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value
Pearson Chi-Square	8.644	6	0.190	8.243	6	0.217	3.392	6	0.774	13.756	6	0.030	11.90	6	0.063
Fisher's Exact Test	5.454	-	0.429	7.436	-	0.253	3.192	-	0.791	13.004	-	0.025	12.47	-	0.060

The most common quality brands were Mercedes, BMW and Audi. There were few of the other brands and for the sake of comparisons, the remainder of the brands, other than the three above, were combined for the sake of this analysis. BMW has nonzero frequencies in the negative comments category (Strongly Disagree, Disagree and Neutral) for all 5 questions, with 3 individuals indicating that they did not agree or

strongly agree that the quality of the brand is extremely high. As for the reliability of the brand being very high (question 3), 5 people did not agree what statement in relation BMW has got what it takes, and as for brand consistency in the quality it offers (question 4) 3 people were not convinced with BMW. As far as the performance of the brand (question 5) is concerned two people were not convinced and 6 people did not agree that the BMW brand has high durability (question 6).

On the other hand, the Audi brand had only two aspects of perceived quality which got some negative (disagree or strongly disagree) or reserved (neutral) sentiments from consumers. Only one and four participants indicated that the performance (question 4) and the durability of the brand (question 5), respectively, is not high. The Mercedes Benz brand also had very few negative sentiments despite the fact that it was the most represented brand in the study (see Table 4.2: Mercedes=35.7%).

To test for the relationship between brand and perceived brand quality, Chi-square tests were used with particular emphasis on the Fisher's exact test since some of the frequencies were below 5. The Chi-square tests indicate that there is no significant association between brand and perceived quality (question 2: Fisher's exact test statistic =5.454, p-value =0.429). There is no significant association between brand and perceived reliability (question 3: Fisher's exact test statistic =7.436, p-value =0.253). There is no significant association between brand and perceived brand quality consistency (question 4: Fisher's exact test statistic =3.192, p-value =0.791). There is significant association between brand and perceived brand performance (question 5: Fisher's exact test statistic =13.004, p-value =0.025), this means that while the other measures of quality do not differ significantly across various brands, performance seems to significantly differ across the brands. There is no significant association between brand and perceived brand durability (question 5: Fisher's exact test statistic =12.474, p-value =0.060). However, a p-value of 0.060 is almost significant as it is very close to 0.050.

Put succinctly, consumers are of the view that the brands that have value are those brands that they perceive as having high brand quality in terms of performance, with a few reservations.

## 5.6.2 Brand Loyalty

**Table 5.12: Brand Loyalty - Frequencies & Computation of principal component**

Brand Loyalty (BL)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q7: The brand is the leading luxury car brand	Frequency %	1 0.39%	23 8.98%	52 20.31%	82 32.03%	98 38.28%	70.31%	0.667	% of Total variation =57.847%, Chronbachs Alpha=0.732
Q8: I consider myself loyal to the brand	Frequency %	2 0.78%	9 3.53%	60 23.53%	78 30.59%	106 41.57%	72.16%	0.803	
Q9: I would recommend the brand to others	Frequency %	0 0.00%	2 0.78%	17 6.64%	88 34.38%	149 58.20%	92.58%	0.826	
Q10: I am still willing to buy the brand even if the price is higher than that of its competitors	Frequency %	5 1.95%	30 11.72%	37 14.45%	77 30.08%	107 41.80%	71.88%	0.736	

The questions that address Brand Loyalty are questions 7 to 10 in the questionnaire. The summary of these questions are presented in Table 5.12. The results indicate that most respondents are loyal to the brands that they perceive to have value. This is shown by the percentages of people who agreed or strongly agreed that the identified brand was ‘the leading luxury brand’ and that they were loyal to the brand (70.31% and 72.16% respectively). 92.58% agreed or strongly agreed that they would recommend the brand while 71.88% agreed or strongly agreed that they would still be willing to buy their chosen brand even if the price was higher than that of its competitors. Only 0.78% disagreed with regards to recommending the brand, while none of the respondents strongly disagreed. It is worth highlighting that a minimal number of respondents gave neutral or negative responses with regards to their loyalty to the brands that they perceived to have value. Brand Loyalty is, therefore, an important variable in consumer-based brand equity in relation to luxury car brands.

An indicator variable for overall Brand Loyalty was developed using the principal components. The overall measure of Brand Loyalty was then computed using the coefficients of the principal component shown in Table 5.12. This is a very reliable measure of Brand Loyalty as indicated by the Chronbach's alpha statistic of 0.732 (which is above 0.700).

The overall measure of Brand Loyalty (BL) is calculated from the four questionnaire items as:

$$\mathbf{BL=0.667\times Q7 + 0.803\times Q8 + 0.826\times Q9 + 0.736\times Q10}$$

This overall measure of Brand Loyalty will be used further on, together with the overall score for other brand equity constructs, in establishing if any significant correlations exist between these constructs.

### **5.6.3 Brand Awareness**

The questions that address Brand Awareness were questions 11 to 13 in the questionnaire. The summary of these questions are presented in Table 5.13. The results indicate that most respondents had very high awareness in relation to the brands that they perceived to have value. 96.88% of the respondents either agreed or strongly agreed in relation to them being able recognise their chosen brand quickly among competing brands. 77.73% of the respondents agreed or strongly agreed that they knew what their chosen valuable brand stands for while 85.16% agreed or strongly agreed with having a clear opinion with regards to the said brand. Only a small fraction (0.78%) disagreed in relation to being able to recognise the identified valuable brand while none of the respondents strongly disagreed. The highest 'neutral' response was in relation to knowing what the chosen brand stood for (14.84%). Brand Awareness is therefore an important variable in consumer-based brand equity in relation to luxury car brands.

**Table 5.13: Brand Awareness-Frequencies & Computation of principal component**

Brand Awareness (BA)		Frequency Distribution					Principal component		
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q11: I can recognise this brand quickly among competing brands	Fre q %	0 0.00%	2 0.78%	6 2.34%	85 33.20%	163 63.67%	96.88%	0.67 2	% of Total variation =64.05%, Chronbachs Alpha=0.709
Q12: I know what this brand stands for	Fre q %	5 1.95%	14 5.47%	38 14.84%	87 33.98%	112 43.75%	77.73%	0.84 8	
Q13: I have a clear opinion about this brand	Fre q %	1 0.39%	5 1.95%	32 12.50%	97 37.89%	121 47.27%	85.16%	0.86 6	

An indicator variable for overall Brand Awareness was developed using the principal components. The overall measure of Brand Awareness was then computed using the coefficients of the principal component shown in Table 5.13. This is a very reliable measure of Brand Awareness as indicated by the Chronbach’s alpha statistic of 0.709 (which is above 0.700).

The overall measure of Brand Awareness (BA) is calculated from the three questionnaire items as:

$$BA=0.672 \times Q11 + 0.848 \times Q12 + 0.866 \times Q13$$

## 5.6.4 Brand Image

**Table 5.14: Brand Image – Frequencies & Computation of principal component**

Brand Image (BI)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q14: I have a clear image of the type of person who would drive cars that are this brand	Fre q %	2 0.78%	5 1.95%	40 15.63%	86 33.59%	123 48.05%	81.64%	0.78 0	% of Total variation =59.671%, Chronbachs Alpha=0.752
Q15:When I think of luxury cars, this is the brand that first comes to mind	Fre q %	8 3.13%	23 8.98%	51 19.92%	58 22.66%	116 45.31%	67.97%	0.75 7	
Q16:I respect and admire people who drive cars that are this brand	Fre q %	3 1.17%	10 3.91%	53 20.70%	84 32.81%	106 41.41%	74.22%	0.78 0	

The questions that address Brand Image are questions 14 to 16 in the questionnaire. The summary of these questions are presented in Table 5.14. The results indicate that the highest percentage of positive responses (81.64%) with regards to the Brand Image construct related to the consumers either agreeing or strongly agreeing (33.59% and 48.05% respectively) to having a clear image of the type of person who would drive cars that are their chosen brand. 67.97% of the total respondents agreed or strongly agreed that the identified brand was ‘the first brand to come to mind’ when they thought of luxury cars with a cumulative 12.11% disagreeing and strongly disagreeing while an additional 19.92% were neutral. 74.22% of the respondents either agreed or strongly agreed that they had respect and admiration for people who drive cars that are their chosen valuable brand. Given the positive responses that respondents gave, it can be seen that Brand Image is a fairly important variable in consumer-based brand equity in relation to luxury car brands.

An indicator variable for overall Brand Image was developed using the principal components. The overall measure of Brand Image was then computed using the

coefficients of the principal component shown in Table 5.14. This is a very reliable measure of Brand Image as indicated by the Chronbach's alpha statistic of 0.752 (which is above 0.700).

The overall measure of Brand Image (BI) is calculated from the three questionnaire items as:

$$BI=0.780 \times Q14 + 0.757 \times Q15 + 0.780 \times Q16$$

### 5.6.5 Overall Brand Equity

**Table 5.15: Overall Brand Equity - Frequencies & Computation of principal component**

Overall Brand Equity (OBE)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q17: It makes sense to buy this brand instead of any other brand even if they are the same	Fre q %	2 0.78%	20 7.81%	57 22.27%	89 34.77%	88 34.38%	69.14%	0.83 3	% of Total variation =65.339%, Chronbachs Alpha=0.733
Q18: Even if another brand has the same features as this brand, I would prefer to buy this brand	Fre q %	3 1.17%	16 6.25%	28 10.94%	94 36.72%	115 44.92%	81.64%	0.87 6	
Q19: All things considered (price, time, effort) the brand's cars are a good buy	Fre q %	0 0.00%	6 2.34%	21 8.20%	103 40.23%	126 49.22%	89.45%	0.70 7	

The questions that address Overall Brand Equity were questions 17 to 19 in the questionnaire. The summary of these questions are presented in Table 5.15. The results indicate that most respondents held in very high esteem, the brands that they perceived to have value. 81.64% of the respondents either agreed or strongly agreed in relation to them preferring to buy a car their chosen brand even if alternatives brands were offering



the same features. 89.45% of the respondents agreed or strongly agreed that giving consideration to price, time and effort, their chosen valuable brand (cars) are a good buy. None of the respondents strongly disagreed with this.

The first question relating to overall brand equity, however, got the lowest positive responses. Only 69.14% agreed or strongly agreed that it made sense to buy their chosen brand instead of any other brand even if they were the same. Quite a significant percentage of the respondents were neutral (22.27%), while the other 7.81% and 0.78% disagreed and strongly disagreed, respectively. Overall Brand Equity was found to be important variable in consumer-based brand equity in relation to luxury car brands.

An overall indicator variable for Overall Brand Equity was developed using the principal components. The overall measure of Overall Brand Equity was then computed using the coefficients of the principal component shown in Table 5.15. This is a very reliable measure of Overall Brand Equity as indicated by the Chronbach's alpha statistic of 0.733 (which is above 0.700).

The overall measure of brand equity (BE) is calculated from the three questionnaire items as:

$$\mathbf{OBE=0.833\times Q17 + 0.876\times Q18 + 0.707\times Q19}$$

The overall measures of all the brand equity constructs which were calculated will be used in establishing if any significant correlations exist between these constructs.

In addition to the five constructs that measure brand equity that have just been discussed, there are also other value factors that needed to be considered especially since the study related to luxury car brands. These include Need for uniqueness, Self-expression attitudes, Lifestyle and self-presentation, Social presentation attitudes, Affective attitudes and Purchase Intention.

