



BUS5000W

**GLOBAL VERSUS LOCAL BRANDS IN SOUTH AFRICA: AN EMPIRICAL
ANALYSIS OF CONSUMER PERCEPTIONS**

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ABSTRACT

Global brands are increasingly expanding their footprint to developing countries, due to the promising opportunities that these countries hold; and as such, consumers are faced with the decision between global and local brands. In South Africa too, there has been an influx of global brands, which has placed pressure on the local retail landscape. Therefore, the main objective of this study was to determine whether there is a difference in perception among millennial consumers in South Africa between a global and a local fashion retail brand. Millennials are considered to be individuals born between the early 1980s and late 1990s.

To understand consumers' decision making process between global and local brands, the signaling theory was applied. The signaling theory is typically used to describe behaviour when multiple parties have access to different information – in this case it relates to consumers having access to the different signals sent out by both global and local brands.

In addition to the signaling theory, the brand-analysis model was employed to measure these perceptions relating to brand-specific associations (*perceived quality* and *emotional value*), general brand impression (*brand awareness* and *brand image*) and brand commitment (*brand loyalty* and *purchase intention*). Therefore, the objectives and hypotheses for this study were directly derived from each of the brand-analysis constructs mentioned above. It is understood that researchers have not used the signaling theory and brand analysis model together. This study also considers them independently, however the brand analysis constructs are used as signals between brands and consumers.

Using the two retail brands, H&M (global) and Mr Price (local) as stimuli, the data were collected through an online questionnaire. A non-probability sampling technique was implemented, which achieved a total sample size of n=263. The target population consisted of millennial consumers in South Africa, due to the significant spending power of this cohort. The findings were three-fold. Firstly, the hypotheses tests indicated that there are differences in consumer perception relating to each of the

brand-analysis constructs, with higher ratings towards the global brand for *perceived quality, emotional value, brand image, brand loyalty, and purchase intention*. Local brands, however, appear to enjoy higher levels of *brand awareness*.

Secondly, in order to gain deeper insights into these perceptions, this study also compared the difference in perceptions among the demographic subgroups. In contrast to the overall preference for global brands, certain groups, such as those with lower income levels and lower levels of education, had higher ratings for the local brand in terms of perceived quality, emotional value, brand loyalty and purchase intention. Lastly, the strength of the relationships between constructs was measured; and this showed that, for both brands, positive relationships exist among all of the brand-analysis constructs – with varying strength levels.

The academic contributions of this study are as follows: In general, brand management literature in developing countries has been neglected. Previous research has shown that there are differences in brand perception between consumers from developed and those from developing countries. This study therefore aimed to add to the literature, not only towards a typical developing country, but towards a *hybrid* country, namely South Africa. In addition, the brand-analysis model and the signaling theory used in this study, serve as a basis for future research aiming to evaluate consumer choice.

Practical contributions include the following: The findings yielded significant insights into the aspects to be emphasised by global and local brands, in order to be successful in capturing and maintaining the desire of consumers to purchase and use their brands. Thus, the findings provide an understanding of the drivers of global and local brand purchases for marketing practitioners – to improve or adjust their marketing strategies. On the basis of these findings, local brands are advised to invest in expanding their presence in other countries, and to advertise this as a signal of quality. Another strategy for local brands is to emphasise their authenticity and pride in the local culture as a signal of a deep connectedness with the local market. Global brands on the other hand, are advised to advertise their worldwide availability and acceptance

as a signal of quality and prestige, and to offer an opportunity for consumers to be part of the global-consumer culture.

Keywords: Global and local brands, Fashion retail landscape, Signaling theory, Brand Analysis, South Africa, Millennials

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1 CHAPTER 1: INTRODUCTION

1.1 Introduction

Global brands have been put on centre stage due to the globalisation of markets. This is evident in the media, in stores, on the streets and in homes. Global brands are using their influence and power within different economic, psychological and cultural domains (Özsomer, Batra, Chattopadhyay & ter Hofstede, 2012). The acceleration of globalisation has consequently resulted in a large number of brands being available, both global and local (Lee, Knight & Kim, 2008; Schuiling & Kapferer, 2004). Consequently, consumers are faced with the decision between global and local brands among many product categories (Özsomer, 2012).

Lee *et al.* (2008) indicate that the competition between global and local brands not only exists in developed countries, but also in newly emerging markets in the developing countries. Retail brands, too, have aggressively pushed into both developed and developing countries, often driven by opportunities for growth and the weakness of the competing local retail brands (Swoboda, Zentes & Elsner, 2009; Goldman, 2000; Goldman, 2001).

The South African retail landscape has also undergone major changes with the influx of global brands (PricewaterhouseCoopers, 2016). South Africa became part of the group of top emerging markets, BRICS (Brazil, Russia, India, China and South Africa) in 2010 (Mail & Guardian, 2010); and it has recently seen an influx of global retail brands that have taken over a substantial share of the local market (Simpson & Lappeman, 2017). The retail landscape has evolved from mainly offering local brands to a more competitive market with the entry of global brands (Gordon Institute of Business Science, 2018). These global brands are making South Africa's retail landscape their home at the cost of their local counterparts (Simpson & Lappeman, 2017).

Winit, Gregory, Cleveland and Verlegh (2014) hold that many aspects can favour global brands due to their widespread distribution and recognition. They explain that

these include higher quality perceptions, as well as aspirational benefits; and the prestige of global brands may result in higher status and esteem to the purchaser. On the other hand, there are aspects that favour local brands, such as their strong associations to the local environment, which include perceptions of authenticity, adherence to local requirements, cultural sensitivity, and the pride associated with the consumption of a brand that supports the local market and the cultural heritage (Dimofte, Johansson & Ronkainen, 2008; Özsomer, 2012). In addition, strong local brands benefit from high brand awareness levels, as a result of the close relationships that have been developed with consumers over the years (Schuiling & Kapferer, 2004).

Cross-national studies have, however, revealed significant differences between consumers from developing and those from developed markets, relating to global versus local brand preference (Özsomer, 2012). For example, global brands might be more appealing than local brands for consumers from developing markets, due to the believed enhanced status of global brands (Alden, Steenkamp & Batra, 1999). Likewise, Batra, Ramaswamy, Alden, Steenkamp and Ramachander (2000) found that these consumers are aspiring to be part of a greater global community; and by doing so, they downgrade their local brands in comparison with the global brands. Additionally, consumers from developing countries experience global brands as being high in quality, 'trending' and adding more to their social prestige than do local brands (Strizhakova, Coulter & Price, 2008; Zhou, Teng & Poon, 2008).

This pattern persists in previous literature, which indicates that consumers in developing countries have higher perceptions of global brands, as opposed to local brands (e.g. Gaedeke, 1973; Lyer & Kalita, 1997; Batra *et al.*, 2000; Kinra, 2006; Lee *et al.*, 2008; Kumar, Lee & Kim, 2009; Bhardwaj, Kumar & Kim, 2010; Winit *et al.*, 2014; Lu & Xu, 2015). Global brands gain preference against their local counterparts in terms of superior quality, price perceptions and prestige among consumers from developing markets (Özsomer & Altaras, 2008; Kinra, 2006; Steenkamp, Batra & Alden, 2003; Batra *et al.*, 2000). In contrast, past research found that consumers from developed markets had either no significant preference, or they gave higher ratings

for their local brands regarding perceived quality, brand awareness, brand loyalty, image, trust (e.g. Schuiling & Kapferer, 2004; Lee *et al.*, 2008; Dimofte *et al.*, 2008).

It is therefore beneficial for marketers to understand how consumers choose between global and local brands (Guo, 2013; Özsomer *et al.*, 2012); and also how consumers in developing markets make this choice is evidently worth researching (Batra *et al.*, 2000). Hence, this study aims to provide insights into consumers' choices between global and local brands in the South African retail context, and more specifically, how they provide insights into consumer choice among *millennial* consumers in South Africa.

Millennials, also referred to as Generation Y, are those born between 1982 and 1998 (Duffett & Wakeham, 2016). Millennials are a lucrative market in South Africa as, according to Bizcommunity (2018a), the group makes up the largest consumer group in the world; and they currently have and will continue to have a significant impact, as they are settling into the prime of their spending years. The Bizcommunity (2018a) article also stipulates that in South Africa in particular, there are about 14,5 million millennials in the country, which amount to about 27% of the population.

Similar to the studies by Lee *et al.* (2008), Bhardwaj (2010), Winit *et al.* (2014) and Kumar *et al.* (2009) that used apparel brands, this study uses two fashion retail brands; H&M as the global brand, and Mr Price as the local brand.

Against this background, the purpose of this study correlates with the following research question:

- Is there a difference in consumer perceptions of a global fashion retail brand compared to a local fashion retail brand among millennial consumers in South Africa?

Hence, the primary objective is to determine whether there is a difference in how consumers in South Africa perceive a global, namely H&M, versus a local, namely Mr Price, fashion retail brand. The secondary objectives are discussed in detail further in

this chapter. In order to address the research objective and to understand consumer choices between a global versus a local brand, a brand analysis is conducted. In addition, this study draws upon the signaling theory, in order to gain further insight into consumer brand selection. These are discussed later in this chapter.

As far as is known, little research exists on consumer perceptions of global versus local brands in the South African context. However, academic research has explored consumer perceptions of global versus local brands in countries, such as Mexico, South Korea, Japan (Lee *et al.*, 2008), India (Bhardwaj *et al.*, 2010; A. Kumar *et al.*, 2009), China (Lu & Xu, 2015), Thailand (Winit *et al.*, 2014), the United Kingdom, Germany, France and Italy (Schuiling & Kapferer, 2004).

Unlike other countries, South Africa's economy has been described as 'hybrid,' due to the many differences and similarities compared to other developing and developed countries (see Section 1.2.1) (Simpson & Lappeman, 2017). Therefore, this study attempts to fill a gap in research concerning a unique economy, such as that of South Africa. To achieve this, this study aims to test hypotheses pertaining to the differences in consumer perceptions relating to the brand analysis constructs.

Srivastava and Dey (2016) hold that a brand analysis indicates the competitive position of a brand for marketing practitioners. Hence, in addition to the academic contributions, a brand analysis for a global and a local retail brand would indicate the competitive position of the two brands in the context of the South African retail landscape. Similar to the study by Srivastava and Dey (2016), the results of this study would aid marketing practitioners of both global and local brands in assessing the applicable strengths and weaknesses of the brands. An understanding of brand choice by consumers benefits both global and local companies in developing and incorporating the right strategies for their respective target markets (Lee *et al.*, 2008).

This primary chapter serves as an introduction and a foundation of this study. In order to give the reader a summary of this study, it was structured as follows. It starts by providing the background to the research to gain an understanding of the current marketplace. The background also provides an overview of the consumer market of

South Africa; and it introduces the brands to be used and the brand-analysis model employed. Next, there is an overview of the signaling theory, which is followed by the research question and objectives, as well as the methodology used to reach these objectives. The theoretical, methodological and managerial contributions of this study are then discussed, followed by an outline of the structure of this study.

1.2 Background to the Research

Despite South Africa's sluggish economic growth and low disposable income levels (Simpson & Lappeman, 2017; Steyn, 2017; PriceWaterHouseCoopers, 2016), South Africa is a lucrative emerging market for global brands (Steyn, 2017). As such, this section starts with an overview of how global brands have changed the South African retail landscape.

1.2.1 The South African retail landscape

Petzer and De Meyer (2013) indicate that the entry of global brands, from fashion to financial services, has been creating competition for the local market in South Africa. They explain that South Africa previously operated in a protected domestic environment before the transition to a democracy, due to both trade barriers, which protected local business, in addition to the overall isolation of the country.

Global retailers, such as H&M, Zara and Cotton On, have become competition for local retailers (Simpson & Lappeman, 2017; Steyn, 2017), such as Mr Price, Edcon, Truworths and Foschini (Ndlendele, 2017). While global retailer H&M continues to open new stores in the country, bringing the retailer brand's total for 2017 to 17 stores. A local retailer, Mr Price, experienced its first reported drop in earnings in 16 years during 2017 (Steyn, 2017). Since 2017, H&M has opened three additional stores (see H&M, 2018).

More recently, it was noted again that South Africa's economic conditions are likely to remain weak; and that the entry of global retail apparel brands is adding further challenges to their local counterparts (Bizcommunity, 2018b). For example, while there

is still hope for Mr Price (see Gumede, 2018), Omarjee (2017) reports that another local South African retailer, Stuttafords shut down in July 2017, after 159 years of doing business in the retail market. He explains that apart from the fact that the retail market is under pressure, due to recessionary conditions, in which consumers are inclined to cut back on clothing and other discretionary items. Thus the entry of global retail brands has also put pressure on Stuttafords. He notes that global players, such as H&M, Cotton On and Zara have cut into Stuttaford's market share.

Evidently, local retail brands need to work harder and be smarter if they want to compete against global brands (PriceWaterHouseCoopers, 2016). However, despite the increasing importance of global retailers in South Africa, particularly in the fashion retail industry, a lack of research still prevails (Rootman & Krüger, 2017). Against this background, this study aims to provide insights as to how consumers choose between global and local brands to aid marketing practitioners with appropriate strategies to avoid cases like that of Stuttafords.

Taking the above into consideration, the discussion on consumers in South Africa provides a more holistic understanding of the current happenings in the marketplace.

1.2.2 The consumer market in South Africa

Consumers in South Africa are uniquely diverse (Simpson & Lappeman, 2017). This is evident from the diversity in income and education levels, as well as the diversity in races. A GINI coefficient measures the income disparity of a population; and a high GINI coefficient indicates great disparity. South Africa's GINI coefficient of 0.68 is rated as one of the world's highest by the World Bank. One noteworthy reason for the high GINI coefficient is the large income growth since 1994 among the country's top end of the population. Meanwhile, more than 40% of South African households either fully or partially depend on social grants from the government (Simpson & Lappeman, 2017). In addition to the concerning economic conditions, the South African economy technically fell into a recession in September 2018 (Fin24, 2018).

De Bruyn and Freathy (2011) indicate that consumption patterns among consumers in South Africa are complex; and they reflect not only cultural diversity, but also the significant variations in household and personal incomes. This is further discussed in detail in Section 2.3.4.

On the educational level front, spending patterns are also significantly influenced by levels of education (Foster, 2014). South Africa is characterised by its varied levels of education (Petzer & De Meyer, 2013), with educational levels among the highest in Africa, but also among the lowest in the world (Simpson & Lappeman, 2017). Statistics show that 60% of young South Africans between the ages of 15 and 34 have not completed high school, 30% have high school as their highest level of education; while 6% completed some sort of tertiary qualification; and only 4% have graduated with a university degree (Statistics, 2016). Given that data was collected in 2017, the quotas used for the quota sampling was based on that of 2016 (Statistics, 2016).

Different spending patterns are evident among consumers in different racial groups. Simpson and Lappeman (2017) indicate that the Caucasian population makes up approximately 9% of the population; while the African population comprises nearly 80%. The Coloured racial group comprise about 9% of the population; while the remaining 3% consist of the Asian/Indian racial group. Interestingly, they add, that the spending power among Africans has exceeded the spending power of the Caucasian racial group over recent years. Similarly, across the four racial groups, Africans spend the highest proportion (7%) of their consumption expenditure on clothing compared to the amounts spent by the Coloured (5%), Indian/Asian (4%) and White (2%) racial group households (Statistics South Africa, 2015).

Although consumers in South Africa are brand conscious (de Bruyn & Freathy, 2011), a global survey found that consumers in South Africa are making careful financial decisions; as many are under financial pressure due to higher prices, as a result of inflation, and also because of low growth in wages (Hattingh *et al.*, 2016). This partially explains the recent economic pressure felt by retailers, such as Mr Price (see Shevel, 2017) and Stuttafords (see Omarjee, 2017).

Relevant to this study, local fashion brands are no longer the only options for consumers in South Africa – with the entry of global brands (Donnelly, 2015). Burgess (2003) explains that, in addition to those consumers who travel abroad, global-brand exposure has increased through the internet, magazines and television. He adds that consumers started following trends; and they expect retailers to offer what is demanded, rather than having to purchase whatever the retailers have available. Hence, the behavioural change among consumers in South Africa is partly because of this increased brand awareness of global brands (de Bruyn & Freathy, 2011).

Also worth noting is the opportunities for consumers in South Africa to shop online at international stores (see Cho and Lee, 2017). However, various challenges are involved relating to cross-border online purchases. These include high delivery costs, quality and time of delivery, different currencies, different payment terms, difficulty in dealing with returns and refunds and especially – tax and legal conditions (Kawa & Zdrenka, 2016). In this study, the focus is on consumers in South Africa, with the assumption that these consumers do purchase brands from within South Africa.

The two previous sections created a fuller picture on the current happenings in the South African retail landscape; and they provided an overview of consumers in South Africa. This information enabled the researcher to choose the two brands used in this study. These are discussed next.

1.2.3 Brand selection

Lee *et al.* (2008) chose the global fashion brand Polo Ralph Lauren in their study for its globally recognisable name, as well as for its strong presence in the countries they focused on, namely, Mexico, South Korea and Japan. They did not specify which local brands they used; but they chose the local brand, according to its popularity among consumers in these respective countries. For this study, H&M and Mr Price were chosen, based on certain similarities that make them direct competitors. These are summarised in Table 1-1.

Table 1-1: Similarities between H&M and Mr Price

	H&M (see H&M, 2017)	Mr Price (see MrPriceGroupLimited, 2018b)
Business approach	Offers fashion and quality at the best price.	Offers quality and fashion at the best price.
Marketplace	Stores and online.	Stores and online.
Quality and price	The brand positions themselves as offering affordable, high quality goods.	The brand positions themselves as offering affordable, quality goods.
Sustainability	Uses sustainable materials such as organic cotton, recycled polyester and wool.	Supports the local cotton industry to produce high standard cotton.
Market	Diverse market, offering goods to women, men, teenagers, children and babies.	Offers goods for women, men, and children. Also caters for young and youthful consumers.
Product offering	H&M offers clothing, underwear sportswear, cosmetics, shoes and accessories.	Mr Price offers clothing, shoes, underwear and sleepwear, accessories and shoes.

