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**“ An Investigation into Brand Loyalty,
and the case for House Brands in the
Emergent Township Market”**

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TERMS OF REFERENCE

This investigation was commissioned by Professor J. Simpson, Department of Management Studies, University of Cape Town, in January 1999. The project was commissioned as the requirement for the degree of Master of Business Science, special field Marketing.

The specific instructions were:

1. For Business Science Marketing student to produce a final investigative report on a marketing related topic of the student's choice.
2. For the student to demonstrate the ability to give a *critical analysis* of a South African marketing problem, or investigate a marketing problem through individual research.
3. To conduct both primary and secondary research on the marketing topic
4. To submit a completed report, while registered as Business Science Student at UCT.

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Family and friends for their encouragement and support throughout.

GLOSSARY

FMCG's: "Fast Moving Consumer Goods" (Groceries)

"Emerging market": In the context of this study, the emerging market refers to the predominantly Black consumer market, which is growing in size and purchasing power. This market consists of the rising Black middle class who now has the opportunity of more professional and better paid jobs. The members of this segment have growing incomes and are also growing as a percentage of the population. These consumers are still in the lower LSM's and income brackets, as a mass market represent huge buying potential. A full discussion of what is meant by the emergent market can be found in the preliminary literature review, "Defining the emerging market".

"Township consumer": The township consumer referred to in the context of this study, is the person in the household who is responsible for the majority of the grocery shopping. By virtue of living in a township, which implies a permanent house, in an urban area, the township consumer for evaluation will be in LSM 4-5, i.e. part of the rising Black Middle Class. Township consumers must live in a permanent house (not a shack), this will give an indication of a relatively higher income and amenities that indicate at least LSM 4. (LSM 1 and 2 live predominantly in the rural areas, in traditional huts. LSM 3 are also predominantly rural dweller but some may live in the townships)

House brand: A house brand in the context of this study will refer to the most basic private label, such as the Shoprite "yellow label" or Pick 'n Pay's "No Name Brand". While it is noted from previous research that the house brand is approaching brand status as it evolves into more sophisticated private labels, the basic house brand, which is close to a generic/ unbranded product will be used as a benchmark. It is important to measure brand usage and loyalty against the use of generic type products that represent the opposite end of the branding scale. House brands will refer to basic grocery goods that are packaged very simply, usually sold at low prices and controlled by the retailer rather than brand manufacturers.

TOPIC SOURCE

My marketing honours thesis on house brands identified a number of research opportunities in related topics. The following quotes from the report show areas that were identified for further research:

"Stanton maintains that more sophisticated people are more self-assured and will buy no-name brands for low involvement purchases, however in the less sophisticated market the reassurance of brands is important across all products. This is an interesting concept for further reading and testing, and can perhaps be explored in a further study."

"Recommendation 6.8: THE AWARENESS AND USAGE OF PRIVATE LABELS IN THE EMERGING MARKET NEEDS TO BE INVESTIGATED.

While emerging market consumers appear to show a preference for brands, they represent an ideal market for private labels with low prices and a value proposition. The encouragement of and targeted promotion to this market could prove to be very profitable, especially in the future."

"More depth investigation is possibly needed into the low income groups, specifically the Black market to evaluate which brands they buy and why. The sample of Black consumers was too small to run any detailed tests."

The topic of Brand Loyalty in the Emergent Market, with the Township consumer as a base was identified as an area of interest for further research.

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SECTION A

Section A gives background information to and the significance of the investigation. A thorough problem definition is given, culminating in the research objectives and hypotheses to be tested in the study. The scope and limitations for the investigation are stated and the full research methodology presented.

1. INTRODUCTION

The "emerging market" is at present one of the buzzwords in South African marketing and economic circles. The term refers to the massive group of, primarily Black, consumers who are in the lower income brackets but are slowly increasing in consumer power, for two reasons.

Firstly, because of the large proportion of the total population that belongs to this group, its collective percentage of disposable income and buying power is enormous.

"Not long ago, Blacks who are 75% of the total population, accounted for about 10% of the countries purchasing power. Today it is estimated that Blacks account for more than 50% and by the turn of the century, it is estimated that they will account for more than 75%".

(Mzozoyana:1997)

Black consumers' expenditure as a proportion of the total expenditure has grown from 15% in the 1960's, to 50% in the 1990's. It is estimated that by 2000, 60-70% of expenditure will be by Black consumers and their expenditure will be in the region of R2 786 billion as opposed to the expenditure of R190 billion by White consumers. It is

further estimated that about 41% of this expenditure is on food items, such as beer, meat, sugar, tea, coffee, cooldrink and **branded** goods. (Morris, R: 1997)

Secondly, with the democratisation of South Africa, the suppressed groups of the Apartheid era now have the same consumer and employment rights as other citizens and theoretically have the potential and opportunity of better employment, income and access to retail facilities. A growing percentage of Black consumers, who have increasing disposable income, therefore also represent a massive potential growth in the buying power of this group in the South African economy.

"The new segment that was formerly unheard of in this country is now emerging and is a stark reality that marketers have to contend with. The Black middle class is the new consumer of the post apartheid South Africa." (Mzozoyana:1997)

Marketers have acknowledged the importance of this market sector in terms of both individual and collective buying power and have realised that the sector represents the one area of phenomenal growth and development which can boost sales and profitability in the future, while the traditional "Western", more affluent market matures and approaches stagnation.

With new and focused attention on this low income market it becomes evident that in the past, the majority of market research and products in this country have been targeted at the first world market and less research has been focused on South Africa's largest market sector.

"..it needs noting that that today's emerging middle class is dynamic and in a constant state of flux. Targeting this group is like shooting a moving target." (Mzozoyana:1997). The importance of developing an understanding of the market is clear.

The focus of this study is therefore the buying behaviour of consumers within this sector; their decision making when buying FMCG's and in particular their propensity for brand loyalty.

In testing the brand loyalty in this market, the obvious benchmark for lack of brand loyalty is the easy acceptance and support of generic or the most basic house brand

goods. Low income consumers have been described as being one of the most brand loyal consumer groups, which appears to clash with one of the basic premises behind a brand, i.e. develop a positioning for a product to be able to sell it at a *premium price*. The increasingly popular house brands are generally sold at far lower prices than the brand names and therefore would seem to be the economic choice for lower income groups. The converse, as a generalism, seems to be held true by many in the marketing field.

The interest and focus in this research will therefore centre on examining brand loyalty in the emerging township market, particularly in terms of FMCG's and investigating consumer decision making in the formal and informal retail environment. The information obtained will be used to argue for or against the introduction of some type of house brand to the less formal township retailers, such as spazas. The motivation for this is to establish whether the needs of the consumer can better be met by products of equally good standards but which are not branded and therefore can be offered at a far lower price within the more traditional township retail sectors, which at present tend to stock brand leaders only.

1.1. TOPIC REVIEW

The following paragraphs intend to give a brief overview of the kinds of issues that will be explored in this research.

Brand Loyalty

- An academic description of the essence of brands, branding and brand loyalty will be revisited and built on from previous research.
- Brand loyalty in particular will be a focus, in terms of quantifying, defining and applying the concept in a quantitative study. Theory on brand loyalty, within low income groups will be investigated and then tested empirically within the township consumer groups, specifically for FMCG's.
- The motivation behind brand loyalty for low income consumers will be investigated from psychological, sociological and cultural aspects.

The Township Consumer

- Consumer decision making processes, patterns and influences of the Township consumers will be discussed
- The retailing environment in the townships will serve as a starting point to understanding the consumer, retail opportunities and buying environments. Spaza shops, hawkers and retail outlets in the townships, in particular will be investigated in terms of the brands and product lines they carry and in terms of consumer demands and buying patterns.

Generics/House brands:

- The theory and results of the previous thesis will be revisited.
- The acceptability of house brand goods will be explored to test the strength of Brand Loyalty amongst these consumers.
- The viability of house brands entering the township market- perhaps by the suppliers of stock (Metro, Macro etc) or other players eg. Pick 'n Pay- as an alternative to entering the market will physical retail stores in the townships will be explored.

2. PROBLEM DEFINITION

2.1. MARKETING PROBLEM

The "Emergent Township" market has been relatively less intensively studied in South Africa with respect to consumer behaviour than the formal retail market. The subjects of Branding and Brand Loyalty relating to FMCG's in this market have had less attention compared to research conducted by marketing companies in what they assumed was the most lucrative market, i.e. the "westernised, first world" and more affluent retailing environment.

Given the ever-growing recognition of the economic importance of the massive emerging market, research is crucial to the future success of South African marketers as their targeting focus changes.

Academic discussion regarding the buying behaviour of low income consumers suggests that in an apparent paradox, these consumers tend to show high levels of Brand Loyalty. Knowledge about brand related shopping behaviour, is recognised as a vital tool in the targeting of and successful sales to constantly changing markets. Thus information about consumer- brand relationships is valuable.

The aim of this research is to provide quantitative data, analysed from consumer behaviour perspective, which will aid marketers in understanding the township consumer and present statistical findings about Brand Loyalty in low income consumer groups in South Africa.

2.2. RESEARCH PROBLEM

The research aim is to develop a profile of the township consumer, in terms of decision-making processes, grocery shopping habits, brand choices and brand loyalty. The resultant information is to be utilised to evaluate whether the introduction of a house brand or private label, into township retail outlets would in fact be feasible and beneficial to the township consumer, as well as the FMCG marketer.

2.3. RESEARCH OBJECTIVES

- To define and investigate contributing factors to brand loyalty
- To investigate brand loyalty for FMCG's with respect to low income consumers
- To quantify brand loyalty for FMCG's within the township market
- To evaluate brand purchase motivations amongst township consumers
- To investigate buyer decision making w.r.t. FMCG's amongst township consumers
- To investigate the grocery shopping habits of the township consumer, w.r.t both formal and informal types of retailers
- To evaluate the differences in shopping and decision making behaviour township consumers exhibit when in an informal versus and formal retail environment
- To investigate acceptance and responsiveness to house brands
- To investigate the feasibility of introducing a house brand into the retail sector of township markets

2.4. PRELIMINARY HYPOTHESES

2.4.1. Primary Hypothesis

The township consumer shows a high level of Brand Loyalty, and brands are an important part of purchase risk reduction. The introduction of a house brand targeted specifically at the emerging market would therefore not be viable at present.

2.4.2. Secondary Hypotheses

- a) Motivations for brand loyalty differ between people and between product types, the primary reasons for brand loyalty are; risk reduction, and simplification of the decision making process.
- b) Low income consumers show a high propensity for brand loyalty to FMCG brands.
- c) Township consumers show a high level of brand loyalty in specific categories of FMCG's
- d) Risk reduction is the primary motive behind brand loyal behaviour amongst township consumers
- e) Perceived quality is a major influence on brand choice and brand loyalty
- f) Consumers' decision making processes are different in the informal compared to the formal retail environment
- g) Township consumers utilise the informal retailers in the townships as "convenience" stores
- h) Bulk shopping for FMCG's in formal retail outlets outside of the township is constrained by the lack of personal transport
- i) Township consumers make more price-based decisions in formal retail outlets
- j) Township consumers make FMCG purchases in informal outlets within the townships, where brand choice depends on the brand stocked by the retailer
- k) Consumers make FMCG purchases out of "habit" when in a informal retail environment, but undergo a lengthier decision making process when faced with a wider choice in formal retail outlets

- l) House brands are perceived to be of inferior quality
- m) House brands/ private label would not be accepted and successful in the township retail environment
- n) It would not be feasible to introduce a house brand into the retail outlets in the townships

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3. SCOPE AND LIMITATIONS

3.1. GEOGRAPHICAL SCOPE

- ◆ The study was restricted to a detailed survey of one township area in the Western Cape: the Nyanga, Gugulethu, Cross Roads area (refer to map in (Appendix 18.1). The study is restricted to the Western Cape primarily because of financial and time limitations. It was felt that a comprehensive study of one township would be most cost effective and efficient.

- ◆ This is a relatively severe limitation as only 2,3% of the total national Black population, who make up the majority of township populations, lives in the Western Cape (AMPS 1997). The area therefore only reflects a small percentage of the township dwelling population. Ideally a countrywide survey involving as many townships across the different provinces, would have been preferable. It is therefore noted that the quantitative data should not be viewed as relating to all low income or "township consumer" respondents in South Africa. The data will however be able to give a general indication of the behaviour of similar kinds of consumers.

3.2. LANGUAGE BARRIERS

- ◆ Language and communication barriers posed limitations on the study and the use of translators was necessary. Fieldworkers fluent in Xhosa and sufficiently qualified to collect data within the township community were more difficult to find than in previous studies and special care was taken in translating results. Recruiting and training students at the University of Cape Town, who lived in the Nyanga area, as field workers, overcame these problems.

- ◆ Focus group discussion guides and transcripts as well as questionnaires were translated from English to Xhosa, and back again, which presented the risk of

miscommunication or loss of meaning. This was addressed through the use of experienced translators, back checking of questionnaire translation and the limited use of open-ended questions in the questionnaire.

- ◆ The translation of Likert scales proved problematic. The questionnaire was designed to incorporate a number of statements with which the respondents had to indicate a level of agreement or disagreement, on a 5 point Likert scale. Discussion with Xhosa speakers and trial tests of the questionnaire indicated that it was not possible to differentiate between “agreeing” or “disagreeing” with a statement and “agreeing strongly” or “disagreeing strongly”. There was in fact no way of translating such a scale into Xhosa, as agreement is absolute.

A numeric scale was also not feasible, low levels of education in the area of study suggested that numeracy would be a problem leading to inaccurate results. Based on literature regarding other studies measuring brand loyalty, it was established that a dichotomous scale (commonly used in previous research) would be feasible. While the dichotomous scale would limit the depth of information, it was decided that this would be preferable to inaccurate data. To ensure adequate depth, the methodologies of other studies suggested the use of groups of statements, to test individual ideas. The respondent would have to “agree” and “disagree” with statements within each group to be classified with respect to the theme represented by the group.

As a result the questionnaire was redesigned to include three point Likert scales:

“Agree” “Disagree” “Do not know”

4. RESEARCH METHODOLOGY

4.1. QUALITATIVE RESEARCH

Exploratory research was conducted to gain an understanding of township consumers, their buying behaviour and the retail environments in which they shop. Qualitative research aided in the drafting of a final list of hypotheses and the survey questionnaire. This element of the study involved a number of information sources:

- **Literature Search:** The intention of this secondary research was to study previous research, theories, models and industry information in order to form a basis from which to conduct primary research. Academic definitions, models and views on the topics of brands, house brands, decision making and low income consumers were researched using sources such as the internet, academic journals, text books and publications.
- **Experience Interviews:** First hand information was collected through interviews with Spaza shop owners.
- **Focus Groups:** 4 focus groups with township consumers were held to uncover motivations, emotions and behaviour w.r.t. buying habits and patterns. Grocery shopping is primarily a role of women in the township households, therefore women were selected as participants. It is felt that the more homogenous the groups, the more comfortable respondents would feel in their discussions, as such groups were held with younger consumers and older consumers separately. Two groups were held with women aged 22-34 and two with women aged 35+.

Each focus group consisted of 6-8 respondents, recruited by fieldworkers in the Nyanga area. The focus groups were held at the Peace and Development Centre Offices, a central location in the township. The moderator conducted the focus

groups in Xhosa and the sessions were recorded. A translator then transcribed the tapes into English. (See Appendix 18.2 for the Discussion Guide and Appendix 18.3 for the Transcriptions)

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4.2. QUANTITATIVE RESEARCH

The quantitative phase of research was conducted via personal questionnaires administered to consumers in a "face to face" interview, at the respondents' homes. It covered attitudes towards grocery shopping and house brands, decision-making, brand loyalty and buying behaviour in both the formal and informal retail markets.

4.2.1. Pilot Study

A pilot study preceded the survey to ensure that there were no problems, discrepancies or omissions in the questionnaire. The pilot study took the form of 19 questionnaires administered in the intended sampling area, at households randomly selected. The questionnaires were then captured and analysed to check for problem areas. A debriefing session with the fieldworkers followed to uncover any difficulties.

The pilot study revealed no practical difficulties with the Fieldwork or questionnaire. Minor adjustments were made to the translations and the questionnaire was then sent into field.

4.2.2. Sample Design

The respondents for the questionnaires will be chosen randomly, with an attempt to make the sample as representative as possible. Decisions on location, sample size and exact sampling methods were made within budget restrictions.

a) Sample Population

The sample population consists of all residents of Gugulethu, New Cross Roads and Nyanga areas, who are **responsible** for the **majority of grocery shopping** for the **household**. The field workers were required to screen respondents to ensure that they were responsible for the majority of the household grocery shopping, before proceeding with the interview.

b) Sample Size

The sample size depended on a number of issues, which had to be weighed against one another. Methods for determining sample size rest on considerations of: type of sample; homogeneity of the population, number of subgroups to be analysed; budget constraints; statistical methods and historical evidence.

Township populations present problems for all aspects sampling because very little accurate information can be obtained on issues such as the population size, the number of households, lists of population elements and standard deviations for the populations. It must be noted that the population size however is not an input into the formulae determining sample size, and larger samples are not necessary for larger populations. Adjustments do however have to be made if the sample size is more than 5% of the population. This adjustment was not necessary in this study.

This study used a cluster sample technique, which implies that more complex formulae would have to be used than for a normal probability sample. Determining the size statistically is very difficult and at this stage impossible because no population parameters are available.

The study involved all those responsible for the majority of the grocery shopping, because of this screening question and the fact that respondents are all from the same township means that the group is fairly homogenous and relatively few subgroups will be evaluated. Thus the sample size could be smaller than if the study was countrywide. According to sampling rules of thumb, each major subgroup needs to have approximately 100 respondents in it. For example, there will need to be at least 100 males and 100 females. Less important subgroups should have a minimum of 20-50 respondents. (Churchill, 1995: 644)

Given the nature of the subject matter and the culture of the respondent groups, it was expected that there would be very few male respondents, as the screening question required the respondent to be the person who does the majority of the grocery shopping.

Budget constraints limited the number of questionnaires that could be completed, but all efforts were made to minimise sampling error within this constraint.

Historical evidence suggests that for a **regional** sample of **households** such as this, where there are relatively **few subgroup** analyses to be performed, a sample size of between 200 and 500, is used as a yard stick.

The sample size for this study was 250 households. This is based primarily on historical evidence and the homogeneity of the population, as well as budgetary constraints. After fieldwork was completed, a total of 252 questionnaires had been completed and form the sample for analysis.

c) Sample Selection Process

Probability sampling was used, which allows for the objective selection of the sample elements and therefore an objective assessment of the reliability of the of the sample results. For probability sampling, the population of the sample frame

is known and each household has an equal chance of being selected and the results of analysis can therefore be projected to the population as a whole.

The problem with most probability sampling is that a list of the population elements is required. Many populations especially less formal settlements like a township have no accurate lists of the total population.

The use of a cluster sampling procedure, in the form of area sampling can overcome these difficulties, by making use of a map of the areas involved in the sample. (See the Appendices for the area map)

For this survey a two-stage area cluster sample was drawn. Utilising a map, 63 sampling points were randomly selected, each one a specific address or location. 4 interviews were completed at each of the sampling points by interviewing at the selected sight as well as selecting the additional three households in a systematic way. The house opposite and the 3rd houses to the right and left of the sample point were also selected. In this way 4 interviews took place at each sampling "site".

Substitution was implemented if the respondent at the selected household was unavailable after three calls. The respondent was then selected from the 2nd houses to the right or left of the original sampling point.

4.2.3. Editing and Coding

A field edit followed the completion of the survey, fieldworkers were required to check questionnaires for completion and consistency. A field check ensured that the correct sampling procedure was followed and a preliminary edit searched for any omissions or discrepancies in the questionnaires. Incomplete questionnaires were returned to the fieldworker for completion or the sampling of a new respondent.

A more comprehensive office edit followed to check that the information given was consistent and accurate and that all instructions were followed. A back check of

10% of the questionnaires was conducted for control purposes. Respondents were required to give an address and telephone number for checking purposes.

4.2.4. Data Analysis

The data was analysed using the software package Statistica.

Techniques such as Discriminant, Factor, Cluster and Correspondence analyses have been used. Full results and details of the data analysis are presented in Section C.

University of Cape Town

SECTION B

QUALITATIVE REPORT

The Qualitative Report serves to examine all relevant literature pertaining primarily to the topic of brand loyalty, and to examine information gained from interviews with Spaza Shop owners and the Focus Groups. This qualitative element of the research seeks to gain insight into the core issues and concepts of brand loyalty and consumers' purchase decisions, in this particular market. It is intended that it will provide a theoretical basis for the empirical component of the investigation. Qualitative research aided the formulation of the final research hypotheses, which are presented at the end of this chapter. Conclusions arising from the discussion are also discussed.

5. LITERATURE REVIEW

5.1. INTRODUCTION

In markets of today, the consumer is bombarded with an increasing number of products and choices, making the competition between products extremely fierce and the consumer's decisions more difficult. The marketing principle of branding has thus become a cornerstone for the perceptual differentiation of products, giving the consumer a motive for repeatedly buying one inherently similar brand over another. Because of its power to develop consumer loyalty, the brand has become an invisible but most valuable asset to the corporation of today. Brand loyal consumers are a guarantee of future brand sales and profit. By establishing the extent to which consumers in the growing "middle class" are brand loyal marketers can better strategise for the future success of their brands within this market. The literature review will discuss the issues surrounding brands and brand loyalty, with particular focus on township consumers in South Africa.

5.2. THE TOWNSHIP CONSUMER

Before the theory of brands and consumer behaviour can be discussed, it is essential to develop an understanding of who the consumers are who form the focus of this study. Township consumers are the subjects of this research and it is therefore imperative to define of this group in this particular context. It is also important to delve into the history and lifestyle of the market and gain an understanding of the influencing factors and environment in which these consumers live.

The first step will be to discuss a definition of the "township consumer" and the "emerging market". The second will be to investigate the history in terms of past marketing to this group, as well as trends and statistics related to this market. The third will be to evaluate the importance of this market to brand manufacturers in South Africa, thus motivating why it forms an important topic for marketing research.

5.2.1. Defining the "Emerging Market"

In marketing terms, "emerging market" refers to a consumer market which is emerging as powerful, profitable and lucrative for manufacturers and marketers of goods and services. It is linked to the world **economic** concept of emerging markets, which refers to poorer **countries** that are developing economically and are moving towards a more sophisticated and perhaps first world economic structure and performance. Their power in terms of the global market may not be significant, but their economy is showing significant growth and therefore increasing importance in world economy.

The emerging market in the context of this study is a South African consumer market, which is forming the target market for increasing numbers of companies and brands. The market essentially consists of low income consumers, but those who are developing in terms of earning potential and aspiring to the behaviours of higher income groups.

The political changes in South Africa within the last decade have led to large and far-reaching changes in economic, social and business environments. Many of these changes have influenced the rise of the "emerging market" and a change in the consumer "classification" and marketing paradigm of the past.

The demise of the Apartheid era, leading to these changes, has enabled and encouraged marketers to tap into the "emerging market". According to Michelle Joubert in her article "Mother Africa, mother niche", the emerging market is "...mostly Black consumers who now have better paid jobs and real disposable income. South Africa's consumer base is mostly poor, but even the relatively thin affluent layer provides a substantial market previously untapped by most South African companies." (Financial Mail, 1998) Joubert recognises that these consumers, because of better income and therefore more Westernised lifestyles, are becoming more sophisticated in the types of products they are able to afford and use. For example, these consumers are targeted with appliances for newly electrified homes, foods, hair care products and cosmetics.

In the same article, the emerging market is recognised as being the growing Black middle class. A study by Laurence Rapp was described as showing "...that the growth of the Black middle class in percentage terms should be explosive as housing becomes more stable and properly serviced, sales of household goods climb fast." (Financial Mail, 1998)

The article also discussed how young entrepreneurs are targeting the mass market, with investment aimed at a new market niche- Africa's emerging market. "The buying power of a growing middle class- and burgeoning population in general- is becoming so attractive that investors are rushing into the new venture." (Financial Mail, 1998)

Finance Week (1995, March), also described the growth of this group of consumers. The article stated that because of affirmative action; economic growth; and RDP programmes, the employment levels and wages of the Black consumer have been boosted. However, along with this increase in income the resumption of utility payments and rent are taking a larger chunk out of salaries. The marketing paradigm is therefore shifting and "...the growth potential is seen

to lie in the lower-middle ends of the market where the emphasis is on high shopper volumes and lower prices" (Finance Week 1995).

In Joubert's article (Financial Mail , 1998), the success of the company Afribrand was discussed. The CEO, Weir recognised the value in the sheer numbers of low income consumers buying from informal retail outlets and began selling his products through hawkers. Weir emphasised how crucial marketing was, especially in understanding what kind of products these consumers need, in what form and from what kind of outlets.

The recognition of this market is not new, however the "race" to exploit the market with specifically targeted products and services seems to be "hotting up". Black South Africans have been recognised for their increasing importance to manufacturers as consumers. *"The Black market, because of its lack of buying power, was never considered an independent market with its own needs. That this is no longer the case is evident in the fact that Black consumers have either overtaken or are in the process of overtaking Whites in the millions of rands they spend on items ranging from food to TV and radio sets."* The importance of the emerging market lies not in the spending power of the individual (because these consumers are still in the low LSM's and income earning groups), but rather in the collective consumer power of the group, which forms a phenomenal percentage of the total population.

At one time Black consumers were merely treated as an extension of the White market and it was assumed that goods that were preferred by White consumers would also be bought by Black consumers who could afford them. However, there is a slowly decreasing gap between the incomes of White and Black South Africans caused by political change, the rapid growth of the Black population and the social revolution, which resulted from *"the steady advance of Black living standards and the emergence of a powerful new class among Black South Africans"*. The most important contributing factor of the growth of this new class was the urbanisation of Black workers in search of better paying jobs.

Increased education standards amongst these people, resulting in relatively higher incomes, become *"strong motivators for Black wage earners who have not*

yet achieved the standards of some of those with whom they come into daily contact." This reinforces the idea of the growing Black middle class who, with increased wages became a target for marketers recognising a need for specific products. The implementation of affirmative action has also influenced the types of jobs these consumers have. Increasing numbers of Black consumers are working in more Westernised and formal environments and therefore have changing reference groups, influences and needs.

From the literature it appears that a number of elements characterise South Africa's emerging market, and it is in the context of this definition that the "emerging market" will be referred to in this research.

The emerging market consists of a group of economically important but still relatively poor consumers. Due to the demise of Apartheid, many Black consumers now have the opportunity of better education, access to better paying and more professional jobs. With this arrives a general increase in income and in standard of living but consumers, particularly urban, are still in the lower LSM's, 4-6. While many, if not most consumers have not yet experienced a dramatic increase in income or standard of living, there remain the potential and promise of income "playing fields to be levelled". As a result, for marketers, these are the consumers who represent potential growth, who are a massive percentage of consumers, at present numbers and in the future in spending power and the need to understand the needs and motivations of such a group is overwhelmingly apparent.

The emerging market consists then, of the consumers who are in the "Black middle class". They are not the affluent Black consumers who live very sophisticated and Westernised lives, neither are they the poorest rural or unemployed households who are living from hand to mouth. The emerging market consumer has a steadily improving lifestyle and is becoming more sophisticated in terms of needs and behaviour as a result of more disposable income or the need to match the standards and lifestyles of colleagues or higher social classes, but is still constrained by a very limited budget and the concerns of a low income consumer.

5.2.2. Defining "The Township Consumer"

Having discussed what is meant by the emerging market it is necessary to determine where and how these consumers could be researched. It is apparent when evaluating the "emerging market" that it is a predominantly urban phenomenon amongst the Black population.

The legacy of the Apartheid urban planning regulations is the existence of the township. A formally laid out area on the edge of "White" towns, which was officially where Black South Africans in urban areas could live. The areas served essentially as residential areas for Black people and their families, who worked in the city. The difference between "squatter camps" and townships is that the township is an official "suburb"- with planned streets and community areas, in which Black residents own the properties they live on. Informal settlements like squatter camps are often found on unused tracts of land, people build shelters from whatever materials are available and have no official right to or ownership of the land. Township dwellers are therefore households with enough income to afford a permanent house, however simple, and probably have steady wage earner(s) in the household. These consumers fall into LSM's 4-6, while the shack dweller is likely to have a lower and less reliable income and falls into the lower LSM groups.

The Black consumers, who live in the townships, therefore constitute a large percentage of the growing "middle class". They own, and are improving their homes and have increasingly better services such as electricity, running water and sanitation. Townships residents are therefore most likely to be the group of Black consumers who have better jobs and relatively better incomes and a slowly rising standard of living.

The Townships are therefore the ideal location to study the "emerging market", as it is these people that are developing, and growing in terms of population size, percentage and consumer spending power.

The other point of interest of the Township consumer is that they are exposed to many different forms of retail environment, in terms of the types of retail outlets within the township and the retailing within the city. One of the objectives of the research is to evaluate the difference in consumer behaviour between formal and informal retail outlets, and the township consumer therefore is the ideal subject.

5.2.3. Marketing History In the Townships

The history of advertising in the townships sheds light on marketing in the past and its influence on marketing today to Township consumers. The article titled "Unnecessarily draining the consumer's pocket: An Historical Geography of Advertising In South Africa's Black Urban Townships" (Rogerson, 1994), gives fascinating insight into the effect of the legislation of advertising in the townships and helps develop an understanding of the history which influences the township consumer.

The value of the massive Black consumer market was identified by White industry and commerce as early as the 1930's. Advertising to this market began in these years through a national weekly, Bantu World, which was promoted as the means for reaching and mining the "*Black gold*". It was aimed at the urban African market and awakened the need to educate the African market about their need for products.

From 1945, Apartheid ensured the local production of a range of sophisticated consumer goods for the White market. The state ensured the White population enjoyed an increasing standard of living, while maintaining the relative impoverishment of the Black South Africans. The economy was based on mass production and consumption which "marginalised" the Black majority and thus the focus of advertising was in targeting the White market.

Townships however, set the conditions for the emergence of a "mass market" amongst Black consumers, which was attractive to marketers. The rapid growth of the number of township dwellers; their increasing disposable incomes; rising

levels of education and literacy and; growing class and income differentials lead to the development of a "mass market".

The new class of Black consumers who were not employed in industrial positions, and held jobs in commerce, education, health or state sectors, had growing incomes and aspirations for higher levels of education. The emergence of this middle class was the ideal stepping stone for advertisers to exploit the need for status in marketing their goods. The necessity for local manufacturers to find local markets for their export sanctioned goods forced the expansion of product consumption into the local Black market. These two factors provided the fuel for advertisers and marketers to look to township consumers as a viable target markets.

Marketing and advertising to Black consumers took off in the Post war years from 1945 and the interest in the value of this market was roused. *"One marketing guide in 1945 noted 'the native customer is rapidly becoming a buying factor' and projected that 'Native buying value will become of rapidly increasing importance in the course of the next few years'".* (Rogerson, 1994:29)

In the 1950's the volume of marketing activity aimed at the township "mass market" was increased. Advertisers encouraged the consumers to buy existing products using White role models and appealing to a need for status. They no longer assumed that *"Blacks were too poor or too immersed in traditional ways to be a market for the products of White industry."* (Rogerson, 1994:29) A change in attitude came towards the end of the fifties, with the economic upswing. J. Walter Thomson, the international advertising agency began the trend towards researching and analysing African consumers' buying habits. Many steps were taken to tap the "mass market" of township consumers, especially via direct advertising. Conditions in the 1950's were described as follows: *"Manufacturers are sparing no efforts to enter the African market' and that urban townships all through South Africa were subject to 'a miniature invasion of African salesmen'"*. (Rogerson, 1994:29)

However, this advertising onslaught was soon tempered by the introduction of legislation regarding and influencing advertising and marketing in "Black urban space". The following restrictions on advertising were legislated:

- The only formal trading facilities allowed in the townships were those that provided basic essentials such as bread, milk and meat
- There was a ban on most forms of commercial advertising, specifically film shows and travelling sales vans with loud speakers (some of the prime advertising methods)
- Only advertisements inside licensed trading premises, for products that had to be available in the shops were allowed
- Between 1956 to 1960 the "usual methods of advertising were not allowed in the townships"

The policy issued in 1960 by the Department of Bantu Administration and Development had the blatant objective of *"preserving urban townships as reservoirs of cheap labour for White industry and commerce"*. The rationale was that the Bantu consumer had a limited income and the cost of living should be kept as low as possible without the undue influence of advertising to encourage spending beyond his/her means.

This legislation controlled the advertising and marketing to the Township consumers until the late 1980's. Despite these restrictions, a number of advertising methods could be used and the legislation did little to prevent the growth of consumerism in the townships. Billboards, advertising at railway stations and the use of the press and radio enabled promotional campaigns to continue.

The irony lies in the fact that because township retail was severely restricted, township consumers purchased the bulk of their goods from the White central city areas, where exposure to advertising and branded products could not be controlled. While it remains apparent that the legislation *"was unsuccessful, as it did little to halt the advancing tide of consumerism in urban townships.... The restrictions on advertising did serve to reinforce the 'non-commercial' character of urban townships..."* (Rogerson, 1994:31)

In this context of limited advertising and a long history of advertisements which were merely translated or transferred from the English / Afrikaans campaigns targeted at White consumers, it is particularly interesting that one of the core hypotheses of this study is that these low income consumers are particularly brand loyal. This raises the issue of how effective the advertising in the township market has been and what role advertising has played in the building of brand image and brand loyalty. While such a topic lends itself to an entirely separate study, it suggests that the influences on brand loyalty and brand image may differ considerably from those acting in more affluent markets in South Africa. The influences on brand loyalty will be discussed at length within this review.

This study shows how the policies of the past have a direct impact on the marketing, advertising and retail environments in the townships. An important observation is that although the value of the "mass market" in the townships was recognised as early as 1930 and it is not a new concept, the changes in political and social environments in the past few years have had an accelerating impact on this trend. The removal of Apartheid legislation and the empowerment of these consumers have changed their income and expenditure opportunities, suggesting the emergence of a new segment of consumers, which is now attractive, attainable and viable to many marketers.

The legacy of Apartheid, whether it be in the form of unemployment, living conditions, retailing in the townships, self-image, values and beliefs, remains and has an influence on the behaviour and environment of the township consumer. As such, history forms an important base from which this study is approached.

5.2.4. Statistics and Trends

As a particular segment of the South African population is being researched, it is important to have an understanding who these consumers are, relative to the rest of the South African population in terms of basic demographics and lifestyle. Statistics are discussed below. The information is derived from the census 1995, Amps 97.

76% of the total South African population is classified as Black. This is of importance because due to the legacy of Apartheid regime, the majority of Black people fall into the lower LSM groups and form a overwhelming majority of the "low income consumers" who live in the townships. Further statistics will show Black consumers make up the majority of the lowest LSM groups.

Of the total Black population, 23% live in informal settlements and 13% in townships. A large percentage (36%) therefore, is exposed to both informal and formal retail outlets in a "periurban" settlement. The people in these settlements usually work (if employed) in the urban areas, and are exposed to the formal grocery stores, shopping there before or after work. They are also exposed to the informal retail outlets like tuckshops, spaza shops etc. in the actual township settlement. This group of people therefore represents an interesting study, into low income consumers as well as the difference between consumer behaviour in different retail environments.

The following trends show the change in consumers' lifestyles for 1976 to 1995.

- The proportion of Black people living in an urban area increased from 30% to 50%.
- The population grew from 18 648 000 to 31 531 000.
- The number of Black South Africans with a matric qualification increased from 4% to 13% and,
- Average monthly household income rose from R97 to R1230.

These statistics clearly confirm the discussion of the development of the emerging market in terms of numbers, income and education. The increasing urbanisation and growing population means two things to the marketer. One, the market is

growing, and represents an enormous portion of the total consumer population in South Africa. Two, urbanisation, better education levels and exposure to a more western way of living suggest that this group of consumers is also becoming more sophisticated. Marketers who previously targeted the higher LSM's and the more affluent population are realising that they are faced with a growing market to which its products are appealing. Furthermore many marketers are realising the value of this market and are targeting it specifically.

Unemployment is a country-wide problem. In 1995, 32% of the total population was unemployed and in the Black population, 41% of the population is unemployed. This suggests that the bulk of the unemployment problems in the country rest on the Black community. One of the consequences of lack of employment opportunities has been the rise of in Black home business. In 1994, the Black population ran 72% of home business in the country. A large percentage of this home business represents informal retail in the form of spaza shops/tuckshops and shebeens. The survey indicates that in 1995 there were 216 900 hawkers and 56 200 spaza/tuckshops recorded. This retail market is therefore a very important and apparently growing sector for FMCG marketers.

On the other side of the coin, Black consumers buy 35% of their groceries from Traders/Hawkers; 25% from local shops; 5% from Spaza shops and 11% from other retailers within the township. This indicates a large percentage of the FMCG shopping is in the townships, not in a conventional retailer such as a Shoprite or OK. Again, the importance of the less formal retail outlets to marketers is clear: a large percentage of the majority of the population shops in these kinds of environments. The focus group results however, suggest this is changing as formal retailers move into the townships and shopping centres are built. Spazas remain successful and popular, but in the context of a convenience store rather than a primary grocery store. The quantitative study will look specifically at where and for which products the township consumer shops and if there are differences in consumer behaviour between the different retailing environments.

5.3. BRANDS AND BRANDING

This discussion begins with a focus on what exactly brands and brand loyalty are, and what they mean to both marketers and consumers. Both concepts have been discussed and debated in great depth in the academic and business environment and the literature review will attempt to evaluate and debate these opinions, drawing out those most relevant to this particular study.

5.3.1. Defining Brands and Branding

a. What is a brand ?

The concept of a "brand" encompasses a broad base of ideas, which have become recognised as invaluable in the marketing of products.

"A brand is a combination of features (what the product is), customer benefits (what needs and wants the product meets) and values (what the customer associates with the product). A brand is created when marketing adds value to a product, and in the process differentiates it from other products..." (Pearson, 1996)

"The process of branding associates values with the name of a product or company, and customers choose a brand because they relate to or associate with its values." (Pearson, 1996)

Pearson describes value as the profit contribution of an activity or entity, while values are the beliefs about, perceptions of and associations with the brand.

A brand is also a "guarantee of homogeneity and quality" (Davies, 1992:25) and it offers benefits beyond those of a product, in terms of consumers' perceptions and expectations. A brand has a set of characteristics that can clearly define it from other products. The two most important attributes of the brand appear to be

differentiation and the ability to command a premium because of the perceived quality and uniqueness.

De Chernatony and Riley conducted two studies looking at the definition of brands and their components. In both studies they examined a number of different marketers' definitions of a "brand". Their studies give a broad insight into the understanding of the brand concept. The two most universal elements of the brand emerged as: Functional capabilities (tangible, product performance) and Symbolic features (emotional values of brands' personality). Consumers choose brands because they represent a combination of these elements. Multiple benefits, both real and perceived can be obtained from a single brand because of the "*configurations of interactive attributes*" (De Chernatony, 1997). A brand then is a functional product that has acquired, through marketing efforts, additional features, which appeal on an emotional level.

Defining the brand as a multidimensional construct the study examined the various definitions of the brand, listing all the elements that marketers incorporate into their concept of a brand. Twelve themes were developed to show the most important propositions in defining the brand:

1. Brand as a legal instrument
2. Brand as a logo
3. Brand as a company
4. Brand as a shorthand
5. Brand as a risk reducer
6. Brand as an identity system
7. Brand as an image in the consumers' minds
8. Brand as a value system
9. Brand as a personality
10. Brand as a relationship
11. Brand as adding value
12. Brand as an evolving entity

The definition of a brand rests in the context and combination of appropriate elements. For most brands all 12 elements work together forming a complex image and understanding for the consumer. A brand then, is the bundle of

associations, emotional attachments and functional guarantees a consumer perceives when confronted with a brand name. The brand represents a complex package of information that the consumer uses in the purchasing decision process.

The objective of the quantitative side of this research will be to evaluate just how township consumers view brands and what value they derive from them.

b. *What is branding?*

According to Murphy(1987:3) "*Branding consists, then, of the development and maintenance of sets of product attributes and values which are coherent, appropriate, distinctive, protectable and appealing to consumers.*". Branding involves using elements of the marketing mix as well as intangible benefits to offer the consumer a distinguished product.

Given that brands are a collection of attributes influencing the perceptions and decisions of the consumer, branding is the process of giving a product personality, image and value. The branding process starts with the development of a product which meets the consumers needs. Associations are developed which convey a personality with which the target audience can identify and the unique benefits of the brand to the consumer are defined. A communications mix conveys the brand and its "message" to the consumers, giving them a reason to purchase.

c. *Products are not brands...*

According to Marks (Marketing Mix, 1990) it is important to define the brand in the framework of the consumer needs it addresses, distinguishing it from the definition of a product. A brand should fulfil functional, symbolic and experiential needs. In fulfilling all three of these concepts a product goes beyond merely performing a function in the consumer's life, but adds positively to the usage experience and consumers associations and perceptions.

A product is merely an item that offers a physical presence and role. A brand on the other hand constitutes all the physical elements of a product, plus all the additional elements that go into the sale of a product, like packaging, promotion, advertising and pricing. The concept of a brand however goes beyond the aesthetic and concrete, to include the emotional attachments to products. A brand is a product with a distinctive point of difference, be it in the product itself or merely the perceptions of the consumer. While a product appeals on a purely physical level, a brand appeals to the consumer's intuition, emotion, senses and rational mind. Again, the quantitative study will seek to investigate on what level, and based on which motives, township consumers seek to buy distinguished brands over "products", if this is the case at all.

d. Brands are points of difference...

In the modern world where the consumer is faced with a choice between so many products which essentially perform the same function, competitors are continually striving to differentiate their products from one another. As a result, consumers have become more fickle and more sensitive to subtle product differences. To surpass the physical similarities of the product multitudes, producers offer consumers benefits over and above the tangible and in doing so create a brand.

"Marketers can position a company, product, brand, store or service as different from others by creating associations that are unique to that entity and salient."
(Hoyer; 1997,89)

It has been suggested that, particularly in FMCG (Fast Moving Consumer Goods) categories, there is a *"senseless proliferation of brands"* (Andrews,1993), and that brands should only be created when they have a unique and differentiated means of fulfilling a consumer need.

The number of brands is perhaps beginning to overwhelm the consumer while the image and role of the brand is falling prey to value considerations. The

concept of value is becoming intrinsic to the brand of today. Rather than being an opposing concept, value is becoming a complementary attribute which consumers are demanding from their brands. The concept of value is a core element in brand choice for low income consumers, a theme which emerged strongly in the focus group discussions.

In relation to the "emerging market", the concept of value for money and reduced financial risk, in choosing how to spend an often limited household income, becomes key in any expenditure decisions. As will be discussed further, it appears, paradoxically, that those with the least disposable income have a higher propensity to be brand loyal, and are willing to spend more on products on the basis of their brand names. Therefore, the logic that a private label product that can perhaps offer similar quality but at a far lower price, would appeal particularly to those with a more limited grocery budget appears flawed. Value in a brand therefore goes far further than the mere purchase price and the physical product one receives in exchange. This concept of what a brand offers in terms of value to the consumer will form an important theme in this research.

Brands have individual personality, they appeal to specific types of people and they fulfil both physical and emotional needs. The marketer's intention behind this is to create a brand to which its consumers are loyal; i.e. to so specifically and fully meet the needs of the consumer that they look no further than the brand to satisfy their needs. The importance in understanding what consumers value and desire from their purchases, is therefore key to the ongoing success of marketers. As a basis for this study, it is recognised that in the growing and massive consumer market that has been the target market of relatively few brands in South Africa, knowledge of the value and attributes these specific consumers seek in their grocery purchases is particularly important.

5.3.2. The Benefits Of Branding

Stanton(1992:235) identifies the purposes of branding as: establishing a brand franchise; satisfying consumers needs; encouraging marketing consistency for all brand strategies and transforming a merely profitable product into an asset. Should these purposes be fulfilled, branding offers numerous benefits to consumers, retailers, producers, and distributors.

a. Why do consumers use and benefit from brands?

The debate has raged between supporters of the private label and supporters of the brand, as to the power and longevity of each category. The situation in grocery retailing today suggests that both sides have been correct in some way. The private label continues to grow in scope and returns, and the brands are continuing to attract loyal consumers. The goal of this study is to evaluate just what kind of power the private label holds in relation to that of brands in the buying behaviour of the "emerging" consumer.

Private labels today offer the consumer quality at lower prices, i.e. they are proclaimed to be offering the much sought after "value for money". In this context the argument for the "Death of the Brand", does not seem surprising. However, the evidence disputes this claim, as consumers continue to buy brands. Consumers must then have some reasons for still using brands, which override the benefits offered by the private label.

The attributes which distinguish brands from one another are predominantly emotional or image associations. The reasons consumers choose or use brands are also predominantly emotionally or perceptually driven. The basic product is often very similar for brands and private labels, but a choice is made between the two because of the additional associations each category has.

Branding offers consumers the benefits of decision simplification, identification, differentiation and risk reduction; the assurance of consistent quality (since there

is only one legal owner of a brand name) and a promise from the manufacturer about his product's performance and "personality". Furthermore brand choice offers the buyer the opportunity to say something about him/herself and is a means of self-expression, through creating a personality and public image for a simple product.

The quantitative phase of this study will investigate which of the brand benefits motivate brand loyalty amongst township consumers, and will therefore promote or detract from the case for private label entry in to the township market through more direct channels.

A Simplification Strategy...

The number of products on offer to today's consumer is phenomenal. The range of product categories is infinite as new needs and innovations are developed each day. Within each category, a proliferation of products with similar functions challenges the decision-making processes of the consumer. With more information to evaluate and compare, making decisions is becoming more difficult.

Simultaneously, consumers are becoming busier, more distracted and less relaxed. Time for making decisions is diminishing. The process of decision making, as will be modelled in the next section, needs to be simplified. Consumers have developed a number of methods to simplify choice, but one of the most important, is the use of the brand.

In the extreme, **brand loyalty**, is a simplification strategy, which eliminates information processing. A brand, which consistently meets the needs and expectations of the consumer, is purchased repeatedly, with a level of commitment to the brand by the consumer. The consumer need not spend time re-evaluating the alternatives as he or she is committed to the purchase of that brand only. Brands offer consumers the consistency of performance which underlies a loyal choice, and reinforces the purchase behaviour.

Brands offer the consumer **familiarity**. The low level feelings (affect) associated with a brand give a consumer a reason to buy the brand, based on a purely emotional response. Consumers may not undergo a rational decision process, but rather choose a brand because of an emotional connection.

In branding products, marketers are attempting to reduce the external information search a consumer goes through in making a choice. Brands contain all the relevant information encapsulated in their image and symbolised by their name or logo. With a brand name in mind, no further information is necessary. Consumers know exactly what they will get. Brands therefore decrease the need to search for information and thus simplify the decision process.

Private labels offer a different simplification strategy, in the form of price. In some situations consumers are concerned with price and simplify the decision by looking for the cheapest. It may therefore be concluded that lower income consumers will be more attracted to the private label products. However evidence to date seems to indicate otherwise and this will be discussed in detail later.

One of the important factors to bear in mind when evaluating the simplification motive of consumers is the retail environment in which they are shopping. A township consumer shopping for groceries in a formal retail outlet is faced with a vast array of brands from which to choose. Simplification may therefore constitute a realistic motive. However, in an informal environment such as a Spaza shop, the choice of brand is most likely to be constrained by the limited stock/choice in the shop. The importance therefore of comparing and contrasting the decision making processes and motivation behind brand purchase between different shopping environments, for the same consumer is essential.

Risk Reduction...

One of the prime drivers of loyalty in buying brands, is the perceived risk many purchases involve. Consumers seek to reduce the risk they are exposed to by choosing brands they know and trust. Brands serve to decrease a number of purchase associated risks and are therefore desirable to consumers.

A key element of the brand according to Dr A. Marks of the UCT GSB, is the promise of consistent quality, *"What you get today is the same as you got yesterday"*.

A brand name is a guarantee of consistent performance, so a consumer can confidently expect the same experience with each purchase of the brand, this decreases performance risk. Regardless of whether it was bought in the same store, city or country, the quality and characteristics of the branded product will be the same. Brands have become global entities, and in some cases have the power to be "universal communicators" (Murphy 1987:x). The consistency of the products across the world allows them to have a common message and image, and transcend differences between people. This is discussed later as being one of the prime motives of low income consumers in remaining brand loyal.

Financial risk is usually most prevalent in expensive purchases. With the guarantee of performance and quality a brand offers, the value of the purchase increases and the risk of money wasted on an inferior good is dissipated. For low income consumers financial risk may play a very important role in relatively inexpensive items such as groceries, as a result of a very tight budget.

Brands allow consumers to reduce their perceived physical risk of a product. Brands build trust in a consumer. Consumers believe the product will perform the same as before and will not be harmful in any way, because quality is guaranteed.

Matching a brand's image to their self-image enables consumers to reduce psychological risk. Many consumers use brands to add to or complement their personal image.

Time risk is reduced by using brands to simplify the decision process. Brands also reduce time risk by guaranteeing performance and continued acceptance over time. A consumer buying a trusted brand name knows the product will perform. If the product is for long term use, this trust that the brand will perform decreases the risk of a purchase mistake which will effect the consumer for an extended period of time.

Brands play a large part in reducing consumers' perceived social risk. In fact brands have become an integral part of society, the communication of self and the identification of information. The brands a consumer uses, particularly in public, deliver messages about the buyer. Consumers use brands to express their values, beliefs and preferences. The converse is that people use brands as signals about the consumer and transfer the image of the brand to the user.