### 5.6.6 Need for Uniqueness

**Table 5.16: Need for Uniqueness – Frequencies & Computation of Principal component**

Need for Uniqueness (NU)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q20: I am often on the lookout for new brands that will add to my personal uniqueness	Fr q %	7 2.73%	33 12.89%	62 24.22%	110 42.97%	44 17.19%	60.16 %	0.83 4	% of Total variation =69.486%, Chronbachs Alpha=0.698
Q21: I often try to avoid brands that I know are bought by the general population	Fr q %	21 8.20%	66 25.78%	67 26.17%	63 24.61%	39 15.23%	39.84 %	0.83 4	

The questions that address Need for Uniqueness are questions 20 and 21 in the questionnaire. The summary of these questions are presented in Table 5.16. The results indicate dispersed responses with regards to the Need for Uniqueness with 60.16% agreeing or strongly agreeing (42.97% and 17.19% respectively) to being often on the lookout for new brands that add to their personal uniqueness. 15.62 % of the total respondents disagreed or strongly disagreed while the remaining 24.22% were neutral. Only 39.84% of the respondents agreed or strongly agreed that they try to avoid brands that they know are bought by the general population, with a cumulative. The other 33.98% disagreed or strongly disagreed, while the remaining 26.17% were neutral. Given these responses it can be seen that Need for Uniqueness is a somewhat relevant factor in consumer-based brand equity in relation to luxury car brands.

An indicator variable for overall Need for Uniqueness was developed using the principal components. The overall measure of Need for Uniqueness was then computed using the coefficients of the principal component shown in Table 5.16. This is a fairly reliable measure of Need for Uniqueness as indicated by the Chronbach's alpha statistic of 0.698 (which is just below 0.700).

The overall measure of need for uniqueness (NU) is calculated from the two questionnaire items as:

$$NU=0.834 \times Q20 + 0.834 \times Q21$$

### 5.6.7 Self-Expression/Attitude

**Table 5.17: Self-Expression/Attitude -Frequencies & Computation of Principal component**

Self-Expression/Attitude (SEA)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q22: The brand helps me express myself	Frequency %	6 2.35%	23 9.02%	74 29.02%	85 33.33%	67 26.27%	59.61%	0.764	% of Total variation = 58.429%, Chronbachs Alpha=0.720
Q23: The brand reflects the kind of person I see myself to be	Frequency %	8 3.13%	19 7.42%	59 23.05%	85 33.20%	85 33.20%	66.41%	0.764	

The questions that address Self-expression/attitude are questions 22 and 23 in the questionnaire. The summary of these questions are presented in Table 5.17. The results indicate dispersed responses with regards to Self-expression/attitude. 66.41% of the respondents (split equally) agreed and strongly agreed that the brand that their identified valuable brand reflected the kind of person they saw themselves to be. 10.55 % of the total respondents disagreed or strongly disagreed while the remaining 23.05% were neutral. 59.61% of the respondents agreed or strongly agreed that the chosen brand helped them to express themselves while 33.98% disagreed or strongly disagreed. The remaining 11.37% were neutral. Given the responses, it can be seen that Self-expression/attitude is a somewhat relevant factor in consumer-based brand equity in relation to luxury car brands.

An indicator variable for overall Self-expression/attitude was developed using the principal components. The overall measure of Self-expression/attitude was then computed using the coefficients of the principal component shown in Table 5.17. This is a fairly reliable measure of Self-expression/attitude as indicated by the Chronbach's alpha statistic of 0.720 (which is above 0.700).

The overall measure of Self-expression/attitude (SEA) is calculated from the two questionnaire items as:

$$SEA=0.764 \times Q22 + 0.764 \times Q23$$

### 5.6.8 Lifestyle and Self-presentation

**Table 5.18: Lifestyle & Self-presentation- Frequencies & Computation of Principal component**

Lifestyle and Self-presentation (LSP)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q24: This brand is part of my lifestyle	Freq	8	28	105	70	45	44.92%	0.815	% of Total variation =66.430% Chronbachs Alpha=0.693
	%	3.13%	10.94%	41.02%	27.34%	17.58%			
Q25: This brand is a symbol of social status	Freq	3	11	31	79	132	82.42%	0.815	
	%	1.17%	4.30%	12.11%	30.86%	51.56%			

The questions that address Lifestyle and Self-presentation are questions 24 and 25 in the questionnaire. The summary of these questions are presented in Table 5.18. The results indicate dispersed responses with regards to the Lifestyle and Self-presentation. A high percentage of the respondents (82.42%) agreed or strongly agreed (30.86% and 51.56% respectively) that the luxury brand that they perceived to have value was a symbol of

social status. Only 5.47% of the total respondents disagreed or strongly disagreed (4.30% and 1.17% respectively) while the remaining 12.11% were 'neutral'. With regards to the luxury car brand they perceived to have value being part of their lifestyle, only 44.92% of the respondents agreed or strongly agreed (27.34% and 17.58% correspondingly). A very high number of respondents (41.02%) were 'neutral' while the remaining 14.07% disagreed or strongly disagreed (10.94% +3.13%).

An indicator variable for overall Lifestyle and Self-presentation was developed using the principal components. The overall measure of Lifestyle and Self-presentation was then computed using the coefficients of the principal component shown in Table 5.18. This is a fairly reliable measure of Lifestyle and Self-presentation as indicated by the Chronbach's alpha statistic of 0.693 (which is just below 0.700).

The overall measure of lifestyle and self-presentation (LSP) is calculated from the two questionnaire items as:

$$\text{LSP} = 0.815 \times \text{Q24} + 0.815 \times \text{Q24}$$

### **5.6.9 Social-presentation/Attitude**

The questions that address Social-presentation/Attitude are questions 26 and 27 in the questionnaire. The summary of these questions are presented in Table 5.19. The results indicate dispersed responses with regards to the Social-presentation/Attitude. A high percentage of the respondents (80.86%) agreed or strongly agreed (56.25% and 24.61% respectively) that they liked to be seen driving a car that was the luxury brand that they perceived to have value. Only a small fraction (1.17%) disagreed and strongly disagreed (2.73%) while the remaining 15.13% were neutral. With regards to the luxury car brand they perceived to have value helping them to fit into social situations, only 56.47% of the respondents agreed or strongly agreed. A very high number of respondents (28.24%) were neutral while the remaining 15.3% disagreed or strongly disagreed (13.73% and 1.57% respectively).

An indicator variable for overall Social-presentation/Attitude was developed using the principal components. The overall measure of Social-presentation/Attitude was then

computed using the coefficients of the principal component shown in Table 5.19. This is a fairly reliable measure of Social-presentation/Attitude as indicated by the Chronbach’s alpha statistic of 0.736 (which is above 0.700).

**Table 5.19: Social- presentation/ attitude – Frequencies & Computation of principal component**

Social presentation/attitude (SPA)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q26: This brand helps me fit into important social situations	Freq	4	35	72	84	60	56.47%	0.857	% of Total variation = 73.482%, Chronbachs Alpha=0.736
	%	1.57%	13.73%	28.24%	32.94%	23.53%			
Q27: I like to be seen driving (cars that are) this brand	Freq	3	7	39	63	144	80.86%	0.857	
	%	1.17%	2.73%	15.23%	24.61%	56.25%			

The overall measure of Social Presentation/attitude (SPA) is calculated from the two questionnaire items as:

$$SPA=0.857 \times Q26 + 0.857 \times Q27$$

**5.6.10 Affective Attitude**

The questions that address Affective Attitude were questions 28 and 29 in the questionnaire. The summary of these questions are presented in Table 5.20. The results indicate that most respondents had a very high affective attitude towards the brands that they perceived to have value. 93.36% of the respondents either ‘agreed’ or ‘strongly agreed’ that they enjoyed/ would enjoy driving a car that was their perceived valuable brand. Only 1 respondent (0.78%) disagreed while none of the respondents strongly disagreed. There were, however 6 respondents (6.25%) that were neutral. In relation to

the statement that their perceived valuable brand makes them feel good, 85.55% of the respondents agreed or strongly agreed (32.81% and 52.73% respectively). No one strongly disagreed while only a small fraction (6 respondents - 0.39%) disagreed. 12.11% of the respondents were neutral.

**Table 5.20: Affective attitude - Frequencies & Computation of principal component**

Affective attitude (AA)		Frequency Distribution					Principal component		
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q28: This brand would make me feel good	Fre q	0	6	31	84	135	85.55%	0.760	% of Total variation = 57.712%, Chronbachs Alpha=0.733
	%	0.00%	2.34%	12.11%	32.81%	52.73%			
Q29: This brand is one that I would enjoy driving	Fre q	0	1	16	71	168	93.36%	0.760	
	%	0.00%	0.39%	6.25%	27.73%	65.63%			

The overall measure of affective attitude (AA) is calculated from the two questionnaire items as:

$$AA=0.760 \times Q28 + 0.760 \times Q29$$

**5.6.11 Purchase Intention**

The questions that address Purchase Intention are questions 30 to 32 in the questionnaire. The summary of these questions are presented in Table 5.21. The results indicate that most respondents are willing to purchase the brands that they perceive to have value. 64.45% indicated if they were shopping for a luxury car, they would only consider buying the identified brand). A high percentage of respondents (89.41%) agreed or strongly agreed that the probability of them buying this brand was high. 91.41% also agreed or strongly agreed that if they were shopping for a luxury car, their willingness to buy the identified brand would be high. Only 0.78% disagreed with

regards to high willingness to buy the brand if they were shopping for a luxury car, while none of the respondents strongly disagreed. It is worth highlighting that a minimal number of respondents gave neutral or negative responses with regards to their purchase intentions of the brands that they perceived to have value.

**Table 5.21: Purchase Intention – Frequencies & Computation of principal component**

Purchase Intention (PI)		Frequency Distribution						Principal component	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree or Strongly Agree	Coeff	Reliability
Q30_The probability that I would buy this brand is high	Fre q %	0 0.00%	7 2.75%	20 7.84%	70 27.45%	158 61.96%	89.41%	0.845	% of Total variation =64.838%, Chronbachs Alpha=0.760
Q31_My willingness to buy this brand would be high if I were shopping for a luxury car	Fre q %	0 0.00%	2 0.78%	20 7.81%	73 28.52%	161 62.89%	91.41%	0.836	
Q32_If I was going to purchase a luxury car I would only consider buying this brand	Fre q %	8 3.13%	41 16.02%	42 16.41%	55 21.48%	110 42.97%	64.45%	0.730	

An indicator variable for overall Purchase Intention was developed using the principal components. The overall measure of Purchase Intention was then computed using the coefficients of the principal component shown in Table 5.21. This is a very reliable measure of Purchase Intention as indicated by the Chronbach’s alpha statistic of 0.760 (which is above 0.700).