Table 1-1 shows that H&M and Mr Price show similarities in the way they conduct business in relation to their business approach, which is fashion and affordability. Both brands have physical and online stores; both offer affordable goods and position their goods to be of good quality. Furthermore, both brands use sustainable materials, such as cotton; and they adhere to sustainable business practices. In addition, both brands offer the same types of goods (e.g. clothing, shoes, accessories) to a similar target market, this being women, men, children, teenagers or the youth. An in-depth discussion on each brand is provided in Section 2.3.2 and 2.4.2.

In addition to the similarities in Table 1-1, a number of media articles have positioned these two fashion retail brands as competitors since H&M opened its doors in South Africa in 2015. For example, Shevel (2017) holds that the decrease in earnings, experienced by Mr Price for the first time in 16 years, is a result of global retailers like

H&M, who are changing the South African retail landscape. Douglas (2016) states that the two brands offer similar products; and this author also noted that Mr Price's decrease in profits may be the result of global brands, such as H&M competing for the same market share. These two fashion retail brands have been put on *a par* by stating that H&M is outpacing the growth of its local players, like Mr Price, the Edcon Group and The Foschini Group (Goku, 2017).

Additionally, with the opening of Mr Price in Australia, Mr Price is placed in competition with brands like H&M, Zara and Topshop in Australia (see Hoyer, 2015).

The forthcoming section focuses on how the perceptions of these two brands will be measured among consumers in South Africa. A brand analysis is used; and its core components are introduced below.

1.2.4 Brand analysis

According to Bhardwaj *et al.* (2010), a brand's success can be determined by an assessment on how brands are perceived or evaluated by consumers, and the degree to which they are committed towards the brand. Consequently, the brand analysis model by Lee *et al.* (2008) is used in this study to determine the current position of both H&M and Mr Price among consumers in South Africa. The brand analysis model consists of three components, which include brand-specific associations, general brand impressions and brand commitment, as depicted in Figure 1-1 below.

Figure 1-1: Brand analysis model



SOURCE: Lee et al. (2008)

Figure 1-1 shows the brand analysis model from the centre outward. The three components are visible: (i) brand-specific associations; (ii) general brand impression; and (iii) brand commitment. The constructs of perceived quality and emotional value form brand-specific associations. Next, brand awareness and brand image are the two influencing constructs for general brand impressions. The third component, brand commitment, consists of the constructs of brand loyalty and purchase intention.

A comprehensive description on each of the brand analysis model's components and constructs is provided in Section 3.3; however, the key ideas are introduced below.

1.2.4.1 **Brand-specific association**

Brand-specific association is concerned with the attributes, benefits or features that are connected to a brand by the consumers (Dillon *et al.*, 2001). Utilitarian and hedonic aspects make up its two dimensions (Batra & Ahtola, 1991). The first construct for

brand-specific association is the *perceived quality* (Lee *et al.*, 2008), which relates to the utilitarian or functional benefits concerned with a subjective evaluation of a product's quality (Zeithaml, 1988). Zeithaml (1988) adds that perceived quality refers to consumers' judgement of a product's superiority or excellence; therefore, a subjective or biased assessment of a product, as opposed to its actual quality.

The second construct is *emotional value*, which focuses on the non-utilitarian or hedonic benefits that relate to the fantasy, multi-sensory and emotive aspects of consumer experiences with specific products (Hirschman & Holbrook, 1982). As such, certain brands evoke positive feelings that are valuable to customers (Holbrook, 1986). Therefore, by using brand-specific association, this study aims to determine how the two brands are perceived in terms of both their functional, as well as their hedonic benefits.

Next, the second brand analysis component, general brand impression is discussed.

1.2.4.2 General brand impression

Dillon *et al.* (2001) hold that general brand impressions are more concerned with a holistic view of a particular brand. As such, Lee *et al.* (2008) introduce *brand awareness* and *brand image* as its two constructs. Brand awareness refers to the ability of the buyer to recognise or recall a brand as part of a specific product category (Aaker, 1991). This means that the consumer can "correctly discriminate" or retrieve the brand from memory, after "having been seen or heard it previously" (Keller, 1993:3).

The second construct is brand image, which refers to the representation of a brand in the minds of consumers that is linked to a set of perceptions about the brand or to its offering (Cretu & Brodie, 2007). Products with a strong brand image can significantly reduce the cognitive risk of consumers and can increase the consideration of the specific product or service (Kwon & Lennon, 2009). Therefore, by including general brand impression as part of the brand analysis, this study aims to determine to which level the global and local brand can be recalled or recognised through brand

awareness, and also how the brands are represented in consumers' minds through brand image.

The last component, brand commitment and its two constructs are discussed below.

1.2.4.3 *Brand commitment*

The last component in the brand analysis model is brand commitment, which refers, according to Traylor (1981), to the level on which a brand is strongly held as the exclusive choice within a product class; or as Lee *et al.* (2008), describe it, as the degree to which a consumer is engaged in the purchasing of a particular brand and also the consumer's expressed behavioural intention towards a brand. The two constructs are therefore *brand loyalty* and *purchase intention*.

Simply stated, brand loyalty refers to consumers' intention to buy a specific brand as their main choice (Oliver, 1977). Purchase intention is concerned with the planning by an individual to make an effort to purchase a specific brand (Spears & Singh, 2004). Purchase intention is related to brand loyalty; and it also reinforces it. Therefore, strong brand loyalty and high levels of purchase intention are associated with strong brand commitment among consumers (Lee *et al.*, 2008). As such, by using brand commitment for the brand analysis in this study, the levels of brand loyalty and purchase intentions toward the global versus local brand aim to be measured.

In addition to the brand analysis, the signaling theory will also be used to evaluate consumer choice; and it is introduced next.

1.2.5 The signaling theory

Grounded in the information economics field, the signaling theory suggests that, according to Spence (1973), when asymmetric information prevails in a market, certain signals, such as the manipulation of attributes or activities, can be used by firms to transmit information about their characteristics. Connelly, Certo, Ireland and Reutzel (2011) note that information has an effect on the decision-making process of

businesses, governments and individuals. These decisions are made, based on freely available information, also known as public information, or information that is only known by a subset of the public, which is also known as private information.

Information asymmetry happens when “different people know different things.” Because there is private information, information asymmetries increase between those who had access to the information and those who could have made better choices, if they had had access to the information (Stiglitz, 2002:469).

The signaling theory, according to Erdem and Swait (1998), suggests that firms can use brands to inform consumers about the position of products, when there is uncertainty among consumers about brand attributes. They add that brands are also used by firms to ensure the credibility of product claims. They further explain that these signals improve consumers’ perceptions towards brand attribute levels; and they also increase their confidence in the claims of these brands. In addition, according to Heding, Knudtzen and Bjerre (2009), the signaling theory investigates which signals are the most effective for revealing unobserved product qualities. They hold that the name of the brand, as well as its packaging or placement can assist in conveying marketing messages to consumers; and it can also assist in revealing these unobserved product qualities.

Erdem and Swait (1998) indicate that the signals that are sent out by a brand’s marketing efforts can affect consumers’ certainty about the brand’s salient attributes. Brands can assist consumers in interpreting intangible and tangible product attributes and about the position of a product in the attribute space (Özsomer & Altaras, 2008). Furthermore, if the consumer’s experience is aligned with the company’s claims, the credibility of the brand’s signal would increase. As such, they add that consumer risk and information costs are decreased; and the brand signal is strengthened. The value created for the consumers by the brand signal may lead to the likelihood of repeated purchases, which in turn, leads to the formation of brand loyalty (Erdem & Swait, 1998).

Relevant to this study, global brands often advertise their global availability and worldwide acceptance as a signal to spread their high-quality attributes (Alden, Steenkamp & Batra, 1999). In addition, global brands signal higher prestige, as consumers in other countries also use the brand. Local brands, on the other hand, often signal originality, pride for the local culture and market, in addition to high brand awareness and high availability in the local market (Özsomer, 2012).

Fletcher-Brown, Pereira and Nyadzayo (2017) note that the signaling theory is valuable for describing actions, when the parties do not have access to the same information. Therefore, the signaling theory, as a theoretical framework, adds value to this study; as it takes ‘real markets,’ or an imperfect information structure, into account – where the parties involved have access to different information (Erdem & Swait, 1998). And this is often the case in developing countries (Cuervo-Cazurra & Genc, 2008). A more in-depth discussion on the signaling theory is presented in Section 3.2.

The discussion on the current happenings in the South African retail landscape, the brand analysis model and an overview of the signaling theory above, provide a platform for the research question and the objectives of this study. These are outlined below.

1.3 Research Question and Objectives

As pointed out in Section 1.2.1, the influx of global brands in the South African retail market has put a lot of pressure on local retail brands. As such, it is important to know how consumers make their choice between global and local brands (Batra *et al.*, 2000). In order to clarify the purpose of this study, the research question and the objectives are subsequently presented, starting with the core research question:

- Is there a difference in consumer perception of a global fashion retail brand compared to a local fashion retail brand among millennial consumers in South Africa?

In the light of this research question, as well as the background of the study, which was discussed, the following primary research objective was developed:

- To determine whether there is a difference in how consumers perceive a global and a local fashion retail brand.

Next, the secondary research objectives were formed, in accordance with the brand analysis constructs discussed in Section 1.2.4. These are as follows:

- Objective 1: To determine whether there is a difference in the perceived quality between a global and a local fashion retail brand.
- Objective 2: To determine whether there is a difference in the perceived emotional value between a global and a local fashion retail brand.
- Objective 3: To determine whether there is a difference in the brand awareness between a global and a local fashion retail brand.
- Objective 4: To determine whether there is a difference in brand image between a global and a local fashion retail brand.
- Objective 5: To determine whether there is a difference in brand loyalty between a global and a local fashion retail brand.
- Objective 6: To determine whether there is a difference in the purchase intention between a global and a local fashion retail brand.

Against this background, Figure 1-2 below visually illustrates the purposes of this study in the conceptual model. This model also introduces the abbreviations for the constructs that will largely be used in Chapter 5.

Figure 1-2: Conceptual model

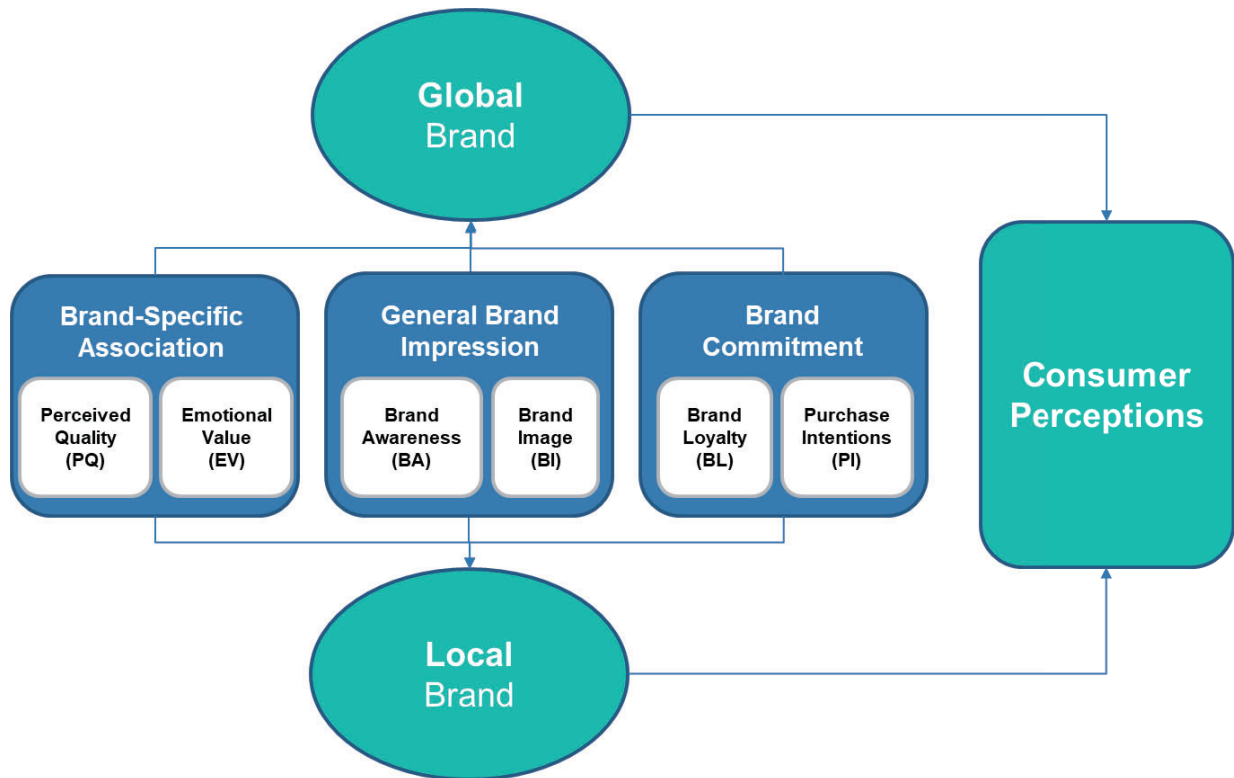


Figure 1-2 shows that this study aims to determine the consumer perceptions of a global and a local brand by using the six brand analysis constructs: perceived quality (PQ); emotional value (EV); brand awareness (BA); brand image (BI); brand loyalty; (BL) and purchase intentions (PI).

In order to address the research question and the objectives, a descriptive study methodology is employed. An outline of the methodology is discussed in the next section.

1.4 Methodology

This study applies a descriptive research design, with quantitative methods of conducting research on the primary data obtained. Quantitative research is often more useful than qualitative research, when the research purpose is to learn more about the attributes or the behaviour of a large group of people (O'Dwyer & Bernauer, 2013). Therefore, it is an appropriate method to use for the purposes of this study, which is to learn about consumer perceptions and brand choice.

The quantitative study is done through the use of an online survey. Surveys ask questions and allow for the tabulating of the answers of a specific group, or groups, of people regarding target-market profiles, situations and attitudes towards brands (Clow & James, 2014). Web-based, mobile and email surveys form a part of new technologies available, in addition to traditional survey methods, such as face-to-face interviewing, self-administered questionnaires and telephone interviewing (Sue & Ritter, 2012). There are a number of advantages for using online surveys (see Section 4.2.3.1). One of these is that online surveys are a much easier way to collect data by using the internet, compared to door-to-door surveys with a pen and pad, or standing outside a store to distribute questionnaires (Bhaskaran & LeClaire, 2010).

The sampling design for this study includes the non-probability sampling technique, and quota sampling. It involves two stages, in which the first stage involves the development of quotas or the control characteristics of population elements, such as gender or age (Malhotra & Birks, 2006). Quota sampling seeks to ensure that those who participate, are indeed members of the target population. Furthermore, as far as quantitative consumer research is concerned, the quota sampling technique is commonly used (Stokes & Lomax, 2008). Therefore, quota sampling is deemed suitable for the purposes of this study.

In quota sampling, the quotas are based on the target population's characteristics; and this method ensures that the selected sample effectively represents the target population (Malhotra, 2010). This study uses the official statistics of the youth population from Statistics South Africa (2016), to draw quotas based on gender and age (see Section 4.3.2). The second stage in quota sampling is choosing sample elements through convenience sampling – provided that they fit the quota (Malhotra & Birks, 2006). Malhotra (2010) notes that the respondents should be screened, in order to avoid the targeting of incorrect individuals. Therefore, the survey used in this study ensures that the screening section only allows those respondents that adhere to the quota requirements, to participate in the survey.

The sample size in the study by Lee *et al.* (2008) is used as a guide for this study. Subsequently, this study intended to obtain a minimum sample of n=250.

The required data were collected by emailing the online survey link to all the potential respondents, and by posting the link on the social media platform, Facebook. The survey remained open for a period of two months, to ensure that the sampling quotas were met. The online survey software then stored the collected data and enabled the researcher to export the data to statistical software for analysis.

The research objectives were met; and the hypotheses were tested by using a specific statistical technique, the paired-samples t-test. Pallant (2011) explains that this technique is used when a study uses one group of people to collect the data under two different conditions, or on two different occasions. She adds that a paired-samples t-test is also used to measure the same response to two separate questions by the same person. Consequently, a paired-samples t-test was used to analyse the consumer perceptions of a global versus a local brand, which relates to the sample as a whole. The data were further analysed to identify the differences in consumer perceptions among different demographic groups, such as race, gender, income and educational levels. In addition, the relationship between the constructs was measured. Chapter 5 provides an in-depth discussion on these research findings.

In order for the study to commence, a clear justification outlining its contributions are explored and discussed in the next section.

1.5 Justification of the Research

A number of factors have encouraged global retailers to explore developing markets. These include technological advancements, rising incomes, the deregulation of trade agreements and changing brand preferences among consumers in these countries (Bhardwaj *et al.*, 2010). In addition, different opportunities, and the threats of accelerated globalisation, have placed pressure on companies to not only succeed in developed markets, but also in emerging markets (Burgess & Steenkamp, 2006). As

a result, global brands have become fiercely competitive, and a continuous threat to local brands (Bhardwaj *et al.*, 2010).

As a whole, this study aims to contribute to the current understanding of consumer perceptions about global versus local brands. This section is split into two subsections, namely theoretical and managerial contributions.

1.5.1 Theoretical

Chinomona (2016) indicates that the brand management literature in Africa is frequently neglected by some researchers in developing countries. Lee *et al.* (2008) also proposed that future brand studies comparing consumer perceptions should be expanded to consumers in other developing countries. Ulun and Zehra (2018) further explain that emerging markets are consistently growing and changing; and that as a result of this evolving nature, there is a need for more research, in order to more clearly define the dynamics. Although South Africa has been classified as a developing economy (Investopedia, 2016), the differences and similarities between South Africa and both the developing and the developed world, make South Africa hard to define (Simpson & Lappeman, 2017). Therefore, by conducting this study in a South African context, the findings should add to the literature, not in the context of a typical developing economy, but according to Simpson and Lappeman (2017), to a unique economy, such as that of South Africa.