The choice of brand therefore represents a risk in terms of the message the consumer is sending out. The use of a well-known or accepted brand is therefore a strategy to reduce the social risk involved in choice.

Brands are used to develop a congruency or conformity to the social or reference group with which the consumer associates himself. By choosing similar, visible brands to peers, the consumer is identifying himself with the group and reducing the risk of non-acceptance.

The choice of private labels has long represented a social risk. The perception of these products was of inferior quality and low prices, a negative connotation. Consumers may have chosen branded products to avoid disapproval or a negative attitude from their peers. The purchase of private label goods in privately consumed categories may be higher than in higher "social involvement" categories.

Hawkins et al. (1981) link consumer confidence with perceived risk, with specific reference to grocery stores. *"Consumers who are more self confident and perceive less risk in an important purchase are more likely to purchase from a new store or speciality store.."*

The general application is that the more self-confidence a consumer has, the less likely she is to conform to the socially acceptable brand choices. In terms of private labels, these consumers are more profitable (but difficult) to target, because they are more willing to try products outside of their peers' evoked sets, and their behaviour may be followed once learning by the less adventurous has taken place.

One argument to be made in favour of brand loyalty amongst township consumers is that many consumers making up the emerging market are aspirants. In other words, they aspire to be like more successful or popular people and have a desire to better themselves and their situation. Brands, as signals of image, social acceptance and desired status, become very important in consumers' communication of their aspirations and intentions. While the use of more conspicuous branded products, such as clothing or music, lends itself to this kind of image communication, branded FMCG's may also play an important role in conveying information about the user. Therefore, the purchase of branded goods to make a certain statement, becomes an important motive behind many shopping decisions.

Consumers therefore have a number of solid reasons for the choice of brands. Private labels however, are offering similar benefits as will be described in a following section. Private labels have developed so many characteristics of brands that it can be argued that they offer consumer the same benefits and reasons for choice. The discussion of brand loyalty once again addresses the issues of the benefits of the brand, but focuses on the benefits of repeatedly purchasing one specific brand.

b. *Benefits to the Manufacturer*

The manufacturer also benefits from branding. Branding adds value to a product and as such a premium price can often be commanded. Brands are strongly differentiated which provides a non-price form of competition. Brands are bought in greater quantities and enable economies of scale in production. Brands are a stabilising influence on profits and source of revenue for research and platform for extensions. Most importantly, a brand is a legally protectable good, which encourages and enables the investment by the manufacturer in the brand.

See the section on the benefits of brand loyalty, which relates consumer loyalty to brands directly to company profitability.

5.4. BRAND LOYALTY

The key focus point of this research is to evaluate brand loyalty, the motivation behind it and the strength of brand commitment amongst low income consumers, so as to quantify the strength of loyalty amongst these consumers. This section will discuss and compare the definitions of brand loyalty and the means of measurement.

5.4.1. Defining Brand Loyalty...

The concept of brand loyalty is one that is at the core of the benefits of branding. Brand loyalty of the customer base is also the core of a brand's equity. It is however complex to define in all circumstances. The following discussion examines how marketers have defined the term brand loyalty and concludes with a working definition for this study.

Howard (1994:129) defines brand loyalty as *"... the inverse of the amount of shifting: The less a consumer shifts among brands, the more brand-loyal the buyer is."*

"...consumers can also exhibit cognitive and/or affective involvement with a brand. This phenomenon is commonly called brand loyalty." (Hoyer, 1997:34)

Similarly, Aaker (1991; 34) believes that brand loyalty is the measure of attachment that a consumer has to a brand and it reflects the likelihood of the consumer switching to another brand.

Many consumers hold strong beliefs about brands and the benefits they get out of them. Consumers, who feel a devotion to a brand and exhibit this devotion by repeatedly buying a brand and resisting counter efforts by competing brands, are displaying brand loyalty. Brand loyalty, according to Hoyer, is created through delivering a quality product, which satisfies the consumer, at a fair price.

Pearson links brand loyalty with customer loyalty, maintaining that *"Value lies in the customers rather than the brands."* (Pearson, 1996). He states that by building customer relationships and strong brands, loyalty can be achieved. With intensified competition and consumer demands, brands need to offer more to deserve and maintain customer loyalty. *"A loyal customer has a high propensity to choose the brand, irrespective of competition, because of the unique values associated with the brand.."*

Brand loyalty, has been recognised as more than a phenomenon of consistent repeat purchase and a lack of "shifting", it is the **relationship** developed between the customer and the brand company, which because of its mutually beneficial nature, induces customer commitment.

According to Galpois (1998; 62) loyalty is defined as the combination of two elements *"the level of customer satisfaction and positive brand association"*. Thus loyalty depends not only on brand preference, but also on brand satisfaction.

It has been unequivocally stated by many researchers that mere repeat purchase behaviour is not necessarily equal to brand loyalty. Much discussion has taken place over the difference between repeat purchases and brand loyalty. Numerous researchers agree that brand loyalty refers to the attitude and emotional attachment a consumer has toward a brand, rather than only the behavioural aspect of purchasing the same brand repeatedly.

As Galpois (1998, 62) argues, repeat behaviour can be bought through discounts and other incentives that encourage repeat purchase but that do not guarantee long term customer commitments. Oliver (1997, 392) agrees with a very specific definition of brand loyalty. *"(Brand loyalty is) a deeply held commitment to rebuy or repatronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour."*

In fact, Butch Rice of Research Surveys (1995) distinguishes between brand loyalty and brand commitment, saying that commitment is a psychological attachment while loyalty is a behaviour. He describes loyalty as the propensity to

buy a brand repeatedly, while commitment to the brand indicates that the consumer will go out of his way to remain brand loyal. Consumers cannot be deemed loyal just because they continue to purchase a brand. Some consumers may be “grudgingly loyal”, uncommitted to the brand and easily tempted should a perceptively better brand be introduced. These seemingly loyal customers are dangerous says Rice, because *“Their loyalty is misleading and their defection comes as a surprise”*. Commitment is measured using the Conversion Model, developed by Research Surveys, which will be discussed in section 5.4.7.

The definition of brand loyalty depends quite heavily on the accepted common characteristics and on the method used to measure it. For clarity, in terms of this study and following this discussion of brand loyalty and how it manifests in terms of brand commitment, “brand loyalty” will refer to the commitment Rice is talking about. This is to avoid any confusion, as the majority of researchers do refer to the commitment of a consumer to a brand as brand loyalty, excluding the behaviour of mere repeat purchases, as identified in the following discussion.

a. *Attitudinal vs Behavioural Loyalty...*

Another approach adopted by a number of researchers has been to look at brand loyalty as consisting of two elements, the behavioural and the attitudinal. Aaker (1991, 43) believes there are various ways of approaching the measurement of brand loyalty, by breaking brand loyalty down into a behavioural element (i.e. actual purchase patterns) and elements which examine other influences on loyalty: switching costs, satisfaction, liking and commitment. He uses these elements to evaluate methods of measurement, which will be expanded upon when looking at measurement of brand loyalty specifically.

Corresponding to Aaker's definition, is the discussion of brand loyalty by Farr and Holles (1997, 23). In research studying the correlation between the market share of a brand and the loyalty demonstrated by consumers, the authors discuss the much-debated Double Jeopardy Effect. What is important to this literature review is that they break down loyalty into two components, Attitudinal and Behavioural loyalty. The BrandDynamics™ System describes this division of

the actual buying behaviour and the emotional attachment consumers have to their brands. (This research tool was developed by Millward Brown in explaining behavioural and attitudinal loyalty) It evaluates both brand strength (i.e. the strength the brand has in maintaining attitudinal loyalty) and brand size (the ability of the brand to maintain repeat purchase behaviour which translates into market share).

In essence Farr and Holles (as well as other Marketers in the preceding and subsequent articles and arguments about the Double Jeopardy Effect) define the two components of brand loyalty as:

“Behavioural loyalty refers to observed buying behaviour, where loyalty is inferred from the patterns in that behaviour”. Behavioural loyalty presents itself in actual purchasing patterns and thus is easy to measure, it simply indicates that a consumer is loyal if he/she purchases a brand over a set proportion of times, in a set period, in a product category.

“Attitudinal loyalty is inferred from what people say, not what they do.” Attitudinal loyalty is the attitude people have toward a brand, about the characteristics of that brand which will in turn, affect their behaviour. Attitudinal loyalty is influenced by issues such as: the relevance of a brand to people's specific needs, perceived brand performance, emotional appeal, perceived brand popularity and perceived pricing.

People often buy a brand more than a set proportion of times and are considered brand loyal. This may involve no attitudinal loyalty, although it is often assumed to accompany repeat purchasing behaviour. On the other hand while people may demonstrate attitudinal loyalty for a brand by stating a preference and intention to buy, this does not mean that they will necessarily buy that brand. This is expected to be important in evaluating the primary research, as it is anticipated that while many township consumers may demonstrate a strong attitudinal loyalty to a number of brands, the realities and limitations of budget may prohibit the actual purchase of their “number one” brand.

As described by Burgess (1998,146), "*Loyalty can be thought of as stemming from cognition about brands and affect toward them that informs a cognitive loyalty to the brand characterised by a deeply held commitment that takes on motivational properties leading to action.*" This illustrates that once again the emotional loyalty which lead to behavioural loyalty is essential in the definition of brand loyalty.

Thus, following the discussion of the various elements of brand loyalty, it important that during the primary research phase of this study both the attitudinal and behavioural aspects of brand loyalty are examined.

b. A working definition...

It is necessary to develop a robust definition of brand loyalty, as well as a means of measurement for use in the quantification and analysis of buying behaviour. Since it is necessary for consumers to demonstrate behavioural loyalty (repeat purchasing) in order for the primary benefits of brand loyalty (sales) to accrue to the brand "owner", it is important to include actual repeat purchasing in the working definition of brand loyalty for this study. Defining loyalty by purchasing patterns alone is however insufficient, since the attitudes and beliefs of consumers play such a vital role in future sales, advocacy of the brand and resistance to competitive threats. For the purposes of this study the following definition of brand loyalty will be employed:

"Brand loyalty is the attachment, emotional and attitudinal, a consumer has to a particular brand, which he or she demonstrates through repetitive purchase of that brand over an extended period of time, in the presence of competitive brands"

Sections 5.4.6 and 5.4.7 will seek to establish a method of measuring loyalty in the field research, thereby expanding, in the context of this study, on the definition of what brand loyalty is.

5.4.2. The Value of Brand Loyalty ^A

Brand loyalty represents strategic value to the company, if properly managed and exploited. According to Aaker (1991, 46) brand loyal customers represent strategic value in four ways:

- Reduced Marketing Costs (a loyal customer costs far less to maintain than attracting a new customer and loyal customers represent an entry barrier to competitors)
- Trade Leverage (more loyal customers ensure that retailers provide more shelf space: the more powerful the brand, due to a broad base of loyal customers, the greater the leverage that can be exerted on the retailer to ensure preferential allocations to the brand)
- Attracting New Customers (the greater the base of loyal customers, the more brand awareness that is created through these advocates. Also, the more popular a brand appears to be, the more reassurance to new customers of the brand's worth. Loyal consumers also advocate their brand providing new customer referrals)
- Time to Respond to New competitors (loyal customers will be less inclined to be tempted by new brand, it will take a new brand longer to induce trial amongst consumers loyal to another.)

"Brand loyalty is important because as brand loyalty increases, the vulnerability of the customer base to competitors is reduced" (Aaker 1991,43)

It was reported in the Harvard Business Review (Koenderman, 1997,1) that marketers can increase their profitability by up to as much as 85% by decreasing customer defections by a mere 5%. According to Reichheld (Burgess,1996) a 5% increase in customer retention can increase the NPV of an average customer's life time value by more than 75%. This then allows brand loyalty to be translated directly to predict future sales and profitability. Aaker agrees with this study saying *"(Brand loyalty) is the one indicator of brand equity which is demonstrably linked to future profits, since loyalty directly translates into future sales."* (Aaker 1991,39)

Aaker suggests several levels of brand loyalty, each of which represents a different type of asset to exploit. The Loyalty Pyramid is shown below.

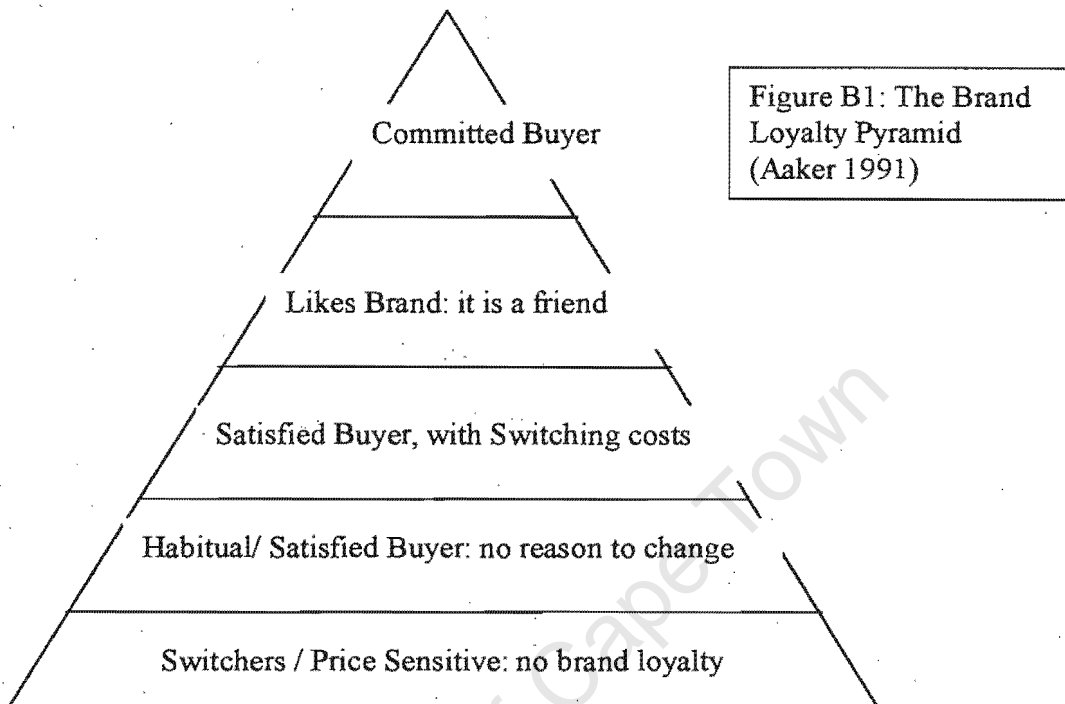


Figure B1 shows that as consumers move up the pyramid of loyalty, they become more committed. They become less concerned with price and are less vulnerable to competitive brands. At the second highest level consumers begin to buy the brand because they truly like it and consider it a friend, at this level the emotional attachment to the brand is apparent. At the highest level the brand becomes very important to the person, their confidence is such that they would recommend the brand to others and they are proud of the brand they use. It is at this level where the benefit of the committed or loyal consumer is of immense value to the company because the consumer begins to positively affect the attitudes of others and the market itself.

From the second level of the pyramid upward customers are exhibiting signs of loyalty by repeat purchase behaviour and this behaviour maintains and grows market share and brand value. It is not, however, until the upper level of the pyramid, that the loyalty of the customers can be dependable in the face of competition. It is at the point when the company faces stiff competition, that the

value of a loyal base of customers is most important to the company. *"The attrition rate for those with stronger levels of loyalty will be lower, causing their value to be higher."* The value then of having as many customers to the top of the loyalty pyramid and maintaining their position there, is clear. A massive base of indifferent customers cannot be relied on to form the future of customers: their value is therefore uncertain.

In his paper "The New Face of Marketing", Butch Rice (1995,3) also espouses the value of committed customers and their implication for the success of a brand. Along very similar lines to those of Aaker, the following implications of brand commitment are given.

Committed brand users are:

- Less price sensitive
- Less likely to accept alternatives when the preferred brand not available
- Least likely to be lost when under competitive attack
- Likely to devote a bigger share of their category purchases to the brand
- Less likely to be aware of competitive advertising and promotions
- At the extreme, advocates for the brand

In the study of township consumers, future market share and how to guarantee it, loyalty is particularly important for FMCG companies. The retail industry serving the township consumer, distribution patterns, lifestyle patterns and consumer behaviour are presently in a state of flux. As more companies recognise and try to take advantage of this growing market and new companies bring their products into the townships, competition will increase. Under conditions of new entrants and strong competitive strategies, brands will have to maintain a core group of loyal, committed customers who will anchor their market share and ensure that competitive action does not undermine the value of the brand. Given the advantages of committed customers, it will be this group of people that will be critical to any strategic plans made for any brand's future.

5.4.3. The External Influences on Brand Loyalty

In their discussion of how to make brands "Big and Strong", Farr and Holles (1997,23) discuss how brand size (market share) does not necessarily dictate behavioural loyalty and that attitudes play a very important role towards determining brand success. This theory makes additions to the theory of Double Jeopardy relationships, which presents data showing that big brands tend to stay big (and therefore small brands small). Two mechanisms are examined to evaluate their role in encouraging consumers to buy brands and foster loyalty: Push mechanisms and Pull mechanisms. These will be discussed in turn, examining the factors influencing a buyer and potential brand loyalty.

The Push Mechanism:

Bigger brands have structural advantages that keep them "big". These advantages push or "force" consumers to buy the brand. There usually are influences at the point of sale which steer the consumer to the choice of a brand with greater market share.

Bigger brands are more likely to be stocked. (A case in point in the township spaza shops where only one or two brands in each category are available). Big brands also have trade leverage and other advantages allowing them "*greater shelf-space allocation, more in-store promotion, greater likelihood of getting line extensions listed, greater advertising budgets..*" (Farr & Holles, 1997,25)

These factors all influence consumers brand choice and affect purchasing patterns by pushing them toward a particular choice, regardless of their predisposition towards brands. The push explanation of Double Jeopardy has the most strength in categories where brand substitution is easy and attitudinal loyalty is low.

The Pull Mechanism:

Pull mechanism looks at influences on the attitudes of the consumers that make them want to buy a particular brand. Three influences on attitudes and behaviour are suggested:

- Repeated exposure to the brand and its advertising can lead to an increase in positive attitude. Bigger brands have resources for greater exposure and advertising.
- More information available and accessible for bigger brands, allows for a more favourable attitude to be developed
- Consumers are often swayed by the "*sheer weight of popular opinion, real or perceived*". Social desirability is a factor which can influence consumers to buy bigger brands which appear to be more popular. For low income consumers, the use of brands to signal social status and to "fit in" may be more pronounced in the FMCG market, as the consumers cannot afford the usual status symbols the affluent use frequently such as cars, clothing etc. It is hypothesised in this study that brands, even of FMCG's may be very important amongst lower income groups as signals of status and social conformity.

Influences on brand loyalty are not limited to the characteristics and strategies of a brand which pull or push the consumer towards it. It has also been recognised that particular groups of people are more likely to be brand loyal and that particular product categories are more likely to evoke a loyal response.

The influences presented so far have been linked to the influences from the brand side of the equation - which brand is more likely to have more loyal consumers. It is important to evaluate what makes one consumer likely to be more loyal than another. The socio-economic, demographic and psychographic characteristics of a person which indicate a tendency to greater brand loyalty are discussed in the next section. The role of product category in evoking brand loyalty is discussed thereafter.

5.4.4. Brand Loyalty from Different Groups of People

Butch Rice believes that "*no country in the World has a higher commitment to brands than South Africa*" (Koenderman 1997), possible explanations lie in the characteristics and demographics of South Africans.

Studies have looked at how demographics influence the propensity of consumers to be brand loyal, the results have not always been what, at first glance, one would expect.

It is logical that consumers in higher income groups can afford to pay premium prices for brands and the benefits they offer and therefore, will show a higher propensity for brand loyalty. Consumers with a low income would be expected to search for low prices and the best deal and not be willing to pay premiums for "image". However, this is not always the case.

As reported by Raju in his study of marketing in the third world, evidence seems to suggest that consumers in developing countries are more brand loyal. *"The brand loyalty of East European and Third World consumers may be due to their risk-averse nature resulting from limited financial resources and the spotty quality of products"* Raju (1995,37). A second reason for consumers in the developing world being risk averse, is the lack of brand information available due to lack of adequate retail facilities and low literacy rates. A third reason is *"the more conservative and traditional norms found in developing countries....This makes them more resistant to change"* Raju (1995,37)

In many aspects the township consumer is a consumer of the developing portion of South Africa and issues found to be pertinent in propensity for brand loyalty in developing countries may also be relevant in this country. Since the access to brand information and adequate retail facilities has been improving dramatically, one of the key similarities with other consumers in developing countries is that of risk aversion. The economic situation is particularly similar and the effects of budget constraints play an important role in influencing brand loyalty.

Agreeing with the findings of such research in the developing nations, but paradoxically, when considering the logic of income and price based decisions, the brand loyalty level of low income (predominantly Black) South Africans seems to be above average. This has been attributed in two ways to **quality** and is directly related to the discussions of **reducing risk** and **perception**. While South African marketers have touted the Black consumer as particularly brand loyal, many have spurned the correlation between race and loyalty. As Butch Rice says

"It is not a racial or cultural thing but socio-economic. As their income rises they become exactly the same as whites and commitment drops". (Rice, 1995)

Across the world this paradox has been noted and can be explained very simply. *"The lower your income the more committed you are likely to be regardless of product category. The poorer you are the fewer risks you can take. For the same reason the lower the income the lower the price sensitivity in most markets."* (Koenderman 1997). Many consumers with a low income cannot afford to make a "shopping mistake" and the risk involved with spending their money is high. The result is a loyalty to well known and trusted brands, which can be relied on to perform.

It is interesting to note that in an article written in 1972 in the USA on "Black Buying Behaviour", it was noted that the importance of Black consumers was increasing rapidly (Howard and Sheth, 1991). The major determinant of segmentation was however not based on race, but rather on income. As in South Africa, racial discrimination determined that a major proportion of the Black community were low income consumers, and it was the income segmentation that formed the determinant of buyer behaviour rather than the racial one. The author predicted that as income levels increased amongst Black consumers, the difference between the Black and White market would diminish. The situation in the USA in the 70's reflects much of the change that is happening in South African markets.

These low income consumers were described as making many price based decisions but were also particularly quality conscious, choosing well known brands over secondary brands or house brands. For many the purchasing of brand represented status symbols.

While this article is fairly old, its relevance lies in the fact that the changes in the South African market today are not new, nor particularly isolated to the South African market. The issues of disparities between the wealthy and the poor, consumers with rising incomes and changes in buying power bear similar relevance in evaluating the behaviour of consumers.

Studies at the University of Chicago, (Howard and Sheth, 1991) confirm this, showing that the poorer the consumer, the more committed he/she is and as society becomes more affluent, consumers become less committed.

Another influence, identified by van der Walt (2000,18) is that of the **involvement** of the consumer in the product category. The more involved, the more likely they are to be committed. This ties up with the issue of income, because the financial involvement in most product choices is high, in that each spending decision requires a high involvement for the buyer. Also related is the fact that the lower income consumers in South Africa are more likely to be involved in activities such as household cleaning, as they cannot afford to employ someone to take over such duties. Personal contact and use of a brand increases the level of consumer involvement in brand experience and perhaps, therefore in the decision making process. This influence of involvement, could also therefore be an important factor to consider in the primary research.

Since the gap in South Africa between the affluent and the poor is so enormous and also drawn along the Black/White line, it is apparent where the misperception arises that Blacks are more brand loyal than Whites. From the literature it is clear that income and not race influences propensity for loyalty.

It is central to the discussion in this study that the point of interest is **low income** consumers, as this is recognised as being the underlying factor influencing brand loyalty amongst South African consumers, rather than issues of race and culture. The importance of such a study then follows. Rice claims, in accordance with his argument for lower income to correlate to strong brand commitment that, *"we have an unsophisticated society and so we have one of the highest brand commitments in the world"*. As such, and with the economic and income shifts occurring within this group (as discussed earlier), the "emerging market is becoming and will continue to become more affluent and according to Rice's argument can be expected to become less committed. It is therefore essential for the marketer to understand the source of brand loyalty amongst this group, in an endeavour to develop strategies to maintain the loyalty of these customers as they become more affluent and sophisticated.

"In times when the economy is tight and there is a risk in every purchase decision, consumers prefer to minimise the risk of any purchase by choosing a brand they know and trust" says Slade, (There's more to marketing than advertising; 1997,5) which makes logical sense in terms of the basic definition of a brand and the benefits it offer the consumer. The original premise of the brand was to add value and deliver quality and to do it consistently and so become trustworthy. It therefore is not paradoxical at all for those with the most to risk financially, to be those who turn to trustworthy sources time and time again.

Other influences on brand loyalty are consumers' perceptions and social desirability. Brands often take the form of an aspirational purchase. A social comment is often made by a purchase of a particular brand, people wear brand labels on everything from cars and clothes to cellphones. With these brands consumers are making a statement about their personal style or image or are presenting an image of a lifestyle to which they aspire. The social risk of brands is often high, with the brand associated with the person, making a personal statement about it's user. Consumers often use the brand to allude to the type of life style that is desired rather than that which is real. In the lower income market it is important to evaluate which types of products play a role in the demonstration of image and social conformity. Traditional status symbols such as cars or clothing may be out of the financial reach of these consumers. Nevertheless, brand image and association remain important as the brand one uses, be it shampoo or beer, is often a statement of the values, priorities or perceptions of the buyer.

Stanton(1992:234) agrees with this concept, believing particularly that the less sophisticated shopper tends to be more brand loyal and that as a result more attention must be paid to branding in this emerging market. Stanton maintains that more sophisticated people are more self-assured and will buy no-name brands for low involvement purchases, however in the less sophisticated market the reassurance of brands is important across all products.

A study by Richardson, and others looked at the factors influencing the purchase of house brands (Richardson, Jain and Dick; 1966 159-173). While this will be discussed fully in the context of the discussion of private labels, it is important to

note at this stage, that the same factors which draw people to the house brand are likely to be important when considering the brand loyalty of consumers. The following influences on house brand "proneness" were:

- Perceived value for money
- Perceived Risk
- Perceived Quality Variation
- Extrinsic Clue Reliance
- Familiarity
- Intolerance of Ambiguity
- Socio-economic variables

Many of these factors tie in with the concepts related to brand loyalty "proneness", the concepts of risk avoidance through knowledge, familiarity and trust, and the fact that such risk avoidance is particularly relevant to those with tighter budgets.

5.4.5. Brand Loyalty Differences Across Product Categories

When considering loyalty, it is also important to consider the product category, as studies have shown loyalty to differ significantly across categories. Aaker (1991,44) recognises that loyalty can vary widely among different product classes, depending on the nature of the product and the number of competitive brands.

One of the main influencing factors is the degree of customer involvement in the purchase decision. Involvement depends heavily on the risk attached to a particular decision, be it a financial, perceptual or social risk. The type of goods considered for empirical study in this investigation are low risk, low involvement goods. They are all grocery products, which are neither expensive, nor highly socially visible or obviously linked to self-image (like clothes or motor vehicles for example). The argument exists however that the low income consumer spends a far greater proportion of income on grocery products and this increases the level of customer involvement. While to affluent consumers, the involvement in the

choice of many FMCG's is low, for the low income consumer, the financial risks involved are high, which increases the involvement. If a poor consumer makes a bad choice of washing powder, for example, and it does not clean properly or is used up far more quickly, the consumer does not have more money to buy another washing powder. The risk and therefore involvement in the product choice increases for low income consumers.

The conventional wisdom that loyalty levels to these grocery product categories are generally low and consumers are more readily influenced by discounts, is questioned when examining the decision making of low income consumers. The focus group discussions showed a very high level of value understanding, spending more on a brand now, knowing how long or how well it performs. The complexity of the consumers' calculations in determining value for money suggest a high level of involvement in their choice of FMCG's.

Conventional wisdom also suggests that consumers tend to have a repertoire of acceptable brands (or evoked set) and choice within this group may be habitual or for convenience rather than a positive choice. The focus group discussions suggest otherwise. Many of the respondents had a particularly limited evoked set or even maintained that they were loyal to one brand only. Participants had lengthy and detailed discussion of the merits of one brand over another, suggesting a high propensity for positive choice, rather than habitual purchase. Evoked sets and their influence on the brand will be discussed further in this review.

It is suspected that certain categories of FMCG's show an extraordinary level of brand loyalty, (i.e. greater level of loyalty than other FMCG categories) and there is a distinct "leader brand" in the category. The quantitative survey will explore in which categories there is high brand loyalty and try to uncover the reasons. For this purpose different product categories were chosen for empirical study, with an attempt to have very different categories to compare. Toothpaste, washing powder, tea and mealie meal were selected as the products for study.

In terms of private labels, it was shown in previous research (Hoch and Banerji, 1993) that house brands are more likely to be successful in categories where

there is no strong brand leader and there is relatively little brand loyalty exhibited. This therefore should influence the product manufacturers choice to introduce private labels and how acceptable a house brand would be in the township market.

5.4.6. The Measurement of Brand Loyalty

Various approaches have been taken to measure brand loyalty. The measurement depends largely on the definition used in the particular study. As discussed in defining brand loyalty, the definitions range from the repeat purchase of a brand to the attitudes one has towards a brand.

One could measure by determining the percentage of purchases in a product category that the specific brand is chosen (i.e. the proportion of purchases held by that brand). Alternatively taking into account unavailability of brands, one could measure the intention of the consumer too buy a brand, i.e. how many times out of ten consecutive purchases would you intend purchasing a brand.

Another measure would be to evaluate the sequence of purchases and the number of times in a row the consumer buys a specific brand, this however does not rule out the habitual or uncommitted buyer.

For a measure of absolute loyalty, the consumer would have to be asked for example, if they would go to a different store to find the brand of their choice, and would make the effort to obtain the brand, 100% of the time. i.e. the consumer would not settle for any other brand. In addition one would have to measure the attitudes or emotional attachment to the brand and the reasons for repeat choice. The ideal is thus to establish repeat purchase behaviour, plus brand commitment and preference.

In considering brand loyalty, Aaker (1991,43) looks at several measurement tactics that provide insight. In line with his division of loyalty into behavioural

and emotional constructs, he divides these definitions in terms of how to measure loyalty.

In defining brand loyalty as a behavioural construct, the direct way to measure it is to consider actual purchase patterns, in three ways: Repurchase rates, Percentage of Purchases and number of brands purchased in a category. The problem with such measurement is that there is no discrimination between those who buy the brand habitually and have no commitment to the brand.

Looking at the more emotional constructs of brand loyalty Aaker bases measurement approaches on switching costs, satisfaction, liking and commitment.

Switching Costs

In looking at the expense or risk incurred when considering a brand switch it is possible to gauge the extent to which the switching costs provide incentive for brand loyalty. For example, a company with an entire computer system; hardware, software and expertise is likely to remain loyal to that brand because switching would involve the enormous costs of reinvesting in the entire system and the time and productivity lost through retraining etc.

The risk of changing from the familiar and trusted also represents a switching cost. It costs the consumer effort and energy to move to an unknown brand.

Satisfaction

This is one of the most important measures to include in determining brand loyalty. It is important because consumers who become dissatisfied are more likely to switch. If satisfaction is high enough, there is less of a predisposition to switch.

Liking

This measure of brand loyalty ties particularly to the concept of attitudinal loyalty. It is the positive attitude a consumer has towards a brand that creates resistance to competitors. This construct includes feelings of liking, trust, respect and friendship toward the brand. Good measures of liking include the

willingness to pay more to obtain a brand. Such a price premium is relatively easy to measure.

Commitment

Commitment is indicated by the amount of communication involved with the product. Does the consumer talk about the brand and recommend it to friends, acting as a brand advocate? A committed buyer also sees a brand as an important part of their personality and activities.

For the four emotional constructs, Aaker does not specify how such elements are physically measured. These constructs can be utilised to qualitatively evaluate consumer loyalty but it is difficult to use them as qualitative measures. As such these five constructs of brand loyalty measurement will be used in the context of other measurement models and in the particular context of this study to determine a relevant measure and model of brand loyalty.

Grey Advertising has developed the "Brand Loyalty +" programme to measure brand strength and loyalty, this measurement system also uses the behavioural and attitudinal elements to brand loyalty and delivers very similar measurement principles to those of Aaker. What is important is that these methods are used together whereas Aaker represented each of the measurement as independent scales.

Grey has a standard "brand loyalty index" which measures and ranks consumer loyalty to brands. This programme measures market share and satisfaction and in doing so utilises a definition of brand loyalty that includes both the behavioural and attitudinal aspects of the loyalty definition described earlier. For a perfect loyalty score using this system, the brand loyal users would have to account for 100% of sales and all would have to be totally satisfied with the brand. (Ad Focus, 1997,2)

In this study, the working definition for brand loyalty has been given as follows:

"Brand loyalty is the attachment, emotional and attitudinal, a consumer has for a particular brand, which he or she demonstrates through repetitive purchase of

that brand over an extended period of time, in the presence of competitive brands"

The measurement of brand loyalty must then take two simultaneous directions. In order for brand loyalty to be of any worth to a company, the attachment must be acted upon. Purchase behaviour is therefore an essential measurement. It is important to know how often the consumer buys the particular brand, out of all the purchases in a brand category. Information about purchase patterns is therefore the first step.

The valuable brand loyal consumer is one who demonstrates repeat purchasing patterns over time and also indicates a strong emotional tie to the brand in terms of trust, commitment and association.

Therefore, the attitudes and beliefs of the consumers also have to be measured to gauge the level of brand commitment, trust and attachment. As emotional constructs these are difficult to physically measure. Specific models and studies will be examined in section 5.4.7. These studies show the use of questionnaires and attitude statements to gauge people's attitudes. Past research, in conjunction with measurement theory discussed will be used to develop methods for the evaluation of brand loyalty in this study.

5.4.7. Modelling Brand Loyalty

In examining how people have evaluated loyalty, it is necessary to look at segmentation studies based on buyer behaviour.

It has become increasingly popular to segment consumers on the basis of buyer behaviour (Van der Walt, 2000,2) because marketers have realised the value in targeting efforts at like minded or "like motivated" consumers. Numerous researchers have attempted to profile or model brand loyal consumers, evaluating the behaviour and attitudes that are evident in brand loyal consumers. As put forward in the Conversion Model, by identifying those consumers most likely to

be "available" to your brand, much of the wasted time and money utilised in targeting the mass market, a large percentage of whom are "unavailable" can be avoided. (Koenderman, 1997,2).

Similarly, if one can identify the motives behind brand choice by particular consumers, ie. price, habit or brand preference, a marketer can better target the consumer and better understand the competitive advantage or future value the brand represents. If most of the market share for a brand is composed of consumers who are buying on the basis of price, a brand is particularly vulnerable to discount tactics or entrance of lower priced brands. In the Marlboro Friday disaster, Marlboro dropped its prices in an attempt to increase sales. When other brands followed suit, Marlborough lost massive market share, because, according to Butch Rice and the application of the Conversion Model (Koenderman, 1997,3), a large percentage of the buyers were in fact "convertible" and therefore were not likely to demonstrate any loyalty to Marlboro in the presence of competition.

The value of profiling the consumers who make up the current market share of a brand, in terms of their loyalty and brand purchase motivation, is therefore critical to understand the brand strengths and weaknesses and strategising for future competitive activity. This section looks at how a few researchers have segmented consumers with respect to loyalty and purchase motivation and draws out elements that will be useful in the evaluation of brand loyalty in the quantitative survey of this study.

The Conversion Model developed by Research Surveys segments consumers based specifically on their level of commitment to a particular brand. The model divides consumers into users and non-users of the brand, evaluating, for users, the likelihood of the consumer switching to another brand and for non-users, the likelihood of the consumers switching to the brand under study. The premise behind the model is that it is dangerous to evaluate loyalty through the mere activity of the consumer, if a consumer repeatedly buys a brand, - this does not indicate loyalty. They may be uncommitted to a brand and these consumers are the ones that surprise the marketer in times of competitive threat by "defecting". The Conversion Model looks at the degree of commitment and quantifies the

consumers who, for example, are likely to defect. This gives the marketer a greater understanding of the stability and underlying strength of the brand.

The Conversion Model identifies 8 segments of consumers, four for users and four for non-users,, which are on a continuum with “entrenched” users at the pinnacle. the segments are as follows:

Users: Entrenched
 Average
 Shallow
 Convertible

Non-Users: Available
 Ambivalent
 Weakly Unavailable
 Strongly Unavailable

The reason these segments are on a continuum is that it is possible, through strategic marketing activities, to move users up the scale towards “Entrenched” and to encourage non-users towards being “Available”.

So the Conversion Model looks specifically at levels of loyalty based on an attitudinal or emotional attachment scale. While this is useful in this study, in terms of understanding the value of brand commitment and “entrenched” users, it is particularly detailed and methodologies are not available for evaluation. Also and importantly, it is necessary for consumer segmentation for this study to examine all the motives behind buying behaviour rather than just evaluating how “strong” loyalty is. Other models will be discussed which segment buyers on a broader basis of buying behaviour and motivation. However, the principles behind the Conversion Model are important to bear in mind, in the evaluation of the empirical data.

In his paper reporting on the studies of The NPD Group, Inc., David Meer presents four shopper segments which have been derived from a battery of statements, about brands and buyer behaviour, to which respondents had to give a yes or no answer. The four segments are “*driven by the degree of perceived*

brand differentiation and consumer preferences, on the one hand, and the salience of price."

The following statements were used to evaluate the key attitudes of consumers and segment them into Preference concerned or Price concerned buyer groups.

Key Attitudes: Preference:

"I have a favourite brand that I strongly prefer"

"Some brands are much better than others"

"I know what I'll buy before I shop"

Key attitudes: Price

"I always try to buy products on sale/specially priced"

"I select brands on coupon/ price promotions"

"Lower priced brands are just as good"

"I buy a product that has the features I want rather than only buying one brand"

Depending on how the respondents answered each of the statements, they were grouped into one of the four segments. Each of the four segments is listed below.

1.Brand Loyals: *"Express strong brand preferences and report acting on those preferences regardless of price consideration."*

2.System Beaters: *"Have brand preferences but are committed to buying their favourite brands at lower than regular prices."*

3.Deal Shoppers: *"Focus on price, not brand"*

4.Uninvolved: *"Have neither strong brand preferences nor a strong low price orientation."*

The Brand Loyals are the group most salient to this study and the quantitative data will set out to examine to what extent township consumers fall into this segment. The most important elements that distinguish this group, according to this study, are that they are not influenced by price and are willing to pay the full price for the brand they want.

Deal shoppers are committed to buying specially priced items, they reject the whole premise of brand loyalty. System Beaters are like deal shoppers in that

they are very price sensitive, but they also exhibit strong brand preferences. System Beaters have realised they can get their favourite brand without paying the full price.

The study shows that these segments are not driven by demographics. Deal Shoppers are not necessarily lower income consumers and are virtually identical to the demographic profile of Brand Loyals. There are a few demographic differences, but it is clear that the segments are not the result of socio-economic status or life-stage. All these segments represent psychographic characteristics of the consumer in a particular buying situation. It is evident in the study that shopping behaviour differs depending on the product category. This ties strongly with the theory that the type of product being bought influences brand loyalty. Also interesting in terms of the current study is the fact that there is intense competition amongst house brands amongst the Deal Shopper segment. It is important to note that this is an American study and that the successful house brands are of particularly good quality, on a par with the national brands.

A local study by Leslie van der Walt (2000) also looked at the segmentation of buyers on the basis of their purchase motivations and buyer behaviour. While the paper looked particularly at price sensitive buyers, it included all segments and was based on a study by Deighton, Foley and McQueen, in the USA (van der Walt, 2000) In the research reported by van der Walt, the American study was emulated, but used a survey approach rather than scanner data.

The study was similar to that reported by Meer (Meer, 1995; RC2-RC7) in that the survey segmented buyers using their responses to a number of attitudinal statements. It is important to note that segmentation depended not only on the positive responses to certain statements, but also to negative responses. In this way the responses to all statements were compared in order to segment the consumers accurately, and override the overclaiming errors often present in price sensitivity research. The typology resulting from the study included 6 segments, which are described below. In addition to the description, the statements used to identify the segments are given.

Type of Buyer	Definition	Agree with Statements like:	Disagree with Statements like:
1. Brand Believers	Their brand is special and they will pay a premium for it; they are unlikely to compare prices or rotate brands	"I will pay more for the brand I like" " I always buy the same brand because I believe it is better than the others- not just out of habit"	"I always buy the cheapest" "I always compare prices and buy the cheapest"
2. Habit Buyers	Tend to be loyal to one brand, but purely out of habit	"I always buy the same brand out of habit"	"I always compare prices and buy the cheapest" "There are several good brands, so I compare prices between them and buy the cheapest"
3. Value Brand Buyers	People who have settled on an inexpensive brand that they believe offers value	"I always buy the cheapest brand" "House brands are just as good as any other brands"	
4. Repertoire Price Buyers	preferred repertoire of brands and buy the cheapest within this repertoire	"There are several good brands, so I usually compare prices and buy the cheapest"	"I always buy the cheapest" "I always buy the same brand out of habit" "I will pay more for the brand I prefer"
5. Price Buyers	Actively compare prices and find the cheapest brand. Commitment and involvement are low.	"All brands are the same" "I always buy the cheapest"	"There are several good brands, so I compare prices amongst them.." "I buy the same brand out of habit" "I will pay more for the brand I prefer"
6. The Rest	No consistent response, they are not classified as any of the other segments		

Table constructed by the author with reference to Meer; 1995 RC2-RC7

The study showed that consumers who are committed to their brand are likely to be brand believers or pure habit buyers. Uncommitted consumers are likely to buy on price or have no consistent patterns of behaviour.

Buy using this typology for individual brands the study was able to show what percentage of each segment of buyers applied to each brand. With the benefits of

committed or loyal customers in mind, it is possible to identify the strong and weak brands in terms of vulnerability to competitive attack.

In the examination of a South African House brand, it was noted that the greatest segment of buyers was Price Buyers, with a small percentage of buyers being Brand Believers. Translated into a commitment profile there were more uncommitted buyers than committed, suggesting that buyers of House brands are in fact representative of the opposite of the Brand Believer segment. The quantitative survey has set out to consider the willingness to buy house brands regularly as a strong indication of the brand loyalty within the group.

An important qualifier for Van der Walt's study is the validation of the typology through the cross tabulation of the buyer segment with actual brand usage. As discussed in the definition of brand loyalty, it is felt that including both behavioural and attitudinal measure of loyalty in any study is critical to its validity and usefulness.

In the third study which looked at segmentation of buyers, dependent on their buying behaviour, Gralpois (1998,62) divided customers into groups of similar brand preference which enabled the client to identify those most likely to remain loyal and those most likely to switch to competition.

This study asked respondents to indicate which is their favourite brand for a particular product and then they were asked to select their second favourite brand (if there was one). The most loyal customers are those who only pick one brand and do not have a second choice (they will buy brand A or nothing). The brands chosen are then tabulated against one another to evaluate the brand strength based on those who are totally loyal and also to examine the extent of the competitive interaction between brands.

This model is fairly simplistic in its modelling of brand loyalty. It appears to look only at the respondents' stated preference and does not look deeper into the motivations behind the choice. As indicated by a number of authors previously quoted, this could be a dangerous approach because the methodology will not

identify the buyers who have an emotional commitment and what the nature of their behaviour is likely to be.

Nevertheless, it is important to include it as one of the methods of examining brand loyalty because the model does tie up with studies on "out of stock situations". The premise is that totally committed brand loyals will either buy their preferred brand or go elsewhere. Verbeke, Farris and Thurik discuss consumers' responses to out of stock situations (Verbeke et al, 1998). They describe the acid test of brand loyalty to be a situation in which the buyer, faced with the preferred brand out of stock, will go to another store to buy the brand (or switch to another product category). The study showed that 45% were not willing to switch brands when a preference was out of stock. In the case of Galpois' study (1998,62), the lack of second choice is an indicator of such brand loyalty. The two studies then have similar definitions for the presence of brand loyalty, with a definitive test which may be useful in the quantitative study, but in conjunction with other tests of attitude and motivation.

A further study by Mitchell and Bates (1998,95) examined decision making styles of consumers. One of the styles identified was Brand Loyal and Brand Conscious Behaviour. While no model of loyalty was presented, the statements used to identify brand loyal and conscious consumers were listed. Many were similar to those discussed in previous models, but some of the statements may be useful in the design of the quantitative questionnaire.

Statements that aided in the identification of brand loyal and brand conscious consumers (which were different to those already presented) were:

"Once I find a product I like, I buy it regularly"

"The most advertised brands are usually good choices"

"The higher the price of a brand, the better its quality"

"I usually buy the well known brands"

"The well known National brands are best for me"

"Expensive brands are usually the best"

The final study of brand loyalty to be discussed, was conducted by Susan Fournier (1998,343) where she examined the relational phenomena between

brand and consumer. Fournier compared models of human relationship phenomena with consumers relationships with brands, in order to further the understanding of the much used relationship metaphor, in the discussion of brand loyalty. While the study was entirely qualitative, it highlighted the importance of understanding the relationship constructs within brand loyalty, dismissing the notion entirely that loyalty is related to repeat purchases. The study examined loyalty from the perspective of why, whether, and in what forms, consumers look for ongoing relationships with their brands.

The findings of the study showed the importance of recognising and appreciating the enormous number of different relationships in the consumer-brand domain and underscored the importance of examining a host of different motivations for loyalty. Not all brand loyal relationships will be built on the same premise or for the same reasons. It is therefore important to examine the different motivations that may arise in the primary research, which will give depth to the understanding of the topic. From a brand perspective, if relationships differ between consumers, although they may all culminate in the demonstration of brand loyalty, the strategies for maintaining such loyalty and enhancing the customer-brand relationship will differ.

Although the study did not put forward an empirical model of testing loyalty, it contains a principle concerning the relationships consumers develop with their brand that is an important consideration in the current study.

The models of brand loyalty therefore give good indications of the type of behaviour and attitudes that will be evaluated in the quantitative study. A selection of statements used in the loyalty segmentations and models described above, will be utilised in the quantitative element of this research. The table below lists all statements that will be useful in identifying brand loyal consumers. An approach similar to that of Van der Walt's will be employed, with consumers classified according to both positive and negative responses to groups of statements. In addition to the statements utilised in this identification of loyalty, the acceptance of house brands will be used as a further test of brand loyalty. See table overleaf.

In order to identify consumers, who are more likely to be brand loyal, respondents must:

<u>Agree with Statements like:</u>	<u>Disagree with Statements like:</u>
"I will pay more for the brand I like"	"I always buy the cheapest"
"I always buy the same brand because I believe it is better than the others- not just out of habit"	"I always compare prices and buy the cheapest"
"I have a favourite brand that I strongly prefer"	"I always try to buy products on sale/specially priced"
"Some brands are much better than others"	"I buy a product that has the features I want rather than only buying one brand"
"I know what I'll buy before I shop"	"Lower priced brands are just as good"
"Once I find a brand I like, I buy it regularly"	"I select brands on coupon/ price promotions"
"The most advertised brands are usually good choices"	
"The higher the price of a brand, the better its quality"	
"I usually buy the well known brands"	
"The well known National brands are best for me"	
"Expensive brands are usually the best"	

5.5. HOUSE BRANDS IN SOUTH AFRICA

In order to have a benchmark or standard against which to measure the extent of brand loyalty amongst township consumers, it seems logical, (amongst other tests, as discussed in the measurement and modelling of loyalty) to test the acceptance of non-branded or house brand FMCG's in this market. Total rejection of the house brand/private label would indicate a strong propensity towards loyalty to branded goods in general. A common acceptance, usage and understanding of house brands may show that brand loyalty is not as strong a characteristic of the "low income" consumer as literature may suggest. Therefore, in using the research to decide if the introduction of some type of house brand into the township is feasible, the brand loyalty of consumers can be tested, in addition to examining attitudinal and behavioural constructs, in a more definitive way.

It is thus necessary to define, discuss the background and examine the characteristics of the house brand in South Africa.

"Store brands or private labels, are brands owned, controlled and sold exclusively by a retailer." (Raju, 1995).

Private labels had their origins more than a hundred years ago, as unlabelled goods in a number of product categories. Today private labels have developed in over 60% of grocery product groups. As private labels began to grow in popularity and success, retailers introduced them into more categories. The results were not all successful, many categories began to suffer a reduction in profitability, and consequently, many private labels were withdrawn. The trend has turned around and again private label groceries are on the increase. International trends show a global change in grocery product retail, in terms of profitability, wide ranges of private labels and the number of stores offering their own label. The changes and rise in private labels have been attributed to a number of factors such as economic climate, quality and better management.

The distinction between private label and brand name is difficult to define. Davies suggests that a brand has insulation from price competition and has consumer franchise or loyalty, while unbranded items *"..tend to be sold on price, as commodities, and this has been the market position of many retailer named products."* (Davies, 1998:140) However there are retailer private labels which sell at a premium, like Marks & Spencer in the UK, Woolworths in South Africa, and the "Foodhall" label at Pick 'n Pay.

Because of the development of retailer's own brands, private label goods are no longer only generic commodities, packaged in "Black and White" and sold at low prices. Retailers are offering their own products, comparable in quality and presentation to national brands but at a lower price, and it is these products which present the threat to brand market share. The question that must be asked however is whether these private labels are in fact brands in themselves. Hoch (1996:90) discusses this question, in an attempt to identify the strengths of national brands, which will enable them to co-exist with private labels.