The overall measure of Purchase Intention (PI) is calculated from these three questionnaire items as:

$$PI=0.845 \times Q30 + 0.836 \times Q31 + 0.730 \times Q32$$



### 5.7 Test for Data Normality: Kolmogorov Smirnov Test

A test of normality had to be carried on the data so as to establish whether the data was evenly distributed or not evenly distributed across the sample. In so doing, the following hypotheses we made:

Hypotheses:

H<sub>12o</sub>: The tested variables come from data that does not have Normal distribution

H<sub>12a</sub>: The tested variables come from data that has a Normal distribution

**Table 5.22: Kolmogorov Smirnov Test**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk			Comment
	Statistic	df	Sig.	Statistic	df	Sig.	
Perceived Brand Quality	0.215	252	0.000	0.840	252	0.000	Not Normal
Brand Loyalty	0.108	252	0.000	0.932	252	0.000	Not normal
Brand Awareness	0.198	252	0.000	0.880	252	0.000	Not normal
Brand Image	0.149	252	0.000	0.867	252	0.000	Not normal
Overall Brand Equity	0.151	252	0.000	0.912	252	0.000	Not normal
Need for Uniqueness	0.113	252	0.000	0.960	252	0.000	Not normal
Self-Expression/Attitude	0.227	252	0.000	0.544	252	0.000	Not normal
Lifestyle & Self presentation	0.197	252	0.000	0.921	252	0.000	Not normal
Social presentation/Attitude	0.194	252	0.000	0.907	252	0.000	Not normal
Affective Attitude	0.398	252	0.000	0.246	252	0.000	Not normal
Purchase Intention	0.187	252	0.000	0.872	252	0.000	Not normal

a. Lilliefors Significance Correction

As illustrated in Table 5.22, at the 5% significance level, the H<sub>1</sub> for the variables whose p-values are less than 0.05 was rejected and it can therefore be concluded the tested variables come from data that does not have Normal distribution. According to Field (2014), if data is unevenly distributed then parametric tests must be done in order to ascertain whether “significant differences exist between two independent samples”.

Consequently, non-parametric statistics such as the Kruskal-Wallis Test, the Mann-Whitney U Test and Chi-square tests were used in carrying out further analysis.

**5.8 Principal Component Analysis**

Principal Component Analysis was then used to extract the variables in the study in order to determine the most important factors which influenced (sample) consumers’ perceptions and attitudes of consumer- based brand equity (CBBE) of luxury car brands.

Factors with Eigen values greater than one (1) were extracted and retained. The Eigen value is “the sum of the square of the factor loading” (Field, 2014). The factor loadings are the coefficients that were shown Tables 5.10, 5.12 - 5.15 in Section 5.6 which showed the frequencies and computation of principal components for each of the variables in the study. The higher the factor loading, the more important (and higher in ranking) the scale item (Field, 2014). Tables 5.23-5.26 show for each Principal component (or variable), the respective constructs and their factor loadings. These were then used to compute the Eigen value and the extent of contribution to the total variance for each principal component as shown in Table 5.27.

**5.8.1 First (1<sup>st</sup>) Factor: Perceived Quality**

**Table 5.23: Perceived Quality – Eigen Value & Variance contribution**

Overall Measure Variable	Scale items	Factor Loading	Eigen Value	Variance Proportion %
<b>Perceived Brand Quality</b>	Consistency	0.810	2.956	32.52
	Reliability	0.798		
	Performance	0.792		
	Durability	0.722		
	Quality	0.718		

The underlying variables in relation to this factor are: consistency, reliability, performance, durability and quality. As can be seen from Table 5.23, the Eigen value is 2.956 which contribute 32.52% of the variance.

### 5.8.2 Second (2nd) Factor: Brand Loyalty

**Table 5.24: Brand Loyalty – Eigen Value & Variance contribution**

Brand Equity Factor	Scale items	Factor Loading	Eigen Value	Variance Proportion %
Brand Loyalty	Recommend	0.826	2.313	25.44
	Loyal	0.803		
	Willing to pay price premium	0.736		
	Top of mind	0.667		

Variables that are included under the Brand loyalty factor include consumers' recommendation of brand to others and declaration of loyalty which contributed the most loading. Table 5.24 shows that Brand loyalty had an Eigen value of 2.313, with a contribution of 25.44% of the total variance.

### 5.8.3 Third (3rd) Factor: Brand Awareness

**Table 5.25: Brand Awareness – Eigen Value & Variance contribution**

Brand Equity Factor	Scale items	Loading	Eigen Value	Variance Proportion %
Brand Awareness	Clear opinion	0.866	1.921	21.13
	Know what stands for	0.848		
	Recognition	0.672		

The third factor, as shown in Table 5.25 is Brand awareness. The least contributing underlying construct under this factor was recognition, while brand knowledge had the highest loading. Brand awareness had an Eigen value of 1.921, with a contribution of 21.13% towards variance.

#### 5.8.4 Fourth (4th) Factor: Brand Image

**Table 5.26: Brand Image - Eigen Value & Variance contribution**

<b>Brand Equity Factor</b>	<b>Scale items</b>	<b>Loading</b>	<b>Eigen Value</b>	<b>Variance Proportion %</b>
<b>Brand Image</b>	Clear image of person who drives	0.780	1.789	19.67
	Respect & Admire people who drive	0.780		
	Top position-luxury	0.757		

Variables that are included under the Brand Image factor include consumers' clear image of person, respect and admiration for people who drive the brands' cars and assertion of the brand being top position in relation to luxury cars. Table 5.26 shows that Brand Image had an Eigen value of 1.789, which has a contribution of 19.67% towards the total variance.

**Table 5.27: Consumer - based brand equity of Luxury Car Brands: Factor Loadings and Variance Proportions**

<b>Brand Equity Factors</b>	<b>Eigen Value</b>	<b>Variance Proportion %</b>	<b>Cumulative Variance %</b>
Perceived Brand Quality	2.956	32.52	32.52
Brand Loyalty	2.313	25.44	57.96
Brand Awareness	1.921	21.13	79.09
Brand Image	1.789	19.67	98.76

As shown in Table 5.27, the four factors: Perceived Brand Quality, Brand Loyalty, Brand awareness and Brand Image, accounted for 98.76 per cent (%) of the total variance in the study.

## 5.9 Correlation Analysis

The correlation analyses examine the strengths of the relationships between variables. All the **overall measures of the brand equity constructs** (variables) were calculated from the principal components that appear in the relevant summary tables (5.10 to 5.21). These values were then used to evaluate the existence of any relationships between the measured variables. Table 5.28 below shows the hypotheses that were formulated and tested while Table 5.29 presents the correlations of all variables.

**Table 5.28: Hypotheses –Correlations between variables**

<p>Null hypothesis (H<sub>1o</sub>)</p> <p>There is no relationship between Perceived Quality and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>1a</sub>)</p> <p>There is a relationship between Perceived Quality and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>2o</sub>)</p> <p>There is no relationship between Brand Loyalty and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>2a</sub>)</p> <p>There is a relationship between Brand Loyalty and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>3o</sub>)</p> <p>There is no relationship between Brand Awareness and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>3a</sub>)</p> <p>There is a relationship between Brand Awareness and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>4o</sub>)</p> <p>There is no relationship between Brand Image and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>4a</sub>)</p> <p>There is a relationship between Brand Image and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>5o</sub>)</p> <p>There is no relationship between Overall Brand Equity and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>5a</sub>)</p> <p>There is a relationship between Overall Brand Equity and each of the other brand equity variables</p>

<p>Null hypothesis (H<sub>60</sub>)</p> <p>There is no relationship between Need for Uniqueness and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>6a</sub>)</p> <p>There is a relationship between Need for Uniqueness and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>70</sub>)</p> <p>There is no relationship between Self-expression/attitude and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>7a</sub>)</p> <p>There is a relationship between Self-expression/attitude and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>80</sub>)</p> <p>There is no relationship between Lifestyle and self- presentation and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>8a</sub>)</p> <p>There is a relationship between Lifestyle and self- presentation and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>90</sub>)</p> <p>There is no relationship between Social presentation / attitude and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>9a</sub>)</p> <p>There is a relationship between Social presentation / attitude and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>100</sub>)</p> <p>There is no relationship between Purchase Intention and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>10a</sub>)</p> <p>There is a relationship between Purchase Intention and each of the other brand equity variables</p>
<p>Null hypothesis (H<sub>110</sub>)</p> <p>There is no relationship between Purchase Intention and each of the other brand equity variables</p>	<p>Alternative hypothesis (H<sub>11a</sub>)</p> <p>There is a relationship between Purchase Intention and each of the other brand equity variables</p>

**Table 5.30: Correlations of Variables**

		BRAND EQUITY VARIABLES					ATTITUDE VARIABLES					
		Perceived brand Quality	Brand Loyalty	Brand Awareness	Brand Image	Overall Brand Equity	Need for Uniqueness	Self-Expression/Attitude	Lifestyle and self-presentation	Social Presentation/Attitude	Affective Attitude	Purchase Intention
Perceived Brand Quality	Pearson Correlation	1	0.510**	0.411**	0.327**	0.373**	0.000	0.064	0.191**	0.162**	0.193**	0.281**
	Sig0. (2-tailed)		0.000	0.000	0.000	0.000	0.999	0.307	0.002	0.010	0.002	0.000
	N	256	255	256	256	256	256	255	256	255	256	255
Brand Loyalty	Pearson Correlation	0.510**	1	0.481**	0.500**	0.596**	0.118	0.168**	0.299**	0.334**	0.265**	0.506**
	Sig0. (2-tailed)	0.000		0.000	0.000	0.000	0.061	0.007	0.000	0.000	0.000	0.000
	N	255	255	255	255	255	255	254	255	254	255	254
Brand Awareness	Pearson Correlation	0.411**	0.481**	1	0.318**	0.426**	-0.033	0.178**	0.220**	0.202**	0.193**	0.316**
	Sig0. (2-tailed)	0.000	0.000		0.000	0.000	0.598	0.004	0.000	0.001	0.002	0.000
	N	256	255	256	256	256	256	255	256	255	256	255
Brand Image	Pearson Correlation	0.327**	0.500**	0.318**	1	0.540**	0.104	0.292**	0.281**	0.352**	0.208**	0.298**
	Sig0. (2-tailed)	0.000	0.000	0.000		0.000	0.097	0.000	0.000	0.000	0.001	0.000
	N	256	255	256	256	256	256	255	256	255	256	255
Overall Brand Equity	Pearson Correlation	0.373**	0.596**	0.426**	0.540**	1	0.146*	0.274**	0.273**	0.309**	0.238**	0.445**
	Sig0. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.019	0.000	0.000	0.000	0.000	0.000
	N	256	255	256	256	256	256	255	256	255	256	255
**.Correlation is significant at the 0.05 level (2-tailed).												

The Pearson correlation coefficient or the  $r$ -index is said to be “the most appropriate metric for expressing an effect size when describing the relationship between two continuous variables” (Cooper, 2010:165). The correlation coefficient takes into account the variances and co-variances of two variable and measures the strength and direction of a linear relationship between them. A positive linear correlation shows that there is a direct relationship between the variables, that is, an increase (or decrease) in the value of one variable will result in a corresponding increase (or decrease) in value of the other variable (Wegner, 2012:310). A negative linear correlation, on the other hand, shows that an increase (or decrease) in the value of one variable will also result in a decrease (or increase) in the value of the other variable. There is therefore an indirect or inverse relationship between the variables (Wegner, 2012:310).

Thus, according to Wegner (2012:311):

- “ $r = +1$  indicates a perfect positive linear correlation
- $r = 0$  indicates no linear correlation
- $r = -1$  indicates a perfect negative linear correlation “

All of the significant correlations between variables have been highlighted in Table 5.30 and the findings are interpreted below.

### **5.9.1 Perceived Brand Quality**

There is a moderate positive correlation between Perceived Brand Quality and Brand Loyalty ( $r = 0.510$ ,  $p < 0.05$ ). There are also weak positive linear relationships between Perceived Brand Quality and each of these brand equity variables (Brand Awareness [0.411,  $p < 0.05$ ], Brand Image [0.500,  $p < 0.05$ ] and Overall Brand Equity [0.373,  $p < 0.05$ ]) and brand equity attitudes (Lifestyle and Self Presentation, Self-Expression, Social Presentation, Affective Attitude and Purchase Intention. The table also indicates that the correlations are all significant at the 5% level of significance.