As far as is known, this study is the first to use the brand analysis model by Lee *et al.* (2008) (see Section 1.2.4) to determine the brand perceptions among consumers in South Africa. In addition, this study extends the signaling theory to brand management literature in the South African context, in order to evaluate consumer choices between global and local brands. The signaling theory, as a theoretical framework should be prominent in developing countries with high levels of information asymmetry (Yan, Wan and Deng, 2018); because, in developing countries, there are higher levels of risk and uncertainty involved when relating to brands (Zhou *et al.*, 2010). However, it has hardly been adapted in the literature concerned with international business (Reuer & Ragozzino, 2014). Therefore, the use of both the brand analysis model and the

signaling theory aim to make an academic contribution to serve as a basis for future similar research.

Schulling and Kapferer (2004) note that although several articles mention local brands' existence, no in-depth research on local brands' success compared with that of global brands has yet been conducted. Since 2004, however, a number of such studies have been conducted that considered both global and local brands (e.g. Lee *et al.*, 2008; Bhardwaj *et al.*, 2010; Dimofte *et al.*, 2008; Winit *et al.*, 2014). Consequently, this study compares both a global and a local brand, which not only contributes to the literature in a South African context; but it also contributes to the global marketing literature.

While the section above addressed the theoretical contributions of this study, below are the possible contributions to be used by marketers and others in practice.

1.5.2 Managerial

This study's findings give an understanding of how marketing practice can be improved in the following ways.

Multinational corporations are taking their global brands to emerging-market consumers; as the greatest economic growth will come from these markets in the coming decades (Özsomer, 2012). As such, an understanding of the brand choice behaviour of consumers in these markets would benefit both global and local brands with improved strategy development (Lee *et al.*, 2008). In addition, those local retailers that would remain successful are the ones that best understand their consumers' needs, and know how to provide the best service (Bizcommunity, 2018b).

Özsomer (2012) agrees that it is important for marketers to have an understanding of how consumers choose between brands; and also, why some consumers show a preference towards global brands compared to local brands. Local brands too, have become competitive; and thus, both global and local companies need to clearly understand the drivers behind the choice between global and local brands among consumers (Strizhakova & Coulter, 2015). This study therefore aims to provide

marketing practitioners of both global and local brands in South Africa with a better understanding of consumers' brand choice evaluation relating to the brand analysis constructs, which can assist with improved strategy development.

A credible brand signal reduces risk and information costs; and it increases brand credibility (Erdem & Swait, 1998). As such, this study aims to pinpoint the weaknesses and strengths of consumer perceptions relating to the six aforementioned constructs. Thereby, marketing practitioners would be able to use the results to implement or adjust the signals to target markets. This is especially relevant to global marketing practitioners, who need to understand and adapt to South Africa's unique economy and consumer preferences.

It has been found that younger consumers in both developed and developing countries have a stronger preference for global brands (Strizhakova *et al.*, 2008). Batra *et al.* (2000) indicate that younger consumers in emerging markets prefer global brands to local brands by aspiring to be part of a global community. In Mexico, too, a general preference for global brands, compared to local brands was found among university student consumers, because of the perceptions of higher quality, emotional value, brand awareness and brand image (Lee *et al.*, 2008). Similarly, Bhardwaj *et al.* (2010) found that consumers in India prefer global brands rather than local brands, for the same reasons. Dalmoro, Pinto, Borges and Nique (2015) highlight the importance for marketing researchers and practitioners to understand the drivers of global brand preference in developing countries.

In contrast to these findings, Lysonski and Durvasula (2013) found that younger consumers in Nigeria are not enthusiastic about joining the global consumer culture due to, among other reasons, national pride in their Nigerian culture. The findings of this study, therefore aim to contribute towards a better understanding of younger – more specifically, millennial – consumers in South Africa, in order to better meet the needs of this important consumer market.

Dimofte *et al.* (2010) suggest that future studies should include a sample, which is more representative in developing countries; as the differences in perception of global

and local brands between social groups tend to be greater than those in developed countries. As such, this study compares the perceptions among the different groups relating to gender, level of income, education, and the different racial groups.

This section justified the study at hand by providing an overview of its theoretical, methodological and managerial contributions. Next, the outline for the rest of this study is presented.

1.6 Demarcation of the Study

The five remaining chapters of this study address the following components: (i) theory; (ii) methodology; (iii) findings; and (iv) the conclusions.

Table 1-2: Demarcation of this study

Chapter 1	Introduction		
Chapter 2	Review of global versus local brands		
	Review of global brand, H&M	Review of local brand, Mr Price	
	Opportunities and challenges for global and local brands in South Africa		
Chapter 3	Review of the signaling theory		
	Review of brand analysis		
	Review of brand analysis components	Review of global versus local brand analysis components	Introduction of hypotheses
Chapter 4	Methodology		
Chapter 5	Results		
Chapter 6	Conclusion and recommendations		

There are six chapters in this study, which comprises: (i) Chapter 1, which serves as an introductory chapter for this study; (ii) Chapter 2, which provides a theoretical foundation with particular focus on the definitions of global and local brands, relevant opportunities and the threats for these brands in South Africa, in addition to an overview of the two brands chosen for this study; (iii) Chapter 3 continues with theory, by describing both the signaling theory, as well as the brand analysis model that would

aid in the understanding of consumers' brand choice evaluation; and it also introduces the hypotheses; (iv) Chapter 4 explains the methodology employed for this study; (v) Chapter 5 shows an interpretation of the findings from the data collected; while (vi) Chapter 6 provides a conclusion, future research recommendations, in addition to the study's limitations.

1.7 Conclusion

This chapter has served as an introductory chapter to this descriptive study. The main purpose of this study is to determine whether there is a difference in consumer perceptions among consumers in South Africa between global and local fashion retail brands (visually illustrated in Figure 1-2). Therefore, the research question and research objectives (see Section 1.3) particularly address this study's core aim. A descriptive, quantitative research methodology is applied to address the study's objectives, by using an online survey to obtain the relevant information from the sample.

The target population consists of millennial consumers in South Africa, given that they, according to a Bizcommunity (2018a) article, make up about 27% of South Africa's population; and they are, globally, the largest consumer group in the world. The respondents were obtained by using quota sampling, which seeks to ensure that the target population characteristics are exhibited by all the participants (Stokes & Lomax, 2008).

An understanding of consumer perceptions would enable marketing practitioners of both global and local brands to adjust and improve their marketing efforts (Lee *et al.*, 2008). Therefore, this study aims to contribute to marketing practice by providing insights into the consumer choice between global and local brands in a South African context. In addition, this study aims to contribute to brand management literature in South Africa, which is, according to Chinomona (2016), largely neglected.

Moving forward, the next five remaining chapters provide a theoretical overview, an in-depth explanation of the methodology employed, in addition to the results, as well

as the conclusions obtained. The forthcoming Chapter 2 starts off by discussing the concept of a brand, and their importance with its relevance to the role of global and local brands.

2 CHAPTER 2: THE ROLE OF GLOBAL AND LOCAL BRANDS

2.1 Introduction

The focus of this study is to determine if there is a difference in the perceptions of global versus local brands among millennial consumers in South Africa, where the preceding chapter explained the outline of this study. Before exploring the elements related to brand analysis in Chapter 3, this chapter discusses the broader topic of global and local brands.

In order to understand the role of global and local brands, it is necessary to commence with an outline of the fundamentals of a brand; what is meant by the term 'brand'; and why it is so important; and what the benefits are for companies and consumers. In this chapter, 12 definition themes for the term 'brand' (see de Chernatony & Dall'Omo Riley, 1998) will be analysed to determine the most applicable definition for this study. The concept of brand equity is introduced in Section 2.2.2; as brand equity can, according to Aaker (1991), add or remove value for both the company and for the consumer.

The next part of the chapter discusses the concept of global brands; it provides an overview of the global brands in South Africa; and it introduces the global brand used in this study, H&M. In addition to understanding global brands' position in the South African retail landscape, the nature of the global consumer culture is also discussed.

In order to provide a comprehensive view of the fashion retail landscape, local brands are defined. This is followed by an introduction of the local brand chosen for this study, Mr Price. An overview of consumers in South Africa is also provided by discussing their characteristics.

South Africa is a lucrative market for many global brands (Steyn, 2017). Therefore, this chapter elaborates on the opportunities and challenges for both local and global brands in South Africa – by describing the current landscape of the South African market – with specific emphasis on how global brands have been, according to Petzer and De Meyer (2013), becoming a threat to local brands. This chapter starts with

addressing global versus local brands below, with an in-depth discussion on the meanings and differences of each.

2.2 Global versus local brands

As this study compares consumer perceptions of global versus local brands, it is therefore imperative to understand the context of both global and local brands. This section commences with a clear definition of the term, brand.

2.2.1 Definitions of a brand

Brands have been around for centuries (Keller, 2013); and, in fact, the word comes from the Old Norse word *brandr*, meaning “to burn”, as owners of livestock 'burnt' their animals, as a way to identify and therefore 'brand' the animals. (Interbrand Group, 1992). Similar to its historic differentiating purpose, Aaker (1991) holds that brands are described as a name or a symbol that is used to differentiate services or goods from their competitors. In its narrowest sense, according to Jones and Bonevac (2013), the term 'brand' has been considered to be a graphic image, name – or a mixture of these, a set of words or a singular word, or a logo that is unique to a company, individual or a cause.

De Chernatony and Riley (1998) identified the missing theory of a brand. The lack of an agreement on what brands are, poses problems for marketing professionals; as it influences communication and the clear vision of tasks (Jones & Bonevac, 2013). Kollat, Engel and Blackwell (1970) also say that the different definitions make it challenging and hazardous to compare, synthesise and conclude findings. In an attempt to develop a comprehensive theory for the concept of 'brand', de Chernatony and Dall'Olmo Riley (1998) categorise the definitions of a brand into 12 main themes that correlate with the broad range of the definitions in the literature. They add that these themes represent the most important theories in branding literature; and they cover a number of academic disciplines, which include strategy (Hamel & Prahalad, 1994), consumer behaviour (Assael, 1995), and marketing management (Kotler *et al.*, 1996; Balmer, 1995).

More recently, other authors have studied these themes in search of a comprehensive definition of the term 'brand' (Jones & Bonevac, 2013; Wood, 2000). Table 2-1 provides a brief overview of these definition themes, as categorised by de Chernatony and Dall'Olmo Riley (1998), alongside those of representative authors, who have referred to brands, as they are described in these different themes.

Table 2-1: Definition themes of a brand and their representative authors

	Definition of brand as:	Authors
1	A logo	AMA, 1960; Watkins, 1986; Aaker, 1991; Dibb, Simkin, Pride & Ferrel, 1994; Kotler, Armstrong, Gary, John & Wang, 1996.
2	A legal instrument	Broadbent & Cooper, 1987; Crainer, 1995.
3	A company	Vick, 1993; Varadarajan, DeFanti & Busch, 2006.
4	A shorthand	Jacoby, Szybillo, Busato-Schach, 1977; Chevan, 1992; Brown, 1992;
5	A risk reducer	Assael, 1995
6	An identity system	Kapferer, 1992; Balmer, 1995; Aaker, 1996; Olins, 1989; Smythe, Dorward & Reback, 1992; Diefenbach, 1992; McWilliam, 1993; Bruke, 1994; Haggin, 1994; Prinz, 1994; Wilson, 1994; Gardner and Levy, 1995.
7	An image in consumers' mind	Boulding, 1956; Martineau, 1959; Newman, 1957; Pitcher, 1985; Park, Jaworski & MacInnis, 1986; Arnold, 1992; Keller, 1993; Gardner and Levy, 1995.
8	A value system	Clark, 1987; Reynolds and Gutman, 1988; Sheth, Newman & Gross, 1991; Engel, Blackwell & Miniard, 1993; Cook, 1995; Meenaghan, 1995.
9	A personality	Gutman, 1982; Alt & Griggs, 1988; Blackston, 1992; Arnold, 1992; Goodyear, 1993; Zinkhan, Haytko & Ward, 1996; Aaker, 1996.
10	A relationship	Duboff, 1986; Arnold, 1992; Blackston, 1992; Blackston 1993.
11	Adding value	Jones, 1986; de Chernatony & McDonald, 1994; Murphy, 1992; Wolfe, 1993; Doyle, 1994.
12	An evolving entity	Young & Rubicam, 1994; Goodyear, 1996.

Brand, as a logo (see definition 1), is defined by the American Marketing Association (AMA) as a “name, term, sign, symbol, or design, or a combination of these, intended to differentiate them from those of the competition” (American Marketing Association, 1960). Keller (1993) adds that these individual components, such as the name or symbol, are referred to as ‘brand identities’; while their totality refers to ‘the brand’. Despite criticism of this definition being too product-focused and its overemphasis on visually differentiating mechanisms (Arnold, 1992; Crainer, 1995), it has been adopted by Watkins (1986), Aaker (1991), Doyle (1994) and Kotler *et al.* (1996).

In 2014, however, Aaker argues that a brand is more than just a name or a logo, but that it serves as a promise to not only deliver functional benefits, but also the benefits associated with emotions, self-expression and social status. In addition, Aaker (2014) holds that brands are also more than merely delivering promises; as brands are a growing relationship that is based on consumers’ experiences with and perceptions of the brand that are created every time they connect with the brand. De Chernatony and Dall’Olmo Riley (1998) point out that this definition makes no reference to strategic thinking, or to the vision of the brand, or to a brand creating connotations in the minds of the consumers. Therefore, a more comprehensive definition is needed.

Brands, as legal instruments (see definition 2), define brands as a statement of legal ownership (Crainer, 1995), or as a mark that designates legal ownership (Broadbent & Cooper, 1987). Since a brand is an investment, legal ownership protects brands against imitators (de Chernatony & Dall’Olmo Riley, 1998); but this definition is implausible, as successful brands have been established – whether or not legal protection has been sought for their logos, names and products (Jones & Bonevac, 2013).

Definition 3 describes brands as a company. Product lines become the extensions of a corporate personality, by borrowing the equity of the corporate name (Vick, 1993). The advantage is that a consistent brand message can be conveyed to all the stakeholders; but a problem arises when the organisation’s reputation taints the reputation of its products (de Chernatony & Dall’Olmo Riley, 1998). Varadarajan *et*

al. (2006) argue that a company is known by its brands. This, however, is not always the case; since not all companies follow the house brand approach in their branding architecture. Furthermore, this definition only takes on a manufacturing perspective, dismissing any other views by consumers (Maurya & Mishra, 2012).

Brown (1992) states that a brand name is not less or more than the totality of all the mental connections that others have about it. Brands have been described as a shorthand (see definition 4), meaning that brands act as shortcuts in the minds of the consumers (Keller, 2013; Jacoby *et al.*, 1977). Chevan (1993) holds that consumers are more likely to purchase a brand, which they recognise if they are under time constraints. However, Kapferer (2004) adds that brands are not only a mental association, but that strong brands have a powerful emotional association too. This definition does not suffice; as it only takes on a consumer's perspective.

Although this study aims to understand consumer preferences, it also considers the different signals sent out by brands (see Section 1.2.5). Therefore, a more comprehensive definition of a brand is needed, which is not over-reliant on either a consumer's or a company's view.

Brands as risk reducers (see definition 5) maintain that a clear understanding of the perceived risks and dimensions can assist marketers in instilling consumer confidence (Assael, 1995). According to Kapferer (2004), perceived risk can be economical, functional, psychological, social or experiential. The definition fails to address the concept of brands for all stakeholders; as the perceived risk differs for various stakeholders in various situations (Maurya & Mishra, 2012). In addition, Jones and Bonevac (2013) argue with an example of a good accountant, who also reduces risk; but they maintain that a good accountant is not a brand. In addition, they add that brands that become negative can undermine confidence and can actually increase risk.

Definition 6 is explained by Kapferer (1992:11), who holds that a brand is "the product's essence, its meaning, and its direction, and it defines its identity in time and space". He views a brand as an identity structure with six integrated facets, which include

culture, self-projection, personality, reflection, physique and relationship. Culture represents values; self-projection represents the internal mirror of the consumer; personality represents the attitude and character of the brand; reflection represents the views held about the brand by consumers; physique refers to the physical product features, its attributes and symbols; and the relationship represents the association and beliefs of the brand. Diefenbach (1992) adds that a well-managed identity system improves the reinforcement of brand meaning for consumers; and it communicates the brand's essence to the stakeholders.

De Chernatony and Dall'Olmo Riley (1998) state that the weakness in this definition lies with the over-reliance on the company's activities to position the brand, rather than how the brand is actually perceived by the consumers.

Martineau (1958) described a brand as an image in the minds of consumers (see definition 7) of psychosocial and functional attributes. Authors have described brand image as everything that is associated with a particular brand by consumers (Newman, 1957), or that a brand is the consumer's idea of a specific product (Pitcher, 1985). This view is in contrast with the notion of brand as a logo; and it is criticised for being too over-reliant on the consumer's view (Maurya & Mishra, 2012).

Definition 8, brand as a value system, holds that five consumption values influence brand choice: (i) functional values; (ii) social values; (iii) emotional values; (iv) epistemic values; and (v) conditional values, which would include socio-economic and physical values (Sheth *et al.*, 1991). This definition is consumer-oriented; and it overlaps with the next definition, brands as personality.

A brand as a personality (see definition 9) refers to "the psychological nature of a particular brand, as intended by its sellers; although persons in the marketplace may see the brand otherwise (called brand image). These two perspectives comply with the personalities of individual humans: what we intend or desire; and what others see or believe" (American Marketing Association, 2017). The personality, however, is merely a subset of the value concept described above, which indicates an overlap of these definitions.