The focus of this study however remains on a brand loyalty basis, with the acceptance of private labels as an indication of consumers' propensity to purchase branded goods. The question whether private labels have reached brand status was covered in detail in previous research and does not form a focus point for this study. The private labels referred to and utilised in this research will be the most basic "no name" goods. The more sophisticated private labels which have been recognised as nearing brand status, will not be included in the study for reason of the unnecessary complexity that will be introduced.

While early private labels did not match brand quality, the gap has been narrowed since many are in fact produced by the brand manufacturers. Customers no longer perceive such great differences and as a result, the commanding position of brands has been undermined. What remains to be determined is the extent to which perhaps less sophisticated consumers are willing to accept private labels as equal in quality and performance to the branded alternative.

South African grocery retailers have closely watched and followed the overseas trends in having their own house brands, keen to capitalise on the promise of increased profits.

Pick 'n Pay has its three corporate brands, "No Name", "Choice" and "Foodhall". Shoprite/Checkers has "Yellow Band". The OK Bazaars, while still in existence, had "Pot O' Gold". Woolworths has taken the Marks and Spencer route, selling only own label goods. Retailers like Spar and 7-11 also carry their own labels.

A study by Markinor at the end of 1996, (Joseph, 1996:43) showed consumer awareness of traditional house brands for Pick 'n Pay, Shoprite/Checkers and OK Bazaars. The study did not deal with premium private labels, and by virtue of including OK Bazaars is out of date. However, the trends and findings were relevant in comparing the South African situation to that abroad. The results of the study are discussed below.

While the traditional house brand has grown over the years, the perceived low quality was clearly a negative factor and national brands maintained market share on the promise of quality and added benefits. It was felt that house brands represented the establishment of another product category and merely offered the consumer more choice. House brands in South Africa are growing in awareness, but national competitors still sell at a faster rate, as opposed to the growth in the US, of 4,5% (36.6 billion) over national brands.

The growth in awareness and sales of house brands in South Africa is linked to the social dynamic and differing results were found for the different communities. There was a strong correlation between the awareness of house brands and income, race and retailer.

It is well recognised that national brands have a strong position in the Black market. The heavy advertising investment in this lucrative market by national brands has added to strong brand awareness, over and above the risk and status motives for strong brand loyalty within this group. Awareness of house brand is not as strong in the Black market. Almost a third of Black women, especially in Cape Town, had never heard of the three store house brands. White, Coloured and Indian women were found to have a higher awareness. (Joseph, 1996: 44) This links closely with findings that low income groups are more likely to be loyal to branded products and thus the apparent anomaly between the low prices offered and the lack of awareness, is not unfounded.

Results from the study also showed choice of house brand to be strongly linked to the most frequented store and thus there was a focus on corporate branding, i.e. a association of the product with the store image. More important than awareness, was the experience or usage of the brand, which boils down to in-store decision making. Pick 'n Pay enjoyed the highest loyalty, while cross consumption occurred between OK and Shoprite. Middle income earners, offered the most support for house brands, but showed a lower degree of loyalty and were labelled the "bargain hunters".

The conclusion the study reached was that women purchased predominantly out of habit and that house brand were more of an afterthought. The purchase was always linked to the preferred shop which, it was felt, showed either a strength of corporate branding or a lack of full performance from the private label in creating customers loyal to its brand.

This study intends to re-evaluate levels of private label awareness and acceptance amongst Black consumers and will discuss its relevance in the light of brand loyalty.

While private labels in South Africa have not shown the dominance prevalent in the UK, awareness and sales are rising. Value positioning, as is the overseas trend, could place private labels in the ideal situation to capture a large share of the emerging, lower income market.

5.5.1. Private Label Proneness

As discussed in the section on specific groups of people who are more likely to be brand loyal, a paper written by Richardson, Jain and Dick proposes a framework of the factors influencing likely a person is to buy House brands. By examining their findings it is possible to compare the descriptors of brand loyal buyers as opposed to house brand buyer, who in most models discussed, represent a price motivated buyer (the opposite of the brand loyal buyer who will pay premiums for his/her preference).

The model presented looks at private brand proneness as the *"degree to which consumers are inclined to actually purchase store brand grocery items"*. The model shows that the propensity to buy house brands depends on a variety of constructs, which will be discussed below:

1. Perceived Value for Money

When a consumer considers value for money, quality is taken into consideration in relation to the price of the product. Value for money is integral to the promotion of house brands in that customers are encouraged to evaluate the quality of the house brand in the context of its lower price. The model hypothesises that *"the greater the perceived value for money offered by store brands, the greater the consumers' private brand proneness"*.

2. Perceived Risk

Uncertainty regarding the quality of store brands and therefore the risk involved in buying them will differentiate the private brand prone from national brand buyers. Risk also exists in selecting private brands in the form of social risk attached to certain usage situations. (i.e. in private, unobserved by significant acquaintances, a consumer may drink a less expensive tea but will serve a national brand to guests because of the social status attached to the brand.)

Therefore the lower the perceived risk, the greater the store brand proneness.

3. Perceived Quality Variation

Store brands are often perceived to be of lower quality than national brands. The perception often persists even when the product inside the packaging is identical. The perceived variation in quality between private brands and national brands leads to a greater risk perception and lower value for money ratings of the private label.

4. Extrinsic Clue Reliance

Consumers make extensive use of extrinsic clues such as brand name, packaging and price in the evaluation of the brand. Store brands are frequently presented with inexpensive and less attractive packaging and lower prices. These extrinsic cues were found to have a strong negative effect on the consumers' quality assessment. In the absence of knowledge about the brand, consumers utilise the

extrinsic cues to judge quality. These extrinsic clues suggest to the consumer that the quality of the store brands is inferior to that of the store brands. The more the consumer has to rely on the extrinsic cues of the house brand, the greater the perception of quality variation between the store brand and the national brand. The more the consumer has to rely on the extrinsic cues, the more risk he/she associate with buying the private brand.

5. Familiarity

The greater the consumer's product knowledge and expertise in evaluating a product, the less likely that they need to rely on a national brand. The more familiar a consumer is with the intrinsic product the lower the reliance on brand name and price as indicators of quality. Lack of brand experience causes the consumer to view unfamiliar brands with scepticism and they are generally viewed as risky. Therefore, the more familiar a consumer is with store brands, the greater the level of information and confidence with which they can be considered. When familiarity is high, risk decreases and consumers are more private label prone. Familiarity was shown to be very important in determining proneness to private labels.

6. Intolerance of Ambiguity

New situations or products cause discomfort to those who do not tolerate ambiguity and these consumers are resistant to change, looking for familiar brands when faced with choice. Store brands are more ambiguous than national brands as the consumer generally has less information about them. The greater the persons intolerance of ambiguity, the lower the private label proneness.

7. Socio-economic Variables

Logically it seems that less expensive store brands should appeal to specific socio-economic groups. Different studies have shown a range of different results, but this model proposed the following:

Greater household income suggests a lower private label proneness.

Education influence proneness.

The older the consumer, the greater the private label proneness.

The larger the household the greater the private label proneness.

The value of this model in the current study is to evaluate the private label proneness as an antithesis of committed brand loyalty. By examining consumers' quality assessment of unbranded and house brand goods, attitudes towards risk avoidance and familiarity with brands, it will be possible to use this model in evaluating the strength of private label proneness amongst the respondents, thus testing the viability of introducing a house brand into the township store.

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5.6. DECISION MAKING

In order to evaluate why and how the township consumer makes purchasing decisions, it is important to gain a theoretical knowledge of some of the issues surrounding consumer buying behaviour.

5.6.1. Brand Purchase Motivations

From the issues of branding and brand loyalty, the research narrows down to consumer behaviour theory which will offer insight into the choices, perceptions, price sensitivity and buying behaviour of the consumer. The goal of this study is to evaluate how township consumers go about buying FMCG's and what the major influences on their decisions are. From this point the consumer's probable propensity to buy private labels can be evaluated.

The ultimate objective in branding a product, is a set of loyal customers who, apart from repeatedly purchasing the product, are committed to it. In order to understand why consumers choose one brand over another, it is necessary to grasp the decision making process and the factors that influence it. In this way products can be branded to appeal to the consumer, utilising the bases on which he/she makes decisions.

"Consumer behaviour reflects the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, time, and ideas by (human) decision making units (over time)."

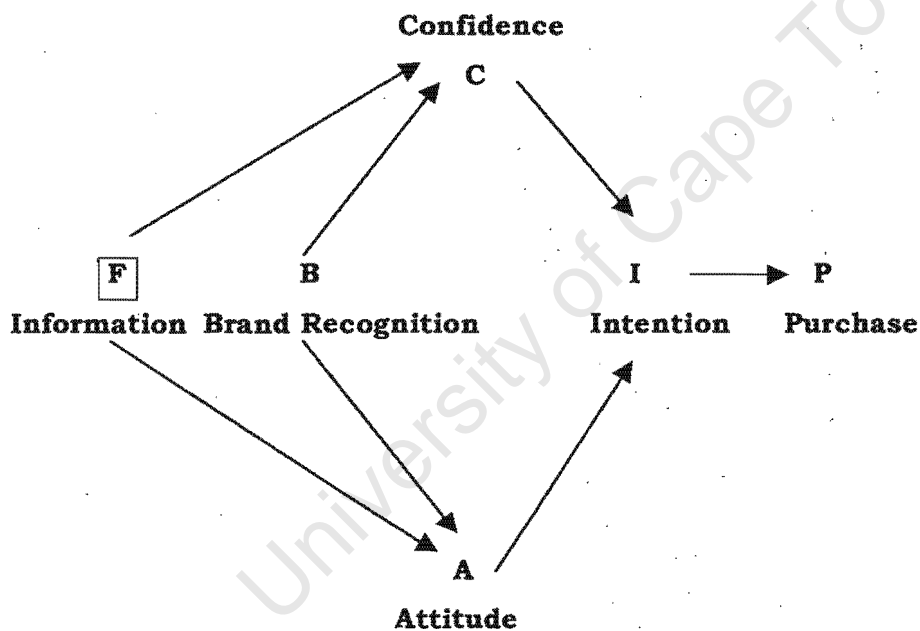
Behaviour, in this sense, considers how the consumers perceive the brands, the attitudes they have developed and most importantly why they do, or do not, purchase the products. In order to study these elements in the field, an understanding of how consumers make decisions and influences on their choices must be gained. The essence of this investigation lies in the theory of brands, and it is therefore necessary to examine the process by which consumers choose and purchase brands. The goal of marketers is ultimately, to get the consumer to buy

their brand. All branding strategies, from product innovation to in-store promotion, have one objective: to win the consumer's vote in the decision making process.

This literature review will examine: The Decision-Making Process; Perceptions; Attitudes; Learning and Evoked Sets.

5.6.2. The Consumer Decision Model

Figure B2: The Consumer Decision Model (Howard, 1994)



The CDM used for this evaluation has six interrelated variables, which are related to one another as above.

Information (F): This component represents the facts, the entry point of stimuli, which drive the entire model. In this model, and in the context of brands, F represents the information that is received and stored. i.e. The perceptions of the

consumer and not necessarily the actual stimulus. Perception is one of the most important concepts in evaluating choice and therefore will be dealt with in detail. The important point here, is that the information given to a consumer about a brand, may not be the same as the information the consumer stores in his mind as a perception.

The type of information the consumer uses is an important consideration. Consumers must have easy access to information and the brand must perform well in those attributes for which consumers frequently require information. Information can be supplied to the consumer in the form of advertising, packaging, pamphlets and the sales force, to positively influence consumer attitudes.

Brand Recognition (B): This is defined as *"the extent to which the buyer knows enough about the brand to distinguish it from others in its product category."* Consumers have 'pictures' in their minds of products, containing information. Recognition refers to the product's form, and physical attributes, i.e. colour, size, shape, logo, and display. The design of product and packaging are therefore important when distinguishing one brand from another.

Attitude (A): This is *"the extent to which buyers expect the brand to satisfy their particular needs."* Attitude is determined by how important the consumer rates an attribute of the product to be, and how well the brand scores in satisfying the consumer's expectations of this attribute. Attitude plays a very important role in brand choice and will be discussed further outside the explanation of this model.

Confidence in Judgement: This is defined as *"the buyer's degree of certainty that his or her evaluative judgement of a brand, whether favourable or unfavourable, is correct."* Consumer confidence affects intention to purchase, by increasing or decreasing the hesitancy of the consumer to purchase a brand. This gives consumers reason to remain loyal to brands they know, because they have more faith in their ability to judge the brands.

Brand recognition, Attitude and Confidence influence the consumer's comprehension of the brand and constitute 'Brand Image'. Brand image is a

picture of the brand, the way it is distinguished from other brands, and associations a consumer has in his or her mind.

Intention (I): This is the consumer's plan to buy the brand in the near future.

Purchase (P): The most important, and goal variable is the actual purchase of the brand. As is illustrated by the diagram, all other variables lead into and influence this final step. These variables are therefore the basis for influencing the consumer to purchase a specific brand.

This study is primarily concerned with the purchase of grocery items. These items are frequently purchased, are in categories familiar to the consumer and for which the consumer has formed and evoked set of familiar brands. (The impact of evoked sets on brand choice will be discussed further) The purchase of these products is thus usually approached in a routine problem-solving manner. In such behaviour, the consumer bypasses the analytical process each time a product is bought and may develop a "cyclic behaviour", in which one brand is bought for a period and then replaced with another. Brands enable a consumer to develop a routine response, in that the image that becomes associated with them facilitates the "leapfrogging" of the middle three processes. This may be desirable in the interests of saving time and information processing effort.

Having developed a basic outline of the decision model, salient aspects and the impact of brands can be discussed.

b) Low effort judgement processes...

The "leapfrogging" promoted by a routine response, is a way of simplifying the decision process and reducing the effort involved. Hoyer and MacInnis (1997) discuss how consumers utilise heuristics to simplify decision making for low effort judgement processes.

One way of simplifying the judgement process is to use a *Representativeness Heuristic*. A consumer will compare the brand to a prototype and based on the

perceived similarity, the brand can be judged. Brands can therefore be positioned close to the category 'prototype' or 'exemplar' to benefit from the consumers' short cut decision process. Consumers compare a house brand to their regular brands in order to make a judgement. Great disparity in price or packaging could cause a house brand to be judged negatively.

The second heuristic that is used in judging a brand is the *Availability Heuristic*. The most vivid events are more likely to have an influence on the judgement process. A personal experience, or information passed on, is often more relevant and vivid than the advertising communication, and choices are based on this. Branding attempts to get favourable information and perceptions foremost in the consumer's mind. This way, the most easily accessible information to influence choice, will be positive.

Low-effort decision making processes are based either on thought (cognitively based), or on feelings (affect based). The type of process depends on the product under consideration and the situation or consumption occasion. Each of the processes has a number of methods by which the consumer simplifies the decision process, because they are so frequent. These methods are known as choice tactics. A different choice tactic may be adopted for each type of product category, depending on the consumer's demands from the product. Brands become very important to consumers, in applying these tactics.

After applying a tactic to facilitate choice, the consumer evaluates the satisfaction or outcome of the choice. In doing so, the effectiveness of the choice tactic is learnt. The brand choice is reinforced, punished or not reinforced. If the outcome is one of the latter two, the consumer learns that the tactic was not satisfactory and a new approach is evaluated. The learning process has further implications for brands, which will be discussed.

The choice tactics are as follows:

Cognitive Choice Tactics:

1) Performance related strategies

The satisfied customer develops a positive evaluation of the brand and the choice is reinforced. The product must, quite simply, deliver the quality the consumer expects. The choice of trusted and well known brands is an example of applying this tactic. Consumers can rely on satisfaction from the brand.

2) Habit as a simplifying strategy

Once a convenient way of doing things is found, people tend to repeat it for convenience sake. Little information seeking or evaluation takes place and behaviour is repetitive. Brands are beneficial in this tactic because they are easily recognised and can be chosen with little effort.

3) Brand loyalty as a simplifying strategy

The conscious decision to commit to the repeat purchase of a brand, because it satisfies needs, is a tactic which most marketers hope to instil in their consumers. A very positive reinforcement of the decision to buy a brand will promote the loyalty of the customer. The quality and performance standards are therefore paramount.

4) Price as a simplifying strategy

In some situations the consumer looks to buy the cheapest, or a discounted brand. Although prices are important, consumers are not always seeking the lowest price, but rather brands that fall into a price 'zone of acceptance'. The strength of private labels in attracting the consumer who uses the price tactic is that, not only can they be offered at a lower price but also they are most commonly perceived as being cheaper than the national brands. Consumers

when simplifying decisions associate private labels with low prices and are predisposed to them.

5) Normative Influences

Decision making is often influenced by other individuals. Manipulation, observation and concern about the opinions of others lead consumers to buy the same brand. People in the specific reference group are buying rather than undergo the information processing or risk involved in deciding themselves. The role of brands in a social context is used in this tactic.

Affect- Based Choice Tactics

1) Feeling as a simplifying strategy

Consumers often make choices based on feelings toward a brand and with no particularly logical reasoning. Brands often attempt to associate an emotional aspect so that the feeling a consumer develops toward a brand can be used as a choice tactic.

2) Decisions based on the need for variety

Although consumers may be satisfied with a brand, they may desire 'something different'. The reasons for variety seeking may be satiation or boredom. A consumer wants to break away from a repetitive behaviour which has become monotonous. Extending the product line to include different brands in the same family may decrease the vulnerability of the brand. The urge to seek something different is an opportunity that needs to be exploited by relatively new brands: private labels for example.

3) Buying on impulse

Unplanned purchases are characterised by a disregard for the deliberations and decision processes in the face of a feeling of attraction. Private labels may want to

encourage the impulse buy, using tools such as shelf space and point of purchase promotion. In disregarding any negative associations usually influencing the decision process, a consumer may be induced to try a product and satisfaction will lead to reinforcement, which initiates the learning process.

By using these simplification “choice tactics”, the consumer is able to reduce the decision making process to the input of information, intention and final purchase. The three involved steps can be reduced or left out, to decrease the time and effort required in making a routine choice. The value of brands to consumers lies in their ability to facilitate the use of these choice tactics. The value to manufacturers lies in the brand’s involvement in the choice tactics which generates consumer loyalty.

The use of simplifying heuristics does not however negate the importance of attitude, perception and learning from the process, because any new entrant into a category or a first purchase within a category, requires the consumer to go through the decision process, albeit for a low involvement product. These concepts will be discussed to create a basis for the discussion on the benefits and purposes of brands.

5.6.3. Perception

“Perception is the process of selecting, integrating, and organising stimuli from the environment into a meaningful pattern.”(Hawkins, 1980)

“The brand image resides in the brain of the consumer: it is a perceptual phenomenon.” (Laaksonen, 1994)

Perception plays a very important role in this study because it is not the actual differences between the products or brands that are important, but rather what the consumer perceives them to be. In fact perceptions are often what create a brand.

Perceptions are the ways people take in, arrange and attach meaning to information. As Howard(1994:62) explains it *"The same piece of objective information, such as price, may have different meanings to different individuals or even the same individual at different times"*

Marketers need to recognise that the information they are giving the consumer as input to the decision process is not necessarily being stored and used as intended. As perception is a personal process, the challenge is to ensure the desired meanings are attached to the messages the brand is attempting to communicate.

The brand position, price and quality are all highly dependent on consumers' perception of the information stimuli. While product attributes may be influenced by marketing efforts, the decision is based on what the consumer perceives. It is thus the goal of marketers to ensure that the messages they are sending are perceived in a positive and congruent way.

Perceptions are strongly linked to expectations, a concept that is particularly important in the perception of quality and risk. Perceptions also depend heavily on the consumer's personality, mood or situation. Perceptions of Quality and Risk in fact formed the corner stone of the discussion of Store Brand proneness, as discussed previously. This highlights the importance of the following discussion to this study.

a. Perceived Risk...

Hoyer and MacInnis (1997) define perceived risk as *"the extent to which the consumer is uncertain about the consequences of an action"*

Risk has two components. Consumers experience *uncertainty* that the expected/desired outcome will occur and risk the *consequences* of these outcomes, i.e. will the outcome be a positive or negative experience. According to Hoyer, perceived risk increases when:

- there is little information about the product
- the product is new

- the product has a high price
- the product is technologically complex
- there are substantial quality differences between brands
- the consumer has little experience or confidence in product evaluation
- the opinions of others are important and the consumer may be judged by his decision

Using these criteria to evaluate the perceived risk in choosing a private label over a national brand, it can be concluded that consumers may perceive a higher risk in buying private label goods for the following reasons:

- There is often little advertising for the private label, as they are reliant on the advertising and attraction of the store to have spillover effects. The consumer therefore may have little information about the product itself, particularly the “generic” which has simple packaging with limited product and nutritional information.
- Retailers like Pick ‘n Pay are constantly adding to their private label ranges, and consumers may perceive a risk with products they have no experience of. Also, the concept of high quality private labels is fairly new in South Africa and consumers may thus associate a risk with the entire range of private labels because they have limited experience with the new concept and prefer to remain with something they know.
- Private labels are often perceived as being very different in quality from national brands. Although this perception may be unfounded, past experience or reputation has caused consumers to associate a quality risk with private labels.
- Private labels have had a negative image, as inferior goods. The risk of being judged poorly by others may inhibit the purchase of a private label.

Laaksonen (1994) maintains that the greater the personal relevance of and therefore involvement with a product, the greater the perceived risk associated with purchase.

Apart from the reasons for perceiving risk, six types of risk have been identified. According to Hoyer (1997:46) they are:

Performance Risk: The consumer is uncertain the product will perform as desired or expected. The lack of information and experience influences this risk. A lack of experience or uncertainty about the consistency of private labels may cause consumers to perceive them as more risky than national brands. Literature holds that this is one of the core reasons for the high levels of brand loyalty amongst low income consumers. If the consumer does not fully trust the product to deliver on its promises, they will not buy it. The low income consumer cannot afford to spend money on a product only to find it is an inferior good.

Financial Risk: The consumer has concerns for the monetary investment in a product. This is usually associated with products that are expensive. For low income consumers, tight budget constraints on grocery purchases along with the relatively high percentage of income that is spent on these goods, means that the consumer is spending a large amount of their disposable income on groceries. They cannot afford to buy an inferior product because they will not be able to replace it easily. A brand, with the guarantee of consistent and reliable quality reduces this risk.

Physical Risk: The concern with the potential harm a product may cause. A generic pharmaceutical may be perceived as risky, because a quality defect could be physically dangerous.

Social Risk: The use of products often makes a social statement about the user and adds to the social image of the consumer. The risk of using a product that is not acceptable or the norm in a social situation, often leads to consumers buying the same products as their peers. If many of the emerging consumers can be classified as aspirant consumers, the image projected by the goods purchased becomes particularly important.

Psychological risk: Consumers often want a product to be congruent with the way they perceive themselves to be. If buying private label goods is considered to be a cheap and perhaps miserly approach to shopping, consumers that are aware of their image may avoid these products. If the product can offer an attribute reinforcing the consumers self image, for example Pick 'n Pay's Green products which are environmentally friendly, they may be more disposed to buy.

Time Risk: The length of time a consumer invests in making a decision and commits to the product usage influences risk. Traditionally brands are a means of decreasing decision time, by facilitating a routine response. Private labels however, offer the consumer the time saving benefit of a consistent image and message across a number of product categories. A consumer choosing a private label can apply this decision to a number of product categories and does not have to re-evaluate the alternatives for each category.

The perceived risks involved in a purchase decision take on a number of forms. In the effort to reduce risk, without increasing the information search effort, a brand may be chosen over a private label.

b. Perceived Quality...

Quality expectations and performance play one of the most important roles in the evaluation and purchase of products. The perceived quality is particularly important because this is what the consumer bases a decision upon. Private labels have their origins with generic goods, which were positioned as lowest price, with a quality trade-off. Private labels of today have improved in quality, performance and consistency, but, because of their generic association, are often still perceived as inferior quality.

As Bellizzi et al state in their study of consumers perceptions of different brands (1981), *'Consumers may impute product quality not only from price..., but also from the brand and store names. These perceptions may lead to a consumer's readiness to respond to other cues in addition to real physical differences'*

In judging quality, consumers often look for cues such as price, store image and brand familiarity, the implications of which is discussed under private labels. The results of Bellizzi's study are generally accepted and perceptions of national, private and generic brands seem on the whole to have remained constant, regardless of the advances that have been made in terms of private label and generic quality.

c. *Perceived Value...*

The price and perceived quality of a product results in the consumers' judgement of value. While the price of a national brand may be considerably higher than a private label, the perception of superior quality may result in the national brand being perceived as better value for money. There is a global trend for consumers to seek more than just product satisfaction. Economic pressures have necessitated consumers' demand for products to deliver quality at a reasonable price.

Value for money becomes an important concept, when the motives of overcoming financial and performance risk are evaluated for low income consumers. While the consumer wants to buy a branded product that guarantees performance, the perceived value must outweigh the price differential between the branded good and the private label, for example. Value, for many, may come in the knowledge that performance will be consistent, they can trust the brand to live up to their expectations and they will not have to spend extra money on replacing an inferior product.

5.6.4. Attitude

"The consumer's attitude and beliefs influence his perception and buying behaviour. His behaviour is influenced because his perception of a situation or product can cause him to screen out any exposure to stimuli that conflict with his attitudes"(Blem, Brits and Reekie, 1989)

Attitude thus plays a role in the brand choice of the consumer and is indeed one of the key descriptors of brand loyalty, as discussed in its definition. According to Blem, Reekie and Brits, attitude is defined as *"learned predispositions to respond to an object or class of objects in a consistently favourable or unfavourable way."* The role of learning is thus important and will be addressed under the next section.

Attitudes are formed over a period of time, as a result of experience. They express the individual's values and evaluation of an object or situation. Attitude is a central variable to the CDM and directly affects intention to buy. While the complexities of attitude formation are not addressed, the importance of attitudes in brand choice is discussed.

Through product experience, be it direct, via advertising or the communications of others, consumers develop attitudes towards brands. Brand manufacturers and retailers need to be able to encourage and reinforce positive attitudes towards their brands. Advertising is used frequently in an attempt to influence attitude towards a brand.

Retailers like Pick 'n Pay do not employ advertising in the promotion of individual private label products, but rather promote the store as a whole. The attitudes consumers develop towards the store are transferred to the store's own brands. Experiences in the stores or with the corporate branded products influence the attitude toward the store. The impact of the umbrella brand 'Pick 'n Pay', associated with the stores and with the products, is thus far reaching. Creating and reinforcing a positive attitude for each product or service within the Pick 'n Pay umbrella, is a strategic challenge.

Pick 'n Pay has employed tactics like Raymond Ackerman's personal guarantee on the private label products to encourage and reinforce a positive attitude towards the store and its products. This is an example of using a spokesperson to influence attitudes. However, studies also show that information from experience is far more relevant and powerful than external information. Dissatisfaction with one particular product/brand is extremely detrimental to the consumer's overriding attitude.

National brands influence attitude through heavy advertising and as such may have an advantage over private labels. The attitude developed for a brand helps reduce the choices of brands into an evoked set. Those brands towards which the consumer has a positive attitude are included in the decision set, while those

inducing a negative attitude are no longer considered. The role of evoked sets in brand choice will be addressed.

5.6.5. Learning

Our attitudes, values, tastes, preferences, associations and perceptions are mostly acquired through a learning process. Learning experiences from the environment shape the way consumers behave and most importantly, the products they consume.

Learning is defined as *"the process that results in changes in behaviour, immediate or expected, which come about from experience and practice or the conceptualisation of that experience and practice in response to stimuli and/or situations."*

This rather complex definition can be simplified by saying that learning is an ongoing activity, during which the experiences and practices of the consumer alter their future behaviour.

Advertising plays a strong role in helping consumers learn about brands from an indirect experience. Brands are trusted to perform consistently, so the post purchase experience enables the consumer to learn about the brand and make a decision on whether the brand should be purchased again.

The implication of learning theory for private brands is that consumers have relatively little information about them. Big brand names have been in existence for years and have built a solid reputation and image. Consumers have a perception of the brand which contains information about the brand and its ability to satisfy a particular need.

Private brands are relatively new to retail experience and numerous private label products are launched regularly. The consumer not only has to learn about the concept of a private label range, but also the individual products and what exactly can be expected from them. Township consumers have recently gained

greater and more convenient access to the stores with house brands, suggesting that the private labels may be even less familiar to them.

Two theories on learning are proposed by Hawkins et al (1981:276); conditioning and cognitive learning. Conditioning is learning based on association of a stimulus with a response. Many brands have used this concept to encourage purchase. The brand is associated with a pleasing outcome or stimulus and response is the act of purchase. If Coca-Cola is associated through advertising with fun, friends and parties; a consumer in a similar situation as depicted in the advertisement, will respond to the stimulus by wanting to purchase a Coke.

One of the strengths of brands is their ability to develop strong associations with occasions or situations, stimulating "automatic" purchase behaviour from the consumer.

Cognitive learning is based on a learning process, where consumers work through a problem to achieve the most satisfactory outcome. They will consider all information available to connect the satisfactory outcome with the behaviour. An evaluation of the decision and its results will be stored for use in a similar situation, and learning has taken place.

The purchase of brands is characterised at the outset by cognitive learning. The consumer must evaluate the satisfaction of the choice and store the information. The relative novelty of private brands means consumers are continually learning. The traditional association with low price and low quality may not be relevant. Teaching the consumer about private brands, to reduce the risk, can be done in two ways. A conditioning approach would be heavy advertising and strong image and association building. In the context of private labels, which are usually an entire group, learnings about the parent or corporate brand can be transferred to the product lines.

A cognitive approach, appealing to the consumers' rational mind would perhaps be more effective. The first implication is that private labels must deliver the quality that is expected and promised. Post-purchase behaviour of the consumer must be positive. In the case of private labels where expectations of quality are

low, inducing trial and “teaching” the consumer to change their behaviour is key. Promotion and in-store taste tests may induce trial.

This learning from experience, is one of the most valuable ways a consumer is encouraged to alter behaviour. Information is first hand, therefore credible, relevant and more effective than an advertising message or peer endorsement. Inducing trial to encourage a positive learning experience is very important for retailers, like Pick 'n Pay who are often faced with the challenge of changing consumers' perception and attitudes towards private labels.

5.6.6. Evoked Sets

Today, consumers are faced with an overwhelming choice in most product categories. The processing of so much information requires great effort and in many, more routine decisions, the consumer attempts to simplify the process in a number of ways. One method is to only consider a limited number of brands in the decision process. Exclusion of brands which are perceived as falling outside the desired range because of quality, price, desirability or attitude reduces the number of brands in the category for choice. The group from which the consumer will make a product choice is the consideration or evoked set.

The primary function of forming an evoked set is to decrease the number of brands being considered and thereby make evaluation and comparison simpler and faster. The set of brands recalled from memory in an internal information search is the evoked set, these brands are “top of mind”. In order to form an evoked set, consumers develop a set of rules to screen out unacceptable brands and brands that offer insufficient utility.

Roberts and Lattin (1991:439) found that, evoked sets are of particular importance if they are small relative to the set of brands of which the consumer is aware. Small evoked sets occurred when “*the costs of consideration are high in relation to the differences in utility across the brands*”. As the consumer becomes more overwhelmed with brand choices, the costs of consideration do indeed rise.

Marketing strategies to improve the perceived utility of a brand therefore become methods of promoting the inclusion of a brand into the evoked set.

From a contrasting point of view, Petrof and Daghfous(1996) researched the existence of evoked sets and found that as consumers become less name-conscious, the concept of an evoked set no longer applies for many products. They in fact question the existence of evoked sets, outside of research, in reality. The authors feel that in the presence of so much choice and a decline in consumers attachment to brand names, consumers no longer have brand preferences, they merely choose the brand that is most suitable and offers the most value at the time of purchase.

Also, consumers perceive brands as being very similar and close substitutes for one another. The implications of this view, for private brands, is that retailers must offer the most value from their brand and give the best reason for purchase, at the point of sale.

Ensuring a brand falls into the consumer's evoked set and possibility of recall is high, is influenced by these factors (according to Hoyer, 1997:196)

Prototypicality- the brand most typical of the category is more easily recalled

Brand familiarity- a well-known brand is more easily recalled. This emphasises the need for marketing communication to keep brand awareness and associations strong.

Goals and usage situations- consumers have usage specific categories stored in memory and therefore associate certain brands with goals or consumption situations.

Brand performance- if a consumer has a positive attitude towards a brand, he/she is more likely to recall and include the brand in an evoked set.

Retrieval cues- symbols associated with brands make them easier to remember and thus include in an evoked set.

Township consumers may be forced into having smaller evoked sets because the spaza shops and local traders stock limited brand variety. In the larger retailers, where the selection of brands is extensive, evoked sets may be used to diminish clutter and confusion, simplifying the decision making process.

The traditional concept of evoked set emphasises the retailers need to get the private label into the evoked set by:

- increasing the perception of utility
- raising brand awareness and familiarity
- associating the product with a specific usage situation
- ensuring excellent performance
- providing retrieval cues to facilitate recall

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5.7. SHOPPING ENVIRONMENT OF TOWNSHIP

CONSUMERS

According to Nick Green, Chairman of the Markinor Group, (Marketing Mix, "Brand Magic for the 90's", May 1990) marketers must acknowledge that South Africa in the 90's is a Third World market. Alternative distribution channels, such as spazas and wholesalers, are growing in importance. Notably, informal retailers like spazas will only stock brand leaders and formal marketers have very little way of ensuring support for their brand in a spaza store. The importance of informal retail environments and success as a category leader have become essential considerations of brand owners in terms of the emerging market.

The specific retail environment of township consumers and in particular the consumers under quantitative survey will be explored through the evaluation of the spaza shops and through the focus groups. Analyses of the information gathered from the retailers and residents of Nyanga, regarding grocery shopping follows.

6. FOCUS GROUP REVIEW

6.1. INTRODUCTION

As described in the methodology, four focus groups were held at the Peace and Development Project in Nyanga, with 6 local residents in each. The qualification for participation was that respondents should be responsible for the majority of the grocery shopping in the household. Since this is most commonly the female members of the household, it was decided to maintain homogeneity and hold all groups with women only. Questions in the first groups confirmed that women are usually responsible for the grocery shopping and cooking chores. A discussion guide was used by the moderator who conducted the groups, which were recorded, in Xhosa. Subsequently the tapes were translated into English and checked by a second Xhosa speaking person. The discussion guide and transcript summaries are in Appendices 18.2 and 18.3.

The focus groups were held to gauge consumers' opinions and attitudes toward certain products, brands and house brands. The discussion centred on individual products and brands, of which samples were presented to the groups. Issues of where groceries are bought and who is responsible for decisions were also raised.

The following discussion draws observations and quotations from the 4 groups. The intention of the focus groups was to evaluate consumers' opinions in an "open" manner and use the results to draw conclusion relevant to the study, as well as contribute to the structure of the quantitative questionnaire and revised hypotheses.

6.2. DEMOGRAPHIC PROFILE OF PARTICIPANTS

As an introduction it is important to understand the profile of the respondents. All participants were required to fill out a small demographic questionnaire for the purposes of gathering this information.

As described in the methodology, 2 focus groups were held for each of the age groupings: 22-34 years and 35+. The average age for the two older groups was 39 years old and for the younger groups, 25 years old. The objective of the age division was to examine if there was any significant difference in attitudes between older and younger consumers.

In the older groups, the majority of the participants were housewives, while the in the younger groups, the participants were either domestic workers or unemployed.

The average household size for the participants was 5 people, with the number of people sharing meals and living in the same house ranging from 2 to 8 people.

Participants' household income ranged between R500 and R4 000, with an approximate average per household of R 1 425. If this is regarded in the context of the average of 5 members of a household, an average income per capita is R285. This does not take into consideration the number of children, aged, unemployed or other dependants, but does give an indication of the income level of the people living in the Nyanga area.

Respondents spend an average of R380 on grocery items per month.

This amount is a very large percentage of the household income. On average 27% of the participants' household income is spent on groceries. For the more affluent consumers in South Africa, although they spend more on groceries, the percentage as a portion of their total household income is far less. In terms of township consumers' total expenditure, decisions made while grocery shopping are significant financial choices. The involvement in shopping for groceries is therefore expected to be far higher than that for more affluent consumers. Grocery items may be considered in some cases to be

high involvement products. In terms of grocery budget for affluent South African consumers in LSM's 7 and 8, R380 is a relatively small amount with which to buy groceries for 5 people for a month. With such a tight budget it is expected that grocery shopping covers absolute essentials and suggests that every item bought must be carefully considered in order to remain within budgetary constraints.

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6.3. SHOPPING HABITS

The first section of the discussion looked at general grocery shopping habits. While the guide was extensive, this section was essentially a warm up discussion to introduce the participants to the subject at hand.

Discussions revealed that for the most part the working members of the family contribute to the grocery money, but on the whole the women in the family are responsible for grocery shopping. As demonstrated by the following quotes, it was felt that the women, who run the household and do most of the cooking and cleaning, know what is needed and play a dominant role in the running of household affairs.

"..most fathers do not know what they must buy, what is short and what we need in the house"

"..A man doesn't know what is short in the groceries. A woman know everything around the house."

"..a man knows nothing about groceries, they do not usually cook so they do not see what is short."

Generally children and other members of the household add to the list of groceries to be bought and request particular items, but on the whole it is the women in the family who check the cupboards and make the grocery lists.

Respondents do their main, monthly grocery shop at larger retailers in town or at shops like Shoprite and Pick 'n Pay in the nearby shopping centres or at local traders. Spaza shops are generally used as convenience stores, places to pick up items that have run out or are required daily, like milk and bread. Choice of shops for monthly grocery shopping depends heavily on transport and how consumers evaluate the costs of transport and the value offered at the different stores.

"In the location we buy bread and milk - that's for everyday. In town we buy big things like sugar, meat, butter and toiletries."

Two women said they shop locally because they can walk to the store and save money they would have spent on transport.

"My shop is Goome.. because I can walk there.. What I like is that I can walk rather than pay for transport, I go there so I can save money."

"I take a trolley, I go to the nearby shop so I do not have to use transport"

When shopping in town or shopping centres outside of the townships, consumers are limited to buying what they can comfortably carry and transport home in taxis. Buying larger items such as bags of mealie meal for the month are too cumbersome to transport long distances. The large bags of mealie meal, known as 12,5's, weigh 12,5kgs and are bought in the local stores for practical reasons.

"I buy the 12,5kg mealie meal here in the tuckshops and then go into town to buy fishoil, washing and cleaning stuff."

"Here in the location I buy the things that are too big and I can't afford to carry them from town. In town I buy the small things."

"Here in the location I like to buy things like 12,5's because they will give you a problem in taxi's from town."

"Most of the times I buy groceries when I come from work, then I phone my brother to come and fetch me with his car."

"I leave the big items at work and take them home one at a time."

"Do you have trouble with transporting this all home? - Oh it is a big problem, we use taxis and they charge us money - I'll pay for two seats for me and my groceries."

Some participants agreed that that it is a waste spending money on transport and it was a good system to use a trolley and go to shops near the home. Some women however noted that because prices at the shops in town were often much lower, money saved on the groceries would cover the cost of transport.

"I like to go to town because what we get here at R5 is maybe R3 in town, then you can add that money to make transport....so there is money left over because the groceries have lower prices."

"I do my shopping at Pick 'n Pay because in town things are cheap and there are sometimes specials".

"I buy groceries at Shoprite because here in the location things are small but expensive."

Spazas and local stores are generally used in two cases. Firstly if the item is very large and heavy - as in the case of mealie meal and secondly, if something runs out and a small quantity of the item is needed to tide the household over. This corresponds with the findings from Spaza owners, who reported stocking small packages, so that smaller amounts of money need to be spent to stock up in an "emergency".

"when the groceries from the month are finished it is easy to buy more here, then we do not have to go into town"

"..when you have finished (the washing powder) off, and you are going to do your washing, I quickly send for a child to buy it here at the 'tuckshop'"

"..but at the moment I need a particular thing, I just buy it here at Ntlapho, when I do not have enough money to go into town"

Many of the participants reported buying their standard grocery stock once a month, with a fixed grocery budget. Such budgeting is important to ensure the household will have groceries for the month. The women take the budget and buy large quantities of the monthly essential that will last for the month. A few participants commented that if they did not buy large quantities at the beginning of the month when wages come in, there would not be enough money available to buy groceries again.

"I buy many groceries which will last me until the end of the month because I can't afford to buy today and tomorrow"

"At the end of the month I buy as many groceries as I can because money is scarce here in the middle of the month, until the end. I buy even though I see the other one (product) still there (in the cupboard) because I'll not find the money anywhere (later in the month)"

From the discussion of transport and budgets, it is clear that money and tight grocery budgets are a common and serious consideration when selecting the both the retail outlet at which to shop and the grocery brands.

6.4. BRAND PREFERENCES

The second section dealt with specific products and asked the participants why they bought specific brands. The objective was to develop an understanding of the types of brands used and the motivations behind brand choices. The products discussed were Washing Powder, Tea, Mealie Meal and Toothpaste. These products were chosen because they cover a broad spectrum of frequently used products, from a personal health and hygiene product (toothpaste), to a staple food, which would appear to be a similar product regardless of brand (mealie meal), to a frequently consumed product that does differ considerably in taste (tea) and finally a household cleaning item (washing powder).

For each category most of the participants indicated a clear preference for one brand and could give detailed reasons why they preferred that brand over any other. Most of the preferences were based on personal experience and the functional capabilities of the brand in terms of its tangible performance. While the symbolic features of the brands were not directly discussed, some of the intangible, emotional values of the brands can be inferred from the conversation.

6.4.1. Mealie Meal

Mealie meal is a staple grocery for the households, all participants reported having mealie meal in the home and many reported buy large quantities of the product, 12,5 kilogram bags, every month. Mealie meal forms the basis to many of the respondents' meals and is eaten on a frequent basis. Consumers therefore have extensive product and brand experience and have developed firm beliefs and attitudes towards the different brands. Consumers indicate that there are tangible differences between the brands, even though it may appear to many less frequent users that mealie meal is a 'generic' product like flour.

Most participants bought Iwisa or Impala. The majority was particularly loyal to Iwisa but there was debate as to the preference for Impala. All four groups showed very similar arguments for and against the brands, using very similar descriptions. One respondent said Impala was tasty and better than other brands, another agreed, but the rest of the participants said that they did not like Impala because it was not a pure white colour and sometimes had to be sifted before cooking to remove the "dirty spots". Impala also didn't cook as well as Iwisa said one respondent and took longer to cook. Those who chose Impala said that whiteness of the pap was not important and the taste depended on how you cooked it. Those loyal to Iwisa said that they loved their brand because it cooks fast, is fluffy and very white.

"I like Iwisa because Iwisa is right. When you cook it, it cooks fast. Impala is rubbery in taste when cooked. I buy Iwisa because it cooks fast, it is white and does not take long, 1.2 - it becomes right!"

"Iwisa.... It's just right and cooks perfectly"

"..Iwisa, just minutes and it's OK - 1,2,3 - it's finished and we are eating"

Important qualities to most of the participants were: colour - the meal must be white and pure (dark bits or spots suggests the meal is dirty and then it needs to be sifted); taste and texture when cooked and how long it takes to cook (many prefer a meal that cooks very quickly).

The respondents could talk about the different brands in a lot of detail - how they cooked and tasted. They were able to differentiate between the brands very easily. It would thus appear that mealie meal is far from being a "generic staple food" and the brand does play an extremely important role in enabling the consumer to choose a product that will live up to her expectations and experience. Consumers appear to have developed attachments based on experience of product performance and this had led to trust in the brand and strong emotional attachments. Through consistent and favourable performance the brand has earned the trust of the consumer.

"Iwisa is number one! It is no mistake, Iwisa is number one!"

"So you like Iwisa? No, I love it! (She would rather die than use another a participants adds)"

"I also love Iwisa, it's the only meal we use"

Most participants had a brand that they stuck to loyally and one alternative, if their brand was not available. This indicates that participants have a very limited evoked set, with perhaps one alternative to their favourite brand if such a choice is absolutely necessary. If neither were available they would rather wait to shop elsewhere.

"I buy Iwisa if there's no Impala, but if both are sold out I rather leave or forget it."

"If Iwisa is not in the shop, I would buy Ace, even though I have never used it - it won't beat Iwisa". (Even though this woman has never tried Ace, she already has a perception that it is inferior to her favourite, as a result she is not likely to try Ace unless she is force to.)

Many consumers are not prepared to buy any other brand apart from their preference. As suggested by the literature, many marketers believe the "out of stock situation" is the ultimate acid test of brand loyalty. When faced with their brand being unavailable many of the participants reported that they would rather leave the product altogether, indicating a very strong brand loyalty in this category for some consumers.

"No, I will go to another shop, I won't take another one (brand)"

"I won't buy another, it is better to leave it"

"No, I cant (buy another brand), it is better not to eat than to just buy any one"

6.4.2. Tea

In selecting tea, aroma, taste and strength were important for the respondents. There appeared to be a greater selection of favourite teas, with discussion revolving around preferred qualities of tea rather than detailed discussion of the brands, as was the case for the mealie meal. Respondents appeared to have a bigger evoked set for tea, with many mentioning two different brands that they bought. Five Roses, Joko and for some respondents Glen were the favourites.

Much of the discussion of tea was price and value based. In the discussion of mealie meal price was not mentioned at all. Throughout the discussion of tea brands the participants' perceptions of value for money were clearly displayed. The women suggested that a large part of their decision making revolves around ensuring that the grocery budget is spent wisely, with factors such as quality and price traded off against one another.

Quality of tea defined by strength is important. You can make more than one cup of tea from one tea bag if the quality of the tea is good. Participants reported no name teas to be “weak” with “no taste” and even if boiled, the tea still had no aroma. Consumers reported that a no name tea bag can only be used once because the tea is weak and more than one tea bag per cup may be necessary, which is wasteful.

The discussion of tea showed a comprehensive understanding of value for money. Respondents said that buying the brand name teas represented greater value for money, because you could get more tea for each bag.

“ You can save money on the named brands. Let’s take Joko, yes it is expensive, but you can use one tea bag in four cups. So in the no names in four cups you must use four tea bags, you can double them if you want (strong tea), it wont even last two weeks, but they’re 100 in a packet, it would be like its only 26 tea bags.”

One woman said that the quality of the tea also meant that the tea bag would not tear and “mess up” your tea while you were making it. Inferior quality of the actual bags means wastage if the bag breaks, so quality translates directly to value.

Comments on coffee support this value perception, with a respondent saying that the no name coffee was weak and you needed more of it than Ricoffy, so it is worth spending more on the brand.

6.4.3. Washing Powder

The favourite brands were Omo and Surf and their “micros”. Most women had one particular brand she bought regularly but would consider the other (Omo or Surf) if her favourite was not available. Omo appeared to be more popular as a first choice. Both Omo and Surf were recognised as being very good in removing fatty stains from clothing and leaving the clothes clean and bright.

Important factors were the foam the powder produced and the amount of time needed to soak the dirty clothes. The power in the washing powder is seen to come from the amount of foam produced and how long that foam lasts. The volume of foam produced

by the powder is therefore a strong extrinsic cue to the consumer in judging the quality and cleaning power of the powder. Participants noted that when using a no name washing powder, more powder has to be used to form the necessary amount of foam. The amount of powder necessary is judged by the amount of foam produced. It was also noted that it takes more time to clean clothes with a no name brand. No names, although cheaper, did not offer value for money.

The women demonstrated a close relationship with the washing powder brands. The brands are an important method of risk avoidance because the consumers know their brand and can trust it; they need a product that is guaranteed to work for them. Brands as a symbol of consistent quality and performance are important to these participants. They knew which powders worked for them and would not be willing to risk buying an inferior product. Once again the issue of value come into the equation, with a comprehensive understanding of brand names being more expensive, but lasting longer because less powder would be required to do the job.

One of the key reasons for their understanding and knowledge of the washing powder brands, is that they have "hands on" experience, literally. More affluent consumers have domestic servants and washing machines, they are never in contact with the actual washing process and it is less likely that they would be able to give specific information about how the powders compare. For these respondents, who wash frequently and by hand, their washing experiences are personal and they are more likely to notice differences in performance between the brands. They are able to advocate brands from personal experience to their friends, much of the discussion of washing powders was about particular benefits or abilities of specific brands. Consumers for instance were able to differentiate between the cleaning experience with Omo and that of Omo Micro.

The following comments suggest why the participants favour particular brands:

"I like Omo because it has foam which lasts long. With Punch, I like the smell."

"I like Surf and Omo Micro's, because when you wash children's clothes, it really takes the dirt away, you can really see the water turning black"

"Surf takes the stains away, I guarantee it"

"I like Omo ... you just soak your clothes and the fat goes out.."

"With Surf your clothes will be fatless and bright"

From these comments it is clear that product performance is the key issue and they women are able to differentiate between the performance of their leading brands and the "others". The participants have strong attachments to their brands because they "help them out" with chores. A product that reduces washing time and is guaranteed to take all dirt out of the clothes is a "friend" to a busy woman.

"Yes, it is my favourite. Omo sorts my problems out quickly. While I am soaking the clothes I can solve other problems at the same time"

"You feel nice when you wash with Surf"

6.4.4. Toothpaste

Colgate and Aquafresh were clearly the favourite toothpaste brands. This was an expected outcome, particularly as toothpaste in the townships is often referred to as Colgate. Important toothpaste characteristics were: long lasting "tartar-free" feeling, keeping teeth white, smell, taste and long lasting fresh breath.

Toothpaste is a product, which ensures personal hygiene and confidence. Not only must the product perform a long lasting cleaning function, but also it must be pleasant to use. Participants demonstrated a strong awareness of the benefits of their brands and the differences in personal experiences when using an alternative.