### **5.9.2 Brand Loyalty**

There are moderate positive linear relationships between Brand Loyalty and each of the following brand equity variables: Perceived Brand Quality [0.510,  $p < 0.05$ ], Brand Awareness [0.481,  $p < 0.05$ ], Brand Image [0.500,  $p < 0.05$ ] and Overall Brand Equity [0.596,  $p < 0.05$ ]. There are also weak positive linear relationships between Brand



Loyalty brand equity attitudes (Need for Uniqueness [0.118,  $p < 0.05$ ], Lifestyle and Self Presentation [0.168,  $p < 0.05$ ], Self-Expression [0.299,  $p < 0.05$ ], Social Presentation [0.334,  $p < 0.05$ ], Affective Attitude [0.265,  $p < 0.05$ ]). However there is a moderate positive linear relationship between Brand Loyalty and Purchase Intention (0.506,  $p < 0.05$ ). The table also indicates that all these correlations are significant at the 5% level of significance.

### **5.9.3 Brand Awareness**

There is a weak to moderate positive correlation between Brand Awareness and each of the following brand equity variables: Brand Loyalty ( $r = 0.510$ ,  $p < 0.05$ ), Brand Image ( $r = 0.510$ ,  $p < 0.05$ ) and Overall Brand Equity ( $r = 0.510$ ,  $p < 0.05$ ). There are also weak positive linear relationships between Perceived Brand quality and each of these brand equity attitudes: Lifestyle and Self Presentation ( $r = 0.510$ ,  $p < 0.05$ ), Self-Expression ( $r = 0.510$ ,  $p < 0.05$ ), Social Presentation ( $r = 0.510$ ,  $p < 0.05$ ) and Affective Attitude ( $r = 0.510$ ,  $p < 0.05$ ). However there is also a moderate positive linear relationship between Brand Loyalty and Purchase Intention. The table indicates that all these correlations are significant at the 5% level of significance.

### **5.9.4 Brand Image**

There is a moderate positive correlation between Brand Image and both Brand Loyalty ( $r = 0.500$ ,  $p < 0.05$ ) and Overall Brand Equity ( $r = 0.540$ ,  $p < 0.05$ ). There is also a weak positive linear relationship between Brand Image and Brand Awareness ( $r = 0.318$ ,  $p < 0.05$ ). There are also weak positive linear relationships between Brand Image and each of these brand equity attitudes (Lifestyle and Self Presentation [0.281,  $p < 0.05$ ], Self-Expression [0.292,  $p < 0.05$ ], Social Presentation [0.352,  $p < 0.05$ ], Affective Attitude [0.208,  $p < 0.05$ ] and Purchase Intention [0.298,  $p < 0.05$ ]). The table also indicates that these correlations are all significant at the 5% level of significance.

### **5.9.5 Overall Brand Equity**

There is a moderate positive correlation between Overall Brand Equity and Brand Loyalty ( $r = 0.596$ ,  $p < 0.05$ ) and Brand Image ( $r = 0.540$ ,  $p < 0.05$ ). There are also weak positive linear relationships between Overall Brand Equity and each of these brand equity variables (Perceived Brand Quality [0.373,  $p < 0.05$ ] and Brand Awareness [0.426,  $p < 0.05$ ]) and brand equity attitudes (Lifestyle and Self Presentation [0.273,  $p < 0.05$ ],

Self-Expression [0.274,  $p < 0.05$ ], Social Presentation [0.309,  $p < 0.05$ ], Affective Attitude [0.238,  $p < 0.05$ ]. However there is a weak to moderate positive linear relationship between Overall Brand Equity and Purchase Intention ( $r = 0.510$ ,  $p < 0.05$ ). The table also indicates that all these correlations are significant at the 5% level of significance.

Therefore **all the null hypotheses were rejected** and the alternate hypotheses retained as there are positive linear interrelationships between all the brand equity variable and attitudes that were identified.

## 5.10 Chi- Square Tests

### 5.10.1 Brands perceived to have value – distribution by gender

The Chi-square test results in Table 5.30 show that there is a significant difference in brand preference between males and females (Fisher's exact Chi-square test=20.216,  $p$ -value =0.007). A higher proportion of females (15.3%) prefer Audis than males (9.9%) and a higher proportion of males prefer Mercedes (37.4%) than females 33.9%. While 6.1% of the males preferred Ferraris, no female indicated their preference of the same car (0%). In general males and females do not like some luxury car brands in the same proportions. It is worthy to note that both genders generally prefer German luxury car brands, namely Mercedes, BMW and Audi. Proportions that look very different between the two genders are highlighted.

**Table 5.30: Chi- Square Test Results: Brands perceived to have value - distribution by gender**

Gender		Car Brand									Total
		Mercedes	BMW	Audi	Lexus	Jeep	Range Rover	Porsche	Ferrari	Other	
Male	Count	49	35	13	5	1	3	7	8	10	131
	%	37.4%	26.7%	9.9%	3.8%	0.8%	2.3%	5.3%	6.1%	7.6%	
Female	Count	42	34	19	2	8	8	4	0	7	124
	%	33.9%	27.4%	15.3%	1.6%	6.5%	6.5%	3.2%	0.0%	5.6%	
Total	Count	91	69	32	7	9	11	11	8	17	255
	%	35.7%	27.1%	12.5%	2.7%	3.5%	4.3%	4.3%	3.1%	6.7%	
Chi-Square Tests		Statistic	df	p-value							
Pearson Chi-Square		19.851 <sup>a</sup>	8	0.011							
Fisher's Exact Test		20.216	-	0.007							

### 5.10.2 Perceived Brand Quality by gender

The results in Table 5.31 (below) show that there are differences in brand equity perceptions between male and females pertaining to the ‘perceived brand quality’ variable in terms of reliability and performance. Males tend to perceive brand quality in terms of reliability (70% strongly agreed compared to females’ 52%) and performance as indicated by 73% males who strongly agreed that their chosen valuable brand is reliable as compared to 52% females who also strongly agreed.

**Table 5.31 Perceived brand quality: Frequencies, Chi-Square and Fisher's Exact by gender**

		Perceived Quality														
Gender	Q2:The quality of the brand is extremely high			Q3:The reliability of the brand is very high			Q4:The brand is consistent in the quality it offers			Q5:The performance of the brand is very high			Q6:The durability of the brand is very high			
	(Strongly) Disagree/Neutral	Agree	Strongly Agree	(Strongly) Disagree/Neutral	Agree	Strongly Agree	(Strongly) Disagree/Neutral	Agree	Strongly Agree	(Strongly) Disagree/Neutral	Agree	Strongly Agree	(Strongly) Disagree/Neutral	Agree	Strongly Agree	
Male	2	27	103	5	34	93	3	36	93	3	32	97	10	45	77	
Female	1	39	84	4	55	65	5	41	78	6	47	71	12	49	63	
<b>Total</b>	<b>3</b>	<b>66</b>	<b>187</b>	<b>9</b>	<b>89</b>	<b>158</b>	<b>8</b>	<b>77</b>	<b>171</b>	<b>9</b>	<b>79</b>	<b>168</b>	<b>22</b>	<b>94</b>	<b>140</b>	
<b>Chi-Square Tests</b>																
	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value	Statistic	df	Exact p-value	
Pearson Chi-Square	4.200	2	0.125	9.788	2	0.007	52%	4%	33%	63%	2%	38%	57%	2	0.483	
Fisher's Exact Test	4.257	-	0.096	9.817	1	0.007	1.899	-	0.400	7.571	1	0.019	1.517	-	0.474	

## 5.11 Kruskal-Wallis Significance Test

**Table 5.32: Kruskal-Wallis Test Results by Brand across Gender**

Brand Equity Variable	Asymptotic Sig. Value			
	Mercedes	BMW	Audi	Others
Perceived Quality	0.985	0.546	0.472	0.004
Brand Loyalty	0.554	0.117	1.000	0.296
Brand Awareness	0.806	0.011	0.770	0.094
Brand Image	0.806	0.897	0.981	0.065
Overall Brand Equity	0.834	0.021	0.372	0.371
Need for Uniqueness	0.524	0.100	0.780	0.006
Self-expression/Attitude	0.658	0.062	0.835	0.164
Lifestyle & Self Presentation	0.719	0.839	0.892	0.510
Social Presentation/Attitude	0.055	0.349	0.355	0.080
Affective Attitude	0.000	0.039	0.780	0.936
Purchase Intention	0.783	0.546	0.061	0.480

Significance level is 0.05

The Kruskal-Wallis test was used to ascertain whether there were any significant differences in relation to the responses given by respondents in relation to the brand equity variables (of the most perceived valuable luxury car brands - Mercedes, BMW, Audi and 'Other' - as categories), across gender.

The following hypotheses were formulated and tested:

H<sub>12o</sub>: The medians of the variable are the same (no significant differences exist) across gender

H<sub>12a</sub>: The medians of the variable are not the same (significant differences exist) across gender

Table 5.32 shows the results of the tests (by brand) which were carried out using the medians of the data obtained for each of the eleven variables. The null hypotheses were retained for most of the variables as most of the asymptotic significances were greater than 0.05. However the highlighted values were less than the 0.05 significance level and therefore resulted in the researcher rejecting the null hypotheses.

- Mercedes Benz - The null hypotheses were retained for all variables as the asymptotic significances were greater than 0.05. No significant differences across gender existed in relation to consumer responses with regards to all the brand equity variables.
- BMW - The null hypotheses were retained for all the variables except Brand Awareness (0.011), Overall Brand Equity (0.021) and Affective Attitude (0.039). There were significant differences across gender in relation to consumer responses with regards to these three brand equity variables.
- Audi - The null hypotheses were retained for all variables as the asymptotic significances were greater than 0.05. No significant differences across gender existed in relation to consumer responses with regards to all the brand equity variables.
- Other brands - The null hypotheses were rejected for the following variables: Perceived Brand Quality (0.004) and Need for Uniqueness (0.006). There were significant differences across gender in relation to consumer responses with regards to these two brand equity variables. The null hypotheses were, however, retained for all the other variables with there being no significant differences across gender.

## 5.12 Mann Whitney U Test: Median Test

The Mann-Whitney U test was then also performed to further investigate and isolate the differences in significant findings obtained from the Krusal Wallis test. This was done through the computation and comparison the medians of the two groups so as to ascertain if significant statistical differences existed with regards gender (male and female). Since the data was deemed to be asymmetrically distributed, the **median** is used in the tests, rather than the mean (used in symmetric distribution data). The median is more efficient than the mean and is less sensitive to outliers.

The medians for the two broad groups and the frequencies and percentage by which the distributions are above and below the median (for each of the brand equity variables) are shown in Table 5.33. The following hypotheses were formulated and tested:

H<sub>13o</sub>: The medians of the variable are the same (no significant differences exist) across gender

H<sub>13a</sub>: The medians of the variable are not the same (significant differences exist) across gender

The results of the Median Test are shown in Table 5.33. In interpreting the median test results, the smaller the p-value, the more significant the differences are across gender. At the 5% significance level, the H<sub>0</sub> is accepted/retained for those questions (variables) with p-values that are greater than 0.05, and consequently, there are **no significant differences** between male and female consumers' perceptions on the brand equity of luxury car brands in relation to the following variables: Brand Loyalty, Brand Image, Lifestyle & self- presentation and Purchase Intention.