Definition 10 sees brands as a relationship. Blackston (1993) holds that a brand relationship is an extension of the concept of brand as a personality. In addition, consumers would not just perceive brands if they are personified, but would also have relationships with them (Kapferer, 1992; Blackston, 1993). Jones and Bonevac (2013) argue that this definition is implausible; as it notes that people relate to brands; while effective brands should relate to people. However, if no one can relate to a brand, it is still a brand.

A brand as adding value (see definition 11) relates to the concept of 'added value', which helps brands to differentiate themselves, achieve competitive advantage and possibly charging an increased price (de Chernatony & Dall'Olmo Riley, 1998). De Chernatony and MacDonald (1994) say that 'added values' are the phrase that sums up the difference between a brand and a commodity. In other words, they explain, brands are something extra to a product. Woods (2000) indicates that the use of added value in marketing literature is different from the use of the term in other disciplines, such as accounting and economics. The marketing use of 'added value' can best be aligned with that of the accounting literature; but it remains incompatible.

In the accounting literature, added value is quantifiable, but in the marketing literature it refers to consumer benefit, which is not quantifiable (Wood, 2000). The confusion of this definition and the overlap of its meaning in other disciplines, renders this definition inadequate (Maurya & Mishra, 2012).

The last definition theme in Table 2-1 describes a brand as an evolving entity (definition 12). A number of authors categorise a brand, according to its evolution (e.g. Young & Rubicam, 1994; Goodyear, 1996). Goodyear (1996) links the definitions of a brand, according to their chronological categorisation. The first step is categorised as brands being unbranded commodities. Next, a brand name is used for identification – aligned with the original AMA definition. In the third stage, Goodyear (1996) explains, brands develop into a personality with emotional appeal, in addition to the product benefits. It is noteworthy that the brand gradually shifts from the company to the consumer with each stage. The fourth stage is where the consumer owns the brand,

which is associated with icon connotations. Finally, Goodyear (1996) adds, that brand as policy is the ultimate stage, where the brand stands for political and social issues that are relevant to the consumers.

De Chernatony and Dall'Olmo Riley (1998), however, argue that this definition is inadequate; as: (i) no criteria for marking the transitions between the various stages exist; (ii) it's underpinned by consumer experience that increases; but this does not indicate how it should be categorised; and (iii) elements in the earlier stages appear to be less relevant in the later stages. For example, a brand's functional characteristics seem to be taken for granted at the last stage of 'brand as policy'.

While Table 2-1 and the discussion above address the different themes of the definitions of a brand, as referred to in the existing literature, it should be noted that, according to Jones and Bonevac (2013), many of these elements are true about brands, but they often fail as *definitions*. Therefore, for the purposes of this study, the definition of a brand by Jones and Bonevac (2013:117) will suffice as a holistic overview of a brand: "a brand is a definition of a particular company or product". They explain that a brand provides meaning to names, logos or terms – in the same way that definitions of words provide meaning to those words.

Therefore, to create a brand is to define its products and its distinguishing characteristics compared to those of any alternative choices. These differences are of strategic importance; as they provide explanations for why customers prefer one brand rather than another (Jones & Bonevac, 2013). Against this background, this definition allows a comprehensive way of thinking about brands, which not only includes a consumer's or a company's perspective. In addition, it is aligned with the aim of this study; and this definition takes the distinguishing features of brands into account, so that consumers are able to choose one brand rather than another.

It should be noted that the two brands used for the brand analysis in this study are *retail* brands. Therefore, the definition of a brand provided above is expanded to fit the context of this study. Similar to the broad meaning of a brand provided above, Zentes, Morschett & Schramm-Klein (2012:6) refer to retail brands as "a group of the retailer's

outlets, which carry a unique name, symbol, logo or a combination thereof.” They add that a retailer’s stores act as his ‘products;’ and these are marketed in the same way as branded goods. Retail brands generally refer to the products that are sold under the retail brand, displaying either the store’s or the retailer’s name or a brand that was created by the retailer (Kumar & Steenkamp, 2007). Therefore, for the purposes of this study, the concept of retail brand refers to those products that are sold by the retailers.

In the light of the above discussion on the meaning of a brand, the importance of having a strong brand is explained next.

2.2.2 The importance of a strong brand

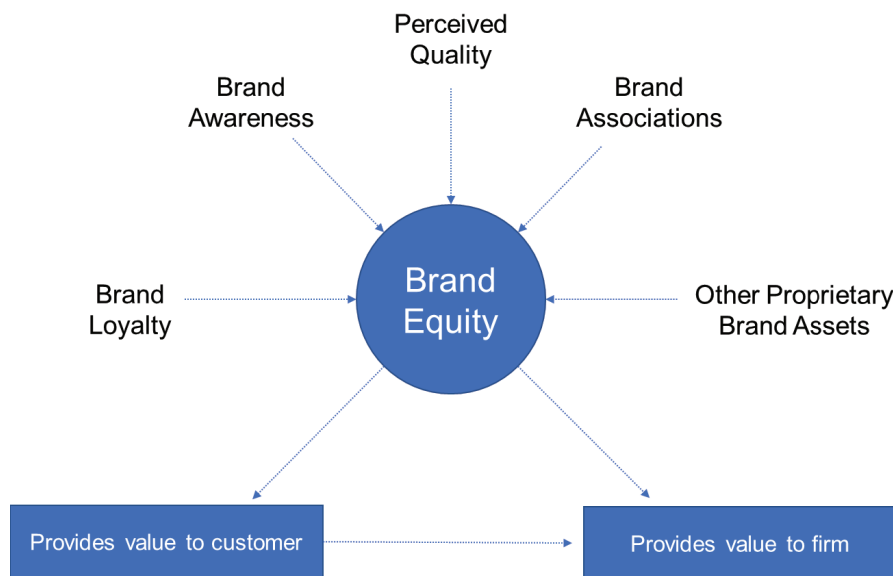
A brand has the power to influence perceptions that can transform consumers’ experiences with a product or service (Rosenbaum-Elliott, Percy & Pervan, 2015). Therefore, a strong brand can serve as the foundation for competitive advantage and long-standing profitability (Aaker, 2014). According to Keller (2001), a brand’s power resides in the consumer’s mind; and in order to build a strong brand, marketers have to ensure that consumers have a positive experience with the product or service, as well as with the accompanying marketing efforts. He explained that in doing so, the desired feelings, thoughts, beliefs, images, opinions and perceptions become associated with that brand in the minds of the consumers.

This is where the concept of branding becomes important. Rosenbaum-Elliott *et al.* (2015) describe branding as the complex process of creating meaning, authenticity and reassurance; and they also refer to the transforming of experiences and differentiating itself from other brands. They add that branding is about the management of perceptions; since brands exist only in the minds of the consumers. Duncan and Moriarty (1998) emphasise that reality is less important than perception when building brand value. This links to the ‘added value’ of a brand, which refers to the non-functional benefits of a product, over and beyond its functional characteristics (Jones, 1986; King, 1973).

Another concept that relates to the importance of an effective brand is brand equity. Aaker (1991:15) defines brand equity as “a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a company and/or to that company's customers.” Strong brands have high brand equity, which implies that its customers have strong connotations with the brand; they recognise the brand as high in quality and they show loyalty towards the brand (Yoo, Donthu & Lee, 2000). Strong brand equity translates into high recognition of the brand name, high perceived quality of the brand and high mental brand associations (Kotler, 2002). In addition, brand equity has financial implications and a consumer aspect where perceived brand equity indicates value (Rosenbaum-Elliott, *et al.*, 2015).

What does brand equity mean to different stakeholders? According to Aaker (1991), brand equity for the consumer is the value added to the product or service's functionalities by the brand name. He further notes that companies may see it as the profit stream's future discounted value due to the greater loyalty generated by the brand or due to a price premium. He explains that from a managerial view, brand equity is a set of assets, which includes brand associations, brand awareness, perceived quality and brand loyalty. Aaker's (1991) brand equity model is presented in Figure 2-1 to provide a visual overview of this concept of brand equity.

Figure 2-1: Brand Equity Model



SOURCE: Aaker (1991)

Figure 2-1 summarises the concept of brand equity with the five categories of assets that relate to the brand equity. These assets serve as the basis of brand equity. The brand equity assets are applicable to this study as they form part of the brand analysis model, which is discussed in Chapter 3. Other proprietary assets refer to channel relationships, trademarks and patents. Figure 2-1 also shows that brand equity can add value for both the company and the consumer (referred to as firm in Figure 2-1). In other words, a company can benefit as a result of the value added to the consumer (Aaker, 1991).

Against this background, the following two sections discuss the importance of an effective brand for both the company and the consumer, respectively.

2.2.2.1 The importance of a brand to companies

Keller (2001) asserts that many organisations or companies prioritise the building of a strong brand; as it holds a number of benefits. Firstly, he notes, that it can improve customer loyalty and render lower vulnerability to both marketing crises, or to marketing actions by competitors. He adds that it can also mean greater co-operation and support from the trade; and strong brand equity can result in higher margins and positive responses from consumers regarding price increases and decreases. This is

possible; as companies can charge higher prices; and consumers would still be willing to pay these higher prices (Yoo, Donthu & Lee, 2000). Brand equity also improves the effectiveness of marketing communication initiatives; and it provides opportunities for licensing and brand extensions (Keller, 2001). Brand extensions then become easier as consumers are more likely to try a brand that they know (Hanna & Wozniak, 2013).

Kotler (2000) holds that the marketplace has been influenced by various forces that include technologies, globalisation and deregulation. He explains that these forces have placed pressure on brands, as a result of higher customer expectations regarding service and quality and a degree of customisation. He adds that customers recognise fewer product differences and express less brand loyalty; they shop more intelligently; since information is readily available on the internet, or from other sources. In addition, he notes that customers search for value; and they have become more price sensitive as a result.

More recently, Keller (2013) notes that factory designs and manufacturing processes are often duplicated by competitors; but that it is not that easy for competitors to duplicate the strongly held beliefs and attitudes towards a brand that have been established in the minds of consumers.

Brand equity is created through greater brand loyalty, perceived quality, brand associations and brand awareness. These assets of brand equity cannot be destroyed or built in a short period of time; but they can only be created over the long run through marketing investments that are carefully designed. Therefore, strong brand equity is sustainable and durable and a valuable asset to a company (Yoo, Donthu & Lee, 2000). Hanna and Wozniak (2013) add that strong brand equity is built through constant delivery of high quality, the creation of associations between a brand and a set of benefits, and the development of a consistent image through logos, trademarks, spokespeople or humanitarian causes.

According to Aaker and Briel (2013), extraordinary prices have been placed on the value of established brands by the financial community. They consider these brands as intangible assets with the potential to increase in value, rather than to depreciate.

Hence, a company's brand portfolio has been promoted from the product group, or the marketing department, and right up to the executive boardroom. As such, companies are willing to invest large amounts of money in their branding strategies, in order to create unforgettable brand identities and value for their consumers (Keller, 2013).

It is evident from the discussion above, that a strong brand offers many benefits to companies. In the same way, the subsequent section describes the reasons why a brand is important to the consumers.

2.2.2.2 *The importance of a brand to consumers*

Aakar (1991) notes that brand equity provides value to not only a company, but also to the customers. Keller (2013) holds that both individuals and organisations comprise part of the term, 'consumer'. For the purpose of this study, however, consumers only refer to individuals.

Due to past experiences and brand familiarity, the brand equity assets are able to help customers understand, process and store large quantities of information about brands and products, which affects their confidence in the purchase decision. Brands take on special meaning that can change the perceptions and the experiences of products for consumers. In other words, identical products are evaluated differently, based on the identification or attribution that the brand carries (Keller, 2013).

Aaker (1991) emphasises the importance of perceived quality and brand associations; as these brand equity assets can essentially enhance satisfaction. For example, the customer can feel different by wearing a piece of jewellery, merely by knowing that it came from Tiffany & Co., a luxury jewellery and speciality retailer (see www.tiffany.com), it can affect their experience (Aaker, 1991). In addition, consumers who have some knowledge or are familiar with a brand are able to make product decisions without having to process a lot of information or engage in additional thought processes, thereby lowering their search costs both internally, the amount of thinking that is involved, and externally, how much looking around is involved (Keller, 2013).

Keller (2013) elaborates on the benefits of brands for consumers in reducing risk; since the consumer is able to identify with the brand's credibility, responsibility and effectiveness. Consumers are likely to hold onto a strong brand that provides a feeling of security and because of a bond with the brand, which gives it preference. Consequently, the brand is purchased repeatedly (Cobb-Walgren, Ruble & Donthu, 1995; Hellier *et al.*, 2003). Personal and unique meanings are attached to brands that facilitate and enrich consumers' day-to-day lives. Therefore, the ability of brands to simplify decision-making and to reduce risk are invaluable in consumers' rushed and complicated lives (Keller, 2013).

Rosenbaum-Elliot *et al.* (2015) state that brand equity from a consumer perspective is not instantaneous, but that it is the outcome of understanding a brand and having experienced it. They describe the process of brand equity as: (1) becoming familiar with the brand, in other words awareness of the brand, which leads to; (2) forming attitudes about the brand after obtaining knowledge about it, which leads to; (3) preferences for the brand, if such experiences were positive, which leads to (4), a strong brand equity and brand loyalty.

Benefits, however, are not purely functional, but also symbolic. Consumers project their self-image through brands, which can serve as a symbolic device. This means that certain brands associate with certain people, thereby projecting different traits or values. Thus, consumers use brands to communicate to other people, or to themselves, the type of person they are, or the type of person they would like to be (Keller, 2013). Keller (1998) notes that brands act as status symbols that are linked to consumers' self-esteem, personal expression and society's approval.

Alden *et al.* (1999) reason that consumers are offered the opportunity by global brands, to be a part of – and showing that they are a part of – an aspiring global consumer culture. Therefore, global brands are often used as status symbols.

Against this background, the following section provides more details about global brands; and what they are, as well as the opportunities and challenges associated with them, the global brand used for this study, and the global consumer.

2.3 Global brands

The previous section described what exactly a brand is, and why it is important. In this section, the relevance of global brands is discussed, starting with a clear definition.

2.3.1 Definition of global brands

Özsomer and Altaraz (2008) note that there are two schools of thought, when it comes to the definition of global brands. These include marketing standardisation and consumers' perceived perspective. Thus, there are two perspectives to defining a global brand in the literature, with one taking on a producer's perspective, and the second taking on the consumer's perspective (Rosenbloom & Haefner, 2009).

The first school of thought relates to the extent to which brands use standardised programs and marketing strategies throughout all of their markets (Özsomer & Altaraz, 2008). Cateora and Graham (2007) define global brands as the use of a term, name, design, sign, or symbol – auditory or visual – or a combination of these elements that aim to identify one seller's goods or services, in order to distinguish them from competitors' goods or services. They emphasise that these goods or services are sold in multiple countries; and they are goods or services with uniform characteristics. These global brands usually have the same name with consistent brand positioning, the same personality, look and feel that are orchestrated by “centrally co-ordinated” programs and marketing strategies (Özsomer & Altaraz, 2008:1).

In contrast to the first view, the second school of thought holds that global brands can be defined as the degree to which a brand is perceived as a global brand, and also perceived to be marketed in foreign markets. In other words, as the perceived market reach increases, so does the perceived global quality of a brand (Steenkamp, Batra & Alden, 2003). For the purposes of this study, however, a global brand is defined as those brands that are available in many different countries that operate under the same name, product, and often under the same or similar brand positioning strategy (Schuiling & Kapferer, 2004). In other words, a global brand is mainly defined in terms of its geographical reach, or the “level of brand distribution” (Winit *et al.*, 2014:105).

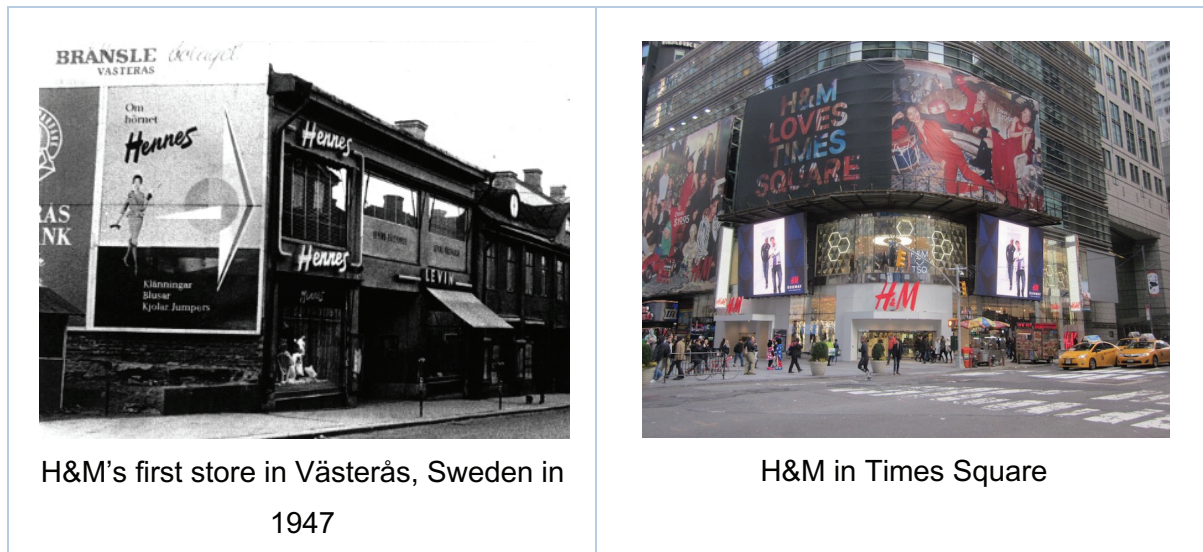
The next section provides an overview of the global brand chosen for this study, H&M, and how the definition of a global brand applies to H&M.