"(with Colgate and Aquafresh) your teeth remain "tartarless" the whole day. I usually find that when I use, what's the name? Oh, Dentazyme, your teeth form tartar within 3 or 4 hours"

"Your breath stays fresh with Close-up, especially the blue one..."

"I like Aquafresh and Colgate because in the mornings when waking up I usually have a breath problem, so using Colgate this goes away."

"I like Colgate most because it makes my teeth pure white and keeps my breath fresh for longer"

Toothpaste brands offer the promise of personal confidence in both the health and appearance aspects of brushing teeth. Changing brands presents the risk that the brand will not meet the standards of taste and texture and may also not perform to cleaning and breath freshness expectations. Consumers are looking for multiple benefits from their toothpaste brands, which increases the risk that another cannot meet all the

required qualities. For example, Dentazyme had an unpleasant taste and did not fulfil cleaning expectations, so it would be avoided even though it was cheap.

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6.5. HOUSE BRANDS

Respondents were asked about their opinions on house brands. They were presented with a number of products including a selection of Pick 'n Pay "No Name" brands and Shoprite "Yellow Label" products. Participants were asked if they bought the products, what the quality and prices were like and under which circumstances they would be willing to buy house brand products.

From this discussion it emerged that these goods are perceived as poor quality. Even though the house brands are cheap, the low quality necessitates that more of the product is used. House brand are not seen as offering value for money. Value for money is gained in buying well known brand names, which offer better quality and guaranteed performance. In the discussion of tea and washing powder numerous participants stated that more of a no name product has to be used to obtain the required results and this translates into poor value for money.

"The prices are low, they are so cheap. Let's say I am buying this Handy Andy about R3,00 and the normal one may be R4,50. But then I find that the one for R3,00 that I thought I could use for a whole month, I can't. It lasts about two weeks and you have to buy another one. Then you count how much is left from R10,00. The quality is poor and even though it is cheap you spend more in the month."

With regard to the house brand washing powders: *"It takes much of the soap itself because you'll need to pour in more powder for foam to form"*

"In your washing you'll pour a no-name washing powder, there is no foam such that you end up emptying the whole packet into one load. But with Omo, for instance, you would get about 5 loads of washing out of one packet."

"No, I won't buy the no-name brands, once I bought a washing powder and found it does not wash the same as Omo micro does"

"Once I bought (no name tea) and found that you need to use more than one tea bag in a cup, which is wasteful. I never bought it again."

"I even tried the no name toilet paper, hey, it is too light, you have to wrap it thickly and it won't last"

"Have you ever bought no name toilet paper, wow, I tell you it is shamelessly light. I bet one has to use one roll only twice and it is finished. This is wasting money because you'll end up buying them every three days and not to mention the number it will be by the end of the month"

"The price is the same, because there is one thing we must bear in mind, even if the double ply Carlton is expensive, you use it many times, whereas with the no name you'll have bought three, so the price is almost the same."

Having discussed the inadequacies of the house brands, participants conceded that they did in fact buy the house brands when they did not have enough money to buy the brands. While it was explained that brands are better value for money, if one does not have enough money at the time to buy the preferred brand, it becomes necessary to rely on the cheaper products. It was indicated that such tactics in stretching the budget lead to the purchase of inferior products which cost the consumer more in the long run.

"This stuff (house brands), is not good, really. But it's not to say we do not actually buy them because we do - only at hard times, money wise."

"It's true what she says, shame the No names are there to bail us out on bad days, and then kept out of our minds for long."

"...this kind of washing powder doesn't have enough foam, as a result I do not usually buy them. I only buy them when I do not have enough cash at hand"

"Q: So you do buy these no name brands ?

A: But when you are financially safe, you stick to your favourite brands"

Direct consideration of the price of products was not an issue. Few participants appeared to be price sensitive or talked about looking for the best deal based on price. All prices were taken into consideration in the context of quality and value. Many participants focused their attention on brand that satisfied their needs and preferences.

"The no names are quite easy to get, you see, money wise, it is just that one wants to use something out of satisfaction."

"When you really like something you do not even look at the price, you just put it in the trolley and pay, that's it. The no names come as a second thought. We normally buy them

on occasions when there are lots of people and we have to make huge supplies. Shame we do buy them it least."

In contrast to studies showing consumers buying house brand because they were "Deal shoppers" or "Price shoppers", it appears that these women use house brands as a last resort when they need a product but do not have the money available to buy their preferred brand. When money is available, participants said that they bought the brands they preferred.

"I might buy no name tea, when I realise I have no tea left and not enough money to buy by favourite tea. I have one problem with it though, it doesn't matter if you boil the tea, there's just no smell,... no taste and its weak. And the other thing, you only use the tea bag once and you need to throw it away because it is weak. It is a waste"

With regard to washing powder: *"No Names do get bought if you do not have money, as long as you are going to do your washing well (implying that one needs to work a lot harder to achieve the same results with a house brand), we do buy them but we like these (the brand names - Omo and Surf)*

"There's a no name butter I recently bought, it was like Holsum, you honestly cannot spread it on a slice of bread - I promise you, you'll end up cooking with it"

"I once bought a no named tinned fish, it was tasteless and the sauce amazingly watery...I never had the desire to buy it ever again"

When asked their opinion of someone they saw in the shop loading her trolley with no name brands the participants had the following comments:

"I would think she is attracted by the cheap price, not knowing they are of no quality; they will leave her along the way very soon"

"I would be worries about her because she misuses money"

"She is only concerned with economising"

"Well, I think that maybe she is trying to save, but she doesn't know she is wasting money and time."

"If we are both buying dish washing liquid, I will buy the sunlight and she will buy the cheapest one which is weak. I would have to tell her that mine is lasting and that hers is weak, she will need to buy another bottle while I still have mine. I wonder why she doesn't see the difference."

"Now that's why they buy no name groceries - to be able to buy more groceries and avoid the question of change."

"Buying the cheaper things gets you poor quality products."

These comments indicate that house brands are generally seen as a waste of money and they do not meet the consumers' performance expectations.

House brands then are used when it is of financial necessity to buy a cheaper product. Few women had positive associations with house brands. In evaluating the success of house brands amongst this market in the future, one faces two possibilities. It could be presumed that the strong brand attachments demonstrated could persist even though the income of the consumers steadily rises. If such brand loyalty remains entrenched and consumers have to make fewer budget based decisions, the acceptance of house brands would be limited. If however, as suggested by much of the literature, rising income leads consumers to behave similarly to more affluent consumers and the use of brands to reduce financial risk is not longer as critical, it could be expected that these township consumers become more disposed towards the purchase of house brands.

At present trial of house brands may be forced through financial necessity. Retailers could take advantage of this by increasing product quality, thereby exceeding consumers' expectations, thus increasing the perceptions of value for money and encouraging repeat purchases.

The focus groups suggest that consumers are loyal to their favourite grocery brands, usually because the brands perform to their expectations and needs. House brands or cheaper generics are bought as a last resort when funds are not available to buy a preferred brand.

7. SPAZA SHOP REVIEW

To gain insight into the issues surrounding shopping in spaza shops and the brands that are available from these informal outlets, questionnaires were taken into the Nyanga area by field workers to guide discussion with Spaza shop owners. 20 questionnaires were completed with random spaza shops throughout the research area, and attempts were made to cover as diverse a selection of shops as possible. (See appendix 18.4 for the Questionnaire)

The objective of the spaza shop questionnaires was to evaluate what the spaza shop has to offer the grocery consumer and how the shops generally operate. If the hypothesis of introducing a "house brand" into the spaza shop is to be tested, the environment of spaza shops must be examined.

7.1. OPENING HOURS AND CUSTOMER BASE

The shops that were included in the mini survey opened between 6am and 8am and closed between 6pm and 10pm. 80% of the shops opened between 6am and 7am, very early when compared to a formal grocery store, but in line with stores such as 24-hour forecourt garage stores and convenience stores such as the 7/11 chain. The reason for early opening is quite apparent, shop owners seek to serve the needs of their customers for daily essentials before they set off for work. The shops also stay open relatively late, with 70% closing at 9pm or 10pm. Most spaza shops are open 7 days a week. The long opening hours of the spaza shops suggests, immediately, that they are very much akin to the "corner café", 24-hour, convenience shop, allowing customers access to essentials as they need them. Focus group discussion supports this conclusion.

65% of the spaza shops visited were part of a house, 20% were "spazatainers" and very few were separate buildings. This shows how these informal establishments are part of the residential community. Spazas scattered within the area form an integral part of residential life and are extremely conveniently located amongst the homes of the regular customers.

The regular customers at a spaza shops are generally the people who live closest to the shop, or people who pass the shop on their way home. Spaza shop customers generally use the shops when they run out of an essential grocery. They buy small items to replenish the cupboard, as needed. Many owners mentioned that customers come to buy items like bread and milk, on a daily basis.

A large number of shoppers use the spaza shop because owners offer credit and the opportunity to pay their "tab" on pay-day, this is obviously an important service the shops offer. A number of owners mentioned specifically that many of their customers were pensioners. The spazas offer credit so they can pay their account when they receive their pension money. The spazas therefore not only offer the convenience of a shop nearby but also offer services such as credit to regular customers and so serve a need in the community.

In general the spaza shop owners see their competition as being other similar spaza shops in the area. The nature of the spaza shop suggests that customers frequent the closest and most convenience shops so it is logical that the shops in area around the shop would be the greatest competition. It must be noted that the density of spaza shops in this township area is incredibly high - almost every street has its own shop. The "target market" for each shop corresponded directly with the immediate area it serves. Proximity and convenience rather than any other criteria decide customer groups for each shop.

7.2. DAILY OPERATIONS

Until more recent years spaza shops were not recognised at retail outlets. They may not yet be formalised but service to these retailers has increased. While for the most part spaza shop owners buy their own stock from wholesalers, there are some product manufacturers who deliver their stock directly to the townships.

70% of the owners interviewed have some stock delivered to the shop. Bread, milk, paraffin and cooldrink were most commonly delivered to the shop on a regular basis. For the rest of the shop's inventory, the spaza owner has to buy stock of his own accord and there are very few formal arrangements for stocking the many outlets.

The most popular retail outlet, from which to stock the spazas in this area was Trador, followed by J&K, Makro and Metro. These are all large discount wholesalers who sell to the public direct. Spazas are therefore not buying their stock at much lower prices to consumers buying direct from a formal retailer. Once the products have been marked up, it is fairly difficult for the spaza shop to compete with the formal outlets on a price basis and products generally have to be more expensive in the spazas to ensure profits.

Incentives from wholesalers vary in terms of encouraging the purchase of particular brands or products. It is apparent that bulk discounts, specials and cash discounts are intended to attract shop owners to the store itself and are offered by the wholesaler in an attempt to encourage their own sales. It did not seem that particular brands were specially promoted to encourage their presence in the spaza shops.

Spaza shop owners were asked if they received any promotional material to display in the shop. Those that had signs and posters said they received them from the brand suppliers or wholesalers. The posters are important to indicate that there is a shop in the dwelling and also to show that a particular brand is available. Some owners said that promotions for new products were useful to encourage trial and advertising of competitions was also particularly successful.

Spaza owners restock their shops frequently. 55% buy stock on a weekly basis, 10% every two weeks and 25% more frequently than once a week. Factors that contribute to frequent stocking of the shops include lack of shelf space and storage to keep larger inventories, as well as difficulty in transporting large quantities as a time from the warehouses. Another limiting factor may be the cash available for a capital outlay on stock. Many spazas do not turn over large amounts of cash each week and thus the stocking capital may be limited.

Considering the frequency with which stock is bought, the transport of inventory is problematic for spaza owners. More than half the owners use their own bakkie or car to transport goods, but there is an obvious capacity limitation in transporting stock by car. 10% hire a bakkie to transport their goods. For those that hire a car, transport was mentioned as the biggest problem faced when stocking their shop.

Buying inventory costs between R200 and R5000, depending obviously on the size of the shop and how often it is stocked. Nevertheless, the outlay for stock is relatively small, as suggested this may also be as a result of limited cash available for inventory. 55% between R1000 and R2000 each time they buy inventory.

Spazas' turnover, on a daily basis, range from R50 to R2000. For the most part the daily turnover is extremely modest.

Not many spaza owners could mention problems with the stocking of their shop. The biggest problems facing those that did have difficulties stocking their shops are: Working capital, lack of shelf/storage space and transport.

7.3. PRODUCTS, PRICING AND BRANDS

Spaza owners note that the items most frequently bought at their shops are bread, sugar, cigarettes, paraffin and mealie meal. These are basic items that can be bought conveniently at the local shop when the need arises.

Pricing at spaza shops is a difficult issue. Most owners have had no formal training in business and are already paying over the odds for stock from the wholesaler middleman (compared to the larger grocery store who buy more directly in larger quantities). 45% of owners determine the selling price based on what they paid for the products, 35% base their prices on profit margin. Others look at what their competitors are charging or take the advice or suggested prices of the wholesaler. According to these pricing methodologies, spazas are bound to have higher prices than the formal retailers, this discourages many consumers from using the spazas as conventional grocery stores.

In deciding what products and brands to stock in the limited space available in most spaza shops, owners rely primarily on customer demand. Since they cannot afford to buy stock that will not move and lack shelf space, the number of products and brands available are greatly reduced compared to most formal retail outlets. Stock is limited to the brands that the customers buy and request and if items do not sell quickly, they are usually not bought again. While owners attribute brand choices to customers demand, one could argue that the stocking of a particular brand or product also contributes to its popularity. This is consistent with the literature on "big brands" being more successful, because they have structural advantages such as greater space allocation. If the store does not stock a brand, consumers cannot buy it.

Since most of the spaza shops are heavily community based - each area has its own local shop, customers are friends and relatives of the owner, who knows and understands his regulars - it is clear that the inventory of the shops is heavily guided by customer preference. The brands stocked in the spazas therefore give a clear indication of brand preferences amongst this group of consumers.

Buy observation fieldworkers noted the most common products sold by the shop and which brands were in stock. The table below shows the most commonly stocked brands, which indicates the most popular brands in the area. The results of this observation were instrumental in choosing the products to be examined in more detail in the focus groups and in the quantitative questionnaire.

PRODUCT	BRAND (WITH PERCENTAGE OF SHOPS STOCKING THE PARTICULAR BRAND)
Mealie Meal	Impala (95%), Iwisa (89%) Star White + Ace (12%)
Powdered Milk	Cremora
Washing Powder	Omo Surf
Soap	Palmolive(65%), Lux(59%), Breeze(41%), Geisha(29%), Sunlight (59%)
Cooldrinks	Coca Cola products
Sugar	Hulett's
Seasoning / spices	Aromat (81%), Robertsons (50%), Rajah (19%)
Margarine	Rama (94%), Sunshined (16%)
Bread	Albany (53%), Duens (23%), Sasco (18%)
Tinned Foods	Saldahna (67%), Bullbrand (33%), Lucky Star (67%), Koo (33%)
Floor Polish	
Rice	Rio (100%), Tastic (74%), Spekko (11%)
Tea	Joko, Glen, Five Roses
Toothpaste	Colgate (95%), Aquafresh (58%)
Coffee	Ricoffy, Koffiehuis
Cooking Oil	Crown (84%), Golden Drop (11%), Other (30%)
Dried Beans	Imbo (85%), Lion (38%)
Other prominent brands	Simba, Cadbury's, Sasco Flour, Snowflake, Nestum, Jik

What is more important than particular brands in the different spazas, is the limited choice of brands offered to the consumer. While large grocery stores offer the consumer a large and often confusing array of brands, the spazas are limited to a couple of brands for each product stocked. While the obvious logistics of stocking capital, space and transport can add to the explanation of this small choice, it is also noted that the spaza owner is in tune with the demands of his customer and only stocks the most popular brands.

This is an important in evaluating brand loyalty when buying in an informal retailer where limited stock influences consumer choice. This may also indicate that the consumers in this area, as a group, have a limited evoked set. Focus groups also

suggest that amongst consumers there are relatively few brands that are preferred. Such limited group experience of brands may also influence consumers to stick to a familiar brand rather than risk a brand of which they have no personal and perhaps little secondary information.

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8. CONCLUSIONS FOR THE QUALITATIVE REPORT

The qualitative research has drawn information from literature, focus group discussions with grocery shoppers and interviews with spaza shop owners. The objective was to examine information in the theoretical world and build an understanding of the issues of brands, decision making and loyalty. The realities of consumer behaviour and retailing in the Nyanga area were then examined in the context of the theoretical propositions of academics. The result is a basic understanding of the group under study and the issues that are important to consider in the quantitative research.

The following conclusions can be drawn from the qualitative research:

1. Township consumers as representatives of a growing market in South Africa are an exceptionally important segment of consumers. Little market research has been conducted in this market compared to the more affluent "western market". Since these consumers are a proportionately large group of consumers it is important for marketers to understand their buying behaviour and motivations. The township consumers have been chosen as a group for study because they represent a low income but emerging group. Differences in buying behaviour between these consumers and those in LSM's 7 and 8 appear to rest on a racial divide, research suggests that differences in purchasing patterns and brand loyalty rest on the income differences between the two groups.
2. Brands perform both functional and symbolic functions for the consumer. A brand offers the consumer a bundle of benefits, which differentiates it from another. A set of information is attached to a brand name, by association, which enables the consumer to use the brand as a simplification strategy in the decision making process. A brand is a guarantee of consistent performance, which reduces consumers' risk when buying products from one occasion to the next.
3. Both an emotional or attitudinal loyalty and a pattern of repeat purchasing over time demonstrate brand loyalty. Consumers remain loyal to benefit from the risk reduction

and simplification brands offer in decision making. Brand loyalty implies that consumers will not switch to another brand in the face of competition and form an attachment or commitment to their preferred brand.

4. Brand loyalty is of importance to companies because loyal consumers form the solid base of future consumers on which the profits of the company can rely.

5. There are many factors that influence the propensity of an individual to be brand loyal. Influences arising from the brand itself are issues such as market share, popularity and advertising, which encourages the consumer to stick to a brand which many others trust. Demographics, particularly income and education can play an important role in influencing loyalty, as do psychographic characteristics of consumers.

6. Brand loyalty may differ between product categories due to the level of involvement consumers have with products.

7. Brand loyalty should be measured by both behavioural patterns (repeat purchasing) and attitudes towards the brand. Attitudes are more difficult to measure but can be examined by evaluating a consumers beliefs, opinions and actions regarding issues of purchasing and brands.

8. A propensity to choose house brands over national brands suggests that the consumer is less likely to be brand loyal. Proneness to buying house brands can be used in segmenting consumers on the basis of brand loyalty.

9. Purchasing decisions are influenced by attitudes consumers have developed towards a brand. Attitudes are developed through perceptions and learning. Marketers are able to influence the perceptions consumers have of their brands by offering extrinsic cues which increase the information a consumer has about a brand. Consumers' perceptions of risk, value and quality associated with a brand are particularly important in their evaluation and decision making.

10. Consumers in Nyanga exhibit fairly strong emotional and behavioural loyalty to national brands. Some products such as mealie meal and washing powder evoked a

great deal of animated discussion suggesting strong emotional relationships between consumers and brands.

11. Consumers are constrained by budget in their choice of groceries. Budgeting for the grocery shop is important and as a result value for money is one of the prime considerations for consumers. Consumers preferred to buy their favourite brands but are sometimes forced to buy cheaper brands or house brands when they are short of grocery money.

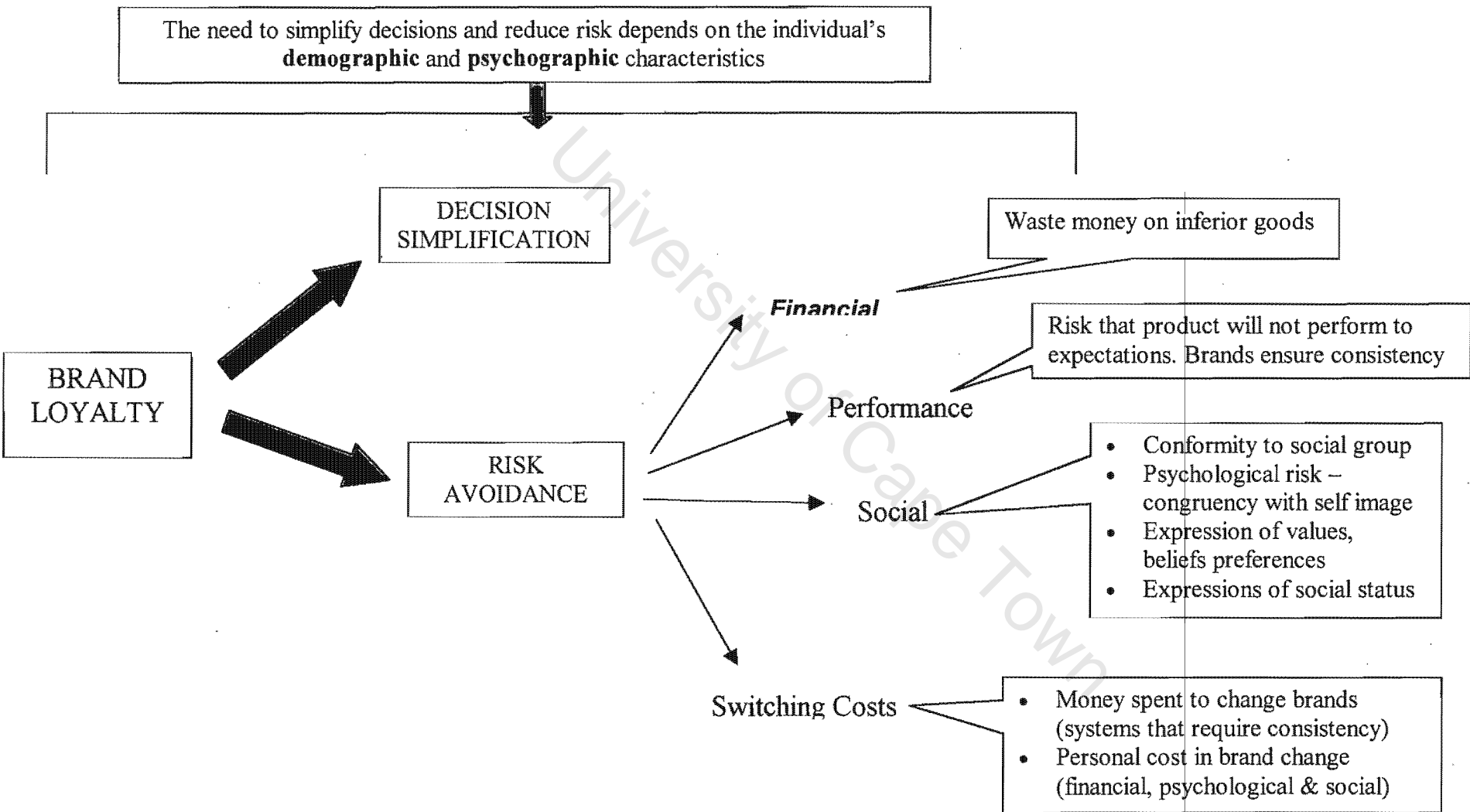
12. House brands are perceived as low quality and poor value for money. Consumers would not ordinarily choose them but when faced with a fixed amount of money with which to buy an item, they will resort to the cheaper no names.

13. Spaza shops play an important role as convenience stores in the townships. Spazas are generally used when an item runs out. Products are bought in small packages. Spazas stock the one or two leading brands, so choice is very limited in this informal retail environment.

14. Consumers' brand perceptions are based primarily on personal experience. Consumers are particularly aware of the differences between brands and the value for money the brands offer.

The figure on the following page draws together some of the information gathered from the both the primary and secondary research, to model the important influencing factors on the consumers' decision making process and brand loyalty. The diagram indicates why brands are attractive and how brand loyalty can simplify the decision making process.

Figure B3: The Benefits of & Influences on Brand Loyalty
 (Model constructed by the author from primary and secondary research information)



9. REVISED HYPOTHESES

9.1. PRIMARY HYPOTHESIS

The township consumer shows a high level of brand loyalty, with brands playing a vital role in risk reduction. A large proportion of township consumers belongs to a brand loyal segment of consumers. Therefore, the introduction of a house brand targeted specifically at the emerging market would not be viable at present.

9.2. SECONDARY HYPOTHESES

- a) Motivations for brand loyalty differ between people
- b) Socio-economic status influences likelihood of brand loyalty
- c) The extent to which consumers are likely to be brand loyal differs between product types
- d) Brand loyalty allows consumers to reduce risks involved in purchasing a product
- e) Brand loyalty allows for the simplification of the decision making process
- f) Township consumers, representative of low income consumers in South Africa, show a high level of brand loyalty in specific categories of FMCG's
- g) Attitudinal loyalty to brands is frequently not carried through to behavioural loyalty as a result of financial inability to purchase a preferred brand
- h) Risk reduction is the primary motive behind brand loyal behaviour amongst township consumers
- i) Financial risk is an important consideration in brand choice for low income consumers
- j) Perceived quality is a major influence on brand choice and brand loyalty
- k) Consumers' decision making processes when selecting both grocery store and brand are different in the informal compared to the formal retail environment
- l) Careful budgeting and price considerations play an important part in the decision making of township consumers.

- m)** Township consumers utilise the informal retailers in the townships as "convenience" stores
- n)** Bulk shopping for FMCG's in formal retail outlets outside of the township is constrained by the lack of personal transport
- o)** Township consumers make price-based decisions in formal retail outlets
- p)** Township consumers employ limited decision making in the townships, where brand choice depends on the brand stocked by the retailer
- q)** Consumers undergo a lengthier decision making process when faced with a wider choice in formal retail outlets
- r)** House brands are perceived to be of inferior quality
- s)** House brands are only bought when consumers do not have enough money to buy their preferred brand
- t)** House brands/private labels would not be accepted and successful in the township retail environment
- u)** It would not be feasible to introduce a house brand into the retail outlets in the townships

SECTION C

QUANTITATIVE REPORT

The Quantitative Report discusses the results of the quantitative research and statistical analysis. The relevant hypotheses for each section will be presented at the beginning of the discussion, followed by the findings of the quantitative research. Conclusions will be drawn based on the analysis, in the context of the findings of the qualitative report.

The report begins with an examination of the sample demographics, providing a background to, and underlining any possible bias, to the research results.

(*Note that all figures, in the quantitative report have been rounded to 1 decimal place.)

10. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The sample's demographic characteristics are presented as percentages of the total sample. The sample size is 252 respondents. The sampling procedure ensured, as far as possible, that the sample is a random representation of grocery buyers in the Nyanga area. The sample population is specific (a defined area and particular member of the household), presentation of demographic data is important in understanding the profile of the respondents, since no statistical data about this specific area is available.

10.1. GENDER

The questionnaire was completed by the person responsible for the majority of the household grocery shopping. The interviewer was required to ask a screening question to ensure that the respondent was indeed the primary grocery shopper. In the context of social and cultural norms and findings of the focus groups, it was expected that given the screening question, the majority of the respondents would be women. This expectation was confirmed; 88,5% of the respondents were women and 11,5% men. While this means that the sample of men is relatively small, the objectives of the study do not require an in-depth comparison between male and female respondents. The most important objective was to evaluate the people in the household who make decisions on a regular basis regarding grocery purchases.

10.2. HOUSEHOLD SIZE

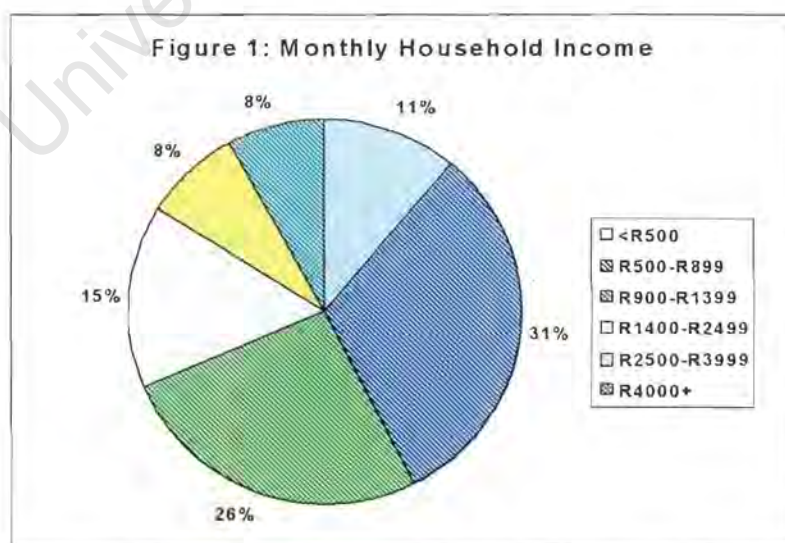
The respondents were asked how many people lived in the dwelling, sharing meals. This was to determine household size, which becomes important in evaluating issues such as

household income and thus the issues surrounding income available for buying groceries and making choices based on price.

The households in the area are relatively large, when considering the size of the homes and collective income. Over 25% of respondents have 8 or more people in the household, 58,8% have between 5 and 8 people in the household. The average household has 6.3 people. This average is however not definitive and cannot represent the entire population since the survey has a non-probability sample. Compared to Consumerscope 2000 data this average is very high - the estimated household size for LSM 4 and LSM 5 is 4.6 people.

10.3. HOUSEHOLD INCOME

Household income is an important statistic, in understanding any financial explanations behind choices and preferences. In this particular study income is important in testing the hypothesis that low income consumers are frequently brand loyal. Income will be tested as a discriminator and predictor in respondents' evaluation of statements, in light of the fact that the grocery budget for a household will strongly influence the perceptions of products and ability to include certain brands in their evoked set, or

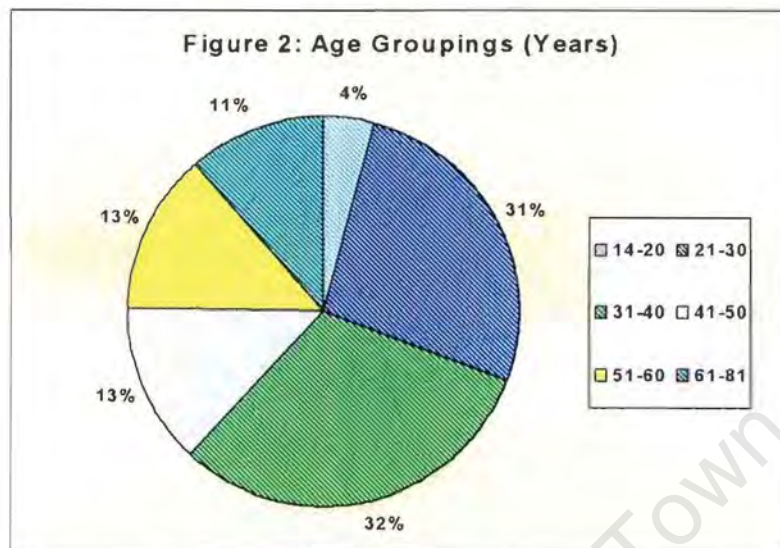


brand repertoire.

83,3% of the respondents earn between R0 and R 2499 rands, per household, per month. The combined income for the household is estimated to be an average of R1 450. Only 15,4% of households have an income of over R2500 per month. In terms of a per capita income, taking the average number of people per household and the average income, the respondents have an income of approximately R242 per person. These averages are congruent with the findings of the focus groups. Comparing these figures to census and AMPs data we can compare this income level to the averages throughout the country. On the basis of income, residential location (township) and housing type, it is estimated that respondents generally fall into LSM 4 and LSM 5 and can be considered low income consumers when compared to the upper LSM groups. (LSM 7 and 8 have a household income of R7 295 and R13 109 respectively) (Consumerscope 2000). The importance of income in the context of buying power and brand loyalty has been discussed in the literature review and will be explored further in this analysis.

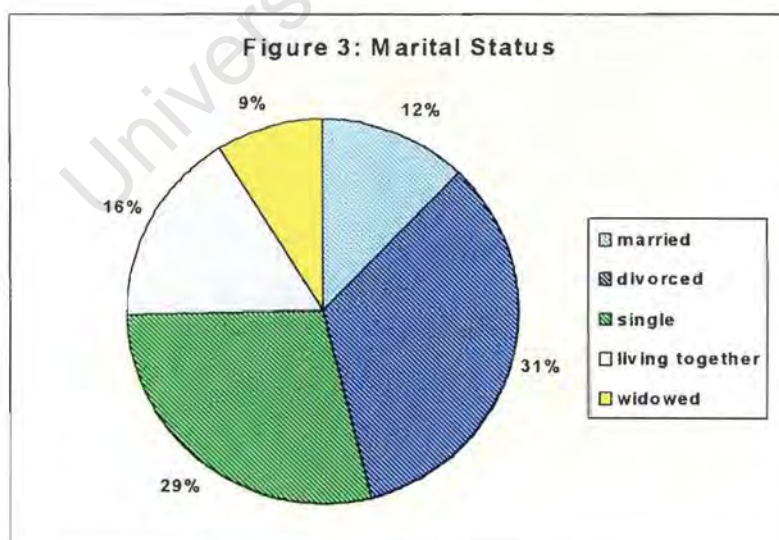
10.4. AGE

In terms of the respondents' personal profiles; the average age of the respondents is 40 years. See Figure 2. The range of the respondents' ages is very wide, from 14 to 81 years old. This is not an unexpected result. In many of the households, grandparents remain at home to look after the household, while younger people go out to work, and would thus be responsible for grocery shopping. Often younger girls are given the responsibility of shopping as a household chore. Analysis will be conducted to evaluate any differences in attitudes between the different age groups.



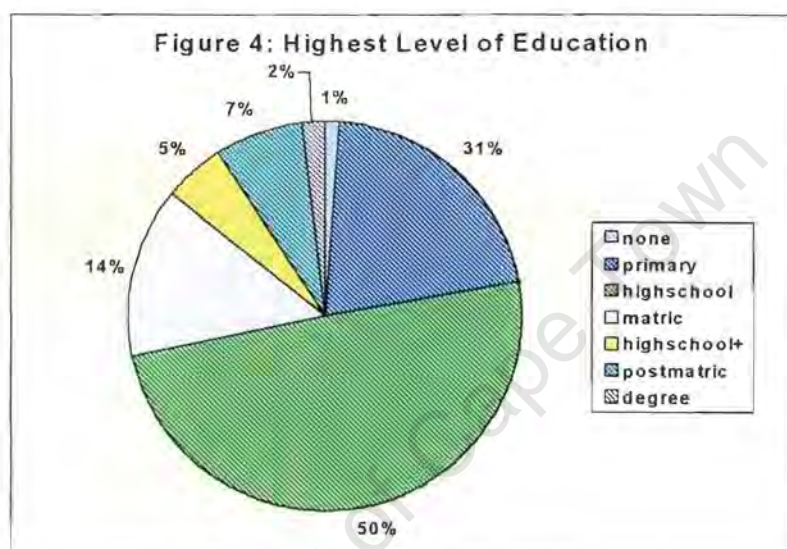
10.5. MARITAL STATUS

Figure 3 shows the marital status of the respondents.



10.6. HIGHEST LEVEL OF EDUCATION

The highest educational level reached is shown in Figure 4. Most respondents have had some high school education, without having completed Matric, but few have a post matric qualification or degree. Generally the level of education is fairly low.



In summary:

The typical respondent is a woman in her 40's, who lives in a household with 5 other people. The income for the household is approximately R1 450 per month. The woman has had some high school education.

11. SHOPPING HABITS

Hypotheses to be evaluated in this section:

- k) Consumers' decision making processes, when selecting both the store and a brand, are different in the informal compared to the formal retail environment
- l) Careful budgeting and price considerations play an important part in the decision making of township consumers.
- m) Township consumers utilise the informal retailers in the townships as "convenience" stores
- n) Bulk shopping for FMCG's in formal retail outlets outside of the township is constrained by the lack of personal transport
- o) Township consumers make price-based decisions in formal retail outlets
- p) Township consumers employ limited decision making in the townships, where brand choice depends on the brand stocked by the retailer
- q) Consumers undergo a lengthier decision making process when faced with a wider choice in formal retail outlets

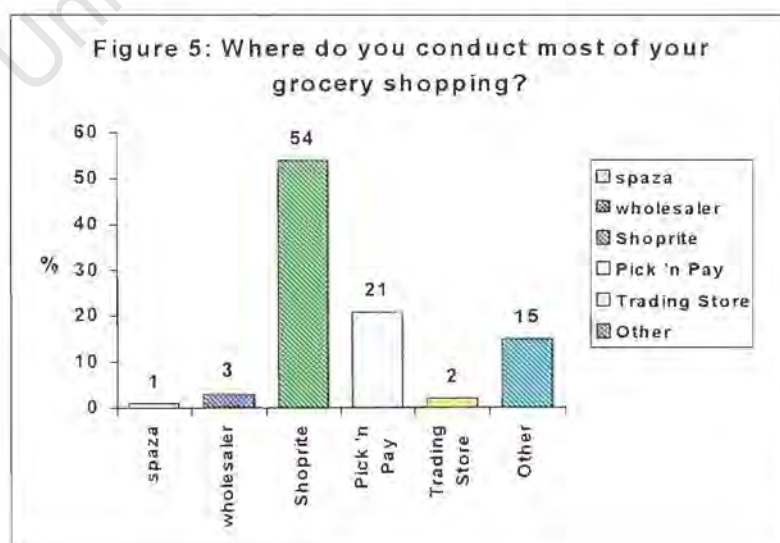
In order to place the issues of brand choice and brand loyalty into context, it was necessary to understand where and how grocery shopping takes place. It was recognised in the qualitative report that the consumers in this area shop at both formal and informal retail outlets, and this does influence the purchase choices they make. The focus groups indicated, in particular, that the product package size and product category played a role in the selection of where the item was purchased. Similarly package size and brand choice was influenced by choice of store, since local spaza shops stock only a limited range of brands and also smaller packages. This will be discussed in more detail as the analysis is presented.

11.1. GENERAL SHOPPING HABITS AND PATTERNS

Question 3 in the questionnaire asked respondents where they conducted most of their grocery shopping. Figure 5 presents the results. The question was a multiple response item, i.e. the respondents could give more than one answer.

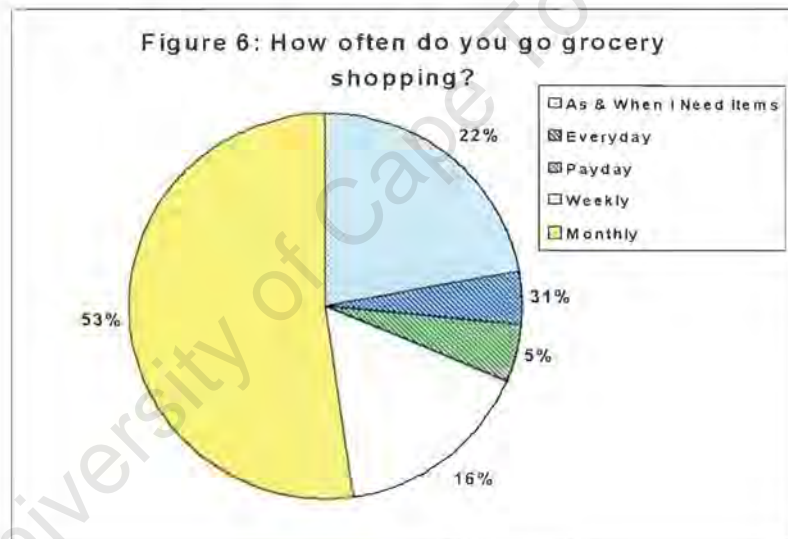
The two most popular shops were Shoprite and Pick 'n Pay. Of all the shops mentioned Shoprite had 79% of the votes and Pick 'n Pay 30%. As a percentage of respondents, 53,8% mentioned Shoprite and 20,5% Pick 'n Pay. Shoprite is a clear favourite for most grocery shopping. Very few mentioned any other options such as Spaza shops, wholesalers or trading stores. This confirms the results of the focus group sessions. While spaza shops and local trading stores are important convenience outlets, the main grocery shopping takes place at larger retail outlets.

Obviously the choice is also influenced by what shops are available in the vicinity of the townships. More recently increasing numbers of retail chains such as Shoprite and Pick 'n Pay have moved closer to the townships into local shopping centres such as the relatively new Nyanga shopping centre. Access to these retailers is therefore becoming easier and there may be increasing pressure on spaza shops, which in the past were the only retail outlets available



in the township areas. The “other” category is mostly composed of Elite and Diskom - grocery retail chains that are available in the area.

For the most part respondents shop on a monthly basis (52%); a weekly basis (16,4%); or as and when they need groceries (28,5%). See Figure 6. The role of the spaza shop is thus apparent. Shoppers who complete a large shop on a monthly basis will need to replenish stocks of items such as bread and milk on a frequent basis, as they need the items. The spaza shops, conveniently located within the residential areas provide the ideal place to buy basic essentials that have run out or are required fresh on a frequent basis.



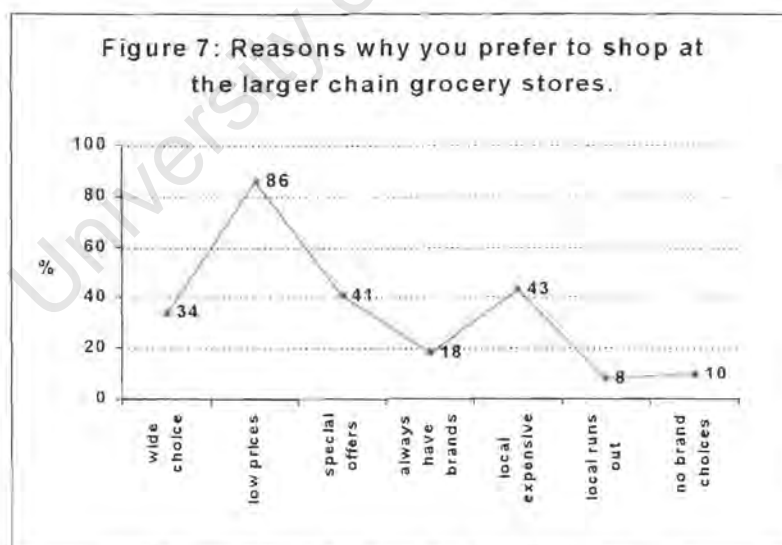
From the examination of the general shopping behaviour and together with evidence from the focus group discussions, it can be concluded that consumers generally use a larger formal retailer (in the local shopping centre or in town) when conducting their main grocery shop. Spazas (or local traders) are used primarily as convenience stores, for items too bulky to transport or items that have run out.

11.2. STORE CHOICE MOTIVATION & IN STORE DECISION MAKING

11.2.1. Formal vs Informal Grocery Shopping

In Section D of the questionnaire the respondents were asked about the issues surrounding shopping in informal and formal environments.

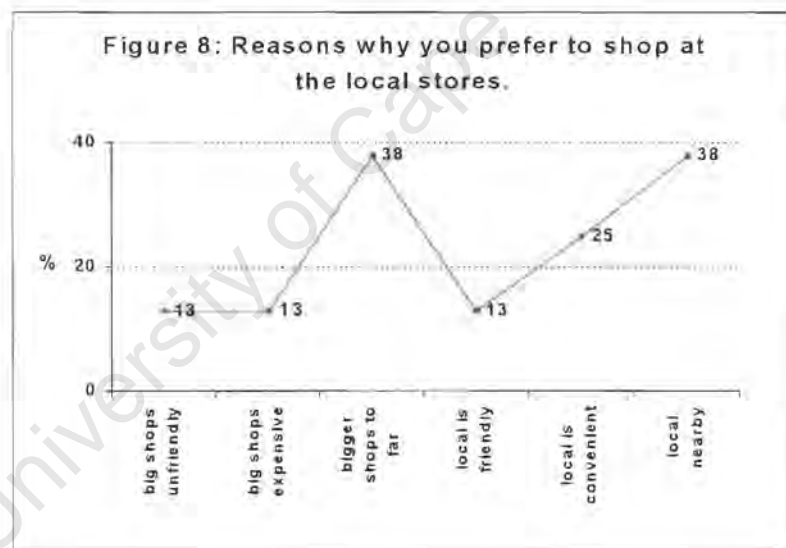
95,6% of respondents preferred shopping in a larger retail chain such as Pick 'n Pay or Shoprite, rather than at the local spaza. Respondents were then required to give a reason for their choice, interviewees could give more than one reason. The question was essentially open-ended with the answer post coded into a number of answer categories. The results are presented as a percentage of respondents who gave that particular reason for shopping at the larger stores. Respondents gave the following reasons for their choice:



Of all the reasons, the most common response was that the prices were low at the larger stores. 86,3% of all the respondents said “low prices” was the reason for their choice. Complementary to this was that 42,5% of the respondents said

that the local shops are expensive. Also, there are often special offers at larger shops, which 41,3% of respondents gave as a reason for choosing larger shops. In the focus groups many respondents indicated that they weighed up the cost implications of transport to a retail outlet in town, with the lower prices offered at such outlets. Decisions on where to shop often take budget restrictions into consideration. 33,8% said that they chose larger shops because there are so many brands to choose from.

For the small percentage that preferred shopping at the local shop (3,6%) The two main reasons for choosing the local shop were that the bigger shops were too far away (37,5%) and that they would not have to walk and carry groceries far if they shopped at the local shop (37,5%).



Proximity to residence and the lack of private transport is clearly an issue in the choice of where to shop and acts in favour of the local spaza or trading stores. This finding is strongly backed up by evidence from the focus groups which also suggested that transport is a vital consideration in the choice of a grocery shop. Conclusion: Accept hypothesis n)

Decisions related to the choice of retail outlet are made taking a number of elements into consideration. Prices, transport and convenience are important issues to include in the decision making process. Formal and informal retailers are generally used for very different purposes and offer the consumers independent benefits. The choice of a larger retailer centres around the benefits of lower prices and price comparisons. The choice of a spaza is generally determined by the need for convenience. These conclusions suggest the acceptance of the following hypotheses, which will be further tested with alternative data:

- k) Consumers' decision making processes, when selecting both the store and a brand, are different in the informal compared to the formal retail environment
- o) Township consumers make price-based decisions in formal retail outlets

To explore motivations for choice of store and how shopping behaviours differed between formal and informal retail outlets in more detail, Questions 5 and 23 posed direct statements to the respondents. Respondents were asked to agree or disagree with statements. It is important to note that the information is simplified because it is based on a dichotomous scale, a necessary trade off between depth of information and translation of meaning into Xhosa (as described in 3. Scope and Limitations). The results confirm the above discussion with regard to when and where they shop.

"I often buy groceries in town because there are no big shops available in this area."

64,3% agreed with this statement. There is only one large shopping centre in the Nyanga area, many consumers therefore find it necessary to go to town to a bigger and preferred grocery shop. 33,7% disagree. These consumers find the shops available in the area adequate for their requirements. From the focus groups it is apparent that there is a trade off between using shops that are nearby, but are often more expensive and do not have the selection of goods required and the problems of travelling to larger shops by taxi or train where there are lower prices and wider choice.

11.2.2. The Spaza: A Convenience Store

Hypothesis to be tested: m)

Township consumers utilise the informal retailers in the townships as "convenience" stores.

"I buy groceries at the local shop / spaza when we run out of an item - it is convenient to buy the item nearby"

In examining the motivation for using a spaza shop, 83,7% agree with the statement. This complements the findings of the spaza shop questionnaire and the focus groups which indicate that for most people, the spaza plays the role of a convenience store rather than that of a grocery store.

"The local shops are very expensive but I still buy goods there because there is no where else to buy groceries if you run out of essentials"

81,3% agreed and 15,9% disagreed with this statement. This data suggests that the success of the spaza shops arises because they are close to where the customers live, they are open at convenient hours and are available to provide the essentials. Larger shops and retail outlets are further away from the residents of the area. With very few people having a personal means of transport, it is difficult to go out and buy an item that has run out from a larger retailer, but extremely convenient to buy it at the spaza down the road, even if it is more expensive.

"In the local shop things are very expensive so I only buy small quantities."

94% agreed with this statement and 2,8% disagreed. This suggests that the local spazas, like a 'corner cafe' offer consumers the convenience of buying an item at a moment's notice, but at a price. As a result of the items being more expensive consumers buy small quantities and avoid using the spazas for their main monthly shopping.

Conclusion: Accept hypothesis m).

11.2.3. The Decision Making Process

Hypotheses to be tested:

- k) Consumers' decision making processes, when selecting both the store and a brand, are different in the informal compared to the formal retail environment
- l) Careful budgeting and price considerations play an important part in the decision making of township consumers.
- o) Township consumers make price-based decisions in formal retail outlets
- p) Township consumers employ limited decision making in the townships, where brand choice depends on the brand stocked by the retailer
- q) Consumers undergo a lengthier decision making process when faced with a wider choice in formal retail outlets

The discussion related to the table of results below will examine the posed hypotheses.

STATEMENTS	RESPONDENTS WHO AGREE	RESPONDENTS WHO DISAGREE
<i>1. In the big grocery stores I compare prices of the many brands and buy the best value for money</i>	96%	1.6%
<i>2. In the big grocery stores there are so many goods it is easier to just buy the same brand every time.</i>	94%	4%
<i>3. I buy the same brand regardless of whether I shop at the local store or at the big grocery store.</i>	76.2%	21%
<i>4. In the local shop I have to buy the kind of brand that the store stocks - there is no choice.</i>	78.2%	17.9%
<i>5. In the grocery store there are often special deals or discounts so I often buy the grocery based on price.</i>	96.8%	0.8%
<i>6. In the local shop things are very expensive so I only buy small quantities.</i>	94%	2.8%

Statement one, with which the vast majority of respondents agree (96%), suggests the acceptance of a number of hypotheses. Consumers include price comparisons and value for money considerations as an important part of the decision making process. When involving value for money evaluations, the

decision making process becomes more complex. In a small local store, where there are few brands available and prices are above those in a supermarket, such comparison is not always possible. Such comparisons of price in larger stores suggests the acceptance of hypotheses k, l, o and q.