**Table 5.33: Median Test Results**

Variable			Gender				Median Test		
			Male		Female				
	Median		Freq	%	Freq	%	Chi-square	df	p-value
Perceived Brand Quality	4,79	Above Median	73	55,3%	53	42,7%	4,04	1	0,045
		Below Median	59	44,7%	71	57,3%			
Brand Loyalty	4,24	Above Median	67	50,8%	57	46,3%	0,50	1	0,481
		Below Median	65	49,2%	66	53,7%			
Brand Awareness	4,32	Above Median	76	57,6%	52	41,9%	6,26	1	0,012
		Below Median	56	42,4%	72	58,1%			
Brand Image	4,17	Above Median	69	52,3%	59	47,6%	0,56	1	0,453
		Below Median	63	47,7%	65	52,4%			
Overall Brand Equity	4,03	Above Median	76	57,6%	52	41,9%	6,26	1	0,012
		Below Median	56	42,4%	72	58,1%			
Need for Uniqueness	3,50	Above Median	63	47,7%	35	28,2%	10,29	1	0,001
		Below Median	69	52,3%	89	71,8%			
Self-Expression/ Attitude	4,00	Above Median	52	39,7%	32	25,8%	5,56	1	0,018
		Below Median	79	60,3%	92	74,2%			
Lifestyle and self- presentation	4,00	Above Median	40	30,3%	33	26,6%	0,43	1	0,513
		Below Median	92	69,7%	91	73,4%			
Social Presentation/ Attitude	4,00	Above Median	62	47,0%	38	30,6%	6,90	1	0,009
		Below Median	70	53,0%	85	68,5%			
Affective Attitude	4,50	Above Median	75	56,8%	52	41,9%	5,67	1	0,017
		Below Median	57	43,2%	72	58,1%			
Purchase Intention	4,39	Above Median	60	45,8%	64	51,6%	0,86	1	0,353
		Below Median	71	54,2%	60	48,4%			

Significance level is 0.05

On the other hand, the  $H_0$  was rejected for those questions (variables) whose p-values were less than 0.05 (shaded in table) and it can therefore be concluded that there are **significant statistical differences** between the male and female respondents' perceptions on the brand equity of luxury car brands in relation to:

- Perceived Brand Quality

The median value for this variable was 4.79. The Median Test revealed that in relation to this variable, 55.3% of male responses were **above** the median compared to the females equivalent which was 42.7%.

- Brand Awareness

The median value for this variable was 4.32. The Median Test revealed that in relation to this variable, the majority of the male responses - 57.6% of male responses were **above** the median compared to the females' equivalent which was 41.9%.

- Overall Brand Equity

The median value for this variable was 4.03. The Median Test revealed that in relation to this variable, the majority of the male responses - 57.6% were **above** the median compared to the females, equivalent which was 41.9%. These findings were similar to the findings for the 'Brand Awareness' variable

- Need for Uniqueness

The median value for this variable was 3.50. The Median Test revealed that in relation to this variable, the majority of the male responses - 55.3% of male responses were **above** the median compared to the females' equivalent which was 42.7%.

- Self-Expression Attitude

The median value for this variable was 4. The Median Test revealed that in relation to this variable, the majority of the male responses - 60.3% of male responses were **below** the median compared to the females' equivalent which was 74.2% (higher).

- Social Presentation Attitude

The median value for this variable was 4. The Median Test revealed that in relation to this variable, the majority of the male responses - 53.0% of male responses were **below** the median compared to the females' equivalent which was 68.5% (higher).



- Affective Attitude

The median value for this variable was 4.50. The Median Test revealed that in relation to this variable, the majority of the male responses - 56.8% of male responses were **above** the median compared to the females' equivalent which was 41.9%.

Note: Groupings that are not significant (Asymptotic significance which is more than 0.05) were not further analysed as the results obtained could be as a result of statistical chance and not as a result of differences within the population (Leedy and Ormrod, 2005).

### **5.13 Conclusion**

This chapter presented the results from the data that was collected in the empirical study captured and analysed using SPSS. Descriptive and inferential statistics were presented and interpreted in line with the research objectives.

## **CHAPTER 6: DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Introduction**

This chapter presents a synthesised discussion which links the findings of the empirical research as presented in the previous chapter with the objectives of study. Conclusions drawn from the discussion and interpretation of study findings of the study will also be presented followed by implications for marketers. The chapter ends by highlighting limitations of the study followed by recommendations for future research.

### **6.2 Research Objective One (1)**

**To determine which luxury car brands consumers perceive to have value**

The luxury car brands respondents commonly identified in terms of perceiving them to have value included Audi, BMW Mercedes Benz, Lexus, Porsche, Range Rover, Jeep, Rolls Royce, Volvo, Volkswagen and Aston Martin. The most popular brands were Mercedes Benz, BMW and Audi (35.7%, 27.1% and 12.5% respectively) which made up for 70% of the responses. The rest of the other brands, (Bentley, Jaguar, Land Rover, and Rolls Royce) accounted for a cumulative 25%.

These results are in line with car industry reports that highlight that Mercedes Benz, BMW and Audi dominate the South African luxury car market (NAAMSA, 2014). These brands are constantly creating and increasing awareness of their products and services through advertising in traditional media such television and newspapers. They also engage with their customers through social media, blogs, sponsorships, and personalised marketing.

### **6.3 Research Objective Two (2)**

**To determine the factors that influence consumers' perceptions of the brand equity of luxury car brands.**

The summary statistics in Section 5.5 and Table 5.8 revealed that each of the brand equity variables: Perceived Brand Quality, Brand Awareness, Overall Brand Equity, Brand Loyalty and Brand Image (in that order) are all important to respondents and are

therefore important factors when they are considering the brand equity of luxury car brands.

The summary statistics in Table 5.9, also revealed that each of the brand attitude variables: Affective Attitude, Purchase Intention, Social Presentation Attitude, Self-Expression Attitude, Lifestyle & Self- presentation and Need for Uniqueness (in that order) have an effect on consumers' perceptions with regards to the brand equity of luxury car brands.

The descriptive statistics (frequencies and distribution) of the empirical research also revealed the same as the majority of the values obtained for the median are above '4'. This indicates that the majority of the responses given in relation to the variables being measured were positive responses ('agree' and 'strongly agree'). The median outliers were just a small percentage relative to the total number of responses. The outlier values were 1 and 2 which were negative responses ('strongly disagree' and 'disagree') and 3 (neutral). The standard deviations for most of the questions (variables) in the study were consistently just about 1, which indicates agreement with regards to the question or variable and therefore shows consistency between the observations, due to low variability (Wegner 2012:210). However, the standard deviation for the following questions, (corresponding variable stated) were above 1:

- Brand loyalty

- *Question 10: I am still willing to buy the brand even if the price is higher than that of its competitors* (1,101)

- Brand image scale

- *Questions 15: "When I think of luxury cars, this is the brand that **first** comes to mind"* (1,139)

- *Question 16: "I respect and admire people who drive cars that are this brand"* (1,580)

- Need for Uniqueness

- *Question 20: "I am often on the lookout for new brands that will add to my personal uniqueness"* (1.006)

-*Question 21: “I often try to avoid brands that I know are bought by the general population” (1.196)*

- Self-expression attitudes

-*Question 22: “The brand helps me express myself” (1.026)*

-*Question 23: “The brand reflects the kind of person I see myself to be” (2.724)*

- Lifestyle and self-presentation

-*Question 24: “This brand is part of my lifestyle” (1.005)*

- Purchase Intention

- *Question 32:” If I was going to purchase a luxury car I would **only** consider buying this brand” (1.224)*

These standard deviations indicate that the responses in relation to these questions and variables are dispersed. There was very little agreement in relation to responses given to these questions

On the other hand, Standard deviations of less than 1 show that most of the responses are gathered about the mean and are also an indication of agreement with regards to the question or variable (Wegner 2012:210).

The following questions, (corresponding variable stated) had the lowest standard deviations:

- Perceived Brand Quality

- *Question 2: The quality of the brand is extremely high (0,519)*

-*Question 4: The brand is consistent in the quality it offers (0.543)*

-*Questions 5: The performance of the brand is very high (0.553)*

These Standard deviation values indicate that the respondents hold similar opinions and strongly agree in relation to these statements and variables.

The empirical research showed that the brand equity variables that were being investigated have causal interrelationships. These results were expected as several

authors (Aaker, 1991, De Chernatony and McDonald, 1992 and Keller, 1993 & 2008) all confirm that brand equity dimensions are interrelated and these correlations have also been empirically validated (Yoo and Donthu (2001). Perceived brand quality, for example, can be part based upon associations and even brand awareness. Brand awareness, though a key brand equity dimension cannot on its own create a valuable brand but as evidenced by the findings and validated in literature (Aaker, 1991; Bian and Forsythe, 2012), it has a positive linear relationship with purchase intention and brand loyalty. In the same way, an association with a symbol might affect brand awareness. This supports Aaker's assertion of there being no claim that the major dimensions of brand equity are independent (1991:46).

Brand loyalty cannot exist without prior purchase and use experience. In contrast, Brand Awareness, Perceived Brand Quality and Brand Image and associations are characteristics of many brands that do not rely on consumers' actual use of the brand. As can be seen from the findings, brand loyalty is imperative in brand equity and the strongest and valuable brands are those that have committed customers. Brand Loyalty is influenced in part by all other dimensions of brand equity, namely: brand awareness, brand associations and perceived brand quality. It is also correlated to all the other attitudinal factors that were identified as influencing the Consumer- based brand equity of luxury car brands.

Significant moderate positive correlations were found between 'Brand Loyalty' and the following brand equity variables: 'Perceived Brand Quality' ( $r$  0.510,  $p < 0.05$ ), 'Brand Awareness' ( $r$  0.411,  $p < 0.05$ ), 'Brand Image' ( $r$  0.500,  $p < 0.05$ ) and Purchase Intention ( $r$  0.506,  $p < 0.05$ ). Significant weak positive correlations were found between 'Brand Loyalty' and each of the brand equity attitude variables (Lifestyle and Self Presentation, Self-Expression, Social Presentation, Affective Attitude and Purchase Intention. All these correlations were significant at the 5% level of significance.

Results also indicated a weak positive correlations between 'Brand Awareness' and the following brand equity variables: 'Brand Image' and 'Overall Brand Equity'. A positive linear relationship also existed between these three brand equity variables and the brand attitude variables (Lifestyle and Self Presentation, Self-Expression, Social Presentation,

Affective Attitude and Purchase Intention. All these correlations were significant at the 5% level of significance.

Weak positive correlations were also found between these three variables: 'Perceived Brand Quality', 'Brand Loyalty' and 'Brand Image' and each of these brand equity variables: Brand Awareness, and Overall Brand Equity and these brand equity attitudes: Lifestyle and Self Presentation, Self-Expression, Social Presentation, Affective Attitude and Purchase Intention. All these correlations were significant at the 5% level of significance.

Having established that the variables being measured were highly correlated, the criteria for suitability for Principal Component Analysis had been met. Consequently, Principal Component Analysis (Section 5.9) was then used to extract the variables in the study in order to determine the most important factors which influenced (sample) consumers' perceptions and attitudes of consumer- based brand equity (CBBE) of luxury car brands.

Tables 5.12 - 5.21 show for each Principal component (or variable), the respective constructs and their factor loadings. These were then used to compute the Eigen value and the extent of contribution to the total variance for each principal component. The four factors that were identified as being the most important and having the most influence in consumer perceptions and attitudes with regards to the brand equity of luxury car brands were (in order of importance):

- Perceived Brand Quality (32.52% )
- Brand Loyalty (25.44)
- Brand awareness (21.13)
- Brand Image (19.67).