2.3.2 H&M as the global retail brand

H&M (Hennes & Mauritz) is one of several fashion brands under the H&M Group. H&M is a retail brand, as all of its stores carry the same name, logo, look and feel, and they sell H&M branded goods (see hm.com). H&M is a global Swedish-owned company that started in 1947. As of May 2018, H&M has had a strong global presence with over 4 328 stores in 69 different countries and 47 online markets (H&M Group, 2018a). The H&M Group's headquarters is located in Stockholm, Sweden, and they operate in North America, South America, Europe, Asia, Oceania and, more recently, Africa. They work from 16 production offices with approximately 700 independent suppliers that are primarily from Europe and Asia (MarketLine, 2017).

The product range offers the latest fashion, underwear, sportswear, shoes and accessories that cater for women, men, teenagers, children and babies (H&M Group, 2017). The core business concept of H&M is to offer affordable fashion in a sustainable way (H&M Group, 2018a). Giertz-Mårtenson (2012) indicates that H&M is seen as one of the forces behind the fast-fashion development. According to Reinach (2005), the concept of fast fashion means that new trends in fashion are launched on international catwalks; and they are available in shops within less than a month thereafter. Figure 2-2 below shows the first H&M store in 1947 in Västerås, Sweden, when compared to the store's global presence today.

Figure 2-2: H&M then and now



SOURCE: H&M Group, 2018b; New York City Monthly, 2018.

It is evident from the pictures of the stores in Figure 2-2, that H&M has come a long way since its first store, to the global retailer that it is today (see H&M Group, 2018b). During the 2015 financial year, H&M expanded their presence to Asia and Africa with the launch of new stores in Cape Town, South Africa, and New Delhi, India (MarketLine, 2017). In South Africa, H&M has 20 stores located in the Western Cape, Gauteng, KwaZulu-Natal, Mpumalanga, Limpopo and the Eastern Cape (see H&M, 2018). H&M stated that they see a lot of potential in South Africa, as the retailer showed a rise of 32% in sales for the first half of 2017 in South Africa (Goku, 2017). The retailer reported sales of approximately R1bn for 2016, during a time when they only had 10 stores in South Africa.

With reference to consumers of global brands, such as H&M, the concept of a global consumer culture is subsequently discussed.

2.3.3 Global consumer culture

Global consumer culture is described as a set of shared symbols and signs – such as brands – that are understood by a substantial number of consumers in urban areas around the world (Akaka & Alden, 2010). Global consumer culture has also been described as a “consumer group not associated with a single country, but transcending

national cultures” (Mooij, 2018) . As cultural meanings proceed through pathways that are interconnected, such as media and technology (Appadurai, 1990), there are new cultures that emerge within local cultures that extend across the regional borders of the national cultures that were traditionally studied (Hofstede, 1980). This is where the concept of globalisation comes into play.

Globalisation has been defined as the manifestation of the world as one space (Robertson, 1987). This definition links to the established notion of globalisation as a set of flows across global boundaries. These flows include almost everything that comprises modern life, including flows of people, capital, possessions, fashion, beliefs, knowledge, ideas, information, diseases, crime, and pollution (Tomlinson, 2007). Haefner, Rosenbloom and Haefner (2012) hold that brands have been able to travel the world because of these flows and that the tendency to standardise markets has resulted in the birth of a global consumer culture.

Alden *et al.* (1999) explain that many brands that have been globalised, have originated in the West; and they are influenced by the global media, which includes the internet, movies, television and the mobility of consumers. They hold that these influences gave rise to the global consumer culture that prefers global brands. Consumers of the global culture share symbols or icons; and they join in dialogue by buying and using global brands (Holt, Quelch & Taylor, 2004). A popular view held by scholars is that sociocultural differences around the world are less relevant in understanding how consumers act and think (Keillor, D'Amico & Horton, 2001).

The global consumer culture unites people by their shared dedication to brands, film and rock stars. For example, some brands are strongly associated with the American lifestyle; and these products are valued goods around the world (Solomon *et al.*, 2006). Alden *et al.* (2006) note that the emergence of the global consumer culture is not only because of the convergent needs of consumers around the world, but it is also because global consumer culture positioning strategies are consistent and intentionally maintained in various markets. They explain that these global consumer-marketing strategies can emphasise a brand’s local attributes by reflecting the local culture’s values and identity – and also by portraying the brand, as being consumed

by locals. On the other hand, they explain, these marketing strategies may position a brand as a symbol of a foreign consumer culture and link it with a foreign culture.

Global brands are used by consumers to develop an imagined identity that they can share with other likeminded individuals, who also use these global brands (Holt, Quelch & Taylor, 2004). In the study by Holt *et al.* (2004:7), an Argentinean consumer states that global brands make them feel like a part of the world's citizens; and a Costa Rican consumer holds that "local brands show what we are; [while] global brands show what we want to be."

According to Angus and Westbrook (2019), the latest global consumers trends include the need to be simplistic, authentic and true to their individuality – moving away from overt materialism. They explain that consumers are growing tired of generic products and are seeking unique, different and high-quality offerings to portray a specific level of status.

Consumers have become the experts with a plethora of information sources available. These include the internet, social media, forums and online tutorials, which has shifted the power dynamics from retailers to the consumer, forcing retailers to continually drive innovation, remain price competitive and streamline their offerings (Van Elven, 2019).

Efficiency-driven lifestyles of global consumers transcend instant gratification whereby consumers demand frictionless experiences to allow them time for their social and professional lives. Additionally, global consumers want to make a difference in the world by adopting a responsible purchasing behaviour. The move for a plastic waste-free and anti-animal cruelty society, for example, have gained momentum among the global consumer culture (Angus & Westbrook, 2019).

In the light of the above, and as global brands in South Africa have taken over a substantial share of the South African retail market (Simpson & Lappeman, 2017), consumers in South Africa feel part of the global consumer culture (Haefner, Rosenbloom & Haefner, 2012). The next section looks at the presence of global brands in South Africa, and how these are faring in the South African retail landscape.

2.3.4 Global brands in South Africa

Petzer and de Meyer (2013) indicate that BRICS countries have the potential to become important players in the world economy in the years to come. Recently, global retail brands have been piling into the slow-moving South African economy, with no sign of this trend ending anytime soon – especially with the invasion of clothing and fast-food brands. These global fashion retail brands include the opening of Cotton On, an Australian clothing retail brand in 2010; Topshop, a multinational British fashion retailer in 2012; Zara, the Spanish clothing retail brand in 2014; and H&M in 2015 (Steyn, 2017).

Simpson and Lappeman (2017) indicate that global retail brands, such as H&M, Guess, Zara, Mango and Cotton On have taken over a substantial share of the local South African market; and that these global brands are making the South African retail landscape their home, at the expense of local retail brands. They note that the influx of these global brands will continue – in an effort to increase their footprint (Simpson & Lappeman, 2017), which creates increased tension for the local market (Petzer *et al.*, 2013).

Research by Yellowwood (2014), a brand strategy consultancy of South Africa (see yellowwood.co.za) has indicated that many global brands are doing well in understanding the consumer needs of South Africans in different contexts and in various cultural settings. According to a survey by Yellowwood, where 900 consumer respondents were surveyed across Johannesburg and Cape Town, **Error! Reference source not found.** it was found that eight out of the top 12 favourite brands in South Africa are global brands (Yellowwood, 2014). Nike has been voted as the favourite brand of

consumers with a lower income; and it was also voted as being in the top-five favourite brands among consumers who fall into the middle-to-high income bracket.

Nike is considered to be an aspirational brand, which is not disrespectful or exclusive. Nike's products are described as well-designed, high in quality and comfortable. The Nike brand resonates with consumers in South Africa with its energetic attitude. Coca-Cola is another example of a global brand that understands the needs of the consumer in South Africa; as it has been a consistent winner of the Top Brands of the Sunday Times Top Brands Survey. Coca-Cola taps into local culture by celebrating South African local sports and culture, by using local terms, and employing local people (Yellowwood, 2014).

More recently in June 2018, global brands performed well again at the Sunday Times Generation Next Awards. Relevant to this study, the 'coolest' clothing brands included, amongst others, Nike, Adidas, Gucci, Puma and Redbat. Both Mr Price and H&M were among the top ten 'coolest' clothing stores (see Bizcommunity, 2018c). A study by Nielson (see www.nielsen.com), which surveyed consumers in more than 100 countries, also indicates that the majority of consumers in South Africa prefer global brands, when it comes to beauty goods and electronics. However, local South African products are preferred in the home goods and food categories (Wingfield, 2017).

This section concludes the discussion on global brands. Local brands and their presence in South Africa are discussed next.

2.4 Local brands

The preceding chapter covered the presence and implications of global brands in South Africa. Next, the same discussion will apply to local brands in South Africa; and it commences with the definition of local brands.

2.4.1 Definition of local brands

Winit *et al.* (2014) maintain that international marketing literature depicts local and global brands as opposite; and that the assumption around local brands is, that they are locally owned and distributed; whereas global brands are foreign-owned and distributed worldwide. Local brands have also been defined, simply as being sold in a local region or one country, under a given name (Schuiling & Kapferer, 2004). Another definition by Wolfe (1991) describes local brands as only existing in one country, or in a restricted geographical area.

Dimofte *et al.* (2008) describe the characteristics of local brands to include: (i) the geographical reach – local brands are only available in a specific geographical area; (ii) having a concentrated market that is not an international market; and (iii) unlike global brands, local brands are committed to and have adapted to the local economy. They continue by characterising local brands, as having certain strengths, which include cultural uniqueness, originality and representing the local region with pride. Against this background and for the purposes of this study, local brands are defined, according to Dimofte *et al.* (2008), as smaller and less widely distributed than global brands, unique, original; and they not only reflect the local community's character; they but also help to define it.

According to Özsoy (2012), many local brands cater for and are developed to meet the needs and desires of a specific local market. Some local brands are perceived as local icons; as they symbolise a strong local heritage, culture and country. Local brands were historically perceived as unappealing and low in quality (Ger, 1999); but they have become competitive alternatives, as the result of an increased presence of global brands (Özsoy, 2012).

The next section provides an overview of the local South African brand chosen for this study, that of Mr Price.

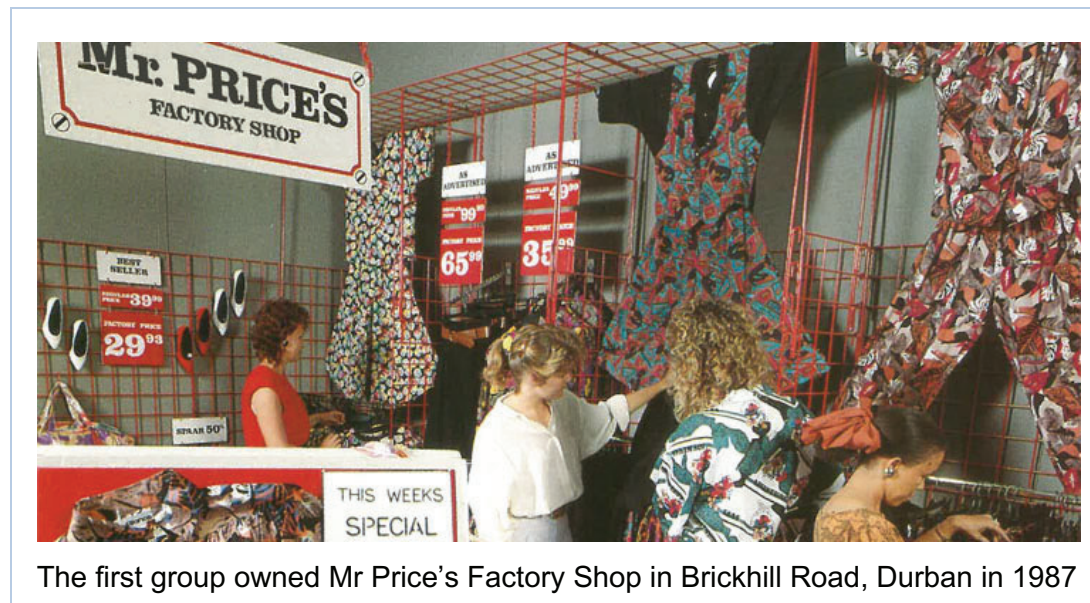
2.4.2 Mr Price as the local retail brand

Mr Price, also known as 'mrpApparel' is one of five divisions of the Mr Price Group Limited (see MrPriceGroupLimited, 2018b). Mr Price stores predominantly offer their

own-branded goods. The first Mr Price factory shop opened in 1987 in Durban, South Africa. After that, Mr Price stores were rapidly opened across South Africa; and by 1995, there were 237 stores in the country. As of April 2018, there are 428 mrpApparel stores South Africa; 67 Mr Price stores across Africa; and one in Australia (MrPriceGroupLimited, 2018b).

Mr Price's product range offers on-trend and fashion-leading clothes, shoes, underwear and accessories. Similar to H&M, Mr Prices' business model is structured to offer quality fashion at low prices. Frequent international travel, in-depth research and specialist trend teams ensure that on-trend fashion is available in these stores (MrPriceGroupLimited, 2018a), indicating that Mr Price is part of the fast-fashion concept (see Section 2.3.2). Mr Price caters for women, men and children and targets youthful customers (MrPriceGroupLimited, 2018b). Figure 2-3 below shows how the Mr Price retail brand has developed since its first store opened in 1987.

Figure 2-3: Mr Price then and now





The current look for Mr Price stores

SOURCE: MrPriceGroupLimited, 2018a

It is evident from Figure 2-3 above that the look and feel of Mr Price has advanced since the opening of its first store.

The next section adds to the understanding of the South African retail landscape by describing the unique characteristics of consumers in South Africa.

2.4.3 Characteristics of consumers in South Africa

As mentioned in Chapter 1, Simpson and Lappeman (2017) consider South Africa's economy to be a hybrid one; difficult to define; since it has many differences and similarities compared to developing and developed countries. They explain that South Africans are fairly wealthy compared to other African countries, where incomes are slow and relatively low; as the total of adults earning less than \$2 (which is considered as the poverty Datum Line) is 31% lower than that of the neighbouring countries (Mozambique and Nigeria). They also note that in poor countries, most purchases are made at small, family-owned shops.

In South Africa, however, formal retailers dominate the beginning-of-the-month purchases; while the small and independent stores serve as top-up alternatives towards the month-end. On the other hand, the wealthiest 10% of consumers in South

Africa have similar purchasing patterns to those from developed markets in Europe and the Americas. As a result, global brands, such as Zara, H&M and Cotton On have taken a decent share of the local South African market (Simpson & Lappeman, 2017).

Petzer and De Meyer (2013) describe the rise of a large black middle class as a result of the transformation in South Africa's political dispensation. They add that this middle class is aspirational, with an appetite for services and products that were previously only within reach of the white market. Olivier (2007) indicates how the term 'Black Diamonds' was created by the UCT Unilever Institute of Strategic Marketing study to describe the rise of the black middle class consumer segment in South Africa. The study indicated that this under-served market holds promising opportunities for entrepreneurs and marketers in South Africa; as these Black Diamonds are characterised as self-confident, optimistic, ambitious, future-oriented and passionate about improving their education.

In addition to the rise of the Black Diamonds, as a contribution to the changing consumer in South Africa, is increased brand consciousness. De Bruyn and Freathy (2011) state that the results of a study by Prinsloo (2006), about the past and future changes in shopping behaviour, show that the improved wealth among most segments of the consumer market in South Africa, has resulted in the prioritising of buying and selling branded goods among customers, and consequently, retailers. Before 1994, South Africa's political, and consequently commercial, isolation prevented many global brands from operating in South Africa. Ever since 1994, however, South Africa has become a focus for global brands (Irwin, 2003). In addition to changes after 1994, Irwin (2003) points out that many countries have opened their doors to South African travellers, which resulted in a segment of consumers being well-travelled, more sceptical and growing increasingly conscious of global brands (Irwin, 2003).

Even among those consumers who do not travel, communications media have increased global brand awareness through the internet, magazines and the television (Burgess, 2003).

To an extent, the increased global brand awareness explains the behavioural changes among consumers in South Africa, who follow international trends. These trends cause consumers to expect stores to offer what they demand, as opposed to them merely buying what is available (Burgess, 2003). More recently, consumer behaviour in South Africa has been described as being generally brand-conscious, especially the middle class, who have relatively higher spending levels. These consumers seek out sophisticated goods over housing or vital commodities (Export Entreprises, 2018).

On the other hand, marketers should not underestimate consumer loyalty towards South African products. Petzer and De Meyer (2013) point out the launch of the Proudly South African campaign in 2001, which encourages consumers to support and buy from local brands and companies. They add that brands have been part of South African's lives for a long time; and the tradition-bound nature of South Africans poses major threats for new global competitors.

In a global consumer survey conducted by McKinsey & Company in 2015, South Africans formed part of 22 000 respondents from 26 different countries. The results indicated that the majority of consumers in South Africa are making cautious financial decisions and cutting back on spending. Four behavioural traits among consumers in South Africa were noted: (i) They search for savings and find ways to save money; (ii) they are only brand loyal if the price is fair; (iii) they will continue to use the 'lower' brands that are not their first choice; and (iv) they have shifted from informal retailers towards modern retailers for better prices (Hattingh, Magnus & Ramlakan, 2016).

Yellowwood (2014) maintains that the birth of hybrid consumers is being witnessed in South Africa. These consumers are shopping across price spectrums, meaning that, unlike developed markets, the same consumer might buy Carvela shoes (see spitz.com), at a high-end store, and shop at PEP Stores (see pepstores.com), a low-cost store. This means that consumers are willing to hold back on purchasing certain items and be relentless in their search for good prices; so that they can treat themselves to a luxurious item or experience (Yellowwood, 2014).

The preceding sections discussed global and local brands with specific reference to the South African landscape. Next, the opportunities and challenges associated with global brands and local brands, especially in South Africa, are presented. The next section also provides insights into the attitudes and behaviours towards global and local brands in South Africa.