Statement 2, with which 94% agree appears to conflict with the results of the previous statement. Most respondents report using brands as a simplification strategy when faced with a multitude of choices. This result would suggest the rejection of hypotheses k and q. This result must be viewed in the context of the alternative. When shopping at a local store, choices within a product category are minimal and wide price comparisons are not possible. Thus when faced with a large array of brands, consumers feel more comfortable buying the same brand time and again, but with the pressures of a limited budget must also consider prices, within their evoked set. While the intention is to buy the same brand, an evaluation of its price is still important. Thus the findings of statement 1 and statement 2 are not necessarily in conflict.

Consumers in the focus groups discussed at length the value for money the brand leaders represent. Therefore, in selecting the same brand each time, the consumer simplifies the decision making process, because the value implications are known. When faced with a wide choice, consumers probably select their regular brand, but briefly confirm the price and their value decision. When face with a category in which the price and value implications for the brands are unknown, or perhaps the entry of a new product or promotional deal, the consumer must engage in a lengthier process of price and value evaluation. Thus in different circumstance and for different product categories it is possible that consumers can agree to both statements.

Statement 3 suggests that the type of retail outlet does not affect consumers' choice of brand. Bearing in mind the definition of the spaza shops' stock, this is an expected result. Spaza shops stock only the brands consumers are willing to buy. Therefore the favourite brand for the majority of consumers is likely to be stocked at the spaza and there is no reason for the brand choice to alter between retail outlets. However, this statement is the one with which the greatest percentage disagreed (21%). This is also explained by the definition of

the spazas' stock. For those consumers who prefer a brand that is not one of the most popular in the community, it may happen that the range of two washing powder brands, for example, does not include the consumers' usual purchase. Thus when the consumer needs to buy the item at the spaza shop, she is forced to choose a brand other than that which she would normally buy in the supermarket.

Statement 4 suggests that many respondents feel that they are limited for choice in the spaza shops. Again it must be noted that the spazas cater specifically to the demand of their customers (according to the interviews with spaza owners). The results therefore do not necessarily indicate that the spazas do not stock the consumer's brand preference, but rather that the brand choices in the spaza shops are limited. This also explains why nearly 17% of respondents did not agree with the statement. The spaza shops are likely to stock their brand, so consumers do not feel that there is a lack of choice.

Conclusion: Accept hypothesis p)

The greatest number of respondents agreed with Statement 5. This once again highlights how vital the evaluation of price is during the decision process. It also confirms focus group discussion showing that supermarkets were favourable because of the greater probability of price deals and discounts. The availability of wide choice and a wider price range in the formal outlets allows for the increased role of price in formal retail choice situations.

Conclusion: Accept hypotheses l) and o).

The high percentage of agreement with Statement 6, in the context of focus group discussion confirms the prior acceptance of hypothesis m). Although goods at the spazas are more expensive, if a consumer runs out of an item there are no nearby supermarkets, so the spazas are utilised as convenience stores, to "tide the household over". Consumers will therefore buy a small package, to reduce expenditure, at the time.

In conclusion, consumers appear to be favourably influenced by low prices and availability of large ranges of goods in choosing their grocery store. While loyalty

to particular brands and habit influence brand choice, price comparisons are always an important element of the decision process.

Accept Hypothesis: ✓	Reject Hypothesis: X	Hypothesis Pending: ?
k) Consumers' decision making processes, when selecting both the store and a brand, are different in the informal compared to the formal retail environment		✓
l) Careful budgeting and price considerations play an important part in the decision making of township consumers.		✓
m) Township consumers utilise the informal retailers in the townships as "convenience" stores		✓
n) Bulk shopping for FMCG's in formal retail outlets outside of the township is constrained by the lack of personal transport		✓
o) Township consumers make price-based decisions in formal retail outlets		✓
p) Township consumers employ limited decision making in the townships, where brand choice depends on the brand stocked by the retailer		✓
q) Consumers undergo a lengthier decision making process when faced with a wider choice in formal retail outlets.		✓

12. BRAND LOYALTY IN THE TOWNSHIP MARKET

Hypotheses to be tested in this section:

- f) Township consumers, representative of low income consumers in South Africa, show a high level of brand loyalty in specific categories of FMCG's
- g) Attitudinal loyalty to brands is frequently not carried through to behavioural loyalty as a result of financial inability to purchase a preferred brand
- h) Risk reduction is the primary motive behind brand loyal behaviour amongst township consumers
- i) Financial risk is an important consideration in brand choice for low income consumers

12.1. METHODOLOGY AND MOTIVATION

One of the primary objectives of this study is to evaluate the levels of brand loyalty amongst township consumers. Literature suggests that brand loyalty should not only be measured by behaviour (i.e. repeat purchases), but also by attitudes or emotional attachment to brands. This study examines brand loyalty amongst township consumers in two ways. Firstly by evaluating their attitudes and beliefs regarding grocery shopping and brand choice on a general level. Secondly, by evaluating their perceptions and behaviour regarding specific products and brands. Since literature suggests that brand loyalty for an individual is not necessarily a trait that applies to all product purchases, it was recognised that generalised statements were not therefore sufficient to get a full understanding of consumers' behaviour. Consumers were evaluated on their attitudes towards and purchase behaviour regarding four different product categories.

The product categories were chosen on the basis of covering a broad spectrum of product types, while ensuring that the groceries were used frequently and by almost all consumers so that respondents would be able to contribute knowledgeably. The product categories chosen were washing powder (a household cleaning product), tea (a food product), toothpaste (a personal hygiene product) and mealie meal (a basic staple of the respondents' diet).

In examining the general consumer attitudes towards issues of brand choice, methodologies employed in previous studies as described in the Literature Review, were used. In order to evaluate the level of brand loyalty in the particular community, consumers were segmented according to how they responded to certain statements. Section 12.2. analyses the results of this attitudinal approach to identifying brand loyal consumers. Section 12.3 examines data related to specific products and brands, drawing more detailed conclusions about the prevalence of brand loyalty, by looking more closely at product specific behaviour.

12.2. RESPONDENT SEGMENTATION BASED ON BRAND CHOICE MOTIVATION

In Section C of the questionnaire respondents were presented with 23 statements related to brand choice. The statements are used individually and in groups to examine the motives of consumers and their attitudes towards grocery purchase issues.

12.2.1. A Basic Understanding of Consumers' Attitudes

The table on the following page shows the results of the basic frequency counts for the 23 statements in Section C. Any percentage over 85% has been highlighted.

STATEMENTS	%	%
	AGREE	DISAGREE
1. I have my favourite name brands that I buy all the time	88.5	10.7
2. I prefer to buy well known brands	93.3	5.2
3. I prefer to buy brands that my friends also buy	79.8	17.5
4. I consider price first	50.4	42.9
5. I consider quality first	85.3	13.9
6. If a product has a high price, it must be very good quality	77.4	21
7. I get confused in a store when there are lots of different brands, so I always just buy the same one.	70.6	21.8
8. I watch very carefully how much I spend	72.2	19
9. I look carefully to find the best value for money	71	25.4
10. I usually buy the lowest priced products	86.1	11.5
11. I buy the same brands every time I shop	95.2	3.2
12. It is risky to try out new brands	67.9	29.4
13. Buying good quality is very important to me	63.5	35.3
14. I would feel embarrassed if a friend saw me buying the cheapest brand.	65.5	32.1
15. If a product is advertised a lot, it must be good.	56	33.3
16. I would rather pay more money for a brand that I know, because I know it will perform to my expectations.	86.1	10.3
17. It is risky to buy the cheapest brand because low price means low quality	35.3	59.9
18. If I have enough money I buy the brand that I like the most, regardless of the price.	65.9	25
19. I only buy cheap brands if I am short of money at that time.	82.9	13.9
20. If a shop does not have the brand I want I will try and find it at another shop	73	23.4
21. I prefer to stick to brand names I know and trust.	90.9	7.9
22. I often buy the supermarket no name brands	87.7	10.3
23. I think no name brands are of lower quality	86.1	12.3

a) *The Influence of Peers on Brand Choice*

Most people prefer to buy well known brands (93%). Literature indicates that many people exhibit brand loyalty in specific product categories only and that many consumers like to buy brands that appear to be bought by the majority of their peers. Buying a brand everyone else knows and likes reduces the risk of buying an inferior brand or perhaps a brand that is less socially acceptable or respected.

A large percentage of respondents are influenced by the brands that their friends buy (79,8%). Once again a social influence on brand choice, to reduce risk. Word of mouth has always been a great form of brand advertising and many of the respondents take advantage of their friends' experiences with brands, or use the same brands in order to "fit in".

65,5% of respondents would feel embarrassed if their friends saw them buying a cheap brand, which reinforces the idea that the respondents consider their peers' acceptance and approval of their choices to be important. Just over half the respondents feel that if a product is advertised a lot it must be good. In the literature, the size and strength of the brand were discussed as influencing the consumers' perceptions in the Double Jeopardy argument. A brand that is advertised a lot suggests that it is successful and that many people may be buying it. The social reassurance that this leads to can increase the consumer's confidence. Also, the more the consumer knows about the brand the better she is able to judge it. Many may disagree with this statement because they believe more strongly in personal experience to verify the quality of the products. Nevertheless, there are a significant number of people who are positively influenced in their brand perceptions by the amount of advertising it displays.

b) *Repeat Purchasing*

Most people have favourite brands that they buy all the time (88.5%). A vast majority report buying the same brands every time they shop (95%) and also

stick to the brands they know and trust (90,9%). Thus most respondents show behavioural loyalty, but this will be examined further.

c) *Price and value based choice*

50,4% of respondents consider price first when making a choice about brands and 86% say they usually buy the lowest priced products. Correspondingly 59,9% do not believe that it is risky to buy cheap brands because low prices do not necessarily mean low quality. However, 77% believe that a high price means high quality.

A cross tabulation of those who consider price first and those who consider quality first had unexpected results. Firstly, the cross tabulation was not significant ($p=0,51$) - it would have been expected that consumers would agree with only one of the statements, resulting in a significant relationship between the two variables. Secondly the table shows that 83,46% of those who said they consider price first, also said they considered quality first. This result indicates one of the recurring findings of this research. The low income consumers in this study have complicated decision making criteria when buying groceries. It is not sufficient to consider the quality of a product only, the price must also be evaluated in order for a calculation of value to be made. It seems consumers consider both price and quality when making decisions. The importance of value will be explored below.

Out of necessity, many respondents are careful budgeters. A small grocery budget has to feed many during the month and so prices and value are an important issue in grocery shopping. 72,2% say they watch carefully how much they spend and 71% look to find the best value for money. Finding the best value for money, as discussed previously is a function of performance and price, rather than price alone. Having established the importance of price in the decision process, it is interesting to note that 86% of respondents are willing to pay a premium for their preferred brand. This apparent paradox can be explained by examining the data below.

Focus groups revealed that respondents were often forced to buy cheaper brands (not their preference) because they did not have enough money to buy the brands they wanted. The data supports this reason for consumers to buy brands which do not necessarily fall into their usual evoked set. 82,9% said that they buy cheap brands, only if they do not have enough money and 65,9% said that if they had enough money they will buy the brand they prefer, regardless of price.

Price and value therefore have a complex role in the decision making process. It appears that the respondents tend to be extremely price aware, in an effort to maximise value for money. Lack of money constrains the purchase of preferred brands. The issues of availability of money and value reoccur throughout the study as the complexity of brand choice amongst these consumers emerges.

d) Quality Issues

Quality is important to the respondents as 85,3% consider the quality of a brand first. This conflicts with the results of those who say they consider price first. The cross tabulation presented in c) suggests that the two be used in conjunction when choosing a brand.

63,5% say that quality is very important to them. From previous data and the focus groups, quality is important in a number of contexts. Quality is a component of the brand's value for money, quality brands are an extension of self-image and quality guarantees top performance and functionality. A high level of quality is therefore important to consumers for different and multiple reasons.

Having established the importance of quality, respondents were asked if house brands represented lower quality, 86% agreed. Discussion in the focus groups backs this finding. Women were very vocal about the poorer quality of "no name" brands and had little faith in the product to perform to the standards of the market leaders.

An overwhelming majority reports buying these house brands (87,7%). While respondents say that they look for quality and value for money in a brand and then say that the house brand products represent neither characteristic, most consumers still buy the brands. Once again focus groups provide the answer. Because house brands are generally the cheapest alternative, when the grocery money runs low and consumers require a certain number of products, they are forced to buy cheaper products to ensure that they can fill their grocery list. The choice is not their ideal or their preference, but in times of financial need the house brands fulfil a role of providing a product at a low price. The understanding of the dynamic between the buying and rating of the house brands begins to uncover the fairly involved evaluations that take place when purchasing groceries.

e) Simplification and risk reduction

70,6% of respondents find that the repeated choice of brands helps them to simplify the decision process when faced with a multitude of brands in the larger grocery stores. Consumers use simplifying strategies such as evoked sets to reduce the amount of information they need to process. Sticking to one brand eliminates the need to make any evaluation. In the context of prior argument it appears that while the consumer may automatically “home in” on the set of acceptable brands, a quick evaluation of prices, deals etc. must come into play before the final choice.

The cross tabulation of those who avoid confusion by repeatedly purchasing the same brand and those who always search for the best value for money, indicates a significant relationship ($p=0,028$).

Cross tabulation of statement 7 and 9 (p value = 0, 028)		
BUY SAME BRAND TO AVOID CONFUSION	FIND BEST VALUE FOR MONEY	
	yes	no
yes	136	40
Column %	75,08%	62,50%
Row %	76,40%	22,47%
no	34	19
Column %	18,99%	29,69%
Row %	61,82%	34,55%
Totals	179	64

76,4% of consumers who say they always buy the same brand also say they look carefully to find the best value for money. Consumers use the brands to eliminate the need to consider value every time. If they have already decided that brand x is the best value for money, they need not re-evaluate each time a product is bought. By choosing the brand, they are choosing best value for money, although the calculation may not take place each time. When large arrays of brands are presented, such use of brands to ensure value without a very lengthy and confusing calculation process is important to the consumer.

Similarly by sticking with the same brand, consumers can avoid buying a new brand that does not perform to expectations. 67,9% believe that it is risky to try new brands. This is particularly true for lower income consumers. If a new brand on trial does not perform, there is unlikely to be extra money to replace it with another. The less information the consumer has about the brand the greater the risk.

To evaluate the motive of risk avoidance, the following risk avoidance statements were grouped together:

- I would rather pay more money for a brand that I know, because I know it will perform to my expectations.
- It is risky to try out new brands
- It is risky to buy the cheapest brand because low price means low quality

These statements suggest that brand loyalty enables the reduction of purchase risks. 20,6% of respondents agree with all these statements.

f) The Acid Test

Many marketers believe that the acid test of brand loyalty is consumers' behaviour in an out of stock situation. Consumers who are truly committed to the brand will not settle for anything less and will go to another shop to find the brand. 73% of respondents said they would go to another shop. The validity of this depends (as it does with all other statements) on the product being bought. Many consumers show this kind of commitment to a particular brand but not

for any other product category. Focus groups indicate that many consumers have a brand "back up" - a brand that they would buy if their preference was not available. The "back up" is however limited, usually to one alternative brand.

g) Conclusion

The attitudes and perceptions of consumers regarding brand choice appear to overlap and conflict. However, when regarded in the context of many of the focus group discussions, it is clear how many opposing attitudes can coexist for these consumers. The respondents have strong affinities for and belief in particular brands but practical issues of money tend, under certain circumstances, to override the belief in paying for quality and always buying a preferred brand.

12.2.2. Attitudinal Statements used to Segment Respondents

To recap on the qualitative report; studies have used attitudinal statements, with an “agree”, “disagree” response required from the consumer, to group respondents into various choice motive segments. Respondents who answer the battery of questions in a particular way are grouped together. It was suggested in the literature review that to test true brand loyalty, as opposed to just attitudinal or behavioural loyalty, consumers motivations must be “tested” by including statements to which they are required to answer negatively. For example a respondent being classified as a “Price Shopper” must agree with statements like “ *I always compare prices*” but also disagree with statements like “ *I always buy the same brand*”. In this way a rigorous test is established ensuring that respondents truly fall into the said segment.

In the quantitative questionnaire, the lists of statements served to give a general understanding of the consumers’ beliefs and groups of particular statements were used in an effort to divide respondents into groups describing the motivating factors behind their grocery choices. The objective was to establish what proportion of the consumers in the study could be classified as brand loyal.

a) Basic Methodology

A simple segmentation of consumers is used to start the analysis. The relevant statements from the list were grouped together according to the brand choice motivation they represented. According to the literature and the objectives of this study, the following types of shoppers were identified as possible segments for the consumers under evaluation. “Price Buyers”, “ Brand Loyals”, “Habit / Simplification Buyers”, “ Social Buyers” “Value Buyers” and “Quality First Buyers”. For each buyer group, a set of statements was chosen with which the respondents had to agree, in order to be classified as belonging to that segment.

It was recognised that many consumers would have overlapping attitudes and would be categorised in more than one group.

Since the segments of interest is the “Brand Loyals”, further tests were run after the more simple segmentation, using statements to which the consumer had to agree and some to which they would have to disagree (as suggested in the Literature Review). The results of this attitude segmentation are presented below, with a simplistic and then progressively more complex evaluation of the brand loyal groups taking place.

The following table shows that statements used to identify consumers with similar brand choice motives; To be classified in a particular group, the consumers had to agree with all the statements for the segment. While this is a fairly simplistic test, the objective of the study is to focus on those consumers that are brand loyal and therefore it is not necessary to spend too much time conclusively classifying respondents as being part of another segment. The basic segmentation exercise gives a general understanding of the key motivations when selecting groceries. To identify Brand Loyals in a more robust manner, further tests will be applied.

Brand Loyals	Price Buyers
<p>I have my favourite name brands that I buy all the time</p> <p>I would rather pay more money for a brand that I know, because I know it will perform to my expectations.</p> <p>If a shop does not have the brand I want I will try and find it at another shop</p> <p>I prefer to stick to brand names I know and trust.</p>	<p>I consider price first</p> <p>I watch very carefully how much I spend</p> <p>I usually buy the lowest priced products</p> <p>I often buy the supermarket no name brands</p>
Social Buyers	Quality First Buyers
<p>I prefer to buy well known brands</p> <p>I prefer to buy brands that my friends also buy</p> <p>I would feel embarrassed if a friend saw me buying the cheapest brand.</p> <p>If a product is advertised a lot, it must be good.</p>	<p>I consider quality first</p> <p>If a product has a high price, it must be very good quality</p> <p>Buying good quality is very important to me</p> <p>I think no name brands are of lower quality</p>
Habit/ Simplification Buyers	Value Buyers
<p>I get confused in a store when there are lots of different brands, so I always just buy the same one.</p> <p>I buy the same brands every time I shop</p>	<p>I watch very carefully how much I spend</p> <p>I look carefully to find the best value for money</p> <p>I would rather pay more money for a brand that I know, because I know it will perform to my expectations</p> <p>I only buy cheap brands if I am short of money at that time</p>

i) Price Buyers

Price buyers are those who prioritise getting the lowest prices and sticking closely to a budget. Price buyers use the price of a grocery as the key decision factor. They often buy the lowest priced groceries and the supermarket house brands.

By selecting all the respondents who agreed with the set of statements (in the table above), it was calculated that 28,97% of the respondents fall into this category. Price is an important factor because of the limited budget many of the consumers have for their grocery shopping. Focus group discussions showed that the consideration of price was key since the amount of money with which to buy groceries is finite. Careful spending ensures that all the necessary groceries are bought each month.

ii) Value Buyers & Budget Buyers

An important finding in the focus groups was the understanding of value for money and depth of knowledge and calculations of how to get the most value for money. Respondents indicated strongly that being price and value conscious is not independent of buying the best brands, rather the opposite is true. Brands, a guarantee of quality and performance last longer and perform their function better than cheap alternatives, the more expensive brands often offer better value than lower priced brands. Many consumers see value as one of the primary benefits of the brand. Per unit of grocery, the brand offers more value and therefore works out cheaper than lower priced goods. With this understanding of the value, price, quality interaction, the classification of consumers into a "Value Buyer" as separate to "Price Buyer" is important. While many appear to base their choice on low prices, analysis must take into account that in the face of value considerations, more expensive brands are bought, because in the long run, they are cheaper (per unit - per cup of tea or load of washing)

To be classified into the "Value Buyer" segment the consumer had to demonstrate that she consciously looked for good value, used her budget

carefully and sees the benefits of brands in delivering value for money. She is only tempted to buy cheap brands when she has no alternative. 44,4% of the respondents fall into the "Value Buyer" segment.

The Value Buyer aims to maximise the use of her money and operates within a budget. The **Budget** Buyer which is a subsection of the value buyer, makes choices in the context of the amount of money available to her. Budget Buyers agree with both of the following statements:

- If I have enough money I buy the brand that I like the most, regardless of the price.
- I only buy cheap brands if I am short of money at that time.

The focus groups showed that many consumers made decisions based on the amount of money available to them at the time of purchase. Many reported buying cheap brands when they were short of cash, but when they had enough money the preferred brand was bought. To test this, consumers who agreed with both the above statements were grouped together.

57,5% of respondents indicated that they alter the factors determining brand choice, depending on financial circumstances. i.e. when consumers are short of money, they are forced to find the cheapest brand, to ensure that they at least have the product, even if it is inferior. When consumers have enough money, they are able to make decisions based on quality, preference and value for money. This is an important finding because it helps to explain why there is apparent conflict in the statements with which consumers agree.

iii) **Social Buyers**

Inferred from the focus group discussions was the image brands communicated about the consumer. Respondents like to use brands that are popular and do not like to be seen using low priced or inferior quality items. As suggested by the literature, consumers often feel more confident buying a popular brand and also brands with strong and prevalent advertising. Knowing that they join a large group of users reduces the risk of buying a brand.

33,7% of respondents belong to this group. Buying brands that their friends buy or brands that are the market leader gives consumers confidence. These results, in conjunction with the focus group discussions also suggest that because of the low income of these consumers, usual products that are bought as status symbols or indications of self-image, such as cars or high fashion clothing are not affordable. Grocery brands, to some extent, may be bought in congruency with self-image or to gain acceptance in a social context. A woman who uses Iwisa, uses it with pride and enjoys the fact that she provides her family with the best and that she is indicating her preference for quality to society.

iv) Habit / Simplification Buyers

Literature indicates that brands are often bought habitually, possibly part of a simplification strategy on the consumers' part. Buying the same brand repeatedly allows the consumer to eradicate a long decision making process for every day shopping. If she simply buys the same brand each time, she no longer has to evaluate all the attributes of all the brands. In supermarkets where there are a multitude of choices for each product category, sticking to one brand allows the consumer to cut through the confusion caused by information overload. Classification in this group also suggests that the consumer may be brand loyal, should the repeat purchasing be backed by an attitudinal loyalty.

A large percentage, 68,9%, of the respondents was classified in this group. This large percentage is due to a number of factors. Firstly there are only two statements defining this group, therefore it is "easier" to be classified in this group rather than for example the Brand Loyal group (which has more statements). The statements are broad, so this category is indicative rather than definitive of consumers who may choose brands out of habit or simplification alone.

v) Quality Firsts

Consumers who fall into this group are concerned about the quality of their purchases. As opposed to price, for the Price Buyer, quality is the key decision

factor. These consumers see higher prices as an indication of better quality and believe that buying quality items is important. From the focus groups it is clear that quality plays an important part in the evaluation of value for money.

38,1% of consumers fall into this group.

v) Brand Loyals

These consumers stick to their favourite brand and do not like to try new brands. They are prepared to pay a premium for a brand that they know will perform and are prepared to go to another shop if their favourite brand is not in stock. This selection of statements is simplistic, but will be used to conduct a more detailed analysis. 56,7% of respondents fall into this category of basic brand loyalty.

More than half the respondents therefore demonstrate a propensity to buy the same brands repeatedly and with some commitment (will go to another shop to find the brand).

vi) Discussion

It is evident that this first segmentation of consumers using the statements is not fully conclusive. While it gives a feel for the motivations, it does not eliminate duplication of respondents across groups or ensure each respondent is classified. However, as stated, the segmentation of the respondents is not the objective. A better understanding of the overall influences on consumer choice allows for the more detailed analysis of their propensity for brand loyalty. What becomes clear, in conjunction with the frequency counts for each statement, is that there are a number of motivating factors working concurrently in the consumers' brand choice.

The number of Brand Loyals is more than half the respondents, but not an overwhelming majority, which conflicts with the hypothesis of this study. A deeper look at the statements that define Brand Loyals and a more complex

analysis are described below to examine the township consumers' propensity for brand loyalty. The data begins to suggest that motives amongst these consumers are more complex than just a single objective (such as lower prices or best quality)

vii) Brand Loyals Revisited

Literature indicates that Brand Loyalty exists when consumers demonstrate a behavioural loyalty (in repeat purchases - which is clearly proven in section 12.2.3.) as well as attitudinal loyalty (a strong belief in and advocacy of their brand). Focus groups showed that the consumers not only demonstrated repeat purchasing, but also a vocal and enthusiastic commentary on their favourite brands, their benefits and excellence. It would seem logical that empirically this would be upheld.

By using generalised statements it is difficult to prove loyalty because numerous attitudes, as well as behaviour, must be tested to separate Habit Buyers from Loyals. By using numerous statements that would indicate brand loyalty and requiring consumers to agree with all, the chances of being included in the group are lower than being classified in a less complex segment. Furthermore literature suggests that the segments should be described using both positive and negative responses to eliminate duplication. (As described in 12.2.2 above). The following analysis takes the statements and looks at the progressive indications of brand loyalty and the resulting numbers of consumers that are classified at each step.

Step one: Basic Loyalty

- I have my favourite name brands that I buy all the time
- I would rather pay more money for a brand that I know, because I know it will perform to my expectations.
- If a shop does not have the brand I want I will try and find it at another shop
- I prefer to stick to brand names I know and trust.

To estimate the proportion of respondents with very basic indications of brand loyalty, consumers who agreed with the above statements were grouped together. 56,7% of respondents agreed with all four statements. The statements are however generalised and in order to refine the segment further statements were added in step 2.

Step 2: Brand Loyals

To classify the brand loyal group (in the context of the prior discussion of restricted budgets) consumers must be brand loyal when finances allow. Brand Loyals use brands in risk avoidance, because they have a strong belief in the consistent high quality of their favourite brands. If all the following statements relevant to these additional criteria for Brand Loyals are added, the size of the group diminishes substantially to only 13,5% of the respondents.

- I have my favourite name brands that I buy all the time
- I would rather pay more money for a brand that I know, because I know it will perform to my expectations.
- If a shop does not have the brand I want I will try and find it at another shop
- I prefer to stick to brand names I know and trust.
- It is risky to try out new brands
- It is risky to buy the cheapest brand because low price means low quality

As expected the group is small. Only some of the respondents have all the attitudes that would single out those who are brand loyal. This result however does not mean that few consumers are brand loyal but perhaps that motivations for loyalty are different for individuals.

The complexity of measuring brand loyalty in a general setting and in the context of multiple motivating factors leads to the conclusion that very few respondents can be segmented into mutually exclusive groups. As was shown in the basic frequency counts, agreement with nearly all the statements is particularly high, showing that consumers take many factors into account when selecting a brand. The brand criteria on which decisions are based change for different products or circumstances. So while consumers may believe strongly

in most of the statements, disagreement with one discount them from the group.

Step 3: Decreasing Segment overlap by using negative statements

To use the test suggested in the literature, the statements defining basic brand loyalty were combined with statements that theory suggests brand loyal consumers would disagree with. The following pattern of agreement was necessary for consumers to be classified into this more robust segment.

Respondents must agree with:

- I have my favourite name brands that I buy all the time
- I would rather pay more money for a brand that I know, because I know it will perform to my expectations.
- If a shop does not have the brand I want I will try and find it at another shop
- I prefer to stick to brand names I know and trust.

And disagree with:

- I usually buy the lowest priced products
- I often buy the supermarket no name brands

Only 10 consumers (4%) are classified as Brand Loyals using this segmentation.

The selection of Brand Loyal consumers using agreement with statements, does not appear to be particularly useful in proving that township consumers are brand loyal. However there are many important issues that arise from the analysis. The most important finding is that for these consumers brand choice criteria are multiple and changeable depending on circumstances. While it appears that there is conflict in that consumers use conflicting criteria to evaluate brands, focus groups suggest that all the suggested motivating factors are used, sometimes concurrently and other times separately but differently for different circumstance and products.

It is suggested that because a multitude of motives are employed in brand choice and the process is more complex because of financial restraints, the use

of statements as suggested by literature is not as effective in identifying Brand Loyalty as was indicated.

Because differing circumstances cannot be separated when evaluating attitudes on a general level, the following section looks at product categories and brands to gain a more detailed insight into the behaviour and attitudes of consumers. It must be remembered that financial ability to select preferred brands is a major factor to be included in the consumers decision making process.

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12.3. BRAND LOYALTY EVALUATED FOR SPECIFIC PRODUCT CATEGORIES

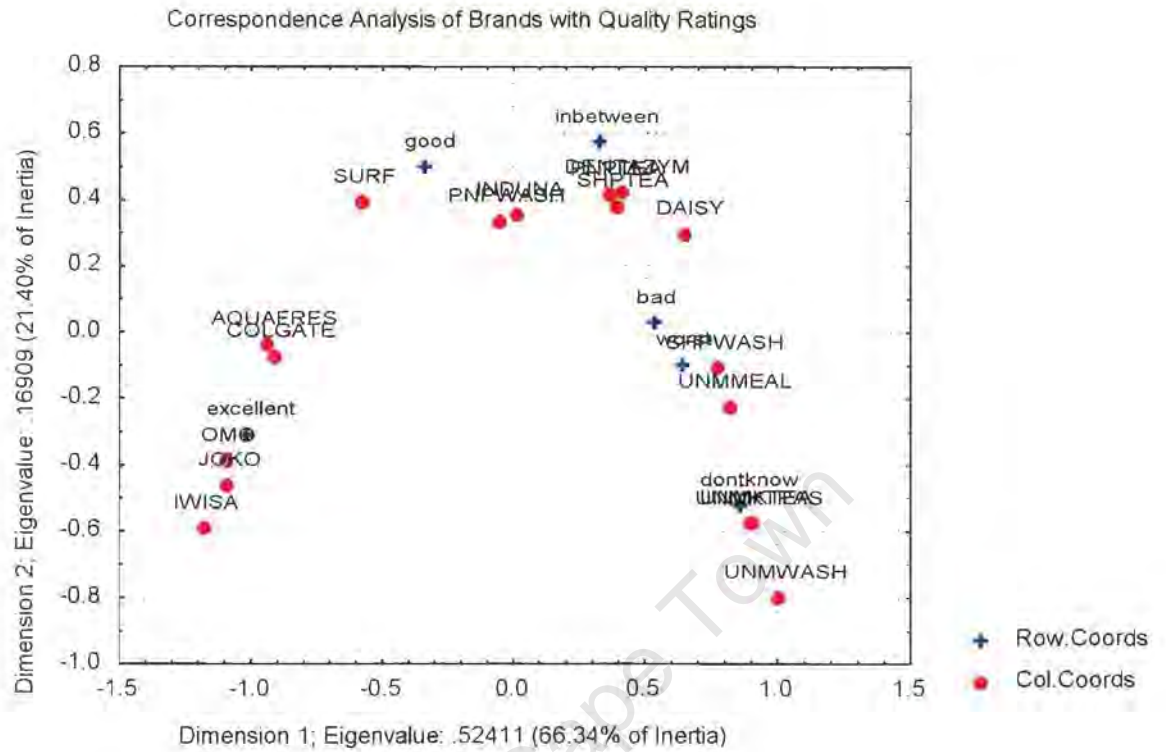
By examining general comments about grocery shopping it was difficult to pinpoint motives for brand choice and loyalty, as these are frequently different for different products. In order to develop a deeper understanding consumers were asked about specific products: washing powder, tea, mealie meal and toothpaste. The questions regarding these products were analysed in the context of the above hypotheses.

12.3.1. Correspondence Analysis

To give a general overview, before looking at the data in detail the following two correspondence maps show i) the correspondence between the brands and their quality ratings and ii) the brands and consumers' intentions to buy them.

Correspondence maps show the relationship between two sets of variables. The distance between the variables indicates the strength of the relationship. The closer two variables are to each other, the higher the Chi-square value and stronger the two are related.

The correspondence maps show graphically this relationship between variables. The distance between variable is evaluated in relation to each axis (x and y) and the importance of each axis in explaining the relationship is indicated by the Eigenvalue and % of Inertia for each axis. The further points lie from the origin, the more significant their relationships are and it should be noted that clusters falling within the range "bands" of -0,2 to +0,2 are not usually considered statistically significant.

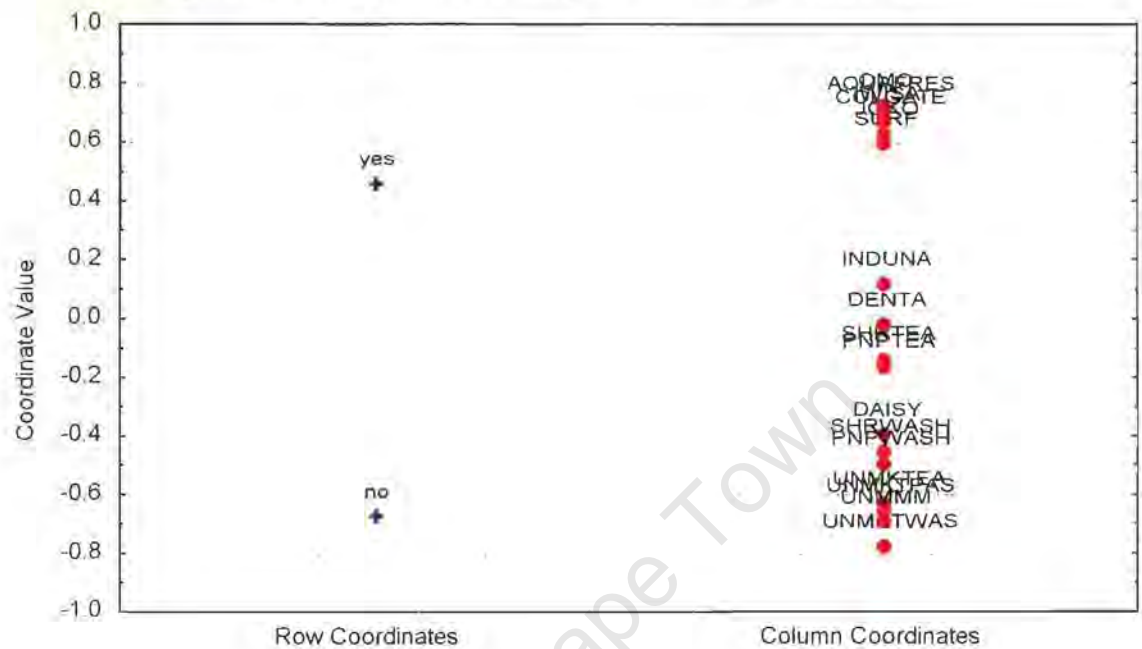


The above correspondence map shows quality ratings related to brands. The p value for the analysis is 0,0, which indicates a significant relationship. Dimension 1 explains 66,34% of the variation in the data, while Dimension 2 explains only 21,4%. The proximity of points on a horizontal level is therefore most important.

The correspondence maps shows that the brand leaders, Joko, Omo, Iwisa, Colgate and Aquafresh all cluster around the “excellent” co-ordinate, which is at -1.0 (far enough from the origin to be significant). On the other end of the scale the unmarked brands, predictably centred around the “don’t know” co-ordinate. The cheap brands and house brands tend to cluster around the “in between” co-ordinate.

Correspondence Analysis of Brands and Purchase Intention

Eigenvalue: .31072 (100.00% of Inertia) Contribution to Chi-square: 1213.4



The above correspondence map is a 1 dimensional map showing the relationship between brands and the intent to purchase them. (p value = 0,0) It is clear that the same brands that corresponded with excellent quality in the first analysis, correspond with positive intention to buy. Similarly the unmarked brands correspond to the “would not buy” co-ordinate.

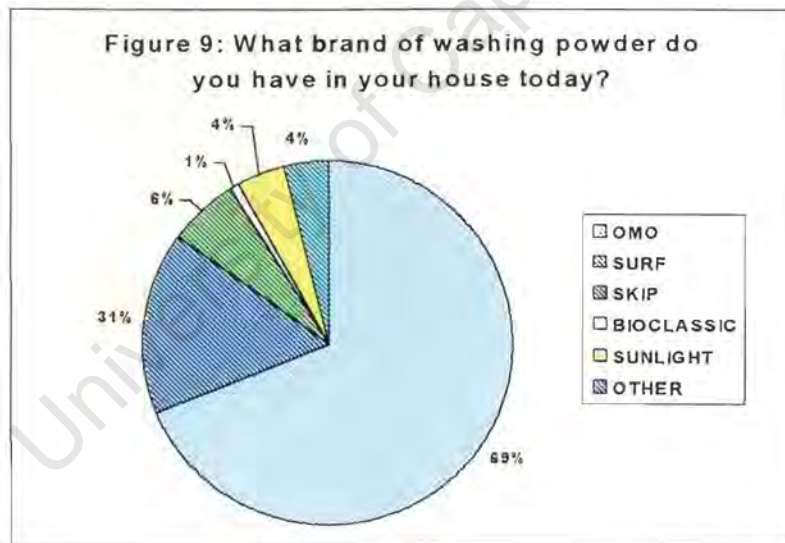
12.3.2. Evaluation of Product Categories and Brands

The results are discussed per product category, with conclusions regarding the acceptance of hypotheses presented at the end of the section. The discussion for each category closely follows the lay out and methodological descriptions for the washing powder category.

a) **Washing Powder**

i) **Brand Choice and Brand Attitudes**

The chart below shows the brands currently in the homes of the respondents:

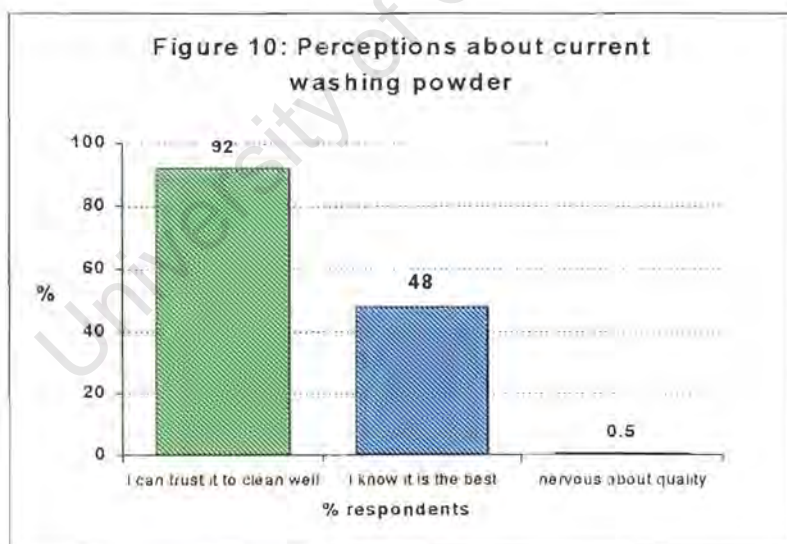


Omo is by far the most popular brand with 69% of respondents having it in their homes. This is followed by Surf, then Skip and the other brands. From this it appears that Omo has an exceptional brand dominance amongst these consumers. The fact that Omo and Surf, out of a wide variety of washing powders available, dominate this market suggests a very high usage of these brands amongst this community. The focus groups also indicated the leadership

of these two brands, but also suggested a high level of loyalty towards these brands for reasons of trust, performance and quality.

When asked how often they buy their brand of powder, 77% said they always buy the same brand, 13.9% said they bought the brand most times and 9% reported buying the brand occasionally. When the frequency of purchase was cross tabulated with the brand bought (table presented in Section 13.3), Omo and Surf had very high percentages (80% and 78% respectively) of those buying the brands, reporting that they only bought that brand. These figures indicate strong behavioural loyalty in the washing powder category.

In order to evaluate attitudinal responses toward the brands, respondents were given a number of statements from which they could choose the most appropriate to describe their attitude toward the brand. The question was multiple response giving respondents the opportunity to select more than one



statement.

Respondents were asked how they would feel if they had to lend a friend some of their washing powder. 91,9% said they were “confident that it would clean well”, 48,4% said they would feel “confident, knowing that I had bought the best

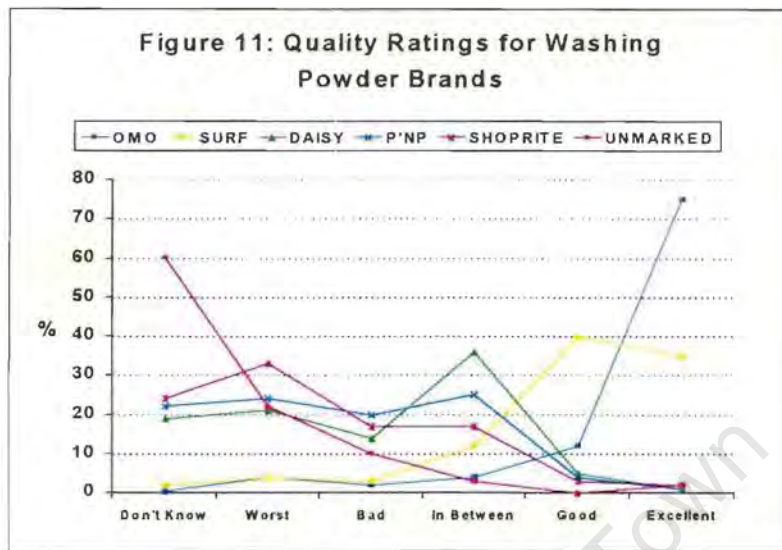
washing powder". Only one respondent felt "nervous that the powder would not clean very well, but it was the only one I could afford". Cleaning ability is the key factor in the decision making process of these consumers. Consumers tend to buy a product that they can trust to perform. Focus groups also indicated that the cleaning power and ability of the washing powder was paramount. Consumers indicate a high level of emotional loyalty towards their brands, as they feel confident in lending their washing powder to a friend, knowing that the powder is guaranteed to clean well. The testimonial-like discussions and responses in the focus groups also indicated a strong relationship with and confidence in the respondents chosen brands. Washing powder brands are chosen based on trusted performance above any other characteristic. The fact that an insignificant number of consumers were nervous about the cleaning power of the product suggests that respondents are not willing to risk paying less for a product that does not perform.

ii) The relationship between quality and propensity to purchase:

Literature suggests that there is a strong relationship between the consumers' perceptions of quality and their propensity to purchase the brand. To evaluate and compare consumers' perceptions of different brands within a product category, respondents were required to rate the quality of a number of brands and then indicate purchase intention.

Once again the same selection of products was used. For each product category the respondent was asked to evaluate one or two market leaders, house brand(s) (if available), the cheapest brand and an unbranded product. For each brand the respondent was presented with a photograph. Respondents were first asked to rate the quality of the brand on a scale of 1 to 5 where 1 was "the worst quality" and 5 "the best or excellent quality". Subsequently the respondents were asked to say if they would ever buy the particular brand.

In each product category section, under the discussion of the relationship between quality and purchase intention, a graph and an average score is presented for each brand. Percentages of respondents who would and would not ever buy the brand are also stated.



Omo

Omo is rated by 75,4% of the respondents as the best or excellent quality washing powder; 11,9% rated it as good quality and only 9,1% rated it between 1 and 3 (worst to average quality). The mean score for Omo is 4,6, which indicated the general high regard in which respondents view the quality of Omo. This is in fact the second highest mean score after that of Iwiṣa. 90,5% of the

respondents said they would buy Omo, while only 4,8% would never buy the brand.

When cross tabulating the results of the quality ratings and the intent to buy, there is a clear correlation. The cross tabulation has a p value of 0.0, which indicates a statistically significant relationship between the two variables. 83% of respondents who would buy Omo rated the brand as being of excellent quality. For those that rated Omo excellent, 99% would buy the brand. For those consumers that would not buy the brand, 83% rated the quality as average to worst quality. The cross tabulation thus shows that the quality perceptions consumers have of a brand do influence their intent to buy the product.

Surf

Surf is rated as being of excellent quality by 35,3% of respondents; good quality by 40,5% and as average quality by 12,3%. The mean score is thus lower than that of Omo, at 3.98 which shows that on the whole the respondents view the brand as good quality. 82,9% said they would buy the brand and 10,7% said they would never buy Surf. There is noticeably less trust in the quality of Surf than Omo and this translates into a greater percentage of respondents claiming they would not be persuaded to buy the brand.

Daisy

Daisy is a "generic" type washing powder, there is little advertising for the brand, it has little brand image and is generally sold on price. It is one of the cheapest washing powders available. It was expected that ratings for the brand would be low, with a high percentage of respondents not willing to buy Daisy.

Only 6,3% saw the brand as good or excellent; 34,5% perceived Daisy to be of bad or the very worst quality; 35,7% said they though it was of average quality and 18,7% did not know what kind of quality it was. This uncertainty is an important response in itself because in reducing risk during purchases one would argue that a brand of unknown quality might be avoided. This will be discussed in more detail. The cross tabulation of intention to purchase and the brand rating, showed a significant relationship between the two variables for

Daisy ($p= 0.0$). Of those who did not know how to rate Daisy's quality, 86% would not buy the brand, 78% of those who perceived Daisy as the worst quality also would not buy the brand. Knowledge of good quality is an important element in consumers' brand choice.

If we discount the "do not knows" to determine an average score, Daisy got a mean rating of 2,4 which shows that it is perceived as a poor quality product. 36,1% said they would buy Daisy, while 54,4% said they would never buy the product.

Pick 'n Pay No Name

22,2% were unsure of the quality of this brand. Only 4,8% rated the brand as good or excellent, leaving the bulk of the responses in the average, bad or worst categories. The average score (excluding those who did not give a rating) was 2,2, indicating a poor rating of brand quality.

31,7% would buy the powder while 58,7% said they would never buy Pick 'n Pay No Name brand washing powder.

Shoprite Washing Powder

Half the respondents rated the quality of Shoprite's house brand to be bad or the worst quality, 24,2% were unsure of the quality of the product. Only 4,8% said that the brand was good or excellent. The average score for this brand is 1,9. This is slightly lower than the Pick 'n Pay brand - and the pattern of comparison between these two brands will be followed.

In spite of the less favourable rating slightly more respondents said they would buy the product (33,3%) and 56,3% said they would never buy the brand, this is probably because respondents are more likely to shop at Shoprite and therefore more likely to buy no name brands at that store. A cross tabulation, with a p value of 0.0 (indicating the significance of the relationship) shows that of those who are unsure of the quality of the product, 98% are unwilling to buy the brand. 84% who rate the no name washing powder as "the worst" quality would not buy the brand. 75% of those who rate the brand as "good" or "excellent" would buy the brand. However, 60% of those who rate the brand as "bad" or "in

between” would buy the brand. This anomaly is fairly easily understood in terms of focus group discussions and will form the subject of much further discussion. While consumers do not rate the no name brand very highly, the products are bought because they are available at lower prices, the influence of finances and budget interferes with the preferences of the consumer.

Unmarked

As expected the ratings for the Unmarked washing powder have many “do not know” responses (59,5%). While the fieldworkers tried to get respondents to rate the brand as if they were looking at a new product on the shelf, it appeared that the unfamiliarity with the brand was problematic for respondents and they could not give a rating to the brand. From this it can be concluded that brand experience plays a very important role in the brand evaluation process. For consumers who are limited by tight budgets, taking chances on unknown products can be disastrous.

31,7% rated the quality as the worst or as bad. This was an expected result as many consumers attach connotations of product quality to the quality and appeal of the packaging. For an item about which they know nothing, packaging is the only element from which they may judge the product. As such with the very simple and plain packages of the unmarked goods, it was expected that quality ratings would be low. The average rating for those respondents who did allocate a score was 1,6.

In a cross tabulation of ratings and intention, there was no significant relationship. The p value was 0.69 (the required p value for a statistically significant rating at the 95% confidence interval is $p < 0.05$). The probable cause of this lack of relationship is the overriding unfamiliarity of the brand and the inability to rate its quality. However as described above, the cross tabulation does show that the majority of consumers could not rate the brand and the majority of consumers would not buy the brand.

It is apparent that the ratings for the branded market leaders are far above the score for any of the other brands and that the ratings for the unmarked “generics” are the lowest. This is a particularly good illustration of the principle

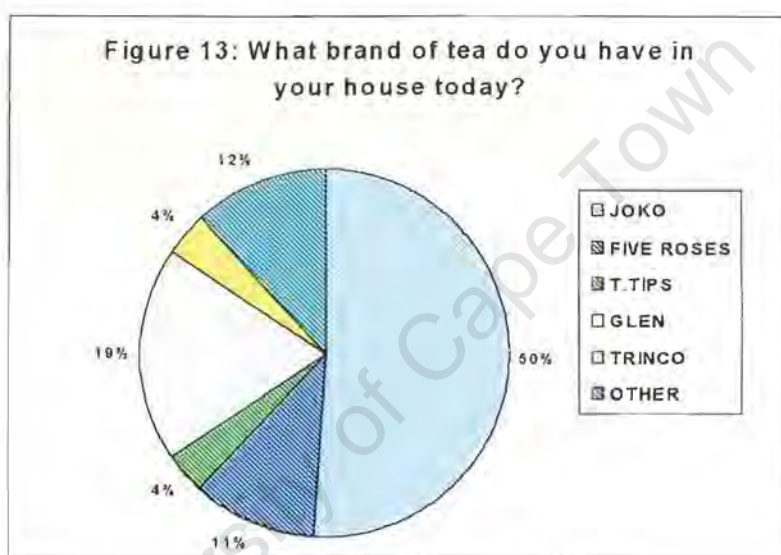
that brands are a promise of quality and consistency and allow consumers to attach a number of positive associations with the product. The results indicated that as the perception of quality increases, as does the consumers willingness to buy the brand. In the washing powder category this is clearly indicated in the focus groups where respondents cited quality in terms of cleaning power as being a priority. Quality is also represented by the “strength” of the powder, allowing consumers to use a little powder to achieve good cleaning results.