They cumulatively accounted for 98.78 per cent (%) of the total study variance

#### 6.4 Research Objective Three (3)

**To ascertain the extent to which male and female perceptions of the brand equity of the luxury car brands differ.**

The Kruskal-Wallis test (Table 5.32) was used to ascertain whether there were any significant differences in the responses given regarding the most valuable car brands-Mercedes, BMW, Audi and 'Other' - as categories), across gender.

The results of the tests (by brand) which were carried out using the medians of the data obtained for each of the eleven variables showed the following (Asymptotic Sig. Values are shown in brackets):

- Mercedes Benz - **No significant differences** across gender existed in relation to consumer responses with regards to all the brand equity variables.
- BMW - There were **significant differences** across gender in relation to consumer responses with regards to these three brand equity variables: Brand Awareness (0.011), Overall Brand Equity (0.021) and Affective Attitude (0.039).
- Audi - **No significant differences** across gender existed in relation to consumer responses with regards to all the brand equity variables.
- Other brands - There were **significant differences** across gender in relation to consumer responses with regards to these two brand equity variables: Perceived Brand Quality (0.004) and Need for Uniqueness (0.006).

The Mann-Whitney U (Median) test was then also performed to further investigate and isolate the differences in significant findings obtained from the Kruskal Wallis test. This was done through the computation and comparison the medians of the two groups so as to ascertain if significant statistical differences existed with regards gender (male and female). Since the data was deemed to be asymmetrically distributed, the **median** was used in the tests, rather than the mean (used in symmetric distribution data). The median is more efficient than the mean and is less sensitive to outliers.

Based on the Median Test results (Table 5.33), there were **no** significant statistical differences ( $p>0.05$ ) between male and female respondents' perceptions and attitudes in relation to the brand equity of luxury car brands in relation to the following variables:

- Brand Loyalty
- Brand Image
- Lifestyle and self- presentation
- Purchase Intention

On the other hand, however, there were **significant statistical differences** ( $p<0.05$ ) between the male and female respondents' perceptions of brand equity of luxury car brands in relation to the following brand equity variables:

- Perceived Brand Quality

The empirical study showed that there are differences in brand equity perceptions between male and females pertaining to the '**perceived brand quality**' variable in terms of reliability and performance. Male consumers' value perception of luxury car brands in relation to the 'perceived brand quality' variable were more in terms of the 'reliability' and 'performance' dimensions while both genders place value on the other brand quality dimensions which are consistency and reliability.

- Brand Awareness

This finding is in line with Meyers-Levy's Selectivity Model (1989) in which she points out there are differences in the way females and males process information. Male consumers are said to be schematic, that is, they are selective of the information they process, while female consumers make use of a greater amounts of elaborate information (Meyers-Levy (1989:221). Consequently, there are varying levels between genders of recognition and recall that influences **brand awareness** and **brand knowledge** which affections their perception of **the overall brand equity** of the luxury cars.

There were also significant statistical differences across gender in relation to these brand value attitudes: 'Need for Uniqueness', 'Self-Expression Attitude', 'Social Presentation Attitude' and 'Affective Attitude'. This are elaborated on in the next section.



## 6.5 Research Objective Four (4)

**To determine the factors that underlie the differences in how male and female consumers perceive the brand equity of luxury car brands.**

The median which is the midpoint of the distribution curve was used in analysing the results and determining the variables which had responses that differed across gender, given that the data was **not** normally distributed. The median test revealed that there were statistically significant differences across gender, amongst the following variables:

- Perceived Brand Quality

The median value for this variable was 4.79. The Median Test revealed that in relation to this variable, 55.3% of male responses were above the median compared to the females equivalent which was 42.7%.

The findings (Chi-Square tests and Fishers Exact Tests -Table 5.31) show that there are statistically significant differences in brand equity perceptions between male and females pertaining to the '**Perceived Brand Quality**' variable in terms of **reliability** and **performance**. Males tend to perceive brand quality in terms of reliability (70% strongly agreed compared to females' 52%) and performance (as indicated by 73% males who strongly agreed that their chosen valuable brand is reliable as compared to 52% females who also strongly agreed).

- Brand Awareness

The median value for this variable was 4.32. The Median Test revealed that in relation to this variable, the majority of the male responses, which was 57.6%, were **above** the median compared to the females' equivalent which was 41.9%.

- Overall Brand Equity

The median value for this variable was 4.03. The Median Test revealed that in relation to this variable, the majority of the male responses: 57.6% were **above** the median compared to the females, equivalent which was 41.9%. These findings were similar to the findings for the 'Brand Awareness' variable.

- Need for Uniqueness

The median value for this variable was 3.50. The Median Test revealed that in relation to this variable, the majority of the male responses: 55.3% of male responses were **above** the median compared to the females' equivalent which was 42.7%.

- Affective Attitude

The median value for this variable was 4.50. The Median Test revealed that in relation to this variable, the majority of the male responses: 56.8% of male responses were **above** the median compared to the females' equivalent which was 41.9%.

Based on the above, it is clear that in relation to the brand value variables, **male** consumer' attitudes and perceptions are driven more by **need for uniqueness** (in terms of the brand not being commonly purchased by the general public) and also new luxury brands that add to the consumers' sense of uniqueness. They are also driven by **affective attitudes** whereby the brands that they perceive to have value are those that make cars which they would enjoy driving, or which they actually have fun driving.

- Self-Expression Attitude

The median value for this variable was 4. The Median Test revealed that in relation to this variable, the majority of the male responses: 60.3% of male responses were **below** the median compared to the females' equivalent which was 74.2% (higher).

- Social Presentation Attitude

The median value for this variable was 4. The Median Test revealed that in relation to this variable, the majority of the male responses 53.0% of male responses were **below** the median compared to the females' equivalent which was 68.5% (higher).

On the other hand, as can be seen from the values of the two variables above, female consumers' value attitudes and perceptions are driven more by **social presentation attitudes**. They value brands that will help them fit into social situations and which can be consumed conspicuously (they like to be seen by other people driving the brand's cars). Their brand value perceptions and attitudes are also driven by self-expression attitudes, whereby the luxury car brands they value are those that help them express themselves in terms of either being a reflection of what they are or what they aspire to be.

## **6.6 Summary of Findings**

The findings of the empirical research revealed that all the variables being measured affected consumer perceptions and attitudes in relation to the value of luxury car brands. The brand equity variables were also highly correlated which is in line with literature that conceptualizes brand equity as being multidimensional. Significant differences across gender were also highlighted in line with the objectives of the study.

As evidenced from the findings of the research the following can be concluded. For conspicuously consumed luxury products such as luxury cars, brands that have value are those that consistently stay relevant and excel at delivering the benefits that consumers desire. Customers not only buy the physical products but also the intangible benefits such as the brand image and associations which when combined are what make an attractive package for consumers.

The brands that the respondents perceived to have value are those that have managed to (without compromising their core strengths) remain on the leading edge in the product arena and continue to fine tune their intangible benefits to fit in with current trends and times. Consistency in terms of design and the image that they portray in their marketing activities as brands are given value by strong associations that are consistent with the products' positioning and which consumers can therefore relate to (Yoo *et al.*, 2000:198; Chen 2001:441). With increased competition, consumers choose brands that are relevant to them in terms of quality, meeting their intangible needs, lifestyle and social values.

## **6.7 Contribution of the Research Study**

The research generated a body of knowledge towards a more enlightened interpretation of CBBE and luxury consumption in the South African context. The empirical study findings endorsed the value dimensions conceptualised in brand equity models found in literature both in relation to consumer-based brand equity and also luxury brand values. The findings of the empirical research revealed that all the variables being measured

affected consumer perceptions of luxury car brands and that they were also some correlations between the variables.

Significant differences across gender were also highlighted in line with the objectives of the study. Hence it can be concluded that understanding that luxury consumption is driven by consumer perceptions which are influenced by gender based factors and the employment of a diverse set of branding strategies across gender **will** help luxury car brands in their enhancement of their brand image and consequently increase their consumer based brand equity.

### **6.8 Implications and Recommendations for Marketers**

It is imperative for brand managers and marketers to understand the benefits consumers seek from brands. Marketing and brand practitioners should also explore the values that their brands, products and brand communications express and then compare them to the values that are sought by their customers. They can then, subsequently tailor their brand equity building efforts and brand designs accordingly (Wiedmann *et al.*, 2007). This way, they can confidently make informed decisions in relation to the brand as they will have an understanding of the totality of the brand from both the firms' and the consumers' perspective.

Based on the literature review, the research proposed for CBBE scale for luxury car several dimensions which are based on the dimensions of Brand Equity (Aaker, 1992; Keller, 1992; Yoo, Donthu & Lee, 2000). The scale was slightly modified to be relevant to the context of the study. One of the major implications of the empirical research is that brand owners have to manage all the elements as they are interrelated (Brand loyalty, Brand awareness, Brand Image and Brand Quality) in order to enhance Brand equity. The findings demonstrate that Perceived brand quality, among all the other elements, is the most important dimension of CBBE of luxury car brands. However the high correlations between all the measured variables show their individual and collective importance. The researcher recommends that these dimensions be integral components in designing CBBE studies. The empirical study shows the areas that luxury car brands need to focus its improvement efforts in increasing their brand equity.

As evidenced from the findings of the research, for conspicuously consumed luxury products such as luxury cars, brands that have value are those that consistently stay relevant and excel at delivering the intangible benefits that consumers desire. Luxury brands should be given support and sustained over the long run since brand equity is achieved through careful and thorough research and maintenance of the brand and its related associations. Brand associations and imagery play a very crucial role in creating brand meanings and enhancing brand knowledge in the mind of consumers and so companies need to always consider this important dimension of brand equity in brand building and ensuring brand strength.

Long term sustainability is more important and brand managers should be careful not to bypass and overlook basic branding considerations through concentrating on short term success and just considering the financial evaluation of their brand equity. Luxury car brands should monitor their sources of consumer-based brand equity as the empirical study revealed both male and female consumers choose and value those brands that are relevant to them in terms of quality, meeting their intangible needs, lifestyle and social values. There should, therefore be continuous research conducted to collect information on how the firm's product and services are marketed and branded and consumers' knowledge and perceptions with regards the same.

Luxury car brands should adapt to the evolving habits of consumers through pliable strategies which aim to identify and satisfy the varying present needs of both male and female consumers (as highlighted in Sections 6.3 and 6.4) against the context of the already established luxury value perceptions. Brand practitioners can reframe their brands to suit consumers without compromising the core values of the brands.

## **6.9 Limitations of the Research**

### **6.9.1 Empirical Study carried out within one geographic location**

Given that would have been time consuming and impractical to do a national survey, the geographic boundary for the questionnaire based survey was limited to shopping malls and dealerships within Pietermaritzburg CBD.

### **6.9.2 No access to useful sampling frame**

The researcher has no useful sampling frame in terms of access to an exhaustive database that could identify owners of luxury brand cars that would include purchasers of both new and used vehicles purchased from various dealerships. Therefore the target population for the questionnaire based survey was redefined to consumers of luxury car brands, that is, owners and drivers of luxury cars within Pietermaritzburg. These consumers were solicited for participation through intercepts in shopping malls car parks and at car dealerships.

### **6.9.3 Non probability sampling technique used**

The researcher used the convenience sampling technique. Respondents were selected on basis of availability and convenience until the targeted sample size was reached. It was deemed to be the most appropriate sampling technique considering that there was no access to a comprehensive sampling frame and already, and by virtue of this, the sample derived would not be representative of the target population regardless of chosen sampling method. The findings of study cannot, therefore, be generalised to the wider population.