2.5 Opportunities and challenges for global and local brands in South Africa

Bhardwaj *et al.* (2010) note that technological advances, rising GDPs, growing incomes, less restrictions on multinational trade agreements and meeting consumer requirements in developing nations, have encouraged global retailers to explore developing economies. Significant economic growth will come from emerging markets in the following decades; and as a result, multinational corporations are introducing global brands to consumers in emerging markets (Özsomer, 2012). Consequently, this could explain why more global brands are opening shop in South Africa (see Section 1.2.1).

The Yellowwood (2014) consumer survey found that consumers in South Africa that fall within the middle-income bracket have a stronger preference towards local brands, as opposed to both the wealthy and lower-income brackets that show less affinity towards local brands. The findings also suggest that global brands are more aspirational to many consumers in South Africa; but that global brands fare better in responding to the needs of lower-income South Africans than do local brands. The report concludes that local brands are faring well in South Africa; but that the early warning signs for global brand preference among the low-income bracket, youth and female segments are present (Yellowwood, 2014).

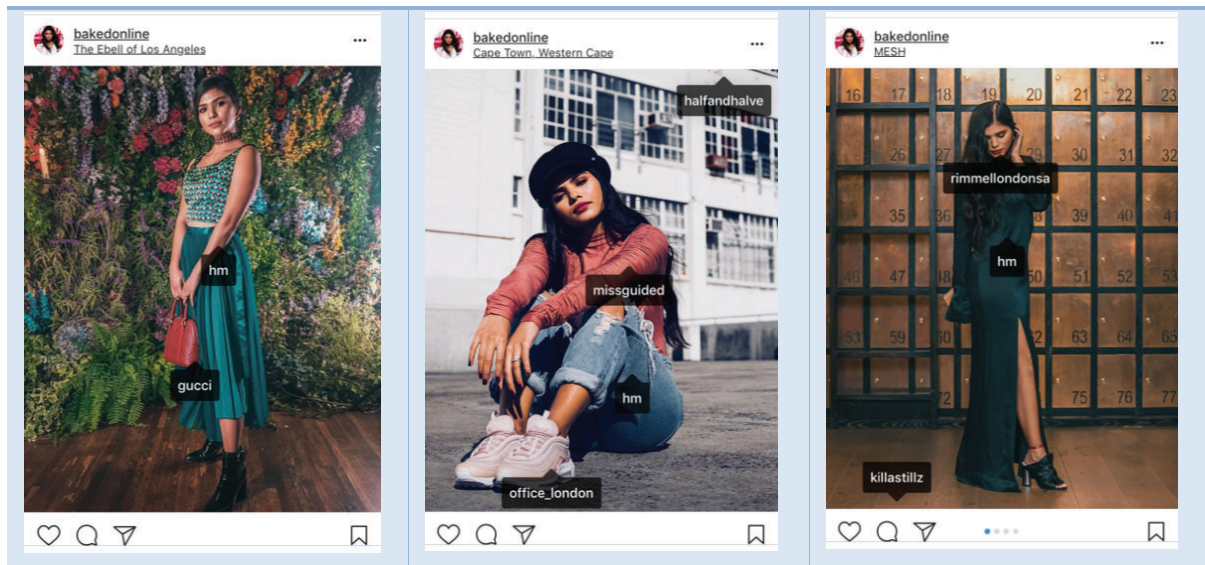
On a side note, Bigman (2016) holds that the younger consumers are drawn towards less logo-centred brands, such as H&M and Zara. A report by Goldman Sachs indicates an increasing preference among millennial consumers for clothing without logos or labels. This is especially relevant to this study; as the sample consisted of millennial consumers in South Africa. Discretionary income for this generation is often limited; and as such, retailers like H&M and Zara offer cutting-edge fashion, yet

feasible alternatives (Lutz, 2015). It is not the presence of logos or branding that motivates purchases, but rather a lifestyle that consumers want to replicate. In addition, logos are not the key status symbols that they used to be; as social media provides a platform for consumers to 'brag' about what they have, what they are, and about what they are doing (Crabtree, 2016).

One way to do this is through online influencers, who hold captivating audiences across a number of online platforms, which includes blogs, or social media platforms, such as Instagram and Snapchat. They post photos of their outfits and often tag the retailer from where the online influencer shopped or the brand, which the influencer wore. These posts can either be a planned collaboration with a brand; or the influencer simply happens to be wearing the brand (Steimer, 2017). An example of a well-known online influencer in South Africa, Aisha Baker (see Baked Online, 2018; Baker, 2018), often tags brands, such as H&M and Mr Price on Instagram (see www.instagram.com/bakedonline/), as depicted in Figure 2-4 below.

Figure 2-4: H&M and Mr Price tags on Instagram by Aisha Baker

H&M tagged in Instagram posts



Mr Price tagged in Instagram posts

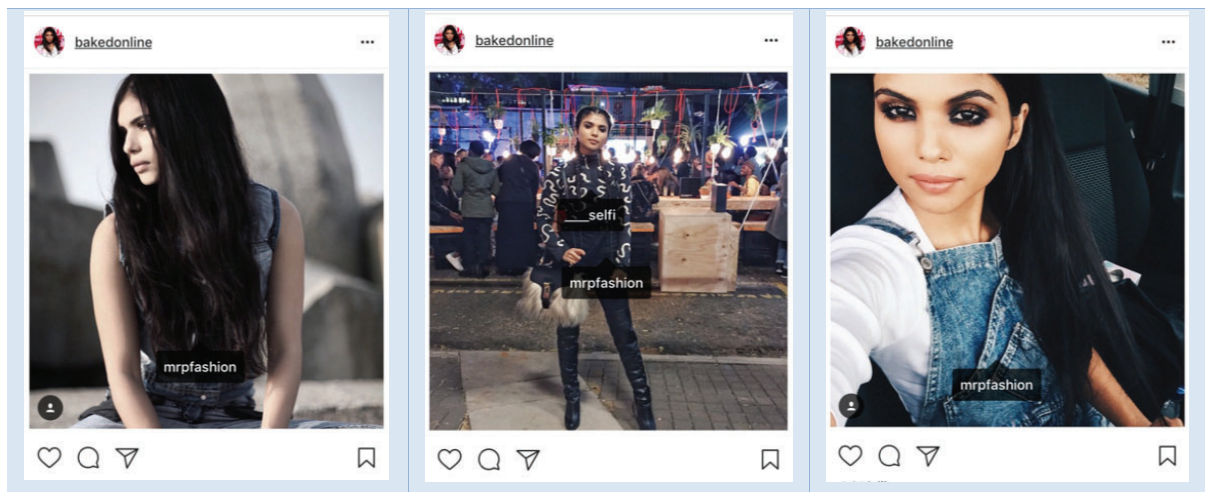


Figure 2-4 shows how the online influencer tagged the brands “hm” and “mrpfashion” on Instagram to signal where her clothes come from. Thus, global brands signal status and esteem; while local brands signal local pride (Özsomer, 2012).

In addition to the opportunities and challenges for local and global brands in South Africa, Pretzen and De Meyer (2013) indicate that challenges relating to the country’s infrastructure, education levels, technology access and government legislation should also be considered. They note that infrastructural problems in South Africa include electricity shortages, unreliable railway systems and a poorly developed public

transportation system. South Africa's education levels vary, with a large number of illiterate people. This means that marketing initiatives are not properly adjusted to the educational levels of the local market.

Global retailers are cautioned to be sensitive to local requirements and conditions in the local market. Global retail initiatives have failed in the past by not considering different consumer preferences worldwide (Keillor, D'Amico & Horton, 2001). They discuss an article in the Financial Times in 2006, which note that global brands can be successful and strengthen their roots by keeping their own values and essence intact, but more importantly, by adapting to the local markets. Therefore, this study aims to provide marketers with an understanding of how to appeal to consumers in South Africa – from the perspectives of both a global and a local brand.

In the light of the above, there are many opportunities for both global and local brands in South Africa, with a set of challenges to consider. Therefore, this study aims to add to the marketing literature of emerging countries by determining consumer perceptions between global versus local brands in the South African context.

2.6 Conclusion

The discussion in this chapter largely concentrated on the role of global and local brands. After the term 'brand' was clearly defined as the *definition* of a company or product, the review of the literature highlighted the benefits of brand equity for both the company and the consumer. These include financial benefits for companies and reduced risks for consumers (Aaker, 1991).

Global and local brands are of interest to this study; and they were consequently analysed in the South African market. The influx of global brands into South Africa has placed pressure on local brands to perform (Simpson & Lappeman, 2017). Others have shown that many emerging-market consumers prefer global brands rather than their local counterparts (e.g. Batra *et al.*, 2000); but that many consumers in South Africa and other developing markets are still loyal towards the local brands (e.g. Lysonski & Durvasula, 2013; Yellowwood, 2014). Therefore, a need was identified to

provide updated consumer perceptions towards global versus local brands in South Africa, which is the aim of this study. An overview of the global consumer was provided, which indicated that the global culture prefers global brands and connects with people around the world by using global brands (Özsomer, 2012).

The history and facts about the global and local retail brands for this study, H&M and Mr Price were discussed, which included a number of similarities in their brand positioning, product offerings and target markets. Characteristics of consumers in South Africa were explored, which indicated that there is a diverse consumer segment where the top-end of the market displays similar buying patterns, as those in developed economies; while more than 40% of households either fully or partially rely on social grants (Simpson & Lappeman, 2017), thereby affecting buying behaviour.

In Chapter 3, both the signaling theory and the brand analysis model are discussed. In the context of this study, these are used to understand the consumer preferences between global and local brands. The brand analysis components are then explored in the South African retail context and in the context of global and local brands. In addition, the hypotheses derived from the literature are introduced.

3 CHAPTER 3: THE SIGNALING THEORY AND BRAND ANALYSIS

3.1 Introduction

The first step in addressing the research statement is to determine whether there is a difference in consumer perceptions between a local and a global brand. Hence, there was a need to provide a clear understanding of the different concepts relating to brands. These were discussed in the last chapter; and they included the role of local and global brands, together with an overview of the two brands chosen for this study, the opportunities and threats for global and local brands in South Africa, as well as certain characteristics of the global consumer culture and consumers in South Africa.

The signaling theory is further discussed in this chapter; and it provides an overview of how it is used to explain the decision-making process between a global and a local brand in the minds of consumers in South Africa. Thereafter, the brand analysis model is discussed in detail; and relevant to this study, each construct is analysed in terms of the global and the local literature.

Chapter 3 begins by introducing the signaling theory. Then, the concept of brand analysis is further explained by defining the different brand analysis components and constructs used in this study. The next part of this chapter discusses these brand analysis components in a global and local context; and it explores the findings of other studies among consumers in both developing and developed markets. These findings aid the researcher in deriving hypotheses for this study; and these are also introduced in the relevant sections.

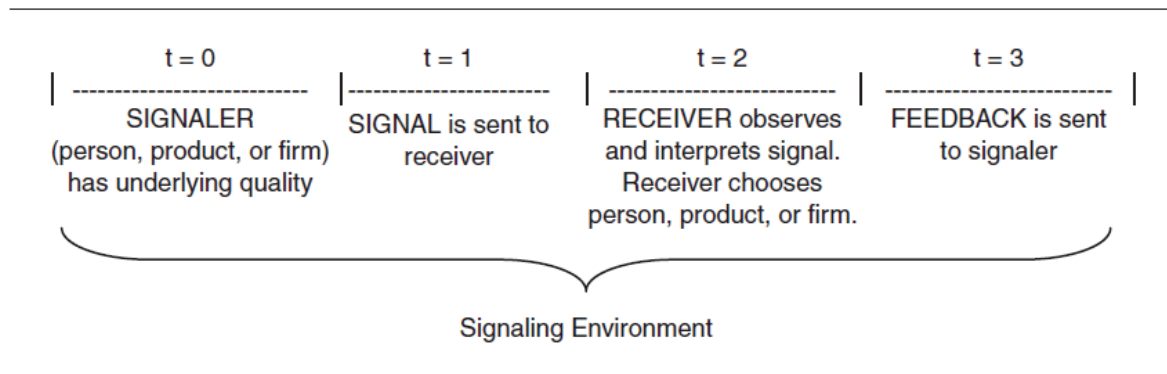
3.2 The Signaling Theory

As introduced in Chapter 1, this study draws upon the signaling theory, as a framework for, according to Erdem and Swait (1998), evaluating consumer choice. Consequently, this section provides an in-depth discussion on how it is applicable to this study. Firstly, however, an overview of the signaling timeline is provided.

3.2.1 The signaling timeline

The signaling timeline by Connelly *et al.* (2011) includes the primary elements that form the signaling theory. It is depicted in Figure 3-1 below. It shows the two main actors – the signaler and the receiver, as well as the signal itself. Figure 3-1 also shows feedback to the signaler from the receiver and from the signaling environment.

Figure 3-1: The Signaling Timeline



Note: t = time.

SOURCE: Connelly *et al.* (2011)

The first element in Figure 3-1 is one of the two actors, the signaler. Connelly *et al.* (2011) note that signalers are usually insiders, like executives or managers, who obtain information about a product (Kirmani & Rao, 2000), an individual (Spence, 1973), or an organisation (Ross, 1977), or a service (Connelly *et al.*, 2011) that is unavailable to outsiders. For this study, the signalers are the two brands chosen: H&M and Mr Price.

The second element, the signal, is concerned with the information, which insiders wish to communicate with outsiders. The signaling theory mainly focuses on positive information that is deliberately communicated – in an attempt to show the positive attributes of the organisation (Connelly *et al.*, 2011).

A distinguishing characteristic, which is often used in most signaling models, is quality. For the purposes of this study, quality refers to the “underlying, unobservable ability of the signaler to fulfil the needs or demands of an outsider by observing the signal”

(Connelly *et al.*, 2011:43). In addition, the concept of quality shares a few characteristics with terms such as prestige (Cetro, 2003) and reputation (Kreps & Wilson, 1982).

The receiver is the second actor and third element in the signaling timeline. Receivers can be groups or individuals, depending on the discipline. In strategic research, the receivers are considered to be stakeholders and potential investors (Kang, 2008; Park & Mezas, 2005), and also employees, customers and competitors (Carter, 2006; Basdeo *et al.*, 2006). Signaling models consider receivers as the outsiders that would like to receive the information they lack about an organisation. In marketing studies, consumers are the receivers (Basuroy *et al.*, 2006; Rao *et al.*, 1999). It is important to note that receivers stand to gain from their decisions that were based on the signaler's information, which was obtained. A customer, for example, would gain from buying goods or services that are connected to high-quality signals (Connelly *et al.*, 2011).

Feedback, as the fourth element in the signaling timeline, refers to the signals, or countersignals that are sent by the receivers to the signalers. Information asymmetry is assumed to work in two directions; since receivers wish to obtain information from the signalers; and the signalers wish to obtain information about the receivers. By obtaining information about receivers, signalers gain knowledge about their signals, which would include: (i) which signals are getting the most attention by receivers; (ii) which are the most reliable signals; and (iii) how the signals are being interpreted (Connelly *et al.*, 2011). Gulati and Higgins (2003) note that signalers that take note of countersignals can help to adjust upcoming signals to improve their reliability.

Next, Rynes, Bretz and Gerhart (1991) maintain that the signaling environment, either internal or external to an organisation, can affect the degree to which information asymmetry is reduced. Connelly *et al.* (2011) indicate that environmental distortion happens when the medium for spreading the signal reduces the signal's observability. Other receivers can also be an influence on the effectiveness of the signals. Should a receiver be uncertain about how to interpret a signal, they might look to the signals of other receivers to help with their decision-making through imitation (Sliwka, 2007). An example of this is the ranking of universities by a quality signal, which may not be as

strong as the opinions held by other prospective students (i.e. other receivers). Distortion of a signal can also occur, when different media outlets report on a specific press release (Connelly *et al.*, 2011).

This study is concerned with the consumer perceptions of global versus local brands. As such, the different signals that are sent by global and local brands are discussed next.

3.2.2 Signals from global and local brands

The second element in Figure 3-1 describes the signal, and that which is relevant to this study; both H&M and Mr Price send out different signals that are discussed below. Özsoy (2012) indicates that, on the basis of previous studies (Dimofte *et al.*, 2008; Holt *et al.*, 2004; Steenkamp *et al.*, 2003), there are four underlying characteristics that a global brand can signal to form a steady position, including: (i) widespread availability, geographical reach and recognition; (ii) inspiring feelings of happiness, excitement and achievement; (iii) associated with perceived quality, which means low risk and convenience; (iv) social responsibility towards the environment and ethical behaviour; and (v) standardisation and uniformity, that is, operating the same everywhere and not specifically adapting to local markets.

The perceived brand of globalness is defined as the perceived multimarket reach of a brand, which is believed to be globally desirable, demanded and available (Steenkamp *et al.*, 2003). In contrast, Özsoy (2012) defines local iconness as the degree to which brands represent the needs, values and aspirations of the local country's members. He further holds that brand of globalness and local iconness can be used as signals to convey the brand position of prestige and high quality.

In the context of this study, H&M communicates its worldwide availability, quality and trendiness, large product variety, wide target market and sustainable business principles through its online platforms (see hm.com), and by way of its annual report (see H&M Group, 2017). Social media platforms provide the opportunity for brands to convey information about their product quality and credibility (Cheung, Xiao & Liu,

2014). As such, H&M's worldwide availability is shown through its Instagram posts about the brand's presence at international fashion events in cities like London and Milan (see [instagram.com/hm](https://www.instagram.com/hm)).