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b) Tea

i) Brand Choice and Brand Attitudes

Figure 13 shows which tea brands are currently in the home of the respondents. The most popular brand (50.8%) is Joko, this is followed by Glen (18.7%) and other brands (11%) which is primarily made up of consumers who buy Rooibos tea. 10,7% buy Five Roses. 10,7% buy Five Roses. 10,7% buy Five Roses.

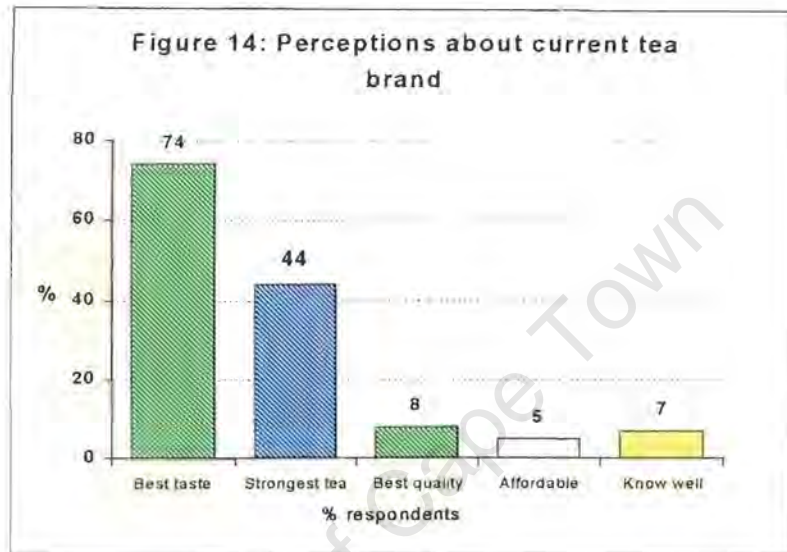


73% of respondents always buy the brand, 19.4% buy the brand most times and 5.6% buy it occasionally. Cross tabulations (table in Section ##) show that 75% of consumers who buy Joko always buy that brand, 77% of those that buy Five Roses stick to that brand and 83% of Glen buyers always buy Glen tea.

Respondents were asked to complete a sentence explaining why they chose their particular brand, by choosing statement(s) from a list of alternatives.

74.4% said they selected their tea because it had the best taste. 43.5% said it was the brand that made the strongest tea. 7.6% chose their brand because they believed it was the best quality. 6,7% chose the brand because they are familiar with it and always buy the same brand. 4.9% buy the brand that they

can afford at the time. From these answers it is apparent that the consumers value a tea with preferred taste and strength over other considerations. Consumers also appear to have a larger repertoire of teas than washing powders, fewer people bought only one brand of tea, although it is still clear

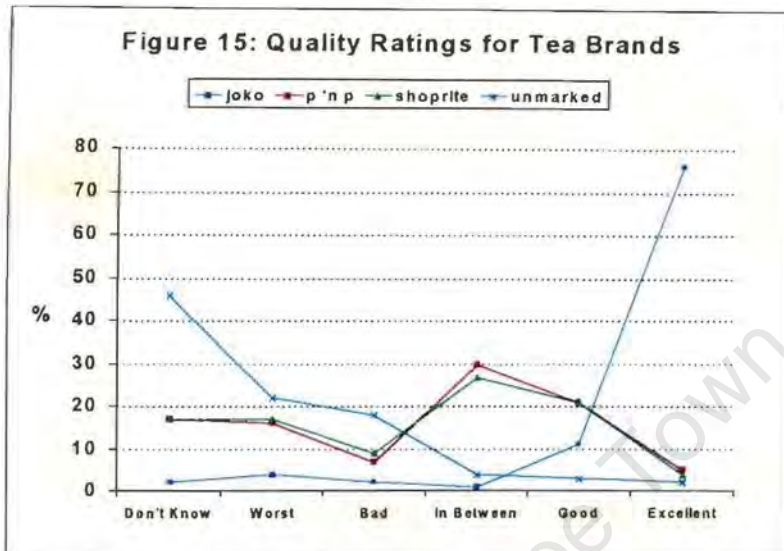


that consumers in general have a favourite brand, which they can trust to deliver strength and flavour.

The behavioural loyalty demonstrated by the high number of consumers buying the same brand all the time is complemented by the attitudinal loyalty indicated in the focus groups and shown by the large percentage of consumers that believe their brand has the best taste of all the tea brands.

ii) The relationship between quality and propensity to purchase:

As described for washing powders, respondents were asked to rate the quality of different brands and then indicated their purchase intention.



The graphs compare the ratings for the tea brands, illustrating the relationship between quality of purchase intent.

Joko

Joko, as discovered in the previous discussion is the most prevalent tea brand in the homes of the respondents, as such it is expected that the consumers have a relatively high regard for the brand and many are prepared to buy the brand.

76,2% see Joko as excellent quality and 11,1% good. Only 7,5% see Joko as “in between”, “bad” or “the worst” quality. Joko has a mean score of 4,5 indicating that consumers perceive the brand to be of very good quality.

84,9% will buy Joko and only 9,1% say they will never buy the brand. A cross tabulation of these results with the quality ratings revealed a significant relationship between perceived quality and purchase intention ($p = 0.0$). Of those consumers who rated Joko as excellent, 94% would buy the brand, while of those that rated the quality as “in between” or lower, only 43% would buy Joko.

Pick 'n Pay No Name Tea

Once again relatively large percentage (16,7%) did not know what the quality of the tea was. A similar percentage rated the tea “the worst” quality, while 51,2% rated the tea as “in between” or “good”. The average score was 2,9 indicating that the tea was perceived as neither good nor bad quality - an average or “in-between” quality tea. Respondents are fairly equally split between those who would and would not ever buy the tea. 46,8% said they would buy the tea and 44% they would not.

Once again a cross tabulation showed a significant relationship ($p=0.0$) between quality perception and purchase intent. Of those who rated the brand as the worst quality, 95% would not buy the brand, while 92% of those who rated the quality as excellent would buy the brand.

Comparing these results to those gathered for the Pick 'n Pay washing powder, it is clear that the tea is perceived as better quality than the washing powder, with more people willing to buy it.

Shoprite Tea

This brand also had 16,7% of respondents unsure of the quality but a slightly smaller percentage rating it as “in between” or “good” (48%) or as excellent (4,4%). Shoprite tea had an average score of 2,8. The two house brands therefore received fairly similar ratings on their quality.

48% of respondents said they would buy the tea and 42,9% said they would never buy the tea. This indicates a slightly higher propensity for respondents to buy Shoprite tea rather than Pick 'n Pay tea.

Unmarked Tea

As expected many of the respondents (46,4%) could not rate the unmarked tea.; 21,8% rated it as “the worst” quality tea and 17,9% rated it as “bad” in terms of quality. The average score for the unmarked tea was 1,95, which was slightly higher than that of the unmarked washing powder. Once again the relationship between quality ratings and purchase intent was shown with a statistically significant cross tabulation indicating that the lower the quality rating, the less inclined a consumer is to buy the brand.

c) Toothpaste

i) Brand Choice and Brand Attitudes

Colgate and Aquafresh are by far the most popular toothpaste brands. Together they dominate 92.9% of the market. 54.4% buy Colgate and 38.5% buy Aquafresh.

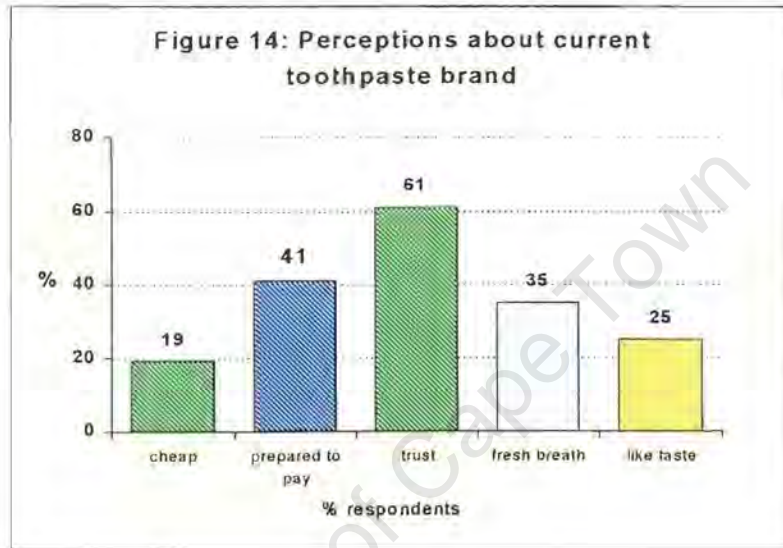
See Figure 17.



77% of respondents always buy the same brand and 17.9% buy it most times. In a cross tabulation of brand against purchase frequency (presented in section 13.3) 78% of respondents who buy Colgate always buy that brand and 75% of those who buy Aquafresh are loyal to that brand.

Respondents were asked to complete the sentence “I buy this toothpaste for my family because...” 61,4% of respondents completed the sentence with “I can trust this toothpaste to clean my family’s teeth very well”. 40,8% said “I am prepared to pay more to keep my family’s teeth healthy”; 34.5% said, “I know this brand will give us fresh breath”; 24,7% said “we like the taste” and 18,8% said they bought the toothpaste because “it is the cheapest, the one we can afford”.

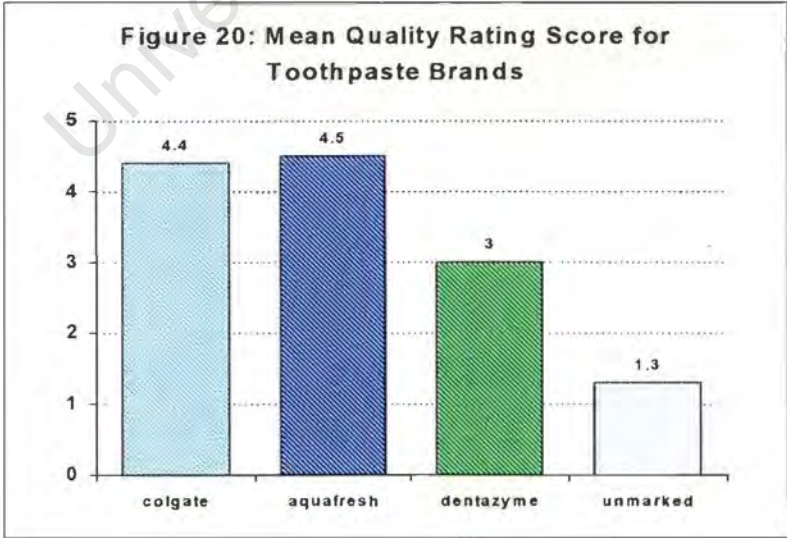
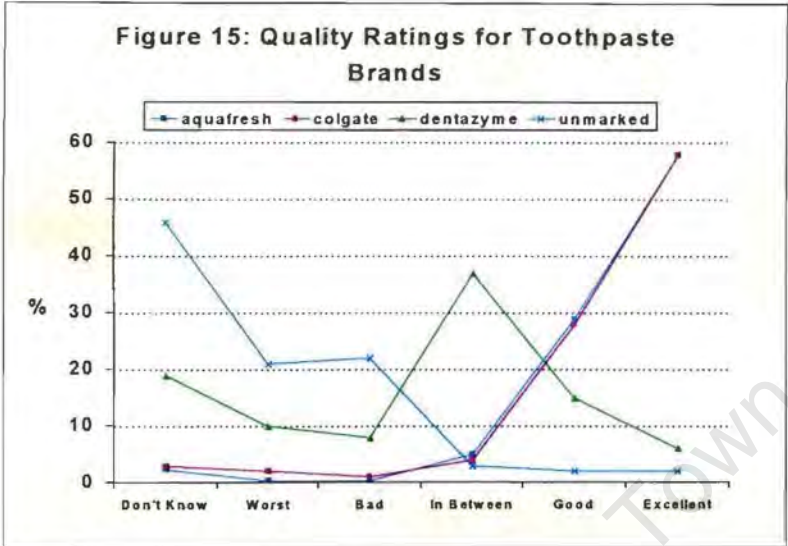
In choosing a toothpaste brand respondents choose one that they trust and are prepared to pay more for brands that will keep their teeth healthy. Attitudinal loyalty is conveyed in the feelings of trust and confidence consumers have in their brands. From the focus groups it was apparent that consumers sought multiple benefits from their brands (health, fresh breath, whiteness and taste).



A brand must be able to live up to all those expectations so the risk of changing brands is high, because so many criteria are important.

ii) The relationship between quality and propensity to purchase:

The relationship between quality and brand choice is once again explored by comparing ratings with purchase intention.



Colgate

57,9% rated Colgate as “excellent / the best” quality; 28,2% rated it as “good”. Only 6,3% rated the brand as “the worst” or “bad” or “in between”. The average score for Colgate was 4,4 which reflects the perception that Colgate is of very good quality.

85,3% said they would buy Colgate with only 7,1% saying they would never buy that brand. A statistically significant cross tabulation ($p= 0.0$) indicates that 94% of those who rate the brand as excellent would buy the brand, while those that consider Colgate to be of the poorest quality, would not buy the brand.

Aquafresh

95,6% of respondents rated Aquafresh as being “good” or “excellent” quality. It has an average score of 4,5.

87,7% would buy Aquafresh while only 5,2% say they would never buy the brand. It would appear that Aquafresh is slightly ahead of Colgate in terms of quality rating and purchase intention.

Dentazyme

This brand falls into the same category as Daisy washing powder. It is a low priced toothpaste which enjoys very little marketing or image building. Its main selling point is price. 37,3% see the brand as average quality, 14,7% regard it as good quality. Once again a high percentage were not sure of the quality (19%). The average score for the brand was 3. This indicates that consumers see the quality of this brand to be very average. This may be important when price is an issue, since the product is cheap, consumers may resort to the brand under financial pressure knowing that the toothpaste is of reasonable quality.

Indeed, despite it's very average quality rating the brand would be bought by 52,4% of respondents and 37,3% would never buy the brand. Issues of affordability have to be considered when examining the motivation for consumers including this brand in their brand repertoire.

Unmarked Toothpaste

Almost half the respondents could not rate the quality of this brand. 42,5% of respondents rated the brand as “the worst” or “bad” quality. The average score for the brand is 1,3, one of the lowest quality ratings across all of the brands. Not surprisingly then, 65,9% of respondents said they would never buy this generic brand of toothpaste. 22,2% said they would buy the toothpaste.

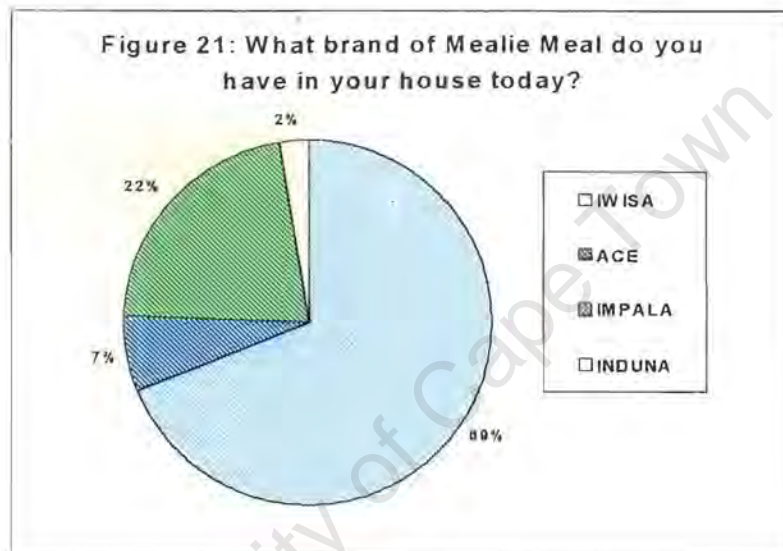
Once again, the higher the quality rating, the more likely the brand is to be purchased. In the case of the unmarked brand, where the ratings are very low, the majority of those who give such low ratings (94%) are not prepared to buy the brand.

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d) Mealie Meal

i) Brand Choice and Brand Attitudes

Iwisa is the most popular brand of mealie meal, with 68,3% of respondents having the brand in their homes. Impala is in 21,8% of the homes and together these two brands dominate 90% of the market.

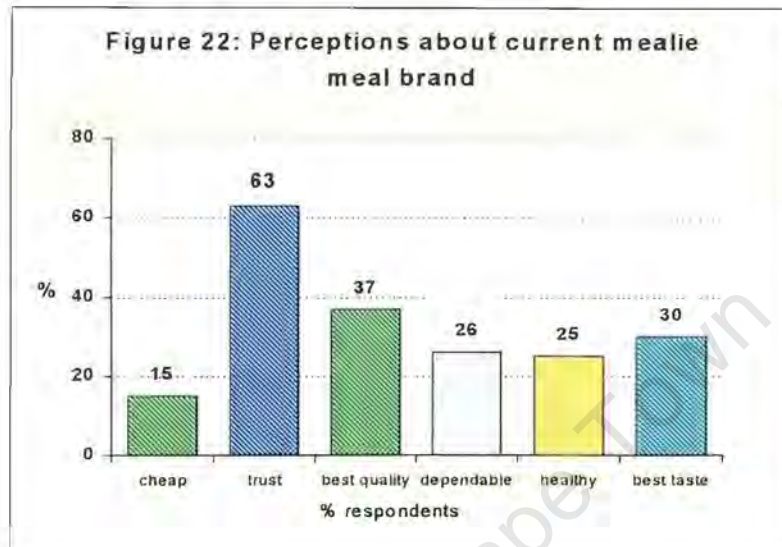


Mealie meal shows the highest percentage of respondents (80%) who always buy the same brand, this suggests that loyalty to a particular brand is particularly strong for this product. This is not surprising as mealie meal forms an essential and staple part of most of the respondents' diet and it is thus important for the consumers to buy a product they like and trust.

When asked why they buy the particular brand for the family the following responses were chosen: (see figure 22)

62,8% chose the brand they trusted to cook well every time; 37,2% chose the brand they believe is the best quality; 29,6% chose the brand based on taste; 26,5% chose a brand they can trust to taste good time and time again; and 15,3% chose the brand because it is the cheapest. Consumers in focus groups

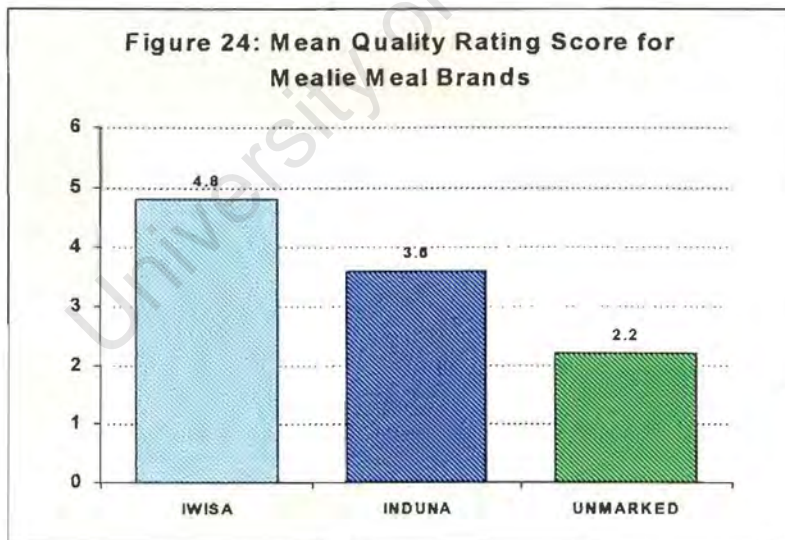
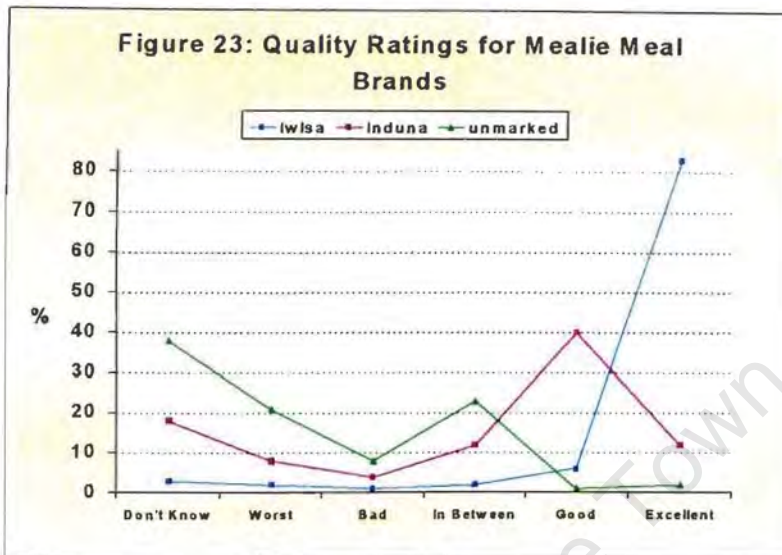
indicated strong relationships with their brand of mealie meal, with similar reasons for brand choice emerging as in the above data. Consumers buy a



brand that they can trust. Since this product forms the mainstay of many consumers' diets, the guarantee and promise the brand offers of consistent quality and performance is very important.

Consumers exhibit strong signs of brand loyalty, not only in their level of trust and actual purchase patterns, but particularly in their defence and explanation of their brand choices.

ii) The relationship between quality and propensity to purchase:



Iwisa

As one of the most popular brands (established from the focus groups) it was expected that Iwisa would receive high ratings and high purchase intention. 82,9% of respondents rated this brand as “excellent”, the highest rating of all the brands. Furthermore the mean score was 4,8 indicating a widespread perception that the quality of Iwisa is excellent.

Correspondingly 86,5% would buy the brand and only 6,7% said they would never buy Iwisa. (they are probably loyal to another brand). A cross tabulation (with $p = 0.0$) shows that 90% of those who would buy Iwisa rate the brand as excellent quality.

Induna

Induna was selected as a lower priced, less popular brand of mealie meal. Many respondents had no experience of this brand (although it is freely available in the formal retail outlets) and 18,3% did not know what the quality of the meal was. 52,4% rated Induna as “good” or “excellent” quality.

The average quality score for Induna was 3,6 indicating that for the most part those that could give a rating perceive the meal to be of average to fairly good quality.

59,1% would buy the brand and 31,7% would never buy the brand. The cross tabulation indicating the significant relationship between quality and purchase intent, shows that 96% of those who rate the brand as excellent are prepared to buy it as opposed to 75% of those who rate the brand as the worst quality who will not buy Induna.

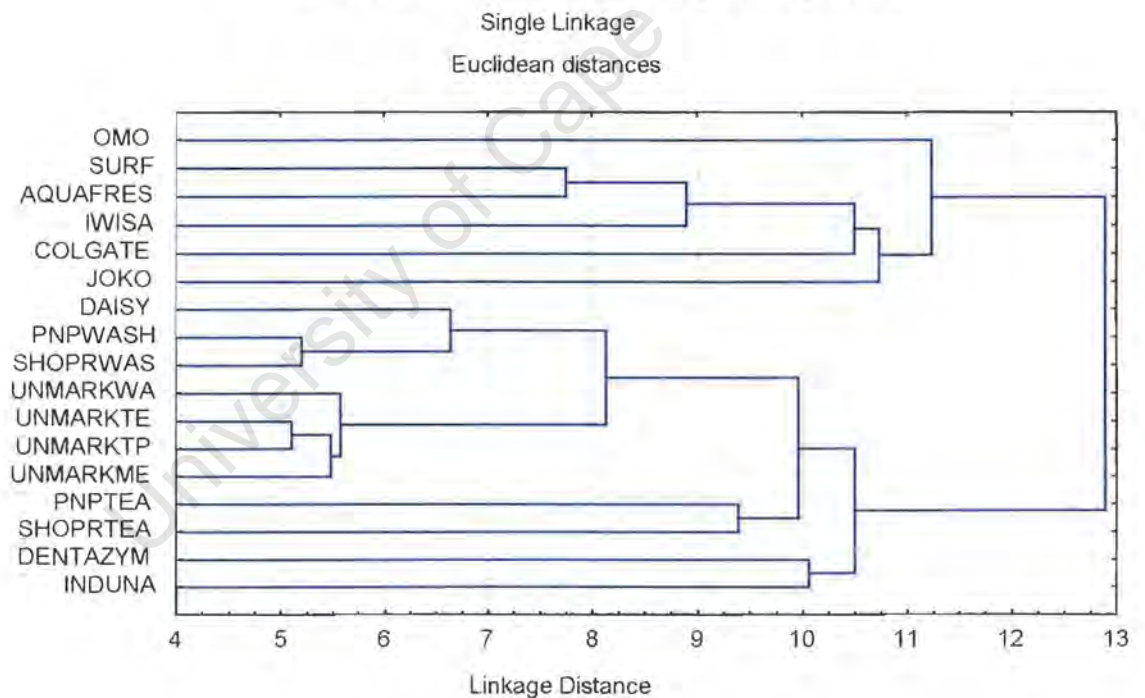
Unmarked Mealie Meal

Once again the unmarked brand was not rated by a large number of respondents (38,5%). 21,4% perceived the brand to be of “the worst” quality and 23% as “in between”. The Unmarked product had a mean score of 2,2, which suggest that the quality is not rated very highly at all. 65,9% of respondents said they would never buy the brand.

e) Cluster Analyses of the Brands

To verify the findings from the analysis of each separate brand, Cluster and Factor analyses were conducted with the 17 product variables to uncover any groupings and similarities between the different brands. Cluster Analysis proved to be the more effective grouping method. Firstly the brand ratings were analysed to examine the relationships of brands and the consumers perceptions of quality. Secondly the propensity to purchase variables were analysed to evaluate patterns in brand preference. It was expected that the strong brands would group together, as would the house brands and unmarked products respectively.

Tree Diagram for Brand-Quality Perceptions



The hierarchical cluster analysis with the quality rating variables produced a tree diagram , as illustrated.

As is evident from the diagram above, the brands have been grouped together by the cluster analysis of their quality ratings in a manner that was to be expected.

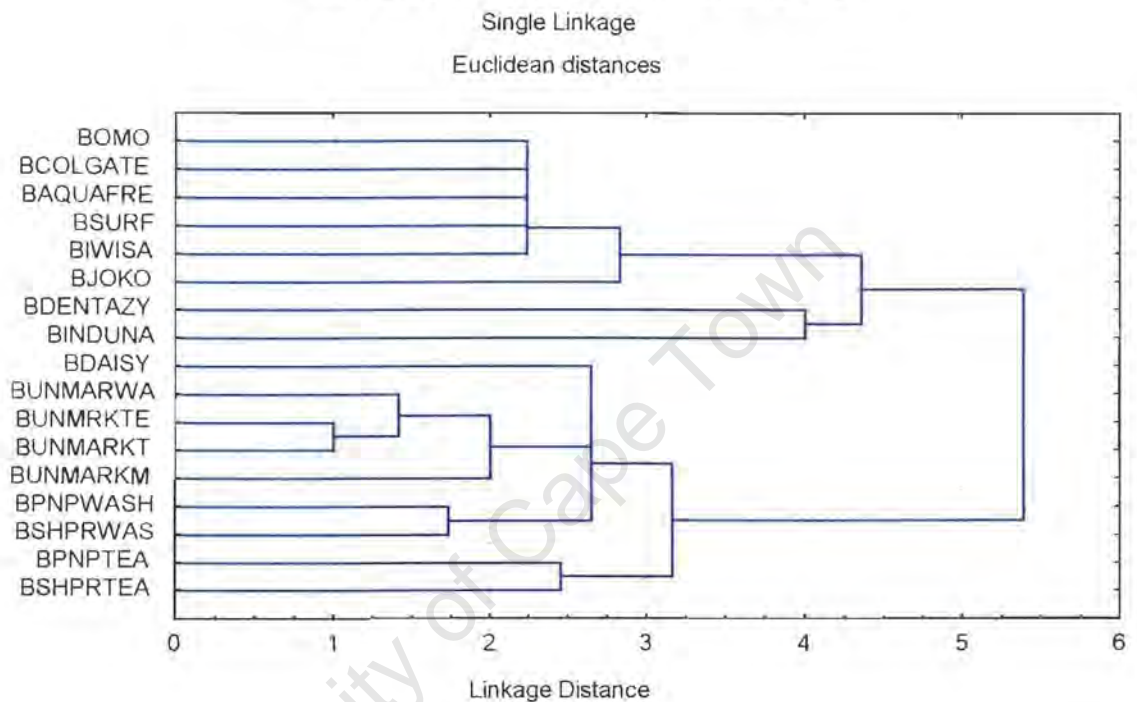
Very clear clusters have developed. The two major clusters separate the market leader brands from the rest (house brands, cheapest brands and generics). There is a clear perception amongst consumers that these top brands are different in quality to the other listed brands. From previous analysis it is clear that the market leaders have significantly higher mean quality ratings.

Within the cluster of “non market leaders” a number of smaller clusters can be identified. Firstly there is a clear grouping of the unmarked products. These products consistently received low ratings and are perceived as similarly inferior by the consumer. The washing powders: Daisy, Pick ‘n Pay No Name and Shoprite Yellow Label clustered together. Consumers view these product as similar quality. The last two groups are the two house brand teas and the cheap toothpaste and mealie meal. It is clear that consumers perceive house brands to be of similar quality (there is no major differentiation between the Pick ‘n Pay and Shoprite brands) and that these house brands are grouped with the lowest priced products in terms of consumers’ quality perceptions.

The cluster analysis therefore shows how consumers tend to group products into quality categories and clearly separate brand leaders from lower priced brands.

In the second cluster analysis, the consumers' propensity to buy the brands was analysed to evaluate if there was a similar pattern to that emerging from the quality ratings.

Tree Diagram for Purchase Intentions



A very similar pattern emerged compared to the hierarchical clustering of the quality ratings, suggesting (in the context of previously discussed data) that there is a strong relationship between the perceived quality and intent to purchase.

Once again the brand leaders clustered together forming a major group. A second significant group was formed by the unmarked, low priced and house brands (from Daisy down to Shoprite Tea in the diagram) Again Induna and Dentazyme clustered together.

The cluster analysis shows that the market leaders are grouped together as the brands that the respondents are most likely to purchase. The other brands

cluster together on the basis of consumers decreased willingness to buy them. In particular unmarked products are grouped together as products consumers are not willing to buy and the two house brands are grouped showing that consumers tend to consider them equally in terms of purchase intent.

General Comments:

Large numbers of the respondents appear to buy the same brand and report buying that brand only. This suggests that there are clear favourite brands within the community and this corresponds to findings from the spaza shop interviews which revealed that even if the shops stock only 2 or 3 brands they are satisfying the demand of their consumers.

The market leader brands were all rated very highly on quality and had very few people who claimed they would never buy the brand. The house brand products were less highly rated and none scored greater than an average rating of "in between". The unmarked products were very poorly rated, with many respondents not giving a rating at all. For those that did rate the products the average was usually a rating of "bad" quality. A consistent percentage of around 65% of respondents said that they would never buy the unmarked brands.

On a superficial level this underscores the consumers' need to have some experience, whether it be first or second hand about a brand, in order for them to make a positive purchase decision. While many said they did not know how to rate the brands, what is notable is that those who did rate the brand, rated them very unfavourably, even though they knew nothing about the brands. Furthermore, at first sight, most of the respondents were not prepared to buy such an unbranded product.

The respondents' affinity for strongly branded products is thus illustrated by the declining ratings and propensity to buy the brands as the products move from market leader brands, to lesser known brands, house brands and to unbranded goods.

12.4. CONCLUSIONS: BRAND LOYALTY IN THE TOWNSHIP MARKET

The hypotheses set at the start of this section are evaluated in light of all the analysis of consumers' attitudes, respondent segmentation and specific brand perceptions. With the complexity of brand decisions emerging as a key finding, it is difficult to test each hypothesis with one statistical analysis only. The hypotheses have thus to be evaluated based on consideration of all the data available.

While township consumers may not demonstrate the typical attitudes of brand loyal consumers, the attitudes towards individual brands and the patterns of brand leader purchase suggest that indeed the township consumers are strong supporters of brands rather than cheaper alternatives, as an ultimate preference. When circumstances allow the consumers to have a brand choice, they invariably choose their preferred brand which is most likely to be one of the market leaders.

The attitudinal loyalty of these consumers appear to be very strong, but may not be backed by a show of behavioural loyalty due to financial constraints.

Accept Hypothesis: ✓	Reject Hypothesis: X	Hypothesis Pending: ?
f) Township consumers, representative of low income consumers in South Africa, show a high level of brand loyalty in specific categories of FMCG's		✓
g) Attitudinal loyalty to brands is frequently not carried through to behavioural loyalty as a result of financial inability to purchase a preferred brand		✓
h) Risk reduction is the primary motive behind brand loyal behaviour amongst township consumers		✓
i) Financial risk is an important consideration in brand choice for low income consumers		✓

13. INFLUENCES ON BRAND LOYALTY

Hypotheses to be tested in this section:

- a) Motivations for brand loyalty differ between people
- b) Socio-economic status influences likelihood of brand loyalty
- c) The extent to which consumers are likely to be brand loyal differs between product types
- d) Perceived quality is a major influence on brand choice and brand loyalty

Literature indicates that motivations for and influences on brand loyalty differ between individuals and also that there are many factors, which contribute to a person's propensity for brand loyalty. Literature suggests that demographics and socio-economic variables such as income and education influence brand loyalty. Brand loyalty also differs across product categories and according to consumers' product involvement. Brand loyalty may also differ between people based on their perceptions, values, and desire for social status and risk avoidance.

The following analyses evaluate the influences on and motivations for brand loyalty amongst the respondents.

13.1. PERSONAL MOTIVATIONS FOR BRAND LOYALTY

The different motives for brand loyalty have emerged throughout the analysis. In order to clarify the information, results will be revisited.

In section 12.2.1 consumers' attitudes regarding the purchase of groceries were examined and the consumers were then segmented according to these attitudes. The analysis indicated that consumers had multiple motives for brand choice and brand loyalty. Consumers buy brands repeatedly to reduce financial risk due to known

performance standards (brands offer the guarantee of consistent quality); to reduce social risk and to simplify the brand choice process.

In section 12.3.2 the analysis of specific brands and consumers' reasons for their consistent choice indicated the differing motivations for choosing certain brands. The motives differ between people and between product categories. Individuals may therefore buy the same brand, but with different reasons or an individual may have different motives for buying certain brands within separate product categories. It has also become clear throughout the discussion that motives may differ depending on the circumstances surrounding the purchase. Brand loyalty may allow the consumer to decrease confusion or decision making time in a large grocery store or may reassure the consumer that the product they buy is of consistently good quality.

For washing powder brands the key motivations were confidence in cleaning power (91,9%) and knowledge that the brand is the best available (48,4%). For tea, some consumers made a choice based on taste (74,4%), others on tea strength (43,5%) and 7,6% because they know the tea is the best available. When choosing toothpaste consumers were motivated by trust (61,4%), need to ensure family's dental health (34,5%), taste (18,8%) and the need for a product that will ensure fresh breath (24,7%). Consumers chose mealie meal for reasons of trust (62,8%), quality (37,2%), taste (29,6%) and 15,3% made a choice based on price.

It is clear that consumers have different motives for buying brand consistently, for one individual the motive may be the quality of the product and for another the value, based on comparison of both price and performance.

Literature suggests that the psychographics of a consumer may influence their propensity to be brand loyal. A person who is averse to change will be less inclined to try a new product. Someone who enjoys novelty may like to try new brands as often as possible.

To evaluate the motive of risk avoidance, the risk avoidance statements were combined to calculate the number of consumers who use brands as a means of risk avoidance. The following statements were used to select the respondents:

- I would rather pay more money for a brand that I know, because I know it will perform to my expectations.
- It is risky to try out new brands
- It is risky to buy the cheapest brand because low price means low quality

The statements suggest that brand loyalty enables the reduction of purchase risks (primarily financial and performance risks), thus selecting consumers who believe that buying the same trusted brand decreases risk. 16,7% of respondents then fall into this segment. This indicates that a fair number of consumers are buying them with risk avoidance in mind. It also indicates that some consumers are more inclined than others to want to avoid risk.

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13.2. THE INFLUENCE OF SOCIO-ECONOMIC VARIABLES ON BRAND LOYALTY

Literature on brands and house brands indicates that some of the influences on a consumer's propensity for brand loyalty are socio-economic status and demographics. In particular the variables of income and education are acknowledged as influencing the propensity for brand loyalty amongst consumers. In order to test such an hypothesis, an analysis based on the segmentation of consumers (in 12.2.2.) was conducted. The 6 Buyers Segments (Brand Loyals, Price Buyers, Social Buyers, Quality First Buyers, Habit Buyers, Value Buyers) were evaluated by income, education, age and gender of the respondents. The information is presented per socio-economic / demographic variable, to evaluate the impact of these variables on motivations for brand choice.

13.2.1. Income

Brand Loyals:

The chart shows that the majority of those consumers classified as "Brand Loyals" fall into the R500 - R1399 income bracket. To eliminate the bias of the generally low income of the consumers, the percentages of each income group who are Brand Loyals was calculated and is presented in the table below. The first column of figures indicates the percentage of those who were classified as Brand Loyals, who are in each income strata and the second column indicates the percentage of the total number in each strata who have classified as Brand Loyals.

Income Group	% of Brand Loyals	% of the Income Group
<R500	9	46.4
R500- R899	35.7	65.4
R900-R1399	23.8	52.2
R1400 - R2499	11.9	43.6
R2500 - R3999	7.7	57.9
R4000+	10.5	75

There is a clear indication that income level does influence brand loyalty. The percentages of respondents who are Brand Loyal vary considerably between income groups. There are significantly more Brand Loyals in the highest income group, possibly because they are able to afford their preferences more often.

Price Buyers:

Income Group	% of Price Buyers	% of the Income Group
<R500	10.7	21.4
R500- R899	44.6	39.8
R900-R1399	23.2	20
R1400 - R2499	12.5	17.9
R2500 - R3999	5.4	15.8
R4000+	3.5	10

Recalling that 22,2% of the total sample were classified as price buyers, the low percentages in the second column are understandable. A smaller number of consumers from all strata are Price Buyers as opposed to Brand Loyals. Consumers in the R500 - R800 stratum are most likely to be Price Buyers. It is noticeable that there are more Price buyers per stratum in the lower income groups than in the higher. This is logical as one would expect consumers with lower budgets to look more carefully for lower priced goods.

Quality First Buyers

Income Group	% of Quality Buyers	% of the Income Group
<R500	9.4	32.1
R500- R899	33.3	41
R900-R1399	25	36.9
R1400 - R2499	13.5	33.3
R2500 - R3999	9.4	56.3
R4000+	8.3	40

Quality buyers appear to be spread across all the income groups, but are slightly more prevalent in the high income groups, where perhaps the consumers can afford to consider quality above other considerations such as budget.

o

Income does appear to have an influence on choice motivations and propensity to be brand loyal. It must be noted that the sample group are all low income consumers and thus large differences within a homogenous groups cannot be expected.

13.2.2. Education

For this analysis, the highest level of education reached was condensed into two strata: Low education (Some high school down to no schooling) and high education (Some high + diploma to a degree).

Brand Loyals

Education Group	% of Brand Loyals	% of the Education Group
Low	75.52	60
High	23.78	48.6

Price Buyers

Education Group	% of Brand Loyals	% of the Education Group
Low	87.9	27.2
High	12.5	10

Only 10% of those who have had a more advanced education are classified as Price Buyers compared to 27,2% of those who have had less education. More consumers with lower education are brand loyal. The literature suggests that as

education increases, sophistication of the consumers and confidence in decisions increases as well. This data would tend to support that theory as those with less education appear to be more inclined to stick with the same brands. More sophisticated consumers are often more confident in making new choices and may therefore be less risk averse and brand loyal.

Quality Buyers

Education Group	% of Brand Loyals	% of the Education Group
Low	81.3	43
High	17.7	24.3

More consumers are concerned about quality than price, but it is interesting to note that a greater percentage of less educated consumers are concerned about quality than more educated consumers. This may be affected by the fact that the more educated consumers are likely to have better jobs and higher incomes. They are not as constrained by grocery budget and therefore do not evaluate the quality and prices of goods to the same extent that less educated consumers with lower incomes do.

13.2.3. Gender

Although the majority of consumers interviewed were female, there is a group of male respondents in the sample. To evaluate if choice motivations differ between the genders, the segments are evaluated separating male from female.

Brand Loyals

Gender	% of Brand Loyals	% of the Gender Group
Female	88.8	57
Male	11.1	55

There is not much difference in percentage of brand loyal males compared to females. It appears that more than half of both genders show indications of brand loyalty.

Price Buyers

Gender	% of Price buyers	% of the Gender Group
Female	87.5	22
Male	12.5	24

Again a similar percentage of each gender are classified as prices buyers.

Quality Buyers

Gender	% of Quality Buyers	% of the Gender Group
Female	90.6	39
Male	9.4	31

A slightly larger percentage of females are Quality Buyers.

From the limited information (low proportion of male to female interviewees), it appears that there are no significant differences in choice motivations between the genders. Similar percentages of each gender are classified in each group.

13.2.4. Age

The age categories were combined into two larger groups for this analysis. The younger group (14-40) and the older group (41 +). The segments were recalculated on the basis of this age group slit to evaluate any influence on choice motivation by age.

Brand Loyals

Age Group	% of Brand Loyals	% of the Age Group
Younger	61.5	57.9
Older	35.7	54.3

Slightly more of the younger consumers are classified as brand loyal.

Price Buyers

Age Group	% of Price Buyers	% of the Age Group
Younger	51.8	19.1
Older	48.2	28.7

There are far more price buyers in the older age group, a 9,6% difference.

Quality Buyers

Age Group	% of Quality Buyers	% of the Age Group
Younger	53.1	33.6
Older	46.9	47.9

There are far fewer younger consumers in the Quality Buyer group than in the older group.

There are differences in motivations between the age groups. Older consumer appear to be motivated by quality and price more than younger consumers who are more likely to be brand loyal.

13.3. PRODUCT CATEGORY INFLUENCE ON BRAND

LOYALTY

Cross tabulations between the brand and the frequency with which it is purchased gives more insight into the stated loyalty of consumers to particular brands. By comparing reported loyalty across product categories, it is possible to test hypothesis d).

Cross Tabulation Of Washing Powder Brand With Frequency Of Purchase p value = 0,089				
WASHING POWDER BRAND		ALWAYS BUY IT	MOSTLY BUY IT	OCCASIONALLY BUY IT
OMO	column %	72%	57%	65%
	row %	80%	11%	9%
SURF	column %	16%	20%	9%
	row %	78%	18%	5%
SKIP	column %	4%	6%	17%
	row %	57%	14%	30%
SUNLIGHT	column %	4%	9%	0%
	row %	70%	30%	0%
OTHER	column %	3%	9%	9%
	row %	50%	30%	20%

The table shows that of those people who always buy the same brand (i.e. indicate behavioural loyalty), the majority are loyal to OMO (72%). Of those people who buy OMO 80% report that they always buy this brand. For those people that buy Surf, 78% report they always buy the brand, but of those people who are behaviourally loyal to their brand, only 16% are buyers of Surf. The p value for this cross tabulation is 0,089. Since it is greater than 0,05 it indicates that the results cannot be regarded as significant at the 95% confidence interval. The relationships should therefore be regarded as indicative rather than definitive.

Basic frequency counts show that 77% of respondents always buy the same brand.

Cross Tabulation Of Tea Brands With Frequency Of Purchase p value = 0.03				
TEA BRAND		ALWAYS	MOSTLY	OCCASIONALLY
JOKO	column %	52%	57%	29%
	row %	75%	21%	3%
GLEN	column %	21%	14%	7%
	row %	83%	15%	2%
FIVE ROSES	column %	11%	6%	21%
	row %	77%	12%	12%
OTHER	column %	10%	10%	29%
	row %	67%	19%	15%

The cross tabulation, which is statistically significant ($p=0,03$) shows that people who buy Glen are more likely to be loyal to their brand (83% always buy Glen). For those that buy Joko a significant percentage (75%) consistently buy that brand.

Frequency counts show that 73% always buy the same brand of tea.

Cross Tabulation Of Toothpaste Brand With Frequency Of Purchase p value = 0.002				
TOOTHPASTE BRAND		ALWAYS	MOSTLY	OCCASIONALLY
COLGATE	column %	55%	58%	36%
	row %	78%	19%	3%
AQUAFRESH	column %	38%	40%	55%
	row %	75%	19%	7%
CLOSEUP	column %	4%	0%	0%
	row %	89%	0%	0%

77% always buy the same brand of toothpaste. Of those 55% always buy Colgate and 38% Aquafresh. Colgate has a greater number of consumers and on the whole they are loyal to the brand, this makes it more difficult for other brands to break into the market and perhaps explains why there are so few other brand names bought amongst the consumer group. The table suggests that most people like to buy one brand of toothpaste repeatedly.

Cross Tabulation Of Mealie Meal Brand With Frequency Of Purchase				
p value = 0.12				
MEALIE MEAL BRAND		ALWAYS	MOSTLY	OCCASIONALLY
IWISA	column %	70%	64%	100%
	row %	83%	15%	2%
IMPALA	column %	22%	23%	0%
	row %	83%	17%	0%
ACE	column %	7%	5%	0%
	row %	88%	13%	0%

Mealie Meal has the most brand buyers who report that they always buy one brand. 80,2% say that they always buy the brand the currently have. The percentages of repeat buyers for each brand in the table above also indicates a higher level of brand loyalty in the mealie meal category than in any other. Iwisa, with 70% of those who always buy the same brand, is clearly the market leader with a broad base on loyal consumers.

The percentages of consumers who always buy the brand they currently have differ slightly between product categories. For instance far more people stick to one brand of Mealie meal than tea. Focus groups also suggested that brand loyalty differs slightly between product categories. While consumers are more willing to choose between 2 or 3 brands of tea, they are less willing to buy an alternative mealie meal brand.

13.4. PERCEIVED QUALITY INFLUENCES BRAND CHOICE AND BRAND LOYALTY

Many consumers make choice decisions based on their quality perceptions of the brand. Basic segmentation showed that 38,1% of consumers generally make decisions based on quality (see 12.2.2). Over 85% of consumers say they consider the brand's quality first (12.2.1). If we examine motivations for consumers to choose specific brands repeatedly, it is clear that consumers believe the products they are loyal to will consistently deliver the expected quality, whether it be in a brand's taste, functional ability (e.g. cleaning strength) or a combination of benefits. Brand loyalty gives the consumer peace of mind that their product will perform to expectations.

The relationship between quality rating and a consumer's intention to buy specific brands was clearly indicated in section 12.2.2 where correspondence analysis and cross tabulations illustrated that brands with higher quality ratings were more likely to be bought by consumers. The perception of a brand's quality is therefore critical to the choice of brand and secondly the brand's promise of consistent quality encourages consumers to remain brand loyal. For consumers who see quality as an important factor in brand choice, brand loyalty is a method to ensure consistent quality each time they shop.

Accept Hypothesis: ✓ Reject Hypothesis: X Hypothesis Pending: ?

- | | |
|---|---|
| a) Motivations for brand loyalty differ between people | ✓ |
| b) Socio-economic status influences likelihood of brand loyalty | ✓ |
| c) The extent to which consumers are likely to be brand loyal differs between product types | ✓ |
| d) Perceived quality is a major influence on brand choice and brand loyalty | ✓ |

14. BENEFITS OF BRAND LOYALTY

Hypotheses to be tested in this section:

- d) Brand loyalty allows consumers to reduce risks involved in purchasing a product
- e) Brand loyalty allows for the simplification of the decision making process

The literature review clearly discusses the different benefit brands offer the consumer. From the focus groups it was established that the benefits that are important to these consumers are reduction of risk (financial and social), the guarantee of performance, higher quality leading to better value for money.

The key element that has arisen throughout the analysis is that financial risk and constraints play a central part of the decision making process for consumers.

Data presented previously in the discussion of brand choice statements and the analysis of individual products is revisited to prove these hypotheses.

70,6% of respondents say that they stick to the same brand to avoid confusion when faced with a multitude of brands. Brands at present are prolific in many grocery categories. Considering the complex decision making process that many consumers employ, evaluating quality, price, value for money and reliability of performance is time consuming and becomes even more complicated and confusing when trying to evaluate more than two brands. By reducing the size of the evoked set or sticking to a single brand, consumers are able to simplify the decision process.

Buying brand reduces risk on a number of levels. Many consumers like to buy brands to avoid the risk of buying a brand that is seen as inferior by their friends. It is easy to buy a "socially acceptable" brand if one simply buys a brand that is preferred by peers, 79,8% prefer to buy brand that their friends also buy. Similarly 65,5% are concerned

about their peers' opinions, they would feel embarrassed to be seen buying a cheap brand, because of the message it conveys of being "stingy with money" or not having enough money to buy a preferred brand.