### **6.10 Recommendations for Future Research**

A qualitative research could be conducted, focusing on one particular brand and using probability sampling so that the results can be generalised to the target population. This would allow for a more in depth analysis and the researcher could get more insights with regards to consumers' perceptions in relation to luxury brand equity and make a comparative analysis of the views of male and female consumers.

A similar study could be carried out which would seek to empirically analyse, with the use of a multi- dimensional measure the current patterns in relation to consumers' perceptions of luxury values for one particular luxury brand. The findings of such a study would serve as a basis for optimising brand targeting and positioning strategies.

## **6.11 Conclusion**

This final chapter presented a synthesised discussion of the empirical research findings in relation to the research objectives while linking them to reviewed literature. The value and contribution of the research was also discussed. Conclusions that were drawn from the discussion and interpretation of study findings of the study followed by implications for marketers were also presented. The limitations of the study were highlighted followed by recommendations for future research.

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## APPENDIX A: INFORMED CONSENT DOCUMENTS

UNIVERSITY OF KWAZULU-NATAL  
School of Management, IT and Governance

Dear Respondent,

### **M Com Research Project**

**Researcher:** CYNTHIA Y. SHAYAMUNDA

**Supervisor:** DR MAXWELL A. PHIRI

**Research Office:** Ms P Ximba

I, Cynthia Yemurayi SHAYAMUNDA am a Master Of Commerce-Marketing student in the School of Management, IT and Governance at the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

*Consumer-based brand equity of luxury car brands in Pietermaritzburg: A Gender Perspective.*

The aim of this study is to understand the brand equity of luxury cars from a consumer's perspective. Through your participation I hope to complete my studies and gain my Masters qualification.

The results of this survey will contribute to the facilitation of successful positioning of luxury car brands in the market as companies align their brands with the meanings and experiences sought by consumers.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, IT and Governance, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 10 minutes to complete the questionnaire. I hope you will take the time to complete the questionnaire.

Sincerely

Investigator's signature \_\_\_\_\_ Date \_\_\_\_\_

**UNIVERSITY OF KWAZULU-NATAL  
School of Management, IT and Governance**

**M Com Research Project**

**Researcher:** CYNTHIA Y. SHAYAMUNDA

**Supervisor:** DR MAXWELL A. PHIRI

**Research Office:** Ms P Ximba

**CONSENT**

I \_\_\_\_\_ (full names of participant)  
hereby confirm that I understand the contents of this document and the nature of the  
research project, and I consent to participating in the research project. I understand that  
I am at liberty to withdraw from the project at any time, should I so desire.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

## APPENDIX B: QUESTIONNAIRE

1. Identify **ONE** luxury car **BRAND** that you perceive to have value.

.....

**Please use a tick or an X to indicate your response (based on the scale) with reference to the chosen luxury car brand.**

*1 - Strongly disagree;      2 – Disagree;      3 - Neutral (Neither disagree nor agree);  
4 – Agree;                      5 - Strongly Agree*

<b>Brand Equity measures:</b>	<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
2. The quality of the brand is extremely high					
3. The reliability of the brand is very high					
4. The brand is consistent in the quality it offers					
5. The performance of the brand is very high					
6. The durability of the brand is very high					
7. The brand is the leading luxury car brand					
8. I consider myself loyal to the brand					
9. I would recommend the brand to others					
10. I am still willing to buy the brand even if the price is higher than that of its competitors					
11. I can recognise this brand quickly among competing brands					

	<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
12. I know what this brand stands for					
13. I have a clear opinion about this brand					
14. I have a clear image of the type of person who would drive this cars that are this brand					
15. When I think of luxury cars, this is the brand that <b>first</b> comes to mind					
16. I respect and admire people who drive cars that are this brand					
17. It makes sense to buy this brand instead of any other brand even if they are the same					
18. Even if another brand has the same features as this brand, I would prefer to buy this brand					
19. All things considered ( price, time, effort) the brand's cars are a good buy					



<b>Attitudinal luxury brand equity measures:</b>	<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
20. I am often on the lookout for new brands that will add to my personal uniqueness					
21. I often try to avoid brands that I know are bought by the general population					
22. The brand helps me express myself					
23. The brand reflects the kind of person I see myself to be					
24. This brand is part of my lifestyle					
25. This brand is a symbol of social status					
26. This brand helps me fit into important social situations					
27. I like to be seen driving this luxury brand					
28. This brand would make me feel good					
29. This brand is one that I would enjoy driving					
30. The probability that I would buy this brand is high					
31. My willingness to buy this brand would be high if I were shopping for a luxury car					
32. If I was going to purchase a luxury car I would <b>only</b> consider buying this brand					

**Demographics:**

**33. What is your gender?**

Gender	Male	Female
Tick Applicable		

**34. What is your age?**

Age	1. Below 20	2. 20 - 29	30 - 39	40 - 49	50 - 59	60-69	Above70
Tick Applicable							

**35. What is your race?**

Race	Black	White	Coloured	Indian
Tick Applicable				

**36. What is your marital status?**

Marital Status	Single	Married	Widowed	Never married	Divorced
Tick Applicable					

**37. What is your highest level of education?**

Highest Level of Education	Tick Applicable
Secondary school certificate (Standard 10)	
High school certificate (Matric)	
Certificate	
Diploma	
Bachelor's degree	
Master's degree	
Doctorate	

**THANK YOU!**

## APPENDIX C: ETHICAL CLEARANCE APPROVAL LETTER



05 January 2015

Ms Cynthia Yemurayi Shiyamunda (209541256)  
School of Management, IT & Governance  
Pietermaritzburg Campus

Dear Ms Shiyamunda,

Protocol reference number: HSS/0021/01500

Project title: Consumer-based brand equity of luxury car brands in Pietermaritzburg: A gender perspective

**Full Approval – expedited Approval**

With regards to your application for ethical clearance received on 05 January 2015. The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the proposal has been granted.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study!

Yours faithfully

Dr Shemuka Singh (Chair)

/ms

Co-supervisor: Dr M. Pillai  
Co-academic leader Research: Professor Aileen McArthur  
Co-School Administrator: Ms Debbie Cunyingham

Humanities & Social Sciences Research Ethics Committee

Dr Shemuka Singh (Chair)

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## APPENDIX D: STATISTICS AND FREQUENCIES

### Statistics

		Q33_Gender	Q34_Age	Q35_Race	Q36_Marital Status	Q37_Highest Level of Education
N	Valid	256	256	256	256	256
	Missing	0	0	0	0	0
Mean		1.48	2.5117	1.88	1.54	3.98
Median		1.00	2.0000	1.00	1.00	5.00
Std. Deviation		.501	.90308	1.208	1.017	1.533
Minimum		1	1.00	1	1	1
Maximum		2	5.00	4	5	7

		Q1_Valuable Car Brand	Q2_The quality of the brand is extremely high	Q3_The reliability of the brand is very high	Q4_The brand is consistent in the quality it offers
N	Valid	255	256	256	256
	Missing	1	0	0	0
Mean		3.1137	4.7109	4.5820	4.6367
Median		2.0000	5.0000	5.0000	5.0000
Std. Deviation		2.78332	.51871	.56108	.54310
Minimum		1.00	1.00	3.00	3.00
Maximum		10.00	5.00	5.00	5.00

### Statistics

		Q5_The performance of the brand is very high	Q6_The durability of the brand is very high	Q7_The brand is the leading luxury car brand	Q8_I consider myself loyal to the brand	Q9_I would recommend the brand to others
N	Valid	256	256	256	255	256
	Missing	0	0	0	1	0
Mean		4.6211	4.4531	3.9883	4.0863	4.5000
Median		5.0000	5.0000	4.0000	4.0000	5.0000
Std. Deviation		.55394	.67283	.99206	.92664	.65679
Minimum		3.00	2.00	1.00	1.00	2.00
Maximum		5.00	5.00	5.00	5.00	5.00

**Statistics**

		Q10_ I am still willing to buy the brand even if the price is higher than that of its competitors	Q11_ I can recognise this brand quickly among competing brands	Q12_ I know what this brand stands for	Q13_ I have a clear opinion about this brand	Q14_ I have a clear image of the type of person who would drive cars that are this brand
N	Valid	256	256	256	256	256
	Missing	0	0	0	0	0
Mean		3.9805	4.5977	4.1211	4.2969	4.2617
Median		4.0000	5.0000	4.0000	4.0000	4.0000
Std. Deviation		1.10063	.57924	.98468	.79072	.84822
Minimum		1.00	2.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**Statistics**

		Q15_ When I think of luxury cars, this is the brand that first comes to mind	Q16_ I respect and admire people who drive cars that are this brand	Q17_ It makes sense to buy this brand instead of any other brand even if they are the same	Q18_ Even if another brand has the same features as this brand, I would prefer to buy this brand	Q19_ All things considered ( price, time, effort) the brand's cars are a good buy
N	Valid	256	256	256	256	256
	Missing	0	0	0	0	0
Mean		3.9805	4.1719	3.9414	4.1797	4.3633
Median		4.0000	4.0000	4.0000	4.0000	4.0000
Std. Deviation		1.13915	1.55732	.97442	.94087	.73355
Minimum		1.00	1.00	1.00	1.00	2.00
Maximum		5.00	24.00	5.00	5.00	5.00

**Statistics**

		Q20_ I am often on the lookout for new brands that will add to my personal uniqueness	Q21_ I often try to avoid brands that I know are bought by the general population	Q22_ The brand helps me express myself	Q23_ The brand reflects the kind of person I see myself to be	Q24_ This brand is part of my lifestyle
N	Valid	256	256	255	256	256
	Missing	0	0	1	0	0
	Mean	3.5898	3.1289	3.7216	4.0156	3.4531
	Median	4.0000	3.0000	4.0000	4.0000	3.0000
	Std. Deviation	1.00574	1.19598	1.02572	2.72385	1.00477
	Minimum	1.00	1.00	1.00	1.00	1.00
	Maximum	5.00	5.00	5.00	44.00	5.00

**Statistics**

		Q25_ This brand is a symbol of social status	Q26_ This brand helps me fit into important social situations	Q27_ I like to be seen driving this luxury brand	Q28_ This brand would make me feel good	Q29_ This brand is one that I would enjoy driving
N	Valid	256	255	256	256	256
	Missing	0	1	0	0	0
	Mean	4.2734	3.6314	4.3203	4.3594	4.7813
	Median	5.0000	4.0000	5.0000	5.0000	5.0000
	Std. Deviation	.91792	1.03739	.91122	.78450	.71257
	Minimum	1.00	1.00	1.00	2.00	2.00
	Maximum	5.00	5.00	5.00	5.00	5.00

**Statistics**

		Q30_ The probability that I would buy this brand is high	Q31_ My willingness to buy this brand would be high if I were shopping for a luxury car	Q32_ If I was going to purchase a luxury car I would only consider buying this brand	Car Brand Recorded
N	Valid	255	256	256	256
	Missing	1	0	0	0
	Mean	4.4863	4.5352	3.8516	2.2578
	Median	5.0000	5.0000	4.0000	2.0000
	Std. Deviation	.75738	.67354	1.22452	1.18650
	Minimum	2.00	2.00	1.00	1.00
	Maximum	5.00	5.00	5.00	4.00

## FREQUENCY TABLES

### Q33 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	132	51.6	51.6	51.6
	Female	124	48.4	48.4	100.0
	Total	256	100.0	100.0	