Mr Price could be signaling local iconness in various ways. Local culture can be seen in an advertising campaign by Mr Price, which feature local South African stylist, Bee Diamondhead (see [youtube.com/mrpfashion](https://www.youtube.com/mrpfashion)). Local pride can be seen on Mr Price's Instagram page with posts of South African artists, such as DJ Black Coffee at Coachella and a post about South African-born comedian, Trevor Noah. In addition, their Instagram page includes photos and videos captured in South African cities, such as Cape Town and Johannesburg (see [instagram.com/mrpfashion](https://www.instagram.com/mrpfashion)).

Additional signals relating to each brand analysis construct are discussed throughout this chapter. The next section provides an overview on how the signaling theory was applied in previous research.

3.2.3 Previous studies applying the signaling theory

Previous research has regularly applied the signaling theory to describe consumer-based brand evaluations, as well as consumer-based brand choice (Erden & Swait, 1998, 2004). Winit *et al.* (2014) maintain that the signaling theory is a useful framework for explaining consumers' evaluation or choice, when it comes to global versus local brands. As such, they used it in their study, which examined the main and interactive effects of consumers' perceptions on local versus global brands by looking at home-country bias and price differences. They found that consumers evaluate global brands more favourably than local brands, regardless of brand ownership. Another study by Özsoy (2012), which focused on consumer perceptions of global versus local brands also used the signaling theory as a framework to explicate the relationship between local and global brands. His findings indicate that perceived brand globalness is a critical brand attribute and a secure signal for both local and global brands, meaning that perceived brand globalness is beneficial for any brand, either local or global.

Özsomer and Altaraz (2008) used the signaling theory in their study to provide a conceptual framework for explaining the process, which leads to consumers' likelihood and attitude towards the purchase of global brands. They found that signals, such as brand globalness and authenticity create favourable brand associations, which lead to purchase likelihood. Srivastava and Dey (2016) also used the signaling theory as a theoretical basis for a similar study which investigated consumer preferences of local versus global banks in India. By using the signaling theory as a basis, they found that Indian consumers have higher perceptions of global banks than for local state banks, but with no significant difference in perception between global banks and private local banks.

Against this background; and as this study also relates to the consumer preferences between global and local brands, it also applied the signaling theory to assist with the evaluation of consumer perceptions between a global and a local fashion retail brand in the South African context. Others have, however, criticised some elements of the signaling theory, which is now discussed below.

3.2.4 Criticism of the signaling theory

In management research, the signaling theory has been criticised by Highhouse, Thornbury and Little (2007) for the ambiguity of the theory's key concepts. Despite the signaling theory's emergence in management research, no concise review of the signaling theory in management literature could be found. In 2011, however, Connelly *et al.* published a review and assessment of the signaling theory, which systematically describes the key concepts of the signaling theory in management literature; and it thereby provides a clear way forward for these types of studies. These key concepts of the signaling theory were described in this section (also see Figure 3-1) and could therefore be applied in the context of this study.

In addition, Connelly *et al.* (2011) assert that despite the criticism, the review concluded that the continued use of the signaling theory in diverse disciplines is reassuring; as it provides practical, unique and empirically testable perspectives on problems relating to social selection under imperfect information conditions. They

therefore suggest a number of future research avenues that could gain by using the signaling theory. In marketing, these include: (i) advertising repetition to signal brand quality; (ii) using specific idioms, images and language in advertising to a targeted social group; and (iii) how consumers interpret different signals about brand images against the opinion of celebrities and authorities.

The aims of this study are not directly aligned with these suggestions by Connelly *et al.* (2011); but the study will, however, aim to discover how consumers interpret two different brands, based on the signals relating to emotional value, perceived quality, brand awareness, brand image, brand loyalty and purchase intention in the South African context.

The next section discusses alternative theories that could be applied in this type of study; and instead, it provides the reasons for the use of the signaling theory.

3.2.5 Alternative theories

A selection of other theories, namely: (i) the theory of reasoned action; (ii) the Engel, Kollat, Blackwell (EKB) model; (iii) the motivation needs theory; and (iv) impulse buying in the literature. These are also used to explain consumer decision-making. The first example is the *theory of reasoned action*, which is based on the notion that an individual's behaviour is accurately predicted by his behavioural intention to perform that behaviour (Fishbein & Ajzen, 1975). Next, the *Engel, Kollat, Blackwell (EKB) Model* is a core theory of consumer behaviour, which proposes the five steps in consumer decision making as: (i) recognition of the problem; (ii) search for information; (iii) evaluation of the alternatives; (iv) the purchase; and (v) after-purchase evaluation (Engel *et al.*, 1968).

The third possible theory is the *motivation needs theory*, which suggests that people, or consumers in this case, base their decisions on fulfilling their needs, according to a five-part priority system. The system is in the order of physiological needs, such as survival, then safety needs, followed by social needs, then self-esteem needs, and finally, self-actualisation (Maslow, 1965).

Another theory used to describe consumer purchasing decision is *impulse buying*, which posits that hasty impulses are ranked alongside rational decision-making to portray a complete image of the average consumer. Impulse purchases are largely motivated by external stimuli; and they have no connection to traditional decision-making (Stern, 1962).

Although a number of consumer decision-making theories exist, such as those mentioned above, the signaling theory was chosen as the most appropriate for this study. The signaling theory is associated with the brand equity assets (Erdem & Swait, 1998). Likewise, this study is also underlined by the assets of brand equity, which includes brand associations, perceived quality, brand awareness and brand loyalty (see Figure 2-1); and they are incorporated into the brand analysis model (see Figure 1-1). Therefore, as both the signaling theory and the objectives of this study are underlined by the brand equity assets, it was deemed an appropriate fit to apply the signaling theory to this study.

Unlike the theories mentioned above, the signaling theory has been used in previous literature to specifically assess consumers' choices between global and local brands (see Özsomer, 2008; Özsomer & Altaraz, 2008; Winit *et al.*, 2014; Srivastava & Dey, 2016). Lee, Yao, Mizerski and Lambert (2015) note that the signaling theory in information economics seems to be the greatest discriminating model that is used to describe up to 65% of the reasons why a particular brand is chosen by consumers.

Erdem and Swait (1998) maintain that brands manipulate the signals to inform consumers about product positions. As such, the signaling theory can be used to understand consumer-based brand evaluations and consumer-based brand choices as a result of the manipulation of brand signals. Thus, similar to the study of Winit *et al.* (2014), this study uses the signaling theory to better understand consumers' evaluation between global versus local brands to determine consumers' preference between the two. In addition, the results of this study can possibly be used to determine how effective these two brands' signals are among consumers.

It is understood that researchers have not used the signaling theory and brand analysis model together. This study also considers them independently, however the brand analysis constructs are used as signals between brands and consumers. This corresponds with the signaling theory that suggests that various signals influence the decision-making process of consumers. In addition, the brand analysis model is used to further determine how, according to Lee *et al.* (2008), global and local brands are perceived and evaluated, as well as the level of consumer commitment towards a brand.

The next part of this chapter discusses the brand analysis model in more detail.

3.3 The Brand Analysis Model

In order for a brand to be successful in a marketplace, it should have a strong and distinct positioning among consumers (Punj & Moon, 2002; Keller, 1993). An assessment can be done through a brand analysis, which, according to WARC (2018), includes a series of techniques that are used, in order to better understand a brand's health.

Lee *et al.* (2008) argue that in order to analyse the current position of an American global brand among the consumers in different countries, it is important to analyse how brands are perceived, evaluated and the extent of consumer commitment towards the brand. In order to do so, two components were adopted from Dillion, Madden, Kirmani and Muherjee (2001): *brand-specific associations* and *general brand impressions*. They highlight the benefits of using these components, as being able to determine the extent of a brand's superiority or ownership of benefit dimensions. They add that these investigate each component's role in the shaping of purchase intentions, brand choice and brand attitudes. Lastly, they add that these components can also provide insights into which brands' attributes are the most highly held by the consumers.

In the study by Lee *et al.* (2008), they extended the aforementioned components by Dillon *et al.* (2001) to include a third component, brand commitment. According to Lee *et al.* (2008), brand-specific associations and general brand impressions are related to a behavioural component (e.g. purchase intention); and therefore, brand commitment was included in the formation of their brand analysis model.

The brand analysis model, which was introduced in Chapter 1, was used by Lee *et al.* (2008) to assess the position of an American fashion brand versus local fashion brands among consumers in Mexico, Korea and Japan. Bhardwaj *et al.* (2010) also used this brand analysis model to examine the attitudes towards a global and a local apparel brand in the Indian market. Likewise, this study used the brand analysis model to determine the perceptions of a global versus a local fashion retail brand among consumers in South Africa.

In addition to the introduction to and the definitions of the brand analysis constructs in Chapter 1, the following section provides an in-depth discussion of each component and construct.

3.3.1 Brand-specific associations

In the same way in which consumers create associations between a brand and its attributions and benefits (Krishnan, 1996), they would too have such associations towards a retailer or a retail brand, which are based on the retailer brand's attributes and benefits (Pappu & Quester, 2006). Therefore, in the context of this study, which used retail brands, a retail brand association is adapted from the brand association definition by Keller (1993), in which it is described it as the benefits and attributes that are associated with the retail brand in the minds of consumers.

The extent to which a brand's associations are linked to important benefits, can influence the brand's marketing success (Myers & Alpert, 1968), which is why it is common practice for brands to invest significantly to reinforce and establish these associations (Broniarczyk & Alba, 1994). Aaker (1991) adds that consumers use brand

associations to process, organise and recover information from their memory; and this helps them in the decision-making process.

The next section discusses the two constructs under brand-specific associations, *perceived quality* and *emotional value*.

3.3.1.1 Introduction to perceived quality

- **Explanation of perceived quality**

Previous studies have confirmed that the perceived quality factor is one of the most important drivers of consumer choice for global brands (Holt *et al.*, 2004; Steenkamp *et al.*, 2003). Aaker (1991) notes that perceived quality is a perception that is held by consumers; and it therefore differs from other quality-related concepts. He explains that actual or objective quality considers the extent to which the goods or service delivers a superior service. The second concept, he adds, is product-based quality, which refers to the nature and quantity of features, ingredients or services that are included. Lastly, manufacturing quality refers to the zero-defect goal; and it has to do with conformity to the specifications. Datta, Ailawadi, and van Heerde (2017) further describe perceived quality as a physical attribute.

Aaker (1991) argues that perceived quality cannot necessarily be determined objectively, as customers' judgement about what is important to *them* is involved. He further puts the idea forward that perceived quality is linked to an intended purpose and to other alternatives. More recently it was also concluded that perceived quality is a matter of personal perceptions (Sanyal & Datta, 2011; Zeithaml, 2000). In the context of this study, Pappu and Quester (2006) describe a retail brand's perceived quality as the perception of the quality of the retailer's products, as well as the perception of the quality of the retailer. It should be noted that for this study, respondents were specifically asked to rate the perceived quality of the products that are sold by the global and local retail brand chosen. Therefore, perceived quality relating to the store employees' service or the actual store is irrelevant for the purposes of this study.

Pappu and Quester (2006) hold that perceived quality is a type of retail brand association, which contributes to the retail brand's equity. They explain that consumer satisfaction with a retail brand influences not only their brand awareness and associations, but also their perceived quality. Therefore, the higher the level of consumer satisfaction, the higher the level of perceived quality in a retail context.

In order to understand how perceived quality is formed and maintained, the influencers of perceived quality are discussed next.

- **Influencers of perceived quality**

Keller (2013) states that much research has attempted to understand how consumers formulate quality opinions. Aaker (1991) holds that although perceived quality is an overall, intangible feeling about a brand, it is based on the underlying elements or characteristics that are attached to a product.

Aaker (1991) argues that it is necessary to understand the elements that influence perceived quality. Therefore, the elements by Gavin (1984) show the complexity of the concept of perceived quality. First, there is *performance*, which refers to the main operating characteristics of a product. The next dimension is *product features*, which includes the 'bells and whistles' that are added to a product to make it better. Next, *reliability and conformance* reflect the small odds of a product failing within a specific period; while *reliability* refers to the product's adherence to pre-established specifications. In other words, it does the what it said it would, or it it would frequently disappoint.

Garvin (1984) lists the fifth dimension as *durability*, which describes the product's physical or economic life that is usually measured in terms of hours, years or miles, for which the product can be used before it needs to be replaced. The sixth dimension is *serviceability* or speed of repair that refers to the simplicity involved with repairing a product once it breaks down; but it also refers to the time period involved before the service is up and running again. The last two dimensions are completely subjective, according to Garvin (1984), and they include *aesthetics and perceived quality*, in which

a product's taste, smell, looks and sounds are clearly dependent on personal judgement, which affects the buying behaviour.

Keller (2013) agrees that quality is not only a reflection of the functional performances of a product, but that broader considerations play a role in the perceived quality, such as accuracy, speed, product-delivery care, installation, courtesy, promptness, helpful customer service, training and quality repair services.

Perceived quality has also been connected to price, whereas consumers perceive the quality to be higher for similar products, when the prices for these products are higher (Foroudi, Jin, Gupta, Foroudi & Kitchen, 2018). When the perceived quality is higher than the actual price in the minds of consumers, a surplus is generated that results in the willingness to pay a higher price for a product Chaudhuri, Ligas, 2017).

In the context of this study, which uses two fashion retail brands, the quality of apparel can be evaluated through, according to Scheller and Kunz (1998), the apparel product's structural integrity, its aesthetic presence and the power of its appeal. They explain that the structural integrity refers to the integrity of the fabric and fibre and also to the 'construction techniques' that adhere to the production specifications and tailoring traditions. Thus, structural integrity comes from the proper techniques used to construct the garments, as well as the use of suitable materials. Next, they explain, that the aesthetic presence evolves from the structural integrity construct, which considers the structural integrity to produce garments that are flawless, symmetrical and comfortable. Lastly, they add that the power of appeal is concerned with the personal perception of the beauty or attraction of a garment that is developed over time.

Abraham-Murali and Littrell (1995) maintain that consumers' idea of apparel quality changes over time – from the time when the item is purchased to when it is used. They further explain that the evaluation of product quality happens during the time that the apparel items are worn. In addition, Holstius and Palschik (1983) maintain that fashion-conscious consumers' quality perceptions are influenced by brand names. This is because designer clothing is often viewed as a status symbol, but not necessarily as superior in quality (Baugh & Davis, 1989).

The second construct under brand-specific association, emotional value, relates to non-utilitarian decision-making (see Batra & Ahtola, 1991); and it is discussed next.

3.3.1.2 Emotional value

- **Explanation of emotional value**

Emotional value is described as the perceived value that is acquired from an alternative's ability to produce affective states or feelings (Sheth *et al.*, 1991; Chekalina, Fuchs & Lexhagen; 2018). In other words, emotional value is the value derived by a consumer from the affective states (i.e. pleasure or enjoyment), or from the feelings that are generated by a product (Sweeney & Soutar, 2001). In a retail context, emotional value is often associated with symbolic values that are carried by retailers (Das, 2014); and that the shopping for non-food items, such as clothing or accessories are often an opportunity for self-expression *par excellence* (Buttle, 1992).

Other researchers support the existence of distinct physical or utilitarian issues, as well as hedonic aspects, also referred to as 'thinking and feeling' (Batra & Ahtola, 1991). Additionally, consumer behaviour is considerably more emotion-laden, imaginative and sensorily complex than the attention given in traditional marketing approaches (Hirschman & Holbrook, 1982; Ajitha & Sivakumar, 2017). Relevant to this study, which examines consumer perceptions of fashion retail brands, the purchasing of clothing, which is considered a high-involvement product, is often for its psychological enforcement, or for symbolical meaning (Solomon, 1986). It reflects consumers' social life, fantasies, aspirations and affiliations (Kaiser, 1998).

Barlow and Maul (2010) add that there is more to emotions than merely feelings or cognitive processes; since it influences human – or in this case, customer – reasoning; and it shapes judgement and behaviour. They add that excitement, commitment and energy are created by positive emotions and that disgust, revenge or a desire not to return may be aroused by negative emotions. Therefore, they highlight the importance

for marketers to pay close attention to customer emotions, in order to influence emotions in a positive manner.

Next, the influencers of emotional value are discussed.

- **Influencers of emotional value**

Rosenbaum-Elliott *et al.* (2015) indicate that everybody has a non-declarative memory, which refers to unconscious responses that occur from learning events that are often forgotten, meaning that we have emotional associations with memories. They further explain that in the same way, consumers have emotional associations with brands that come from their experiences with these brands, which are then linked in their memory to those specific brands. Goods and services are often linked to emotional responses (Sheth *et al.*, 1991); as consumers not only draw cognitive associations, such as product features or attributes from their memory; but they also draw emotional feelings about that brand (Rosenbaum-Elliott *et al.*, 2015).

Another example of a non-cognitive manner in which emotion plays a role in consumer decision-making is Mittal's (1988) affect-choice model. He applies this model to expressive product purchases, which include perfume, shoes and clothing purchases. He notes that expressive products are those products that carry symbolic meaning; and he further proposes that emotion-based choices are self-focused, non-verbal and holistic. Rosenbaum-Elliott *et al.* (2015), maintain that 'self-focused' refers to emotional judgement that implicates the self, meaning that the assessment is more concerned with the self than it is with what is being assessed. They explain that when an item of clothing is evaluated, consumers are more concerned about how they will look when they wear the item than about the features of the item itself.

Next, Rosenbaum-Elliott *et al.* (2015) explain that choice is often non-verbal; as emotional judgement reflects subjective feelings that cannot necessarily be verbally expressed; therefore, emotion relies more on non-verbal communication channels. Lastly, holistic choices refer to consumers' inability to separate the individual attributes of a product; but instead, they form an overall impression. Schwarz (1990) adds that

with this type of consumer choice, consumers are inclined to form sweeping global impressions, rather than engaging in analytical reasoning.

By and large, quality and emotional value are important elements in explaining perceptions (Sweeney & Soutar, 2001); and the rational and emotional factors that are linked to products or services play a critical role in all purchasing decisions (Mackay, 1999). As such, emotional value is seen as a necessity by high-performing companies (Barlow & Maul, 2010). Therefore, by including emotional value in the brand analysis for this study, the analysis aims to discover how both perceived quality and emotional value contribute to the overall perception of the global and the local brand.