Financial risk avoidance is a key motivator in buying brands for low income consumers. With limited budgets consumers cannot afford to make a "shopping mistake". 86% would rather pay more for a brand that they know will perform. From the focus group analysis it is clear that consumers believe that buying more expensive or better quality brand is cheaper in the long run. The brands last longer and perform their functions better and thus deliver more value to the consumer than cheaper goods. Buying good brands repeatedly allows the consumer to avoid the risk of spending money on an inferior product that they cannot afford to replace.

67,9% of respondents believe it is risky to try new brands. Because of the combination of social, financial and time risks involved in making decisions about new brands, many people will simply continue to buy the same brands. (95% report buying the same brand every time they shop).

Accept Hypothesis: ✓ Reject Hypothesis: X Hypothesis Pending: ?

- d) Brand loyalty allows consumers to reduce risks involved in purchasing a product ✓
- e) Brand loyalty allows for the simplification of the decision making process ✓

15. PERCEPTIONS OF HOUSE BRANDS

Hypotheses to be tested in this section:

- r) House brands are perceived to be of inferior quality
- s) House brands are only bought when consumers do not have enough money to buy their preferred brand
- t) House brands/private labels would not be accepted and successful in the township retail environment
- u) It would not be feasible to introduce a house brand into the retail outlets in the townships

In order to quantify respondents' reaction to house brands, their perceptions and opinions of Pick 'n Pay and Shoprite's house brands were tested, in addition to the more generalised statements about "no name brands". The interviewer presented each respondent with pictures of the particular products (see appendices) and then asked them specific questions. The hypotheses will be tested by analysis of new data regarding house brands specifically, as well as the results of the brand ratings discussed in Section 12.3.2 above.

15.1. PURCHASE PATTERNS

The interviewer presented each respondent with pictures of the particular products (see appendices) and then asked them specific questions.

Most respondents recognised the house brands, only 2% reported they had not seen these products in the shops before. 75.8% reported having bought house brands before, while 19.8% had never bought them. From previous data, 87,7% agreed with the statement "*I often buy the supermarket no name brands*". This establishes that many

consumers, despite their apparent loyalty to brand leaders are still purchasing house brands.

In order to quantify the purchase intention of the respondent with regard to specific house brands, they were presented with a number of product photographs and asked if they would ever buy that product. The following table shows the percentages for each product of respondents who would and would not buy the product. The percentages for tea and washing powder (asked in a previous section) have been included. Percentages over 65% have been highlighted.

PRODUCT	% RESPONDENTS WHO WOULD BUY PRODUCT	% RESPONDENTS WHO WOULD NOT BUY PRODUCT
Canned Tuna (Pick 'n Pay)	62.3	32.9
Toilet Roll (Shoprite)	77.4	17
Canned Spaghetti (Shoprite)	47.2	47.2
Long Life Milk (Pick 'n Pay)	67.9	27.4
Household Cleaner (P'nP - "Handy Andy")	67	28
Bleach (Pick 'n Pay)	59.5	35.7
Lemon Cream Biscuits (Shoprite)	68.7	25.8
Packet Soup (Pick 'n Pay)	56.7	38.49
Canned Beans (Pick 'n Pay)	53.6	41.7
Washing powder (Shoprite)	33.3	56.4
Washing powder (Pick 'n Pay)	31.7	58.7
Tea (Shoprite)	48	42.9
Tea (Pick 'n Pay)	46.8	44

The basic frequency counts show that that on the whole many consumers are prepared to buy house brand products. The figures range from 77,4% who would buy the house brand toilet roll, to 31,7% who would buy the house brand washing powder. Acceptance of house brands appears differ considerably between product categories. Previous research and the focus groups indicate that quality is not comparable between house brand products, so while consumers find the quality level of some brands acceptable and would not buy others on the basis of their poor quality.

The data suggests that purchase intent depends on the product category and perhaps the experience the consumer has of the particular product (focus group participants discussed how a poor experiences with house brands discouraged them form purchasing them again). In general the majority will buy house brands and for some product categories (such as toilet roll) a significant number of consumers are willing to buy house brands.

It must be noted that the willingness to buy the house brand washing powders and teas is far lower than for any other product. This is likely to stem from the fact that these products were tested in a different batch of questions. The effect of asking about well known brands lead consumers to be less inclined towards the house brands. The "proximity" of better alternatives may have encouraged consumers to be less accepting of the house brands.

It can be concluded, even in the face of clear brand leader preferences displayed in previous data, that most township consumers do indeed purchase some house brand products.

15.2. ACCEPTANCE OF HOUSE BRANDS ACROSS INCOME GROUPS

Having established that there was some relationship between income and brand loyalty, the relationship between income and house brand acceptance was tested. Income categories were condensed to create two categories; low (R0 - R1399) and High (R1400 +). The results of asking consumers if they would buy certain products were cross tabulated with the income groupings. The table below shows what percentage of the consumers in each income category would buy the particular product. All cross tabulations that have been presented have a p value of less than 0,05. Those that were not statistically significant were excluded from the table.

% Consumers who would buy the house brand products by income group.					
INCOME GROUP	SPAGHETTI	MILK	BEANS	HANDY ANDY	BLEACH
< R 500	52	83	54	79	71
R 500 - R899	54	77	57	70	66
R900-1399	55	77	69	81	72
R1400- 2499	47	66	50	68	61
R2500- 3999	56	67	56	67	56
R4000+	11	32	26	32	21

There are two noticeable characteristics of the data. Firstly, as shown in previous data the acceptance of house brands varies with each different product. Secondly, although there is no clear pattern of house brand acceptance across the income groups, the wealthiest group is consistently significantly less likely to buy the house brands. According to previous discussion, the increased availability of grocery funds decreases the need to rely on cheap brands to fill the basket in times of financial necessity. As a result those consumers, who can afford to avoid house brands, do.

To further test the hypothesis, a Discriminant analysis was run with "Do you buy these no name products?" as the grouping variable and the socio-economic variables as the

independent variables. The following indicators show the significance of the model in discriminating buyers from none buyers:

Wilks' Lambda= .96479 and $p < 0.0177$

The Eigenvalue for this function was 0, 036 which effectively means that the function is not able to discriminate very effectively between the groups. This is because of the homogeneity of the group and their attitudes. While there are differences within the group, the group on the whole has similar ideas and the range of socio-economic variables was limited.

Cross tabulations between the variable "would you buy no name brands" (from Section C in the questionnaire) resulted in one statistically significant table (p value = 0.026). Income proved once again to be an influence on propensity to buy house brands. Comparing the top and bottom ends of the income categories, there is a significant difference in propensity to buy house brands. 89.29% of those who earn under R500 per month would buy house brands compared to 63,2% of those who earn over R4000 who would buy the house brands.

15.3. QUALITY PERCEPTIONS

From the previous analysis, house brands' quality ratings are shown to be significantly lower than brand leaders'. 86% of consumers agreed with the statement "*I think no name brands are of lower quality*". Results from the focus groups confirm this perception. Consumers see no names as being cheaper but inferior alternatives. Consumers discussed how despite low prices, the house brands did not deliver value for money because of the inferior quality of the products.

In Question 26 respondents were asked about their opinions of the house brands. The question was a multiple response item with respondents allowed to choose all the statements they thought were true.

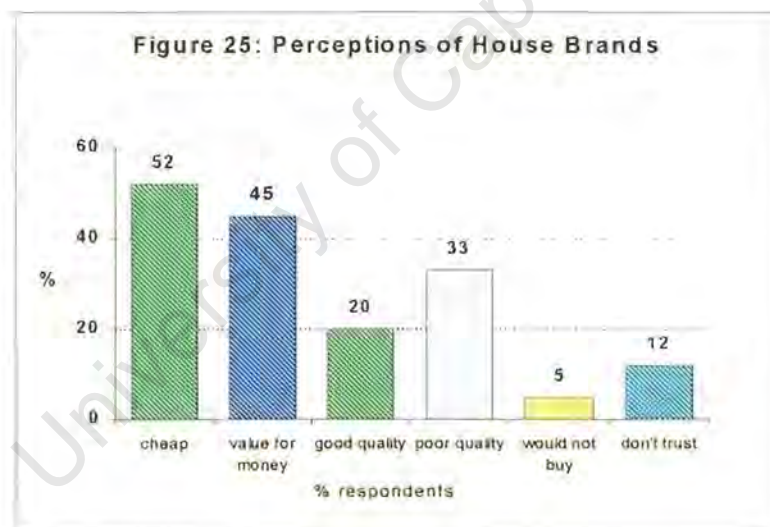


Figure 25 above shows the responses as a percentage of the respondents who gave that response. 52% think house brand like Shoprite's "Yellowband" and Pick 'n Pay's "No Name Brand" are cheap. 45% see them as value for money. 20% believe they are of good quality while 33.5% say they are of poor quality. Only 5% said they would not buy them because they were of poor quality and 11.7% said they would not trust the product to be good.

From the results it appears that on the whole consumers perceive house brands to be cheap. Relatively few consumers judge them to be of good quality. Some consumers appear to equate the low prices with value for money. In the context of all the findings the general perception of house brands is that they are of inferior quality to brand leaders.

Thus it appears that while consumers perceive house brands as low quality products which have few obvious benefits, other than low price, the consumers are still willing to buy these house brands. This relationship is explored in the following section.

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15.4. PERCEPTION OF QUALITY VS PURCHASE INTENT

A cross tabulation of those who reported buying house brands and peoples' response to the statement *"I think no name brands are of lower quality"* results in interesting figures, which further explain the relationship consumers have with house brands. Although the table is not significant at the 95% confidence interval, the information that emerges is interesting to note. The data is therefore indicative rather than definitive.

Cross Tabulation of past Purchase with "No names are low quality"			
		low quality: YES	low quality: NO
Would Buy		195	25
	column %	90%	80%
	row %	88%	11%
Would Not Buy		20	6
	column %	9%	19%
	row %	77%	23%

Relatively few consumers would not buy the house brands, but for those that would buy the house brands, their quality ratings show that 90% of those who rated the house brands as low quality would still buy the brand. Only 9% of those who say house brands are poor quality will not buy the brand.

It is clear from the focus groups that house brands are important as "cheap" alternatives when the favourite brand is not affordable. House brands enable consumers to still buy products when they do not have the money to buy a preferred brand. As said in the group discussions, house brand "bail consumers out" when they are in financial difficulties.

Such information facilitates an explanation of the apparent conflict between the house brand image and consumers' willingness to include them in their shopping basket.

Returning to the list of 23 statements, recall the statement *"I only buy cheap brands if I am short of money at the time"*. 82,9% of respondents agreed with this statement.

Township consumers are heavily constrained by their grocery budget. In times of financial need they may not have the money to buy their preferred brand that they usually purchase. When in such a situation, a house brand or cheaper generic brand provides the consumer with the necessary product, however inferior the quality may be. Consumers who have only R5,00 to spend on tea for example, will rather buy a house brand, than do without. It appears that such decisions based on available money have affected the data throughout this study making it difficult to separate those brand loyal consumers from price buyers.

It is proposed that the financial constraints force consumers into buying a house brand. However, this is a behavioural rather than emotional or attitudinal indication of brand preference. Strong quality ratings and descriptions of brand leaders compared to low quality ratings and less complimentary descriptions of house brands suggest that while consumers may not always demonstrate their loyalty to brands through their behaviour, their attitudinal loyalty is relatively strong for the brand leaders.

It is clear that consumers do accept house brands and in fact, may welcome them in times of financial need. The debate now lies in the feasibility of such house brand in the township stores.

As a result of the difference between behavioural and attitudinal loyalty, as discussed in the literature review, it can be concluded that if consumers are not constrained by a tight budget, the financial motive for buying house brands falls away. The strong indications of emotional and attitudinal preference for brand leaders suggests a loyalty to these brands which will be reinforced behaviourally, if consumers are not financially constrained.

The financial constraints of the emerging market have the potential to be lessened in the future, how fast and to what extent is not well known. It is not expected that the economic status of township residents as a whole is going to change rapidly. For some time in the future a large group of low income consumers will live in the townships. As such, the introduction of a house brand or more generic type product into the spaza shops may be a viable alternative, given that the brand is significantly lower priced compared to the brand leaders and is also available in small packages.

According to the study of the retail environment within the townships, spazas are used as convenience stores. Large retail outlets are used because they can offer lower prices. When a consumer runs out of an item a replacement is bought at the spaza shop. The brand is however more expensive than if bought in a formal retailer and the consumer therefore buys a small package. It may be considered then that a house brand, to "tide the consumer over" until the next grocery shop, could be successful because of the low price. Consumers generally conduct their primary grocery shop once a month, when they budget for the products and brands they need. When an item runs out during the month, it is probable that the budget has already been spent. A generic or house brand product that is available at a lower price may be beneficial to the consumer as a convenience product.

Accept Hypothesis: 4 Reject Hypothesis: 7 Hypothesis Pending: ?

- | | |
|--|---|
| r) House brands are perceived to be of inferior quality | 4 |
| s) House brands are only bought when consumers do not have enough money to buy their preferred brand | 4 |
| t) House brands/private labels would not be accepted and successful in the township retail environment | 4 |
| u) It would not be feasible to introduce a house brand into the retail outlets in the townships | 4 |

16. CONCLUSIONS AND RECOMMENDATIONS

16.1. CONCLUSIONS

The conclusions for this study have been couched in terms of the hypotheses the research set out to evaluate. The conclusions for the secondary hypotheses are discussed first as they form an integral part of the discussion related to the primary hypothesis.

16.1.1. Conclusions for the Secondary Hypotheses

a) Motivations for brand loyalty differ between people

Although this study concentrated on a small homogenous group of consumers, motives for consumers to remain loyal to a particular brand differed between individuals and for individuals between products. It was clear that some consumers' primary reason for repeatedly buying one brand was the reduction of financial risk and for another, the product's superior characteristics encouraged brand loyalty. An illustrative example is that the motivations for buying a particular tea repeatedly differ. Some consumers buy the tea because of its strength (and therefore ability to make more tea per bag), while other consumers prefer the taste to any alternative. Some consumers appeared to be more risk averse, using brand loyalty to avoid a number of risks associated with buying a different brand, while other consumers appeared more confident and based their loyalty on other factors.

b) Socio-economic status influences likelihood of brand loyalty

Consumers in different income, education and age groups tend to demonstrate different propensities for brand loyalty. Older consumers are more brand loyal as they have more brand and product experience and probably have built up years of trust in certain

brands. As a group the low income consumer demonstrate a high level of attitudinal brand loyalty, as a method of financial risk avoidance. But within the group, those with higher incomes are also less likely to buy housebrands, as they can afford to buy their preferred brand more frequently than those with smaller budgets.

c) The extent to which consumers are likely to be brand loyal differs between product types

Consumers are not equally brand loyal across different product categories. A consumer who will not buy any other washing powder brand except Omo may very well buy house brand biscuits or change tea brands on a regular basis. Categories such as mealie meal and washing powder showed particularly strong attitudinal loyalty. In the evaluation of house brands acceptance of certain products was far higher (toilet paper) than others (washing powder). However there were no house brand product that appeared as a preferred brand for any of the categories.

d) Brand loyalty allows consumers to reduce risks involved in purchasing a product

Brand loyalty allows the consumers to decrease evaluation time and the decision making process. For complex value based decisions brand loyalty allows the consumer to decrease financial risk, as she knows what to expect for her money. Consistent use of a popular brand enables the reduction of social risk attached to buying a lesser-known product.

e) Brand loyalty allows for the simplification of the decision making process

The proliferation of brands in each product category and the complex decision making process which these consumers undertake makes brand choice a time consuming process. Brand loyalty allows the consumer to bypass some of the decision heuristics, simplifying the decision process.

f) Township consumers, representative of low income consumers in South Africa, show a high level of brand loyalty in specific categories of FMCG's

Township consumers demonstrate a very high level of attitudinal loyalty in many FMCG categories but are less consistent in behavioural loyalty. The movement from the choice intention/preference to the choice action is often constrained by the unaffordable preferred brand. However the strength of the attitudinal loyalty is important in evaluating choices when money is available and choices in the future.

g) Attitudinal loyalty to brands is frequently not carried through to behavioural loyalty as a result of financial inability to purchase a preferred brand

The attitudinal loyalty demonstrated is sometimes sacrificed for financial reasons. While consumers are vocal about their preferential brands and the inferiority of cheaper alternatives, in times of limited budgets consumers would rather have a less preferred brand than no product at all.

h) Risk reduction is the primary motive behind brand loyal behaviour amongst township consumers

Risk reduction is important to township consumers, but in particular the reduction of financial risk associated with buying an inferior product. Risk is attached to products that have unreliable or unknown quality. There is a risk that such a product will not perform to expectations or needs. The importance of this lies however in the cost attached to such poor product performance. Once a product is bought the budget has been used, there is little money to replace an inadequate product. The reduction of financial risk and maximisation of value for money is often a prime choice motive.

i) Financial risk is an important consideration in brand choice for low income consumers

As a result of limited grocery budgets consumers cannot afford to correct "shopping mistakes". Brands allow the consumer to attach information and experience to a brand

with the result that the consumer can always buy a product that performs to expectations. Almost all purchases involve an evaluation of price and quality and the avoidance of financial risk.

j) Perceived quality is a major influence on brand choice and brand loyalty

Quality and price are the two main components of value for money calculations. The quality component determines whether the price is affordable in the long run. Since perception is the consumer's reality, the consumer's perception of the brand quality determines the evaluation of value. A product of high quality offers the consumer benefits such as enhanced functionality and product longevity (the consumer will get more use out of higher quality product). Quality is therefore critical in the brand choice process and encourages the consumer to return to the same brand (since brands offer the promise of consistent quality).

k) Consumers' decision making processes when selecting both grocery store and brand are different in the informal compared to the formal retail environment

Consumers select formal and informal shops using different criteria. Formal retailers are selected on their ability to offer low prices and special deals. Informal retailers are chosen on the basis of convenience and proximity. Brands bought at the informal retailer are bought there as a convenience. The consumer has a limited choice of brands, will buy small packages and will pay relatively high prices for most brands. In a formal outlet there is a far wider choice of brands and range of prices, therefore the decision process is more complicated as there are more options available. Brands are chosen on the basis of maximum benefit as opposed to the convenience motive of selecting items in the informal shop.

l) Careful budgeting and price considerations play an important part in the decision making of township consumers.

Price and value are important considerations in brand choice. Consumers may be highly brand loyal for many reasons but they are limited by the grocery budget. Buying brands as part of financial risk avoidance may be part of the strategy to maximise the budget by evaluating price in the context of product benefits.

m) Township consumers utilise the informal retailers in the townships as "convenience" stores

Informal retailers offer the consumer different benefits to the larger grocery chains. Spazas perform similar functions to forecourt shops and corner cafes in that they provide necessities in a convenient location close to the consumers' homes or on their route home.

n) Bulk shopping for FMCG's in formal retail outlets outside of the township is constrained by the lack of personal transport

Large individual items or numbers of grocery packets are difficult for consumers without a personal vehicle to transport from the grocery store to their homes. Transport is expensive and may be difficult with heavy parcels. Consumers compare the price of transport with the amount saved when shopping at a cheaper store further from home in making a store decision. Large grocery items such as heavy bags of mealie meal are purchased at a local store.

o) Township consumers make price-based decisions in formal retail outlets

The choice between formal retailers is often price based with consumers shopping at an outlet where they believe they will get the best value for money. Brand decisions in formal outlets are more likely to be price based since there is a wider price range of brands and consumers can evaluate a larger selection. Local spazas often do not offer a price evaluation option as there is little brand range to compare.

p) Township consumers employ limited decision making in the townships, where brand choice depends on the brand stocked by the retailer

The relatively narrow range of products and brands available simplifies decisions in local spazas. The spaza owner stocks his shop with a few brands that are most popular, immediately limiting the decision making process for the consumer. A choice is far easier when the options are reduced.

q) Consumers undergo a lengthier decision making process when faced with a wider choice in formal retail outlets

A wide choice of brands in a formal retailer, combined with a large variety in price and quality causes value based decisions to become more complex. The more brands to evaluate with a complex set of criteria, the longer the decision process.

r) House brands are perceived to be of inferior quality

House brands are perceived to be of low quality. Consumers are not usually prepared to buy them as they also represent poor value for money due to inadequate performance.

s) House brands are only bought when consumers do not have enough money to buy their preferred brand

Although consumers prefer not to buy house brands, house brands do provide consumers with an alternative when finances are low. House brands do provide a service in that they offer an affordable product in times of need.

t) House brands/private labels would not be accepted and successful in the township retail environment

House brands are accepted on a behavioural level, consumers do buy them. However, they are not accepted on an attitudinal level. Consumers on the whole have negative associations and images of house brands and would prefer to avoid them. House brands could be accepted packaged as small convenience items provided the prices are low.

However, for the most part consumers are able to budget to buy the brands they refer and should they have enough money they would avoid the house brand.

u) It would not be feasible to introduce a house brand into the retail outlets in the townships.

Behavioural loyalty is a lesser indication of true brand loyalty or commitment than attitudinal loyalty. The township consumers demonstrated strong attitudinal loyalty to the brands they prefer. Based on these attitudes, it is clear that loyalty will exist as long as money is available. Currently consumers are managing to maintain their behavioural loyalty most of the time. A house brand as a cheap alternative may fill a gap in the market but will never be the brand of choice for these consumers who demonstrate an emotional attachment to many brands.

16.1.2. Conclusions for the Primary Hypothesis

The township consumer shows a high level of brand loyalty, with brands playing a vital role in risk reduction. A large proportion of township consumers belongs to a brand loyal segment of consumers. Therefore, the introduction of a house brand targeted specifically at the emerging market would not be viable at present.

A high level of attitudinal loyalty exists amongst the township consumers. Brands are an important part of avoiding risk, particularly financial risk associated with limited grocery budgets. Decision making for these consumers is complex and consumers tend to be looking at numerous criteria simultaneously to maximise their budget. The consumers were unlikely to fall into a single "shopper type" segment and a preference for brand loyalty could coincide with value criteria. It was thus difficult to clearly separate those who only represented Brand Loyals. The acceptance of house brands in times of financial need was seen as a benefit but few consumers could indicate any attitudinal preference for the house brands. Therefore, when the budget is sufficient or as income increases, the consumers may be less likely to buy house brands, as they have no financial need.

16.2. RECOMMENDATIONS

Use attitudinal loyalty to brand's full advantage

Brands should take advantage of the high level of attitudinal loyalty evident in the township / low income markets and use special offers in all retail outlets to increase behavioural loyalty.

Consumers already demonstrate emotional and attitudinal attachment to the brands and may need financial incentives to encourage behavioural loyalty. Brands can build on the existing loyalty by offering promotional deals that enable more consumers to afford the brands. For example, banded packs of complementary products such as a packet of sugar with a box of tea would offer the consumer greater value and allow her to buy more with her budget without foregoing a preferred brand. Repeat purchase behaviour should be encouraged through deals which offer value but do not require the consumer to spend more than she would usually budget. (Two products for the price of one and a half may not be that effective because the consumer may not have the available cash to benefit from the offer)

Build brand strength around the key motivating factor of value for money.

Consumers' key purchase motivation is value. To improve brand image and sales, brand communication should be based on the value the brand offers the customer. Advertising should emphasise the quality of the product and how long it lasts. For example advertise the strength of a tea and its value for money by showing how many cups of excellent tea a bag will make. Illustrate the decreased price per unit in the long run if consumers buy a brand that is of higher quality, thus encouraging purchase of more expensive brands over cheaper alternatives.

The introduction of house brands

The wide scale introduction of a generic or wholesaler "house brand" into the township market (and informal retailers) is not recommended. The bulk of the consumers' grocery shopping takes place at a formal retailer where the options of a house brand purchase already exists. Consumers are only willing to buy house' brands when financially necessary and if they have sufficient funds, they will avoid such products. At present finances clearly do not dictate brand choices all the time as most consumers frequently buy their preferred brand. There is little possibility of converting these consumers into regular house brand buyers, particularly if their incomes increase and the financial pressure lessens.

Based on the lack of attitudinal loyalty to house brands and strength of such loyalty to brand leaders, it is clear that without financial constraints house brands would not be accepted in the township community. Therefore the introduction of such a range of products is not feasible since the products would immediately be met with perceptions of low quality, inferiority and a "products of the last resort" attitude. Introducing a range of new products under such conditions would not be advisable.

For those consumers who do have to buy house brands through financial necessity, the more familiar house brands from Shoprite and Pick 'n Pay would be preferred to a completely unknown entity. The need in the market for low priced goods has been met in the retail outlets where the bulk of grocery shopping and brand selection takes place. There is no overwhelming need to provide consumers with more low price options, rather a need to increase the benefits consumers perceive, expect and receive from their brand preferences.

A possibility does exist to introduce house brands as a generic in selected categories such as toilet paper, soap, flour, and biscuits. Unbranded packets in the spaza shops sold for significantly lower prices specifically as a "in between grocery shops" product could be successful. The benefits offered to the consumer would be that they would not have to spend a lot of money on small brand packages when they run out of an item. They could buy a cheap alternative to fulfil a function until the consumer can go to a larger store where she will be able to buy her preferred brand at a more reasonable price. However, the fact that consumers have no preference for this type of product and

only buy such products under specific financial circumstances, suggests that the introduction of a house brand would not be successful on the whole.

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18. APPENDICES

18.1. TOWNSHIP MAP

(see following page)

University of Cape Town

PROJECT LOYALTY
FOCUS GROUP DISCUSSION GUIDE



STAGE ONE: INTRODUCTIONS

Good morning, my name is Welcome to this discussion group and thank you very much for agreeing to participate. Please make yourselves comfortable and help yourselves to refreshments as we talk. We are going to talk about shopping today, mostly about grocery shopping and about yourselves and how you like to shop. We are going to talk very informally, so please relax and feel comfortable to say anything you want to. The aim of this discussion is to understand how you feel about certain issues; there are no correct answers and everything you say will remain confidential. Every contribution you make will be of value in this study. Please feel free to ask questions at any time.

I must let you know that this discussion will be tape-recorded, so that all the information you share can be studied carefully, but please feel reassured that all your information will only be used for this study and your name and details will be confidential.

Everyone will get a questionnaire at the end of this discussion, to tell us something about you. I will help you fill this in at the end if you need some assistance.

I think we should start by introducing ourselves so that we can feel comfortable with each other. I'll start- I'm... and I am studyingat UCT. I live in.... with.....

How about you.....

Today we are going to be talking about grocery shopping. What we mean by groceries is food, cleaning agents, toiletries etc- things that you buy for the family that get used up quickly. Things that you buy from Shoprite, Pick n Pay, Spar, the Spaza shops, the tuckshops and cafes.

Does everyone know what I'm talking about?

STAGE TWO: SHOPPING HABITS

Let us first discuss who does most of the shopping for the household.

Who would you say in your family is responsible for doing the grocery shopping?

Who makes the decisions about which products to buy?

Where do you do your grocery shopping- in the township, in the city, which stores?

Now, when you go to buy groceries do you buy a whole lot at once? Does anyone here go shopping for a few things, many times in the week?

When do you do your grocery shopping?

Who goes with you?

What kinds of things do you buy at the shops in this area? Do you like to shop at the shops locally or do you prefer to go to the larger shops in town? Why?

What kinds of things do you buy at the shops in town?

How do you transport the goods back home- does this limit the amount you buy?

STAGE THREE: GROCERIES

Lets now talk about the kinds of groceries you buy.

Close your eyes and imagine you are looking in your cupboard/ at your shelf where you keep your groceries- what products do you see? I know I always have margarine, tea, rice and tinned food, what products do you have in your house most of the time.

Lets talk now about specific products. I see you have all said you buy mealie meal. What type of mealie meal- what name brand do you buy? Do you always buy the same kind? Why do you buy this one? Would you buy another kind? Where do you buy it?

Here are some types of mealie- meal- which ones do you like? Which one would you not buy?

What kind of washing powder do you buy? Why? Do you always buy it? Where do you buy it? What would you do if that shop did not have X washing powder? Here are some washing powders would you buy the ones from Shoprite or Pick 'n Pay?

What kind of toothpaste do you buy? Do you always buy the same kind? Why do you buy this one?

Would you buy another kind? Where do you buy it?

Here are some toothpaste brands- would you buy the Dentazyme?

What kind of tea do you buy? Do you always buy the same kind? Why do you buy this one? Would you buy another kind? Where do you buy it?

Here are some teas- tell me about the ones you like and which ones you do not like.

Let us discuss the names - how important is it to you to buy a well known brand.

Is it important that you buy a brand that is well known rather than one which is cheaper?

How important is quality to you when you decide what kind of products to buy? How can you tell which product are the best quality? For instance when you buy toothpaste- how do you know which is the best?

STAGE FOUR: HOUSE BRANDS

Have you all shopped at Shoprite OR Pick 'n Pay?

How often do you shop there?

Do you all know about the Shoprite and Pick 'n Pay products. Here are some of these products. Do any of you buy these products?

Which of these products would you consider buying?

Which would you never buy?

What do you think of these products?

How are the Prices?

How is the Quality?

If you saw a lady in Shoprite buying a whole lot of these "Yellow band" products what would you think about her?

I want you to close your eyes and think about the lady buying these no name products. Imagine her choosing the yellow boxes off the shelves.

What does this lady look like?

Does she have a job, what does she do?

Do you like this lady?

If you had enough money to buy which ever brands you liked, would you buy the "No Name " brands?

Under what circumstances would you buy "No Name" brands?

THANK YOU VERY MUCH FOR YOUR TIME, WE WILL NOW FILL IN THE QUESTIONNAIRE ABOUT YOURSELVES. All this information will remain confidential, I will help you fill out these forms if you need me to.

18.3. FOCUS GROUP TRANSCRIPTS

FOCUS GROUP ONE

...I would like us to talk about groceries, to move on to groceries themselves.

Ladies, I would like you to imagine what you normally see when opening your grocery-cupboard. Like in my case, I know when I open my cupboard, there's lots of cans, especially Saldanha (tinned fish), mealie meal and all these things.

(respondent 1) I see flour first of all, mealie meal and rice.

What about other things? Like household cleaners?

(R1) Okay, the other things that I see are spices, tomato sauce, chutney. And then handy Andy and Harpic for the toilet.

What about the bin where the powders are put?

(R1) It is where I see mealie-meal and rices, as I said before.

Let's now focus on brands, what brand is your rice or mealie meal?

(R1) It's Impala and Spekko (Its fine because it expands when cooked)

I thinks we should leave that out (all laugh)

So you said you can imagine seeing flour, rice in your grocery cupboard. And when going to your toiletries you see soaps, Handy Andy, Harpic and Toothpaste.

What do you see when opening your grocery cupboard?

(R2) When I come from the bedroom heading into the kitchen, I am first welcomed by tins, Koo Beans, Heldeberg (peas). On the next its salts, spices, beef stock. Right under the sink, are buckets of flour, samp and rice. Under that one, Jeyes Fluid, polish, Handy Andy, dish washing soaps, steel wool and pot scraper. The next one. (kept quiet.)

Lets go on then.

(R3) Okay, when I first open the grocery cupboard I see baby's food, Cerelac and purity and these things, WeetBix (that the first cupboard). The second one is spaghetti, rice on one side and mealie meal the other one, and in the buckets, its samp, flour. In the other cupboard, its Handy Andy, dish washing soap and steel wool. That all.

(R4) Well, when I open the cupboard I find coffee, sugar. When opening the fridge I take out milk, then from the cupboard on top I see Domestos and Handy Andy "and then" from the other side I take out flour, mealie meal and rice.

And you..

(R5) I open I see mealie meal, Iwisa, I don't use Impala. Iwisa, samp, Flour, Fish oil and some spices and on the cleaning side it is polish, Mr Min, Handy Andy and Steel wool.

Going to toiletries..

*(R5) Its washing soaps, Colgates and ..
and all the good smelling things*

(R5) yes, all the good smelling things (all laugh)

(R6) When opening the first cupboard, on top it's cereal, at the bottom its spices, salts and beef stock. On the other it's rice, mealie meal, sugar, samp and sugar, milk and powder. On the one under the sink, its dishwashing soaps, polish, floor polishes and steel wool. Right under it it's Colgate, soap, body lotions.

Well then we've seen that in most households most of the time, we have listed mealie meal (and rice one of the ladies adds) I mean the ones I have listed here (okay- all agree), washing powders, we've mentioned this thing for scrubbing teeth, toothpaste for scrubbing. Okay lets talk about the brand names of these products. Like maybe the brand names of soaps, names of mealie meal. I believe when buying soap or mealie meal, for instance, you don't just buy anyone- one has to choose the one that is "right". I would like to take mealie meal for starters. I would like to know which mealie meal you all buy most often. Which could you say?

(R1) It's Impala

Impala (yes, say another) Why do you buy Impala most often ?

(R1) "because" it's white and it's taste is, what can I say, it's "tasty" and (*it's better*) than the others, yes.

Ok, so lets say that there's no Impala in a shop, can you buy the other choice?

(R1) I can buy Iwisa if there's no Impala and then if both are sold out I can rather leave or forget it.

If there's not either 2 of them, you forget it , but your first choice is Impala (Mhn- agrees the lady) OK

You lady, which mealie meal would you "use" ?

(R2) I like Impala, the reason I say that, it's because I grew up eating Impala (*ok*) Whether how the others are, I don't know, Any food is the same in the mouth to me (*Ja*) It only depend on how you cook it.

Oh, you eat Impala because you grew up using it (I grew up eating it) and then its Ok for you, there's no problem. So if there's no Impala, you won't...

(R2) I can eat another mealie meal (*you don't have problem with another one*) I don't have a problem (Ha-a , no) (*ok*)

What about you?

(R3) I now favour Iwisa, because Impala " sometimes" when you look at it it's dirty. It's not "pure" , its colour is dirty. I don't know if you agree (all laugh)

So Iwisa is really white, there's not even a need to look carefully, its just white and cooks perfectly (well, we never look carefully, we just eat that's all- comments the other lady- all laugh) I mean...

(R) We never really look for anything, we just eat, and in any case, the gravy is brown, so there's no need for whiteness in cooked pap, not even Iwisa (all laugh heartily)

OK, mothers, let's say there's no Iwisa now in a shop. There's those you said with dirty spots. What are you going to do then?

(R) No, I'd rather eat bread instead , or maybe anything edible at home, rather than eating dirty food and yet seeing it. No Brother.

You like it nhe ?

No, I love it (she'd rather die one adds- laughs)

Lady, what about you ?

I also love Iwisa, it's the only mealie meal we use, because it's fluffy, really, because Impala needs to be sifted before cooked, you understand (OK)

Does it really have brown granules ?

Umm, yes.

Let's say, you'll never buy, you don't have another favourite mealie meal other than Impala?

Mhm, other than what?

I mean besides Iwisa

I can buy it if there's no Iwisa but, just buying it.

But not liking it?

Yes.

And you, lady?

Me? I like Iwisa, because first of all it cooks fast. It doesn't take too much time like Impala. Impala, you cook longer and when tasting while cooking, you'll feel its taste is rubbery, it feels rubbery.

But Iwisa just minutes and it's OK (1,2 , 1,2) its finished, we're eating. (all laugh) Eh, I buy it "if" it's not there, it's Ace , even though I never used it and wont beat Iwisa.

That is it, and you lady?

(r5) No. I'll also favour Iwisa or Ace, because really Impala is no longer like before, really, even if you've cooked it it's like its not cooked. It's alright for Umqombothi "African Beer" (all laugh)

So these mealie meals, where are they bought, where do you buy these mealie meals?

(all) At Shoprite, Pick 'n Pay,...

(R) it depends maybe when you buy this size (indicating by her hands- small pkt) , when like you want to cook porridge in the morning, you then buy in local shops.

Alright, let's now talk about powder, washing powder. We'll follow the same procedure, because it seems it's the "right" way. Easy way. Which washing powder can you say this one is number one, nothing beats it?

(R1) oh, sorry, (all laugh). I like OMO especially if you have a baby, Omo is good, "and" in fatty clothes, there's now Omo Micros that they use, in fatty clothes, you just soak your clothes (yes), the fat goes out, yes.

So you won't opt for another soap?

(R) Surf, I can use it (*if you can't find Omo?*) Yes, they're slightly the same
Those you buy, does it depend on...

(R) Depends on when you finished it off, when are you going to do your washing, and I quickly send for a child to buy it, here in the "tuk shop" in New Crossroads or in Nyanga
(Yes)

And you?

I like surf and punch because surf also you don't have to soak your clothes. As well as punch because it's not the same as the punch in the previous days. Today's punch is just like Omo.

Ok, yes lady?

I like surf because it melts fats quite nice (all laugh) it's worse in nappies because I have a baby, surf takes stains away, I guarantee it.

Is there something wrong with Omo?

Its not only Omo, if you have an "allergy", especially Omo micro.

(R) It's a long time since I used Omo, I don't have problems, because I have a friend who's using sunlight and has "allergy"

And you lady, what about your soap?

My soaps are surf and Omo, and I don't have any queries with them.

The reason you like them, can you say?

With surf, especially surf micro all your clothes will be fatless and bright.

Lady?

I like Omo because it has this foam that lasts long. With punch, I like it's smell.

And you lady?

No, I like any microed powder, be it Surf or Omo because when you wash children's clothes, it really takes the dirt away, you can even see the water turning black.

Ok, we'll show you different washing powders. (they all converse about the washing powders)

Please tell me can you see the difference between these soaps.

It's "brand" (brand- nhe- yes), these are "no-name brands"

Lets say, within these soaps which would you prefer to buy?

It's Surf and Omo- oh even the "no-names" do get bought if you don't have money, as long as you are going to do your washing, well, that for financial brother, we can buy them but we like these.

Oh, you do buy these "no name" brands (all agree)

But when you are financially safe, you stick to your favourite brands.

Oh, it depends on how much money you have (all say yes) and situations. Is there a difference in washing with the no name brands?

There's no foam, you need to soak for quite a long time.

OK, so they consume time (yes-all) and have no foam, nhe?

I wouldn't say it consume time more than it takes much of the soap itself because you'll need to pour as much powder for foam to form.

OK so lets talk about toothpaste, because it seems when we discussed about household products you often mentioned toothpaste's (all agree)We'll start form this side, what kind of toothpaste is your favourite lady?

It's Colgate and Aquafresh

Mention the reasons, yes?

Teeth remain "tatar"less the whole day (Mmm) I usually find when I use, what's the name, oh Dentazyme (Mmm) your teeth form tartar on within "three or four hours"

Mmm- OK, oh ja. So you won't buy a toothpaste other than Aquafresh. Where do you normally buy it, in town or in the location?

Shoprites are here in the location, isn't it? (Mmm) I buy it here in the township.

Ok and you lady, what about you?

I buy (use) Aquafresh too, because the others you'll notice or feel roughness on your tongue just after scrubbing your teeth- you can end up not satisfied by the results. (alright)

(R) I like Colgate and Aquafresh as I don't like other toothpaste's smells.

It seems we all like the same thing (Mmm- all agree)How about you?

I like Close-up and Aquafresh (Mmm)

Close-up? It's the first time I hear this one, eh.

Your breath stays fresh with Close-up, especially the blue one "and" when you go to sleep and wake up the "following" morning your teeth feel like it's been cleansed already, even though you have not (some laugh)

Oh- that's a good one.

I like Aquafresh, and Colgate because in the mornings when waking up, I usually have a breath problem, so using Colgate this all goes away.

So about the other ones that get advertised on TV, I don't really recognise them. I have a big problem with them. (yes)

(R) I use Close-up and Aquafresh (Mmm) In Close-up I like the red one because its minty taste is great and the one with "soda"

(Moderator produces Dentazyme toothpaste.) Would you buy this toothpaste. What do you think about Dentazyme?

No, first of all, it's hard, and it stays in toothbrush even when rinsed, has a salty taste, I'm sure it's "soda" and your teeth becomes dirty very quickly after using it.

It's clear to me that you don't really like this Dentazyme?

Exactly, it can be as cheap as possible, No.

The powdery tartar control, have any of you ever tried it?

No, No, it's the first time I hear about it.

Say you go to a shop and there's only tartar control powder and Dentazyme, what would you do?

Well it's obvious Dentazyme will have to use just while my favourite is not found (A-a) (all laugh)

Tea, we will talk about tea now- which tea do you prefer?

You see, Five Roses and Joko, they're "number one"

What's the reason?

It's nice and tasty. Take Glen for instance, at home they use it, it's bad, and I don't like it's aroma when stirring your cup. I prefer drinking tea at work not at home (Mmm)

Lady you mentioned Glen

I didn't mean I like it, I just mentioned it, that's it, anyway I don't really like tea or coffee, I drink just for the sake of drinking (ok)

I for one, I drink any tea as long as it's tea, but there's this only one I particularly don't like, it's Rooibos.

Don't they usually say Rooibos is for slimming purposes?

No, its for when you want to gain weight because what happens is, when you drink it, you feel hungry quickly, in that way you get fat.

But I only drink Rooibos. Yes and even in coffee, I don't drink the caffeinated one (ok)

I like Glen tea (because it doesn't have a strong taste) and Five Roses

Doesn't sugar cause..

Mhm (no) Its caused by what kind of food you eat especially when you drink too much strong tea, so I "prefer" Glen.

Ok, Lady?

I like Glen of course I do drink other teas, but Glen is cheaper, ja.

Lets see, what is in the brand name such that you choose to use a specific kind of product?

Oh no, don't get me wrong, the no names are quite easy to get, you see, money-wise (all laugh) It's just that one wants to use something out of satisfaction. (ok-Mm)

What more important is the taste, besides the brand name.

Ok lets consider the price, as you've all mentioned the quality of the products.

When you really like something, you don't even look at the "price" (all agree), you just put it in the trolley and go pay, that's it. The no names come as a second thought (all agree and laugh) We normally buy them on occasions where there are lots of people and we have to make huge supplies. Shame we do buy them at least. You don't have a choice, for example you visit someone, if they offer you Glen and you don't like it very much, you have to drink it (all agree)

You cannot buy Joko for a crowd of 200 people.

It's like that, Yes.

OK, how do you compare the quality ingredients of a tea written on it's container with the actual taste you drink.

"I think" when they talk about quality firstly its that the teabag won't get torn out and mess up your tea, ja, unless you prick it with a teaspoon, (all laugh).

We are going to talk about no name brands - look at all the products in front of you. Tell me which ones you would buy and which you would not buy.

Biscuits, toilet paper, soap, bleach, soup and meat.. yes we would buy

No we don't like spaghetti, washing powder, tea, dishwasher, handy andy or tuna...

I am not sure about this toilet paper, that lady said she would not buy it. The no name is loose and easy to taer, you have to double it when you use it. It does help with the children's runny noses although it causes hayfever because it is dusty..

what about the prices?

The prices are low, they are so cheap. Let's say I am buying this Handy Andy about R3,00 and the normal one may be R4,50. But then I find that the one for R3,00 that I thought I could use for a whole month, I can't. It lasts about two weeks and you have to buy another one. Then you count how mush is left form R10,00. The quality is poor and even though it is cheap you spend more in the month.

What would you think of a woman pushing a trolley in the supermarket next to you, who has only no name brands in her trolley?

Well, I think that maybe she is trying to save, but she doesn't know she is wasting money and time.

I think she knows them but she is telling herself that they are cheap and she mustn't worry about how they work. If we are both buying dish washing liquid, I will buy the sunlight and she will buy the cheapest one which is weak. I would have to tell her that mine is lasting and that hers is weak, she will need to buy another bottle while I still have mine. I wonder why she doesn't see the difference.

Perhaps she has a strict husband who only gave her R100 and he asks her what she bought and where the change is. Now that's why they buy no name groceries - to be able to buy more groceries and avoid the question of change. She is in two minds, such a person buying no name brands, she knows what the products are like but her problem is money. Others may buy the no names because they don't know about them and see that they are cheap.

No - it is just a waste of money.

I don't think she knows she is wasting money. It would be good to sit down with her to show her that the product she is buying can't last. She will always be coming to Shoprite or Pick 'n Pay to buy one thing, but if you buy the brand I buy, it will last a long time because of its quality.

What kind of woman is the one who buys no name brands?

She has a baby and her husband gives her R100. She will think about no name brands so that she can buy more groceries.

What is important when shopping is to buy the right thing. Although she may tell herself she is saving and the products are all the same. She should listen to some advice. Buying the cheaper things gets you poor quality products.

FOCUS GROUP 2

We are going to talk about shopping, who is responsible for shopping at home, who makes the decisions. We will all have a turn to talk about shopping in our homes. Lets start with you - who does the shopping in your home?

Me, because my children are still young and there is no father. I check what is short and buy the groceries.

My children are also still young and I am a single parent. I get money once a month , but it is finished very quickly. Sometimes when something is short I will borrow from someone to buy the item.

I am not working, I stay at home. My father has a car so I just write a list and give it to him for him to do the shopping.

So when your father buys the groceries who takes the decisions about what to buy?
I do, I write down the things I want.

I also look over what is short. I can't send the children shopping, they always forget and also I like to compare prices.

I stay at home and I see what is short. I like to go shopping myself and look for my self.

Ok, where do you do most of your shopping? Here in the location, spaza shops, in town..?

I do my shopping at Pick 'n Pay because in town things are cheap and their are sometime specials.

When you shop, do you buy only what is short or do you buy a load at once?

I buy groceries at the end of the month because I look at what I will need and then plan the day that I can go shopping at the end of the month.

I buy groceries at Shoprite because here in the location things are small but expensive. Shoprite is better though, here. I like to walk there with the children but sometimes we take the taxi. It is near to my house.

Most of the times I buy groceries when I come from work, then I phone my brother to come and fetch me with his car. I shop once a month.

I buy all my groceries in town where my husband is nearby at work so he can help me. I decide what to buy and do the shopping when I have time but my husbands helps out. I shop about once a week and do a load at month end but I find that during the week there is something short.

I shop at the Shoprite in Claremont. It is easy because at work I am sent to buy something and maybe you'll find there's a sale on milk, then you can borrow R5 to buy it, lets say at R1,89 a sachet. Once a month I buy big things and then what is short during the week I replace. I leave the big items at work and take them home one at a time.

What things do you buy in the location that are different to what you buy in town?

In the location we buy bread and milk - that's for everyday. In town we buy big things like sugar, meat, butter and toiletries.

Do you have trouble with transporting this all home?

Oh it is a big problem, we use taxis and they charge us money - I'll pay for two seats for me and my groceries.

Alright, we're going to talk about grocery in general at homes, lets proceed, Which toothpaste are most liked by people, can you please mention their Names.

(R) Aquafresh (*Why?*). It makes my breath smell nice, keeps your teeth white and strong.

(R) Close-Up is the best because it cleans up your teeth, to pure whiteness.

I like Colgate for it's not only good, for your teeth, but small burns (by just smearing it on top) get healed by Colgate. It's just the one for me.

Really, (Mmm)

Where do you normally buy these toothpaste's?

I mean where we most often do, (at the townships or in town?)

(R) I buy my Colgate at the Supermarkets most of the time. At times when we run out of one - we do buy at the local Shops, even though it's too expensive!

Okay, we see these toothpaste's, these no-name brands, also notice that they're cheaper. And also these washing powders?

(R) You see, this kind of washing powder doesn't have enough foam, as a result I don't usually buy them. I only do when I don't have enough cash at hand. And I noticed that you need to use a lot of powder in order for foam to be sufficient in your washing.

Oh, so most of you only use these no-name brands when out of money, ok, I understand.

(R) And to add a little, you see that toothpaste, that one over there, it doesn't even have a nice taste. You'll even feel some tiny, hard granules after you've brushed your teeth.

Let's say, we have Shoprite or Pick n' Pay, why? They manufacture their own toothpaste or washing powder or what have you. Would you buy them?

(R) I wouldn't

Why?

(R) Most of the time, these brands do not exactly do the "same job" as the named ones. Yes, I do admit They're more affordable than the named brands - but shame they are weak, so to speak (all laugh)

And you mom, would you buy this no - name tea?

(R) Oh no, dear, I would not buy it because you see, at least this toothpaste I would buy it since I'm a bit old and don't necessarily focus on taste as long as my teeth are clean, that's all. But when 'it' comes to tea, I must say I like to hear what I drink, and not drink something like tea (all laugh heartily)

And even the washing powder, in the no - name brands doesn't dissolve properly, the granules just go right beneath your washing and doesn't do much work because you'll later notice the clothes are still slightly dirty at times.

Now I see, let's now focus on tea, yes, let's talk about tea. Which tea would you say is your favourite, let's start with you mother.

(R) I like Joko tea, it's smell and taste is so inviting, even if I did not plan to drink, but when I hear the smell, I get tempted. (some laugh) The way I love it, it doesn't matter if I didn't pour milk in, it's just great all the way, (she laughs)

So would you buy another tea either than Joko?

(R) I don't usually buy other teas, but if in any case Joko is not available, there's Teaspoon Tips, which I can resort to, but above all I love Joko, it's tasty. And another thing, when I end up buying Teaspoon Tips, it will mean I'll need to pour milk as well because it's strong in taste.

Ok, I get your point Lady, what about you, what's your number one tea.

(R) Eh, its Boland tea, yes, some call it Rooibos (Ok), You don't need to pour milk in this one, for milk will spoil it's nice taste. Although sometimes, I switch on to coffee, I don't do it most often as coffee blocks up my appetite. So I really stick to this Rooibos because it keeps my appetite balanced.

So mom, would you buy another kind of tea if you don't find your Rooibos in a supermarket.

(R) I can always buy Joko tea, yes, because first of all, Joko stays for longer, as you may use one tea bag up to three times. This is not the case with Rooibos (only used once and it's done), but it's my number one tea.