### Q34 Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<20 years	20	7.8	7.8	7.8
	20 - 29 years	129	50.4	50.4	58.2
	30-39 years	71	27.7	27.7	85.9
	40-49 years	28	10.9	10.9	96.9
	50-59 years	8	3.1	3.1	100.0
	Total	256	100.0	100.0	

### Q35 Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black	155	60.5	60.5	60.5
	White	27	10.5	10.5	71.1
	Coloured	25	9.8	9.8	80.9
	Indian	49	19.1	19.1	100.0
	Total	256	100.0	100.0	

### Q36 Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	174	68.0	68.0	68.0
	Married	57	22.3	22.3	90.2
	Widowed	4	1.6	1.6	91.8
	Never married	10	3.9	3.9	95.7
	Divorced	11	4.3	4.3	100.0
	Total	256	100.0	100.0	



**Q37 Highest Level of Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary School Certificate - S10	7	2.7	2.7	2.7
	High School Certificate - Matric	71	27.7	27.7	30.5
	Certificate	9	3.5	3.5	34.0
	Diploma	34	13.3	13.3	47.3
	Bachelor's degree	109	42.6	42.6	89.8
	Master's degree	20	7.8	7.8	97.7
	Doctorate	6	2.3	2.3	100.0
	Total	256	100.0	100.0	

**Q1 Valuable Car Brand**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mercedes	91	35.5	35.7	35.7
	BMW	69	27.0	27.1	62.7
	Audi	32	12.5	12.5	75.3
	Lexus	7	2.7	2.7	78.0
	Jeep	9	3.5	3.5	81.6
	Range Rover	11	4.3	4.3	85.9
	Porsche	11	4.3	4.3	90.2
	Ferrari	8	3.1	3.1	93.3
	Other	17	6.6	6.7	100.0
	Total	255	99.6	100.0	
Missing	System	1	.4		
Total		256	100.0		

**Q2 The quality of the brand is extremely high**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Neutral	2	.8	.8	1.2
	Agree	66	25.8	25.8	27.0
	Strongly Agree	187	73.0	73.0	100.0
	Total	256	100.0	100.0	

**Q3 The reliability of the brand is very high**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	9	3.5	3.5	3.5
	Agree	89	34.8	34.8	38.3
	Strongly Agree	158	61.7	61.7	100.0
	Total	256	100.0	100.0	

**Q4 The brand is consistent in the quality it offers**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	8	3.1	3.1	3.1
	Agree	77	30.1	30.1	33.2
	Strongly Agree	171	66.8	66.8	100.0
	Total	256	100.0	100.0	

**Q5 The performance of the brand is very high**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	9	3.5	3.5	3.5
	Agree	79	30.9	30.9	34.4
	Strongly Agree	168	65.6	65.6	100.0
	Total	256	100.0	100.0	

**Q6 The durability of the brand is very high**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	.8	.8	.8
	Neutral	20	7.8	7.8	8.6
	Agree	94	36.7	36.7	45.3
	Strongly Agree	140	54.7	54.7	100.0
	Total	256	100.0	100.0	

**Q7 The brand is the leading luxury car brand**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	23	9.0	9.0	9.4
	Neutral	52	20.3	20.3	29.7
	Agree	82	32.0	32.0	61.7
	Strongly Agree	98	38.3	38.3	100.0
	Total	256	100.0	100.0	

**Q8 I consider myself loyal to the brand**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.8	.8	.8
	Disagree	9	3.5	3.5	4.3
	Neutral	60	23.4	23.5	27.8
	Agree	78	30.5	30.6	58.4
	Strongly Agree	106	41.4	41.6	100.0
	Total	255	99.6	100.0	
Missing	System	1	.4		
Total		256	100.0		

**Q9 I would recommend the brand to others**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	.8	.8	.8
	Neutral	17	6.6	6.6	7.4
	Agree	88	34.4	34.4	41.8
	Strongly Agree	149	58.2	58.2	100.0
	Total	256	100.0	100.0	

**Q10\_ I am still willing to buy the brand even if the price is higher than that of its competitors**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	2.0	2.0	2.0
Disagree	30	11.7	11.7	13.7
Neutral	37	14.5	14.5	28.1
Agree	77	30.1	30.1	58.2
Strongly Agree	107	41.8	41.8	100.0
Total	256	100.0	100.0	

**Q11 I can recognise this brand quickly among competing brands**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	.8	.8	.8
Neutral	6	2.3	2.3	3.1
Agree	85	33.2	33.2	36.3
Strongly Agree	163	63.7	63.7	100.0
Total	256	100.0	100.0	

**Q12 I know what this brand stands for**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	2.0	2.0	2.0
Disagree	14	5.5	5.5	7.4
Neutral	38	14.8	14.8	22.3
Agree	87	34.0	34.0	56.3
Strongly Agree	112	43.8	43.8	100.0
Total	256	100.0	100.0	

**Q13 I have a clear opinion about this brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	5	2.0	2.0	2.3
Neutral	32	12.5	12.5	14.8
Agree	97	37.9	37.9	52.7
Strongly Agree	121	47.3	47.3	100.0
Total	256	100.0	100.0	

**Q14\_I have a clear image of the type of person who would drive cars that are this brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	.8	.8	.8
Disagree	5	2.0	2.0	2.7
Neutral	40	15.6	15.6	18.4
Agree	86	33.6	33.6	52.0
Strongly Agree	123	48.0	48.0	100.0
Total	256	100.0	100.0	

**Q15 When I think of luxury cars, this is the brand that first comes to mind**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	8	3.1	3.1	3.1
Disagree	23	9.0	9.0	12.1
Neutral	51	19.9	19.9	32.0
Agree	58	22.7	22.7	54.7
Strongly Agree	116	45.3	45.3	100.0
Total	256	100.0	100.0	

**Q16 I respect and admire people who drive cars that are this brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.2	1.2	1.2
Disagree	10	3.9	3.9	5.1
Neutral	53	20.7	20.7	25.8
Agree	83	32.4	32.4	58.2
Strongly Agree	106	41.4	41.4	99.6
24.00	1	.4	.4	100.0
Total	256	100.0	100.0	

**Q17\_ It makes sense to buy this brand instead of any other brand even if they are the same**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	.8	.8	.8
Disagree	20	7.8	7.8	8.6
Neutral	57	22.3	22.3	30.9
Agree	89	34.8	34.8	65.6
Strongly Agree	88	34.4	34.4	100.0
Total	256	100.0	100.0	

**Q18\_ Even if another brand has the same features as this brand, I would prefer to buy this brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.2	1.2	1.2
Disagree	16	6.3	6.3	7.4
Neutral	28	10.9	10.9	18.4
Agree	94	36.7	36.7	55.1
Strongly Agree	115	44.9	44.9	100.0
Total	256	100.0	100.0	

**Q19\_ All things considered ( price, time, effort) the brand's cars are a good buy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	6	2.3	2.3	2.3
Neutral	21	8.2	8.2	10.5
Agree	103	40.2	40.2	50.8
Strongly Agree	126	49.2	49.2	100.0
Total	256	100.0	100.0	

**Q20\_ I am often on the lookout for new brands that will add to my personal uniqueness**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	2.7	2.7	2.7
Disagree	33	12.9	12.9	15.6
Neutral	62	24.2	24.2	39.8
Agree	110	43.0	43.0	82.8
Strongly Agree	44	17.2	17.2	100.0
Total	256	100.0	100.0	

**Q21\_ I often try to avoid brands that I know are bought by the general population**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	21	8.2	8.2	8.2
Disagree	66	25.8	25.8	34.0
Neutral	67	26.2	26.2	60.2
Agree	63	24.6	24.6	84.8
Strongly Agree	39	15.2	15.2	100.0
Total	256	100.0	100.0	

**Q22 The brand helps me express myself**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	2.3	2.4	2.4
	Disagree	23	9.0	9.0	11.4
	Neutral	74	28.9	29.0	40.4
	Agree	85	33.2	33.3	73.7
	Strongly Agree	67	26.2	26.3	100.0
	Total	255	99.6	100.0	
Missing	System	1	.4		
Total		256	100.0		

**Q23 The brand reflects the kind of person I see myself to be**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	3.1	3.1	3.1
	Disagree	19	7.4	7.4	10.5
	Neutral	59	23.0	23.0	33.6
	Agree	84	32.8	32.8	66.4
	Strongly Agree	85	33.2	33.2	99.6
	44.00	1	.4	.4	100.0
	Total	256	100.0	100.0	

**Q24 This brand is part of my lifestyle**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	3.1	3.1	3.1
	Disagree	28	10.9	10.9	14.1
	Neutral	105	41.0	41.0	55.1
	Agree	70	27.3	27.3	82.4
	Strongly Agree	45	17.6	17.6	100.0
	Total	256	100.0	100.0	



**Q25 This brand is a symbol of social status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.2	1.2	1.2
	Disagree	11	4.3	4.3	5.5
	Neutral	31	12.1	12.1	17.6
	Agree	79	30.9	30.9	48.4
	Strongly Agree	132	51.6	51.6	100.0
	Total	256	100.0	100.0	

**Q26 This brand helps me fit into important social situations**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.6	1.6	1.6
	Disagree	35	13.7	13.7	15.3
	Neutral	72	28.1	28.2	43.5
	Agree	84	32.8	32.9	76.5
	Strongly Agree	60	23.4	23.5	100.0
	Total	255	99.6	100.0	
Missing	System	1	.4		
Total		256	100.0		

**Q27 I like to be seen driving this luxury brand**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.2	1.2	1.2
	Disagree	7	2.7	2.7	3.9
	Neutral	39	15.2	15.2	19.1
	Agree	63	24.6	24.6	43.8
	Strongly Agree	144	56.3	56.3	100.0
	Total	256	100.0	100.0	

**Q28 This brand would make me feel good**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	2.3	2.3	2.3
	Neutral	31	12.1	12.1	14.5
	Agree	84	32.8	32.8	47.3
	Strongly Agree	135	52.7	52.7	100.0
	Total	256	100.0	100.0	

**Q29 This brand is one that I would enjoy driving**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.4	.4	.4
	Neutral	16	6.3	6.3	6.6
	Agree	71	27.7	27.7	34.4
	Strongly Agree	167	65.2	65.2	99.6
	Missing	1	.4	.4	100.0
	Total	256	100.0	100.0	

**Q30 The probability that I would buy this brand is high**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	2.7	2.7	2.7
	Neutral	20	7.8	7.8	10.6
	Agree	70	27.3	27.5	38.0
	Strongly Agree	158	61.7	62.0	100.0
	Total	255	99.6	100.0	
Missing	System	1	.4		
Total		256	100.0		

**Q31\_ My willingness to buy this brand would be high if I were shopping for a luxury car**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	.8	.8	.8
Neutral	20	7.8	7.8	8.6
Agree	73	28.5	28.5	37.1
Strongly Agree	161	62.9	62.9	100.0
Total	256	100.0	100.0	

**Q32\_ If I was going to purchase a luxury car I would only consider buying this brand**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	8	3.1	3.1	3.1
Disagree	41	16.0	16.0	19.1
Neutral	42	16.4	16.4	35.5
Agree	55	21.5	21.5	57.0
Strongly Agree	110	43.0	43.0	100.0
Total	256	100.0	100.0	

**Car Brand Recorded**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Mercedes	92	35.9	35.9	35.9
BMW	69	27.0	27.0	62.9
Audi	32	12.5	12.5	75.4
Others	63	24.6	24.6	100.0
Total	256	100.0	100.0	