Ok, can you tell us about your feelings, on this tea issue lady?

(R) Oh, I also like Rooibos (Ok?), Yes It is tasty and nice. Even with children, when you want to make them eat, you first have to give them Rooibos tea – they would recapture their appetite.

Oh, it's also medicinal?

(R) Yes.

So now, we all see those teas over there! (all agree). Who can buy these teas. Let's leave Joko and Five Roses out, nhe. I'd like us to focus on no – names. Who from, you can buy these no – names, saying she's got no problem, after all, any tea is the same.

(R) I for one, might buy the no – name tea, when I realise that I have no tea left + no money enough for my favourite tea. I only have one problem with it though, which is it doesn't matter if you boil the tea, there's just no smell. You only see that it's tea right, but you cannot smell it (all laugh), no "taste" and it's "weak". And one other thing, you only use the tea bag once, and you'll need to throw it away because it's weak, Yes

Ok, You cannot use it twice, (No)

(R) It's just a waste.

Lady, what do you think about the no – name tea? Would you buy it.

(R) I once bought it but found out that you need to use more than one tea bag in a cup, which is wasteful. I never bought it again.

Oh, you say, it's a waste

(R) Yes, I must admit though, it's affordable ("cheap"). That's why you need to use it more than once.

So, if I'm right, you people don't bother about economising, as long as what you eat is worth it!

(R) You can save money even on the named brands. Let's take Joko, yes it's expensive, but you can use one tea bag in four cups So in the no names in four cups you must "use" four tea bags, you can double them if you want see that one, it won't even last two weeks, but they're 100 in a packet (it would be like it's only 26 tea bags)

There you are, alright. Now let's talk about the brand names; you see. How important is it for us to buy a product which is satisfying? For example, I want to wash clothes nhe,

there is a no – name and a branded soap (washing powder). Both will do the job, isn't it? (all agree). So now do I decide that this is wrong and than one is right? We now include the quality of the product. In all, now do we differentiate one product from the other?

(R) It can be differentiated, for instance, Joko, by it's reddish colour, it's nice. Just by it's appearance, you can see it's tea and not water. As soon as you pour hot water into a tea bag, you'll immediately notice it dissolving. Even you'll be invited by this colour and smell.

What does another person think about this Joko issue? I mean the quality ; Let's not dwell only on tea, some other products should be noted as well, like soaps etc. Is there honestly a difference between the no-name and the branded products?

(R) There is a difference, because in your washing you'll pour a no-name washing powder, there's no foam such that you end up emptying the whole contents into one bundle. ('Load') But in the Omo, for instance, you would use about five loads of washing out of one pkt.

Ok, we'll now go into our last part of the session. We have to focus on the no-name brands in particular. To those who use them, how good or helpful ar they? Now, we all buy from Pick n' Pay and Shoprite, isn't it? (all agree). How often do you use these Supermarkets? I understand it's not like in the past, where we used to go in town once in six months. We now go three or more times a week, and you do notice these no-name brands on the shelves, nhe?

(Yes). Who normally buys them?

(R) They're "useless" (all laugh)

And you lady, do you buy these brands?

(R) I usually buy the Shoprite lemon creams, buy they are in a way different. (even those?) Yes (How?) They're much harder than the real ones. When you bite you must make sure you bite a bit hard. It's cream is too rich and sour (yho) (And lady?)

(R) No I wouldn't buy the no-name brands. Just because I once bought a soap, I mean, washing powder and found that it does wash out but not exactly the same as "Omo micro" does.

So, it needs a person who is a real hard worker?

(R) It needs someone who'll be sure that now it's washing time, and no, other errands at hand. (It needs time) Yes, it needs time, just like the lemon creams, you need to be sure to crunch (laughs)

So, whatever these no-name brand do, they don't do it properly, it that what you mean?

(R) Ja, I even once tried the no-name toilet paper, hey, it's too light, you have to wrap it thickly and it won't last.

You lady, what do you say about the no-name brands?

(R) They're not right. Even when you wipe your sweaty face with a toilet paper, it crumbles onto your face, and you have to rinse it at once.

I see what you mean. When I used to go to church, our priest was preaching and got wet from sweat. He took out his toilet paper and wiped his face, a piece got stuck onto his face and we all laughed. He, not knowing what we're laughing at, it was fun. Ok, let's proceed, from these no-names which can we say we could rather resort to.

(R) I'd resort to the no-name tinned beans because you don't have to eat them alone, when making salads, you'll have to mix them with peas and mayonnaise.

Ok?

(R) Spaghetti (Ok, you would buy it)

Even the tuna

Which products you think you won't even resort to in the no-names?

(R) Washing powder, face soap, toilet roll, tea (it's like the tea is dirty or not boiled properly because of the whitish layer on top)

There's something I can't quite put my finger on, this toilet paper, we all know we use in the private. Is there any reason to be quality toilet paper whilst we'll just use it on one thing only.

(R) Other toilet papers are rougher (Mmm) and others are too soft and leave you with just a little piece on your hand. (all laugh).

You need to pack it; my dear.

What do you say about the prices?

(R) The price is the same because there's only one thing we must bear in mind, even if the doubled "Carton" is expensive, you use it many times, whereas with the no-name you'll have bought three – so the price is almost the same.

So you say these no-names do not have quality, is it?

No-No (all agree), no quality.

Now let's say you're in Shoprite / Ok and you see a lady next to you taking all the no-name products. What would you think of that person?

(R) I think I would kindly ask her if she likes them.

No, let's say you won't talk to her, you're just thinking to yourself.

(R) Oh, I would think that she's only attracted by the cheap price, not knowing that they're of no quality; they'll leave her along the way very soon.

Ok, you lady?

(R) Maybe she never bought them before and see how they really are (Ok)

So if you think she doesn't know anything about groceries, what do you presume she would dress like?

(R) No, I wouldn't think that way.

Or maybe what would be her occupation?

Her work? I'm not sure.

Because really, if you say she knows nothing about groceries, surely you would also think that maybe she doesn't cook by herself, nhe?

(R) Ewe, (yes) or maybe I would say someone else cooks for her.

If so, where is this person most of the time?

At Work

Now, what do you think about her?

How?

Like, say would you like that person?

(R) I would be worried about her, because she misuses money, Ja

Thanks very much, and you lady?

(R) I'm with her, I would be very worried for her because she won't know about the products, know quality until she'd wasted her money away. Shame, she's only concerned with economising. (laughs) but will keep on buying.

What do you think she would dress like?

(R) She? (yes) oh really, I cannot say she's a big shot or miser because even myself, I would buy those brands, just only going for the low price, that's all. There is no difference in dress. Anyone can buy them.

I think we have generally rounded off your buying habits and covered the essentials. Now it's time to thank you.

FOCUS GROUPS 3

Ladies, we are here today to discuss our buying habits, about who does the shopping at home and who's responsible about financial side – we'll also cover who makes decisions about the products to be bought, in general. So could any of you tell me who decides what's gonna be bought for household purposes. Starting with lady, if you don't mind, that is.

(R) At home, since we're composed of myself, my husband and our three adolescents – me and my husband both work so we share the grocery money, for instance, he would give me R 200 and I would add about R 100 to buy all the household products. Sometimes he would give all the grocery money to me and I would decide on what's to be bought, because I know, or maybe my children would help me in listing and buying the things we need.

So, in all, you say basically at your home you all co-operate but the husband is not always involved in the decision-making of household buyings, is it?

Yes

Ok, you lady, can you tell us how you do it at your house or home?

(R) Oh, I live with my father, sister, brothers and my two children. I work and my fathers' on "pension", so we both share the money, but most of the time he gives out the money for groceries. I'm then making decisions on what's not available, to be added and to be bought for us. He doesn't whatsoever take part in this issue, I think some of our males are still hooked on the past, by this I mean they don't see the "need" to take part in the "kitchen environment" so to speak (all laugh)

I think you're on, (laughs) and it's time we start participation isn't it?

(R) Yes, that's it

Alright, now can we move on, what do you have to say lady?

(R) I only live with my kids, they're still young, so they know nothing about groceries. Wait, no I think they do take part in the decision-making in that, they sometimes tell me what to bring from town, things like "mom, please bring us yoghurt, chips, Kellogg's, chocolate and so on". (laughs)

Ok, I was beginning to think your children are frighteningly obedient that they don't even nag you as a mother sometimes? (all laugh); Right, do you have something to say lady?

(R) Yes, I live with my two daughters and grandchildren; and we all make decisions as to what to be bought for the household. They're the ones who do most of the shopping, so we just make a list and they do the groceries.

Alright, can we now discuss these products step by step. First let us start with toothpaste, what determines you to buy on specific toothpaste.

(R) Ok, I love clean and fresh – breathed teeth, so I always go for close-up (the red one) because it does quite a major job for my teeth. Ja

Well, let's hear about you lady.

(R) I like Colgate most, because it makes my teeth pure white and keeps my breath fresh for longer.

Aquafresh is the best for me for it does it all in one (all laughs). It's no need to brush your teeth after meals, just have to rinse your mouth and it goes clean all over.

I also like Colgate for it keeps my breath fresh all day, and my teeth, oh they're always spic n' span and somewhat shiny, you know.

Alright, so we're all basically aware of the reasons to buy a particular toothpaste. Moving on to coffee, what do you have to say Ladies? I also need to know what you think about no-name coffee?

(R) I always stick to Koffiehuis because it's inviting taste makes me wanna drink it every one hour. Koffiehuis, I like it black as I believe milk would spoil all the freshness and nice taste. I don't buy a no-name coffee, I mean, I never did.

Ricoffy is the one for me as it has a good taste, strong enough to put only one teaspoon in and the smell is so great. I love it (laughs)

I love Koffiehuis, not the instant one, I like it's smell when you boil it and put some milk in, the results are so amazing.

I also like Ricoffy because the taste is so good, it makes me want to drink it all day long (laughs), it is the one for me Ja (smiles)

Okay, can we proceed to what will you buy if all your favourite brands are not available where you normally buy them, wouldn't you buy one of these no-name brands?

(R) Ah-a, I wouldn't dare loose my faith with Ricoffy. I think I would rather buy tea instead, Joko, and wait till I found my favourite coffee (all laugh)

I guess I would buy the no-name brand because first of all, it's cheap, even though it's so weak, one will have to put 3 teaspoonfuls of this particular coffee, it's way too weak.

No, I would not buy the no-name coffee, I like the boiled Koffiehuis taste, and I'm too familiar with it's inviting smell. I believe I would better wait until it comes along. Ja.

I would not buy another coffee.

Ok, what do you generally think about the no-name brands.

(R) I think they're cheap, easily obtainable and of no good quality at all. Take a no-name tea for example, the taste is not nice, tastes like a weak medicine or something (all laugh), I once visited a friend so she made me tea and I couldn't help noticing the packet, was a no-name, since we chatted in the kitchen while she was busy. I tell you, it was as if I won't finish it, and you know I couldn't refuse the tea, I had to accept her warm generosity. (laughs)

Especially the toothpaste, it's too thick, rubbery and tasteless. I once bought it when I had too much loans to repay, there was too little money left to buy groceries. I had to economise as much as possible.

Have you ever bought a no-name toilet paper, Wow, I tell you, it is Shamelessly "light". I bet one has to use one roll only twice and it's "finished". This is wasting money "because" you'll end up buying them every three days and not to mention what number will it be by the time the month ends. (all laugh)

"People", there's a no-name "butter" I recently bought a week ago. I forgot to put it on the grocery list, so I had to buy it in a local Spar, shop. Hey, that thing is like Holsum, you honestly cannot spread it on a slice of bread – I promise you, you'll end up cooking with it. (ha-ha) No ways.

I once bought a no-name tinned fish, Ey, it was "tasteless" and the sauce was amazingly watery. I even had to pour as much beef cubes so as to make my sauce "tasty". I tell you

I never had the desire to buy it ever again. And the tinned beans are mash-like, "sometimes" hard ; this stuff is not good, really (all agree). But it's not to say we don't actually buy them because we do – only at hard times, "money-wise" of course (laughs)

It's true what she says, shame the no-names are only there to bail us out on bad days, and are then kept out our minds for long.

Ladies, thanks for your input, we really appreciate it.

University of Cape Town

18.4. SPAZA SHOP QUESTIONNAIRE

SHOP QUESTIONNAIRE

Questionnaire Number: _____

Interviewer Name: _____ Time _____ to _____

Hi my name is.... I am a student from UCT. We are conducting a study of shopping habits in townships around Cape Town. I wonder if I could have a few minutes of your time to answer some questions about your shop. I can assure you that all information will be kept confidential and will be used only for this academic project.

If possible I would like to speak to the owner/ manager of this shop. (*reintroduce yourself to the owner if necessary*)

I would also like to record some facts about your shop by just looking around after I have asked you some questions- if you do not mind.

1. When is this shop open ? (*circle days open*)

Days of the week: MON TUES WED THURS FRI SAT SUN

Hours: _____ am to _____ pm

2. Who are your main customers? What do you think the reason is that they choose to shop here?

Question 3

3.1. Where do you buy the stock for your shop ?

3.2. Does any stock get delivered to you ? If so, which products ?

YES NO _____

3.3. When/ how often do you buy your stock?

3.4. When you go to buy stock, about how much do you spend each time in total ?

3.5. How do you transport the stock back to your shop ?

3.6. What are your biggest problems with stocking this shop?

Question 4

I would like to ask you a few questions about the kinds of products you sell in this shop.

4.1 What are the 5 items you would say that you sell the most of (customers buy most frequently)?

4.2 Would you say there is one particular product that all your customers buy regularly from you?

4.3 How do you decide which products you are going to sell in your shop?

4.4 How do you decide which brands of products you will stock in your shop? For example if you are going to sell washing powder in this shop, how do you decide which brand name you will choose?

4.5 Do any of your suppliers (the shops where you buy stock) offer you special prices on the brands, or any other incentives to buy a particular product?

Question 5

(if the shop has any posters, pictures or adverts of products- ask the following)

5.1 Where do you get the pictures/adverts for these products from?

5.2 Do you think this advertising influences consumers to buy certain brands?

6. Could you describe what kind of shopping most of your consumers do at your shop. Are they buying lots of groceries, buying small things they have just run out of, are they buying everyday things that are convenient to buy here? How would you describe the reasons for your customers to be buying products here?

7. How do you decide on the prices at which to sell the products?

8. Which other shops are your major competitors?

9. About how much money do you bring in from this store each day?

10. For checking purposes only, could I have your name please?

Question 11 (by observation)

11.1. Approximate address/location of the shop

11.2. Name of the Shop

11.3. Structure of the shop (circle)

SHACK PART OF HOUSE SEPARATE BUILDING

OTHER _____

12. By observation inside the shop, record the types of products that are present and which brand names are stocked. (tick products stocked and record all brands present)

Mealie Meal _____

Powdered Milk _____

Washing Powder _____

Toilet Soap _____

Fizzy Drinks _____

Sugar _____

Seasonings for Cooking (Aromat, Sherbomix etc) _____

Margarine _____

Bread _____

Tinned food _____

Floor polish _____

Rice _____

Tea _____

Toothpaste _____

Coffee _____

Fish Oil _____

Beans _____

Sunlight Soap _____

Snacks _____

Sweets/chocolates _____

Other prominent brands _____

18.5. SPAZA SHOP QUESTIONNAIRE RESULTS

University of Cape Town

18.6. QUANTITATIVE QUESTIONNAIRE

18.6.1. English Questionnaire

University of Cape Town

Questionnaire: PROJECT LOYALTY

Hello, my name is.... I am a student at UCT (show student card) and we are doing some research, for a report, on how people feel about shopping and what kinds of things they buy. We are talking to people from all over. From the Nyanga, Guguletu and Cross Roads areas. From a map of all the homes in the area you have been chosen to represent the opinions of the people in this community. I would like to ask you some questions that will take about half an hour. Your opinion is of great value to this study and you will be helping me a great deal if you agree to be interviewed. I promise you that anything you say will be kept entirely confidential.

SECTION A: INTRODUCTION AND SCREENING QUESTIONS

1. I must ask who in the household is responsible for the **majority of the grocery shopping for the family**. If possible, this is the person I would like to speak to please. (*find correct respondent and reintroduce yourself - repeat paragraph above*)

First I'd like to ask you some personal details. Please be reassured that lots of people are answering this questionnaire and your name and address will only be used for my supervisor to check that indeed I have asked you all these questions. All your details will remain confidential.

Respondent's Name:	Sample Number:
Residential Address:	Interviewer Name:
Telephone No:	Date:
Comments:	Time Taken:
	Back Checked By:

1. Gender (<i>by observation</i>)	<input type="checkbox"/> Female <input type="checkbox"/> Male
2. How many people, including yourself, live with you, altogether sharing the same meals?	___

We are going to be discussing grocery shopping, by this I mean food, household cleaning products, snacks, personal toiletries etc. The goods you buy on a regular basis for the household. We are also interested in how and where you do your grocery shopping.

SECTION B: SHOPPING HABITS

3. Where do you do your grocery shopping? (multiple answers allowed)	<input type="checkbox"/> Spaza	<input type="checkbox"/> Trade Centre	<input type="checkbox"/> Makro
	<input type="checkbox"/> Wholesaler	<input type="checkbox"/> Matro Cash & Carry	<input type="checkbox"/> Hyperama
	<input type="checkbox"/> Shoprite/Checkers/OK		<input type="checkbox"/> Pick 'n Pay
	<input type="checkbox"/> Spar	<input type="checkbox"/> Local cafe	<input type="checkbox"/> Seven Eleven
	<input type="checkbox"/> Small local shop/ trading store		<input type="checkbox"/> Sentra
	<input type="checkbox"/> Service station shop		<input type="checkbox"/> Woolworths

	<input type="checkbox"/> Hawker	<input type="checkbox"/> Other.....
--	---------------------------------	-------------------------------------

4. When do you do your grocery shopping?(multiple answers allowed)	<i>Office code:</i>
	<input type="checkbox"/> As and when we need more groceries
	<input type="checkbox"/> Everyday- buy what we need for that day
	<input type="checkbox"/> Near pay day <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly

5. I am going to read out some things that people have said to us. For each statement I'd like you to tell me whether you agree with it or not. You can answer: **SHOW CARD**

1. **YES, YOU AGREE – IT'S TRUE FOR YOU OR**
2. **NO – YOU DISAGREE – IT'S NOT TRUE FOR YOU OR**
3. **YOU CAN SAY "PASS" IF YOU ARE NOT SURE, FEEL IT DEPENDS OR IF YOU DO NOT KNOW (interviewer- rotate starting point)**

a) I often buy groceries in town because there are no big shops available in this area.	1	2	3
b) I buy groceries at the local shop/spaza when we run out of an item - it is convenient to buy the item nearby	1	2	3
c) The local shops are very expensive but I still buy goods there because there is nowhere else to buy groceries if you run out of essentials	1	2	3

SECTION C: PERCEPTIONS AND ATTITUDES

d) I have my favorite name brands that I buy all the time	1	2	3
e) I prefer to buy well known brands	1	2	3
f) I prefer to buy brands that my friends also buy	1	2	3
g) I consider price first	1	2	3
h) I consider quality first	1	2	3
i) If a product has a high price, it must be very good quality	1	2	3
j) I get confused in a store when there are lots of different brands, so I always just buy the same one.	1	2	3
k) I watch very carefully how much I spend	1	2	3
l) I look carefully to find the best value for money	1	2	3
m) I usually buy the lowest priced products	1	2	3
n) I buy the same brands every time I shop			
o) It is risky to try out new brands			
p) Buying good quality is very important to me			
q) I would feel embarrassed if a friend saw me buying the cheapest brand.			
r) If a product is advertised a lot, it must be good.			
s) I would rather pay more money for a brand that I know, because I know it will perform to my expectations.			
t) It is risky to buy the cheapest brand because low price means low quality			
u) If I have enough money I buy the brand that I like the most, regardless of the price.	1	2	3
v) I only buy cheap brands if I am short of money at that time.			
w) If a shop does not have the brand I want I will try and find it at another shop			
x) I prefer to stick to brand names I know and trust.			
y) I often buy the supermarket no name brands			
z) I think no name brands are of lower quality			

Lets talk about some specific products. We will be discussing 4 different products: washing powder, tea, mealie meal, and toothpaste.

6. What kind of washing powder do you have in your house today?	<input type="checkbox"/> OMO <input type="checkbox"/> Surf <input type="checkbox"/> Skip <input type="checkbox"/> Bio Classic <input type="checkbox"/> Sunlight <input type="checkbox"/> House brand <input type="checkbox"/> Other.....
7. How often do you buy this brand ?	<input type="checkbox"/> Always <input type="checkbox"/> Most times <input type="checkbox"/> Occasionally <input type="checkbox"/> When it is the only kind the shop stocks
8. If a friend needed to borrow some washing powder how would you feel about the product you had bought: <i>(read out answers)</i>	<input type="checkbox"/> confident that it would clean the washing very well. <input type="checkbox"/> confident, knowing that I had bought the best washing powder <input type="checkbox"/> embarrassed to lend her some because she would know it was the cheapest <input type="checkbox"/> nervous that the powder would not clean very well, but it was the only one I could afford
9. What kind of tea do you have in your house today?	<input type="checkbox"/> Joko <input type="checkbox"/> Five Roses <input type="checkbox"/> Teaspoon Tips <input type="checkbox"/> Glen <input type="checkbox"/> House brand <input type="checkbox"/> Trinco <input type="checkbox"/> Three Trees <input type="checkbox"/> Other.....
10. How often do you buy this brand ?	<input type="checkbox"/> Always <input type="checkbox"/> Most times <input type="checkbox"/> Occasionally <input type="checkbox"/> When it is the only kind the shop stocks
11. When I buy tea I choose the tea that.. <i>(read out answers and allow respondent to choose as many as they want)</i>	<input type="checkbox"/> has the best taste <input type="checkbox"/> makes the strongest tea <input type="checkbox"/> I believe is the best quality <input type="checkbox"/> I can afford at the time <input type="checkbox"/> I know and always buy
12. What kind of toothpaste do you have in the house today?	<input type="checkbox"/> Colgate <input type="checkbox"/> Aquafresh <input type="checkbox"/> Close up <input type="checkbox"/> Mentadent <input type="checkbox"/> Dentazyme <input type="checkbox"/> Macleans <input type="checkbox"/> Oral B <input type="checkbox"/> Other.....
13. How often do you buy this brand ?	<input type="checkbox"/> Always <input type="checkbox"/> Most times <input type="checkbox"/> Occasionally <input type="checkbox"/> When it is the only kind the shop stocks
14. I buy this toothpaste for my family because... <i>(read out the answers- multiple)</i>	<input type="checkbox"/> it is the cheapest- the one we can afford <input type="checkbox"/> I am prepared to pay more money to keep my family's teeth healthy. <input type="checkbox"/> I can trust this toothpaste to clean my family's teeth very well <input type="checkbox"/> I know that this toothpaste will give us fresh breath <input type="checkbox"/> we like the taste
15. Which Mealie meal do you buy?	<input type="checkbox"/> Iwisa <input type="checkbox"/> Ace <input type="checkbox"/> Impala <input type="checkbox"/> Induna <input type="checkbox"/> Other.....

16. How often do you buy this brand ?	<input type="checkbox"/> Always <input type="checkbox"/> Most times <input type="checkbox"/> Occasionally <input type="checkbox"/> When it is the only kind the shop stocks
17. I buy this kind of mealie meal for my family because... (read out answers- multiple response)	<input type="checkbox"/> it is the cheapest- the one we can afford <input type="checkbox"/> I know I can trust it to cook well every time <input type="checkbox"/> it is the best quality <input type="checkbox"/> I can trust this mealie meal to taste good every time <input type="checkbox"/> I know that this mealie meal is healthy for my family to eat <input type="checkbox"/> it has the best taste

18. Here are some pictures of different products and brands, I would like you to first rate the quality of these brands on a scale of 1 to 5 SHOW CARD where 5 out of 5 is excellent quality 3 out of 5 is average normal quality and 1 out of 5 is very poor or bad quality

SHOW CARD With Number and verbal scale e.g.

- 5 Perfect/excellent/the best
- 4 good
- 3 In between , not good or bad
- 2 bad
- 1 the worst
- 0 = Do not know

OMO	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Surf	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Daisy Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
P 'n P Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Shoprite Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Unmarked Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Joko Tea	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
PnP Tea	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Shoprite Tea	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Unmarked Tea	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Aquafresh	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Colgate Toothpaste	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dentazyme Toothpaste	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Unmarked Toothpaste	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Iwisa	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Induna	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
Unmarked mealie meal	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No

19. I'm going to go through the names of the brands again and for each I'd like you to tell me if you would ever buy it or not.

SECTION D: INFORMAL VS. FORMAL SHOPPING ENVIRONMENTS

Now I would like to ask you some questions about where you shop.

<p>20. Do you prefer shopping at a large shop like Pick 'n Pay rather than at the local spaza or shop near your home?</p>	<p><input type="radio"/>Yes <input type="radio"/>No</p>
<p>21. (If answered yes) Why do you say that? (DO NOT READ OUT)</p>	<p><i>OFFICE CODE</i></p> <p><input type="radio"/>There are so many brands to choose from <input type="radio"/>The prices are low <input type="radio"/>There are often special offers <input type="radio"/>They always have the brands I usually buy <input type="radio"/>the local shop is too expensive <input type="radio"/>the local shop doesn't have the brands I want to buy <input type="radio"/>the local shop is very small and cramped- it is difficult to find things <input type="radio"/>the local shop often runs out of the groceries I need <input type="radio"/>there is no choice of brands in the local shop</p>
<p>22. (if answered No) Why do say that? (DO NOT READ OUT).....</p>	<p><i>OFFICE CODE</i></p> <p><input type="radio"/>the big shops are too big <input type="radio"/>the big shops are unfriendly <input type="radio"/>the big shops are expensive <input type="radio"/>The big shops do not stock the groceries I want to buy <input type="radio"/>The bigger shops are too far away <input type="radio"/>I know the owner of the local shop and it is a friendly place <input type="radio"/>The local shop is convenient- I can buy something quickly if we run out <input type="radio"/>I do not have to walk or carry the groceries far to my house if I buy from the local shop <input type="radio"/>I can get credit at the local shop</p>

23. I am going to read out some things that people have said to us. For each statement I'd like you to tell me whether you agree with it or not.

1. YES, YOU AGREE – IT'S TRUE FOR YOU OR
2. NO – YOU DISAGREE – IT'S NOT TRUE FOR YOU OR
3. YOU CAN SAY "PASS" IF YOU ARE NOT SURE, FEEL IT DEPENDS OR IF YOU DO NOT KNOW

<p>In the big grocery stores I compare prices of the many brands and buy the best value for money</p>	<p>1 2 3</p>
<p>In the big grocery stores there are so many goods it is easier just to buy the same brand every time</p>	
<p>I buy the same brand regardless of whether I shop at the local store or at the big grocery store</p>	

In the local shop, I have to buy the kind of brand that the store stocks- there is no choice	
In the grocery store there are often special deals or discounts so I often decide on the grocery based on the price	
In the local shop things are very expensive so I only buy small quantities	

SECTION E: HOUSE BRANDS

We are now going to discuss products that you can buy from Shoprite or from Pick 'n Pay. These products are "made" buy these shops- we are talking about the "No Name" and "Yellow Band" products. Interviewer- use show card and photographs to ascertain that the respondent is familiar with and understands the products you are dealing with.

24. Have you seen these kind of products in the shops before?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
25. Have you ever bought any of these type of products?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
26. When you see these products on the shelves what do you think of them? (multiple responses allowed)	<input type="checkbox"/> They are cheap <input type="checkbox"/> They are value for money <input type="checkbox"/> They are good quality <input type="checkbox"/> They are poor quality <input type="checkbox"/> They are inferior to brand name products <input type="checkbox"/> I would not buy them because they are poor quality <input type="checkbox"/> I do not trust the product to be good	

27. Here are some pictures of "No Name" and "Yellow Band" products, I would like you to look at each picture and tell me if you would ever buy that particular product.

Canned tuna	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Bleach	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Toilet roll	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Biscuits	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Canned Spaghetti	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Packet Soup (PnP)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Long Life Milk	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Canned Beans	<input type="checkbox"/> Yes	<input type="checkbox"/> No
'Handy Andy'	<input type="checkbox"/> Yes	<input type="checkbox"/> No			

SECTION F: DEMOGRAPHICS

I am now going to ask you some personal questions - please feel reassured that this information will remain confidential and that the information is necessary for academic purposes only.

28. How old are you ?
29. Into which of the following categories does your combined monthly household income fall for all salary earners in this household? (interviewer use show card D)	<input type="checkbox"/> less R500 <input type="checkbox"/> R500-R899 <input type="checkbox"/> R900- R1399 <input type="checkbox"/> R1400- R2499 <input type="checkbox"/> R2500- R3999 <input type="checkbox"/> R4000+

30. Which of these descriptions best describes your marital status?	<input type="radio"/> Married
	<input type="radio"/> Not married, but living with someone in a stable relationship
	<input type="radio"/> Single/never married
	<input type="radio"/> Divorced
	<input type="radio"/> Widowed
31. What was the highest educational level you had the opportunity to reach?	No schooling
	Some primary school
	Primary school completed
	Some high school
	Some high school plus trade/diploma
	Matric
	A post-matric qualification (e.g Diploma/ not a degree)
A degree	

University of Cape Town

18.6.2. Xhosa Questionnaire

University of Cape Town

Questionnaire: PROJECT LOYALTY

Molweni, Igama lam ndingu...Ndingumfumdi e UCT. (*show student card*) Senza uphando nzulu ngendlela abantu abakubona ngayo ukuthenga ukutya kunye nezinto abazithengayo. Siphanda kubantu base Nyanga, eGugulethu kunye nase Cross Roads. Kuluhlu Iwamakhaya nikhethwe ngokohlobo ukubonisa iimbono zabantu bale ngingqi. Ndingathanda ukuba ndikubuze imibuzo engathatha 30-45 (min). Iimbono zakho zibaluleke kakhulu kolu phando kwaye ungabe undincede kakhulu ukuba ungandiphendulela lemibuzo. Ndiyakuthembisa ukuba yonke into oyiyhethayo iyakuba yindaba yakwamkhozi.

SECTION A: INTRODUCTION AND SCREENING QUESTIONS

Okokuqala ngubani apha ekhaya ojongene nokuthenga ukutya komntu wonke. Ukuba kungenzeka ndingathanda ukuthetua nalo mntu. (*find correct respondent and reintroduce yourself - repeat paragraph above*)

Okokuqala ndingathanda ukufumana iinkcukacha zabucala ngawe. Ndiyakuthembisa ukuba baninzi abantu abayiphendulayo lemibuzo kwaye igama lakho ne dilesi zakusetyenziswa ngumphathi wam ukujonga ukuba ngaba ndikubuzile yonke le mibuzo. Zonke iinkcukacha zancha zakuba yindaba yakwamkhosi.

Igama lalowo uphenduleyo:	Sample Number:
Idilesi yakhe:	Interviewer Name:
Iinombolo zomnxeba:	Date:
Comments:	Time Taken:
	Back Checked By:

1. Gender (<i>by observation</i>)	<input type="checkbox"/> Female <input type="checkbox"/> Male
2. Xa sibala nawe, bangaphi abantu ohlala nabo enitya nonke izidlo.	

Sizakube sithetha ngendlela othenga ngayo ukutya kwekhaya, izinto zokucoca indlu, amashwam-shwam, izinto zokucoca umzimba, kuye nezinye. Sithetha izinto ozithenga qho apha ekhaya. Sikwanomdla kwindlela othenya ngayo kunye nalapho uthenga khona.

SECTION B: SHOPPING HABITS

3. Uyithenga phi igrocery yakho? (<i>multiple answers allowed- DON'T READ OUT</i>)	<input type="checkbox"/> Hyperama <input type="checkbox"/> Local cafe <input type="checkbox"/> Makro <input type="checkbox"/> Metro Cash & Carry <input type="checkbox"/> Pick 'n Pay <input type="checkbox"/> Spaza <input type="checkbox"/> Shoprite/Checkers/OK <input type="checkbox"/> Spar <input type="checkbox"/> Seven Eleven <input type="checkbox"/> Small local shop/ trading store <input type="checkbox"/> Sentra <input type="checkbox"/> Service Station Shop <input type="checkbox"/> Trade Centre <input type="checkbox"/> Wholesaler
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	<input type="checkbox"/> Woolworths <input type="checkbox"/> Hawker <input type="checkbox"/> Other.....
4. Uyenza xa kutheni igroceri? (multiple answers allowed- DO NOT READ OUT)	OFFICE CODE: <input type="checkbox"/> As and when we need more groceries <input type="checkbox"/> Everyday- buy what we need for that day <input type="checkbox"/> Near pay day <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly

5. Kukho izinto esizixelwe ngabanye abantu ngendlela abathenga ngayo ukutya. Ndizakufundela ezo zinto bathe bazithetha. Ndicela wena undixelele ukuba:

4. **EWE, NDIYAVUMA INJALO NAKUM LOO NTO**
5. **HAYI, ANDIVUMELANI NALEYO INTO**
6. **ANDAZI, UNGAKHE UBE UGQITHA KULEYO**
(interviewer- rotate starting point)

a) Igrocery ndidla ngokuyithenga edolophini kuba azikho iivenkile ezinkulu apha.	1 2 3
b) Igrocery ndiyithenga kwivenkile okanye ispaza salapha xa kukho loo nto iphelileyo- akusokolisi ukuthenga into kwalapha kufutshane.	1 2 3
c) Zibiza kakhulu ezivenkile zalapha, kodwa ndiyazithenga izinto apha kuba ayikho enye indawo onokuthenga kuyo xa uphelelwe zezo zinto zibalulekileyo.	1 2 3

SECTION C: PERCEPTIONS AND ATTITUDES

d) Ukufumana kwam into endiyithandayo, ndiyithenga qho.	1 2 3
e) Kukho amagama ezinto endingazitshintshiyo endizithenga rhoqo.	1 2 3
f) Ndikhetha ukuthenga izinto ezinamagama aziwayo.	1 2 3
g) Ndikholwa kukuthenga amagama ezinto ezithengwayo nangabahlobo bam.	1 2 3
h) Ndiyijonga ixabiso kuqala.	1 2 3
i) Ndiyijonga umgangatho kuqala.	1 2 3
j) Ngokuya lisonyuka ixabiso, nomgangatho uyenyuka ngokunjalo.	1 2 3
k) Amagama abiza kakhulu ngawona alungileyo.	1 2 3
l) Ndiyaxakeka evenkileni xa kukho into enamagama amaninzi ngoko ndikhetha 'elo gama ndiqhele ukulithenga.	1 2 3
m) Ndiyijonge kakhulu into yokuba ndichitha malini.	1 2 3
n) Ndidla ngokukhangela ezona zinto zinexabiso elilingana nemali yazo.	1 2 3
o) Ndidla ngokuthenga ezona zinto ziphansti ngamaxabiso.	1 2 3
p) Ndiya kwivenkile enye qho xa ndiyokuthenga.	1 2 3
q) Ndithenga ezo zinto ndidla ngokuzithenga qho xa ndiyokuthenga.	1 2 3
r) Kuyingozi ukutshintshela kwinto entsha ongaqhelanga kuyithenga.	1 2 3
s) Ukufumana izinto esisemgangathweni kubalulekile kum.	1 2 3
t) Ndingaziva ndihlazekele xa ndinokubonwa ngumhlobo wam ndithenga isephu engumgubo yelona xabiso liphantsi.	1 2 3

u) Ukuba ngaba into ipapashwe kakhulu, imelwe ukuba ilungile.	1 2 3
v) Ndixolele ukubhatala imali eninzi ndithenga igama lento endiyaziyo, kuba ndiyazi ukuba izakwenza lento ndiyifunayo.	1 2 3
w) Kuyingozi ukuthenga igama lento enexabiso eliphantsi kuba ixabiso eliphantsi lithetha umgangatho ophantsi.	1 2 3
x) Xa ndinemali elingeneyo, ndithenga olo hlobo ndiluthandayo, nokuba luyimalini.	1 2 3
y) Ndithenga izinto zohlobo olupphantsi xa imali yam ingoneli ngelo xesha.	1 2 3
z) Ukuba ngaba ivenkile ayinalo elo gama ndilifunayo kuloo nto, ndiye ndizame ukuyokuyifuna kwenye ivenkile.	1 2 3

Masithethe ngemveliso ezithile ngoku. Sizakuthetha ngeentlobo ezine ezahlukeneyo ze ngemveliso. Washing powder, tea, mealie meal, toothpaste.

6. Yeyiphi intlobo yomgubo wokuhlamba impahla onayo emzini wakho namhlanje?	<input type="checkbox"/> OMO <input type="checkbox"/> Surf <input type="checkbox"/> Skip <input type="checkbox"/> Bio Classic <input type="checkbox"/> Sunlight <input type="checkbox"/> House brand <input type="checkbox"/> Other.....
7. Udla ngokuluthenga rhoqo kangakanani olu hlobo lomgubo?	<input type="checkbox"/> Qho <input type="checkbox"/> Ixesha elininzi <input type="checkbox"/> Ngamaxesha athile <input type="checkbox"/> Xa ilulo kuphela uphawu oluthengiswayo kuloo venkile.
8. Ukuba umhlobo wakho uboleka umgubo wokuhlamba, ungaziva njani ngaloo mgubo unawo / owuthengileyo: (read out answers)	<input type="checkbox"/> uqinisekile ukuba izakuyihlamba impahla icoceke. <input type="checkbox"/> uqinisekile, kuba uyazi ukuba uthenge owona ugqwesileyo umgubo. <input type="checkbox"/> unganeentloni ukumboleka kuba uzakufumanisa ukuba ngowexabiso eliphantsi. <input type="checkbox"/> ungaxhaliseka kuba uqonda ukuba lo mgubo awuzokucocisisa, kodwa ibinguwo kuphela obuphuma kwimali ebendinayo
9. Loluphi uhlobo lwe'tea' onalo kwakho namhlanje?	<input type="checkbox"/> Joko <input type="checkbox"/> Five Roses <input type="checkbox"/> Teaspoon Tips <input type="checkbox"/> Glen <input type="checkbox"/> House brand <input type="checkbox"/> Trinco <input type="checkbox"/> Other.....
10. Udla ngokuluthenga rhoqo kangakanani uhlobo lwe'tea'?	<input type="checkbox"/> Qho <input type="checkbox"/> Ixesha elininzi <input type="checkbox"/> Ngamaxesha athile <input type="checkbox"/> Xa ilulo kuphela uphawu oluthengiswayo kuloo venkile.
11. Xa ndithenga I'tea' ndikhetha leyo... (read out answers and allow respondent to choose as many as they want)	<input type="checkbox"/> ineyona ncasa imnandi <input type="checkbox"/> eyona yenza I'tea' etsalileyo <input type="checkbox"/> ndikholelwa ukuba yeyomgangatho ophezulu. <input type="checkbox"/> iphumayo kwimali endinayo ngeloo xesha <input type="checkbox"/> ndiyaziyo ndidla ngokuyithenga qho.
12. Yeyiphi I'toothpaste' onayo kwakho namhlanje?	<input type="checkbox"/> Colgate <input type="checkbox"/> Aquafresh <input type="checkbox"/> Close up <input type="checkbox"/> Mentadent <input type="checkbox"/> Dentazyme <input type="checkbox"/> Macleans <input type="checkbox"/> Oral B <input type="checkbox"/> Other.....

13. Udla ngokuluthenga rhoqo kngakani olu hlobo lwe'toothpaste'?	<input type="checkbox"/> Qho <input type="checkbox"/> Ixesha elininzi <input type="checkbox"/> Ngamaxesha athile <input type="checkbox"/> Xa ilulo kuphela uphawu oluthengiswayo kuloo venkile.
14. Usapho lwam ndiluthengela le toothpaste kuba... (read out the answers- multiple)	<input type="checkbox"/> yeyexabiso eliphantsi – yeyona ifikelelekayo kuthi. <input type="checkbox"/> ndixolele ukukhupha imali eninzi ukugcina amazinyo osapho lwam ecocekile <input type="checkbox"/> ndiyithembile le toothpaste ukuba izakuwacocisisa amazinyo osapho lwam. <input type="checkbox"/> ndiyayazi ukuba le toothpaste izakusinika umphefumlo onuka kamnandi <input type="checkbox"/> siyayithanda incasa yayo.

15. Ngowuphi u Mealie meal owuthegayo?	<input type="checkbox"/> Iwisa <input type="checkbox"/> Ace <input type="checkbox"/> Impala <input type="checkbox"/> Induna <input type="checkbox"/> Other.....
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16. Udla ngokuluthenga rhoqo olu hlobo lo mealie meal?	<input type="checkbox"/> Qho <input type="checkbox"/> Ixesha elininzi <input type="checkbox"/> Ngamaxesha athile <input type="checkbox"/> Xa ilulo kuphela uhlobo oluthengiswsa kuloo venkile.
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17. Usapho lwam ndiluthengela oluhlobo lo Mealie meal kuba... (read out answers- multiple response)	<input type="checkbox"/> yeyexabiso eliphantsi – yeyona ifikelelekayo kuthi. <input type="checkbox"/> ndiyayazi ukuba ndingayithemba ukuba izakuphekeka kakuhle ngalo lonke ixesha <input type="checkbox"/> yeyomgangatho ophezulu. <input type="checkbox"/> ndingayithemba le mealie meal ukuba izakungcamleka kamnandi ngalo lonke ixesha. <input type="checkbox"/> ndiyayazi ukuba le mealie meal inesondlo ngoko ikulungele ukutyiwa lusapho lwam. <input type="checkbox"/> ineyona ncasa igqwesileyo ngobumnandi
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18. Nazi iifoto zemueliso kunye neentlobo zazo ohlukeneyo. Ndicela ukuba undilinganisele ezi ntlobo ngokomgangatho wazo, ukususela kumgangatho wesihlanu, ongowona uphezulu okanye ogqwesileyo ukuyokutsho kumgangatho wokuqala, ongowona uphanstsi.

Nokuba awuzange uyithenge i"product" sicela usixelele ukuba ucinga ntoni ngomgangatho wayo.

- 6 Ibalasele
4 Ilungile
3 Iphakathi
2 Ayilunganga
1 Ayigqibelelanga
0 = Andazi

a) OMO	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Surf	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Daisy Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) P 'n P Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No
e) Shoprite Washing Powder	1 2 3 4 5	<input type="checkbox"/> Yes <input type="checkbox"/> No

f) Unmarked Washing Powder	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
g) Joko Tea	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
h) PnP Tea	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
i) Shoprite Tea	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
j) Unmarked Tea	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
k) Colgate Toothpaste	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
l) Aquafresh	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
m) Dentazyme Toothpaste	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
n) Unmarked Toothpaste	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
o) Iwisa	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
p) Induna	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No
q) Unmarked mealie meal	1 2 3 4 5	<input type="radio"/> Yes <input type="radio"/> No

19. Ndizakuphinda ndikubizele amagama ezi ntlobo, ze wena undixelele kwigama ngalinge ukuba ungaze uluthenge na?

SECTION D: INFORMAL VS. FORMAL SHOPPING ENVIRONMENTS

Ngoku ndicela ukubuza imibuzo ngendawo othenga kuyo.

20. Ngaba ukhetha ukuthenga kwivenkile enkulu efana no Pick 'n Pay kunokuthenga kwispaza okanye kwevenkile ekufutshane nekhaya lakho?	<input type="radio"/> Yes <input type="radio"/> No
21. (If answered yes) Uyithethiswa yintoni loo nto? (DO NOT READ OUT)	OFFICE CODE <input type="radio"/> There are so many brands to choose from <input type="radio"/> The prices are low <input type="radio"/> There are often special offers <input type="radio"/> They always have the brands I usually buy <input type="radio"/> the local shop is too expensive <input type="radio"/> the local shop doesn't have the brands I want to buy <input type="radio"/> the local shop is very small and cramped- it is difficult to find things <input type="radio"/> the local shop often runs out of the groceries I need <input type="radio"/> there is no choice of brands in the local shop
22. (if answered No) Uyithethiswa yintoni loo nto? (DO NOT READ OUT)	OFFICE CODE <input type="radio"/> the big shops are too big <input type="radio"/> the big shops are unfriendly <input type="radio"/> the big shops are expensive <input type="radio"/> The big shops do not stock the groceries I want to buy <input type="radio"/> The bigger shops are too far away <input type="radio"/> I know the owner of the local shop and it is a friendly place <input type="radio"/> The local shop is convenient- I can buy something quickly if we run out <input type="radio"/> I do not have to walk or carry the groceries far to my house if I buy from the local shop <input type="radio"/> I can get credit at the local shop

23. Kukho izinto esizixelwe ngabanye abantu ngendlela abethenga ngayo ukutya. Ndizakufundela ezo zinto bathe bazithetha. Ndicela wena undixelele ukuba:

1. EWE, NDIYAVUMA INJALO NAKUM LOO NTO
2. HAYI, ANDIVUMELANI NALEYO INTO
3. ANDAZI, UNGAKHE UBE UGQITHA KULEYO
(interviewer- rotate starting point)

a) Kwiiwenkile ezinkulu ndithelekisa amaxabiso eentlobo zendithenge into enexabiso elilingene nemali yayo.	1	2	3
b) Kwiiwenkile ezinkulu kukho izinto ezininzi, kuba lula ukuthenga uhlobo olunye ngalo lonke ixesha.	1	2	3
c) Ndithenga uhlobo olunye nokuba ndithenga kwiiwenkile yakwalapha okanye kwiiwenkile ezinkulu.	1	2	3
d) Kwiiwenkile yalapha, ndinyanzeleka ukuba ndithenge olohlobo luthengiswa apho – awukwazi ukukhetha uhlobo oluthandayo.	1	2	3
e) Kwiiwenkile ezinkulu kudla ngokubakho “ispecials” okanye uthotyelwe amaxabiso, ngoko xa ndithenga ndijonga amaxabiso.	1	2	3
f) Kwiiwenkile yakwalapha izinto zibiza kakhulu, ngoko ndithenga izinto ezincinci.	1	2	3

SECTION E: HOUSE BRANDS

Ngoku sizakuthetha ngee”products” ongazithenga kwa Shoprite okanye kwa Pick ‘n pay. Ezi “products” zenziwa kwa zezi venkile- sithetha ngee “No Name” kunye nee “Yellow Band” “products. Interviewer- use show card and photographs to ascertain that the respondent is familiar with and understands the products you are dealing with.

24. Ukhe wazibona ezi ntlobo zee “products” kwezi venkile ngaphambili?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
25. Wakhe waluthenga nokuba loluphi uhlobo lwezi products?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
26. Xa ubona ezi”products” kwii “shelves” ucinga ntoni ngazo? (multiple responses allowed)	<input type="checkbox"/> zezexabiso eliphantsi <input type="checkbox"/> imali abayibizayo iwulingene umgangatho wazo <input type="checkbox"/> zezomgangatho ophezulu <input type="checkbox"/> zezomgangatho ophantsi <input type="checkbox"/> zezomgangatho ongaphantsi kowamagama ohlobo lwee”products” <input type="checkbox"/> andinakuze ndizithenge kuba umgangatho wazo awuphucukanga <input type="checkbox"/> andizithembi ukuba zilungile ezi”products”	

27. Nantsi imiboniso yezinye ii”No Name” kunye nee”Yellow Band” “products”, ndicela ujonge umboniso ngamnye, ze undixelele ukuba ungaze uyithenge na loo product leyo.

Canned tuna	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Bleach	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Toilet roll	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Biscuits	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Canned Spaghetti	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Packet Soup (PnP)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Long Life Milk	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Canned Beans	<input type="checkbox"/> Yes	<input type="checkbox"/> No
'Handy Andy'	<input type="checkbox"/> Yes	<input type="checkbox"/> No			

SECTION F: DEMOGRAPHICS

Ngoku ndizakubuza imibuzo ngawe; ndiyakuqinisekisa ukuba ondixelele kona kuyakuba yindaba yakwa- mkhozi, kwaye siyifunela izifundo nje kuphela.

28. Umdala kangakanani wena?	
29. Ingaba umrholo wabantu abaphangelayo apha ekhaya xa idityanisiwe ekupheleni kwenyanga ungena koluphi uluhlu? <i>(interviewer use show card)</i>	<input type="checkbox"/> less R500	
	<input type="checkbox"/> R500-R899	
	<input type="checkbox"/> R900- R1399	
	<input type="checkbox"/> R1400- R2499	
	<input type="checkbox"/> R2500- R3999	
	<input type="checkbox"/> R4000+	
30. kwezi nkcazelo zilapha yeyiphi ehambelana nobume bakho? <i>(interviewer, read out answers)</i>	<input type="checkbox"/> Utshatile	
	<input type="checkbox"/> Anditshatanga, kodwa ndiyahlalisana	
	<input type="checkbox"/> Zange ndatshata	
	<input type="checkbox"/> Ndawuqhawula umtshato	
	<input type="checkbox"/> Umhlolokazi	
31. Heliphi ibansa lemphundo othe wanethuba lokulufumona?	OFFICE CODE	
	<input type="checkbox"/> No schooling	
	<input type="checkbox"/> Some primary school	
	<input type="checkbox"/> Primary school completed	
	<input type="checkbox"/> Some high school	
	<input type="checkbox"/> Some high school plus trade/diploma	
	<input type="checkbox"/> Matric	
<input type="checkbox"/> A post-matric qualification (e.g Diploma/ not a degree)		
	<input type="checkbox"/> A degree	

Enkosi ngexesha lakho osiboleke lona, iimbono zakho zibaluleke kakhulu kuthi.