The next construct in the brand analysis model is general brand impression, including its two constructs: brand awareness and brand image.

3.3.2 General brand impression

High levels of brand awareness and brand image can increase the effectiveness of marketing communication; as consumers who have favourable feelings towards a brand could respond in a positive way towards advertisements, which means that they need fewer advert exposure, in order for the brand to meet their communication objectives (Keller, 1993; Rossiter & Percy, 1987).

Against this background, these two constructs are discussed in the following sections.

3.3.2.1 *Brand awareness*

- **Explanation of brand awareness**

Hoyer and Brown (1990) describe brand awareness as a basic level of brand knowledge, which involves, at a minimum, the recognition of the name of the brand. Simply stated, it is seen as the strength of a brand in consumers' mind (Chekalina *et al.*, 2018). Pappu and Quester (2006) mirror the definition by Aaker (1991) in a retail

brand context, describing retail brand awareness as the possible ability by consumers to recognise and recall the retail brand, as part of a product category.

Huang and Sarigöllü (2012) found that there is a positive association between consumer preference and brand awareness. The importance of brand awareness lies in the brand equity, which is created through the linkage between the brand name and the brand knowledge in the minds of the consumers (Aaker, 1991). Hence, an advantage for the brand is created through brand awareness; and this influences the decision-making process of consumers (Keller, 2008). Brands that are known by consumers have better chances of inclusion in consumers' consideration set (Foroudi *et al.*, 2018); and consumers might use brand awareness, as a buying decision heuristic (Hoyer & Brown, 1990). Therefore, increased market performance is probably the result of brand awareness.

Aaker (1991) proposes the awareness pyramid to describe the levels of brand awareness. At the lowest level, there is brand recognition, which is seen as the ability of consumers to confirm previous exposure to a brand when that brand is given as a cue. In other words, it is the consumer's recognition of a brand as one to which that they may have been exposed before (Keller, 1993). Brand recognition is especially important when a consumer has to choose a brand at the point of purchase (Aaker, 1991).

The next level is brand recall, according to Aaker (1991), which considers a consumer's ability to retrieve or properly generate a brand from his memory (Keller, 1993). Aaker (1991) argues that this level is more difficult to achieve than recognition; since consumers are unaided in choosing a brand. He explains that, unlike with brand recognition, no brands are provided to consumers from which to choose. However, Keller (1993) notes that consumers might be given cues, such as the need that become fulfilled by the product or the product category. Brand-recall is associated with a stronger brand position; as it is more challenging for consumers to recall when they are unaided, in contrast to when they are provided with options from which to choose (Aaker, 1991).

On top of the pyramid is top-of-mind awareness. This is a unique position, where a brand is ahead of any other brand in the mind of a person. This means that the initial brand in a recall that was unaided has subsequently achieved a top-of-mind brand awareness (Aaker, 1991).

Next, the influencers of brand awareness are discussed.

- **Influencers of brand awareness**

Consumer awareness of a brand is primarily created through promotions and advertising over a period of time (Alden *et al.*, 2006; Hoyer & Brown, 1990). Consumers are able to form opinions about brands through brand awareness (Nagashima, 1977; 1970); and brands with higher awareness levels are more likely to be included in the consideration set of consumers; and this will ultimately be considered for purchase (Keller, 1993; Hoyer & Brown, 1990).

Keller (1993) holds that brand awareness is closely related to brand familiarity. Brand familiarity refers to the amount of product-related experiences that a consumer has accumulated through, for example, advertising and product usage. Increased brand familiarity, which is created through repeated brand exposure, should lead to greater brand recognition and recall abilities by consumers (Alba & Hutchinson, 1987). Keller (2013) adds that the more these experiences of hearing, seeing or thinking about a brand increase, the more likely consumers are to register strongly a brand in their memory. Likewise, he adds, that any experience by consumers with a brand element, has the ability to increase awareness and the familiarity of that element with a brand.

Keller (2013) lists these brand elements as names, logos, symbols, packaging, slogans advertisements, promotions, and sponsorships; and the more they are enforced, the better. Lastly, he notes that although repetition increases a brand's recognisability, the improvement of brand recall will require linkages in consumer memories to product categories, or to other consumption or purchase cues. He explains that consumers might recognise brands, as a result of advertisements; but in

order to improve brand recall, consumers must have purchased and worn these brands, in order to remember and recall these brands from their past experience.

Nagashima (1970) adds that opinions about a brand are formed through familiarity or awareness. These opinions enable consumers to trace a specific brand in different situations; and it also increases the likelihood that a brand would simply come forth in the consumer's mind (Rossiter & Percy, 1987). Likewise, the likelihood that a brand would be considered more frequently is increased by greater brand awareness (Baker *et al.*, 1986).

The next construct is brand image, which, according to Keller (2013), should be crafted once a sufficient level of brand awareness has been created; as, according to Bibby (2011), consumers will use brand image to confirm their awareness of the product; or they will use brand image to maintain their quality perceptions about the product.

3.3.2.2 Brand image

- **Explanation of brand image**

Brand image has been defined as “perceptions about a brand as reflected by the brand associations held in the consumer's memory” (Keller, 1993:3; Chekalina *et al.*, 2018). Salinas and Pérez (2009) describe brand image as a consumer's mental picture about the offering of products or services, which would include symbolic meanings that are associated with specific product attributes. Low and Lamb (2000) define it as the emotional or reasoned perceptions that the consumers have attached to a brand. In addition, brand image has also been considered to be an organisation's hallmark that differentiates it from others (Camarero *et al.*, 2010, Kim, Choe & Petrick, 2018).

Within this framework, this definition is mirrored to suit the purposes of this study in a retail brand context, meaning that brand image is the representation of a retail brand in consumers' minds, which links to the retail brand's offering or the perceptions of it,

which forms as a result of brand associations. In addition, brand image is considered to be the soul of the product or service (Chinomona, 2016).

In order to understand how brand image is developed and influenced, the influencers of brand image are discussed next.

- **Influencers of brand image**

Bhardwaj *et al.* (2010) opine that general brand impression is built as brand image links the characteristics or features of a specific brand to the consumers' memory. Roth (1994) maintains that the brand image results from the total effects of a firm's marketing mix activities; while Keller (1993) adds that these marketing mix activities, as well as product use, contribute to, and eventually define, a brand's image for the consumers. It is also expected that brand image is based on consumers' individual perceptions, experiences, backgrounds, as well as the type of brand (Gummerus, Korkman & Rindell, 2011; Foroudi *et al.*, 2018).

Keller (1993) asserts that strong, unique and favourable associations establish positive brand image. Moreover, Pitta and Katsanis (1995) stated that a strong brand image allows a brand and its meaning to be strategically positioned and differentiated in the consumers' minds, which contributes to the possibility of enhanced brand equity.

Cretu and Brodie (2007) state that marketers often regard brand image as the way in which consumers assess a product or a service's quality, meaning that brand image is the external cue for a product or service. The understanding is that consumers often use the sense of brand image to make inferences about a product or the quality of a services, in order to ultimately determine their behaviour (Salinas & Pérez, 2009). Therefore, the strength of the brand image indirectly influences the consumer's perception of the product or the service's quality (Chinomona, 2016); and products with a strong brand image can significantly reduce the cognitive risk of consumers and can increase their consideration of the specific product or service (Kwon & Lennon, 2009).

It is evident, according to Bhardwaj *et al.* (2010), that brand awareness and brand image have an impact on the strength and formation of general brand impression. Therefore, these constructs are useful in this study, in order to determine how brand awareness and brand image contribute to the consumers' perceptions of a global versus a local brand. The last component in the brand analysis model, brand commitment with its two constructs, brand loyalty and purchase intentions, is discussed next, as well as its applicability to this study.

3.3.3 Brand commitment

Brand commitment is described as a psychological or an emotional attachment to a brand within a particular product class (Lastovicka & Gardner, 1977). It will now be discussed, together with its two constructs for this study, brand loyalty and purchase intention.

Brand commitment and brand loyalty are closely related (Beatty & Kahle, 1988; Warrington & Shim, 2000); but yet they are different concepts. Warrington and Shim (2000) state that while brand commitment suggests brand loyalty, the reverse does not necessarily apply. They explain that brand loyalty can merely refer to a consumer's need to simplify and reduce decision-making efforts; and that in the case of the unavailability of a preferred brand, brand-loyal consumers can possibly change to an alternative brand option; whereas a brand-committed consumer would not do so.

According to Lee *et al.* (2008), brand commitment can translate into profits, meaning that a customer base, which consists of brand-committed customers, enables brands to generate predictable profit and sales streams. In addition, a customer base that is loyal to the brand represents a basis for the brand's survival against price competition; and it provides a basis for a price premium (Motameni & Shahrokhi, 1998).

Against this background, the following section provides a discussion of the two constructs proposed by Lee *et al.* (2008) for brand commitment, starting with brand loyalty.

3.3.3.1 **Brand loyalty**

- **Explanation of brand loyalty**

Brand loyalty is described as “the biased (i.e. non-random), behavioural response (i.e. purchasing), expressed over time by some decision-making unit, with respect to one or more alternative brands out of a set of such brands; and it is a function of psychological (decision-making, evaluative) processes” (Jacoby & Kyner, 1973:3). Researchers have suggested that brand loyalty reflects strong feelings of commitment towards brands and has a direct positive influence on brand equity, success, revenue, survival and market share (Chaudhuri & Holbrook, 2001; Espinosa, Ortinau, Krey & Monahan, 2018).

Brand loyalty measures a consumer’s attachment to a brand; and it reflects how likely the chances are that consumers will switch from one brand to the next – even if that brand introduces changes, such as price or product features (Aaker, 1991). Similar to these definitions, *retail* brand loyalty is defined as the tendency of consumers to be loyal to a particular retail brand, which is demonstrated by the intention to purchase the retail brand, as the consumer’s primary choice (Pappu & Quester, 2006).

Two different measures of brand loyalty exist, namely attitudinal-brand loyalty and behavioural-brand loyalty (Lu & Xu, 2015). Behavioural brand loyalty is concerned with the repeated purchase behaviour of loyal consumers (Pappu *et al.*, 2005); while attitudinal brand loyalty measures a consumer’s stated preferences, purchase intentions, or commitment towards the brand (Dick & Basu, 1994). Morrison and Cane (2007) further describe behavioural-brand loyalty as a deep commitment to repurchase a preferred product repeatedly in the future, despite marketing efforts and situational influences that have the potential to influence brand-switching behaviour.

Attitudinal-brand loyalty is further described as the repeat purchase intention, with the willingness to pay more for a specific brand, or the consumer’s intention of word-of-mouth (Algesheimer *et al.*, 2005), which refers to the tendency to speak positively about a brand (Chinomona, 2016). Simply stated, a consumer who shops at the same

store on a regular basis is 'behaviourally' loyal; while a consumer who tells others about the superiority of a product, or if they simply feel positive towards the brand internally, is considered to be 'attitudinally' loyal (PR Loyalty Solutions, 2012).

Lu and Xu (2015) add that brand associations and the perceived quality form attitudinal commitment to buy the brand; but in reality, the consumers may not progress beyond the attitudinal commitment into behaviour, due to factors, such as the availability of other products and consumers' financial ability. Therefore, behavioural brand loyalty does not depict a comprehensive picture of the consumer's brand commitment (Dick & Basu, 1994). Wallace *et al.* (2004:251) combine these two perspectives in a retail brand context, and thereby, suiting the purposes of this study, a retail brand loyalty refers to "the customer's attitudinal and behavioural preference for the retailer, when compared with available competitive alternatives."

Rosenbaum-Elliott *et al.* (2015) indicate that brand loyalty is a consequence of brand equity (see Section 2.2.2), meaning that a strong brand equity is marked by strong brand loyalty. Aaker (1991) notes that consumer brand loyalty is often the core of a brand's equity. He explains, however, that limited equity is likely if there is little concern about the brand name; or if the consumers are indifferent towards the brand; and if they only choose the brand based on its product features, price or convenience. On the other hand, brand loyalty effectively contributes to brand equity if the consumers develop a genuine preference for a brand that exceeds rational preference (Rosenbaum-Elliott *et al.*, 2015).

Aaker (1991) adds that this type of brand loyalty will cause consumers to choose a specific brand – even in the face of better price, features and convenience offered by alternative competitive brands.

Loyal brand users have a strong bond with a brand; and they do not express much desire to switch away from that brand (Franzen, 1999); and as the loyalty towards a brand increases, the possibility of losing a consumer base to competing brands decreases (Aaker, 1991). As such, brand loyalty is considered to be a critical brand

performance measure (Keller, 1993; Chaudhuri & Holbrook, 2001; Giovanis & Athanasopoulou, 2017).

Next, the influencing factors of brand loyalty are discussed.

- **Influencers of brand loyalty**

Aaker (1991) states that by providing a product or service that works, this would give consumers a minimum basis for brand loyalty. Foroudi *et al.* (2018) more recently noted that the first step in brand loyalty is market penetration, which means that loyal consumers must have experienced the brand at least once. Aaker (1991) further suggests four ways in which brand loyalty can be created and maintained. Firstly, the customer should be treated right, meaning that in addition to the functionality of the product or service, businesses should treat customers with respect. He explains that businesses should avoid being rude, disrespectful, uncaring and unresponsive. Next, he proposes that businesses stay close to the consumer by merely encouraging customer contact, which can signal how the business values customers to the organisation.

Aaker (1991) provides the third method, which includes the measuring or managing of customer satisfaction through regular surveys, and incorporating the feedback into its day-to-day business. Next, he suggests that by creating switching costs, brand loyalty can be created and maintained; and it can be done by rewarding loyalty via loyalty programs. The last method is to add extras to turn customer behaviour from tolerance to enthusiasm – by giving the customers extra unexpected services.

The last construct, purchase intention is discussed in detail in the following section.

3.3.3.2 *Purchase intention*

- **Explanation of purchase intention**

Keller (2013) describes purchase intention, as the focus on the likelihood that a brand will be bought, or of the switching to an alternative brand. Purchase intention has a consumer behavioural component (Lee *et al.*, 2008); and it has been widely used in past literature to predict a subsequent purchase (Grewal *et al.*, 1998). Therefore, purchase intention is an appropriate tool that is used to predict consumers' buying processes (Ghosh, 1990). Keller (2013) confirms that research in psychology suggests that purchase intentions are very likely to predict the actual purchase.

Strong brand loyalty and high levels of purchase intention are associated with strong brand commitment among consumers (Lee *et al.*, 2008). By using brand commitment, as part of the brand analysis model in this study, it aids in determining the extent of brand commitment towards the global and the local brand among millennials in South Africa.

The factors which influence purchase intention are discussed next.

- **Influencers of purchase intention**

Zeithaml (1988) points out that the purchase intentions of consumers may change under the influences of perceived value or perceived quality. Gogoi (2013) adds that internal or external motivators can affect consumers during the purchasing process. Internal motivators include those associated with emotional value (Dodds *et al.*, 1991); while external motivators include quality factors (Kumar *et al.*, 2009).

Studies to determine purchase intention in a retail context have shown that the perceived quality of a retailer's product influences the purchase intention of the retail brand (Calvo-Porrall & Lévy-Mangin, 2017). Das (2014) also found that perceived quality has a positive impact on the purchase intention towards a global fashion retail brand among Indian consumers.

Simonson and Tversky (1992) noted that evidence from past research shows that purchase intention is affected by the context, which includes a set of alternatives that are under consideration. Specifically, Laroche and Brisoux (1989) explained that

consumer purchase intentions are not only determined by their attitude towards a specific brand, but also by their attitude towards other similar brands in the same choice set. Therefore, they test two types of different effects on purchase intention, namely a competitive effect and a direct effect.

This section above has explained the brand analysis model that is used in this study by discussing each component and construct. The next section of this chapter looks at the previous literature to determine consumer preferences for global and local brands in other countries. The hypotheses are deduced from the findings in the previous literature; and they are introduced in this section.

3.4 Brand Analysis in a Global Versus Local Brand Context

This section examines the findings in both developing and developed economies, in order to gain a better understanding of local versus global brand preferences among consumers in different economies. In addition, this section draws from the signaling theory used in this study, to examine certain signals from global and local brands, applicable to each construct. Similar to the previous section, this section is also structured, according to the brand analysis components and its constructs; and it begins with an overview of brand-specific associations.

3.4.1 Brand-specific associations of global and local brands

This section considers elements from the signaling theory relating to the perceived quality and emotional value; and it provides an overview of the findings from previous similar studies.

3.4.1.1 *Perceived quality and the signaling theory*

Özsomer and Altaraz (2008) state that there is strong theoretical evidence to expect increased perceived quality for global brands through their clear and credible signals.

They explain that individual marketing-mix elements, like distribution through high-end channels and higher prices, are used by firms to signal product quality.

Holt *et al.* (2004) indicate that quality signals explain about 44% of consumer brand preferences. Regarding global brands, research by Steenkamp *et al.* (2003) and Holt *et al.* (2004) found that quality can be directly linked to global brand preference. Global brands often market their worldwide acceptance and availability, as a signal to send information regarding their quality (Alden *et al.*, 1999).

Özsomer and Altaraz (2008) note that local brands are perceived to be of higher quality – if these local brands are perceived to be global. They add that consumers might consider that if a brand is sold in other countries, this means that they are committed to the brand; and that it would produce high-quality products, in order not to hurt the brand name. Consumers might also think that the product is of a higher quality; since consumers around the world are buying it.

Therefore, by drawing from the signaling theory, this study aims to understand how brand signals influence perceived quality. Next, an overview of previous research regarding the perceived quality of global and local brands is provided.

3.4.1.2 Perceived quality of global versus local brands

Lee *et al.* (2008) conducted a brand analysis study to determine consumer perceptions of global versus local fashion brands in three different countries, namely Mexico, South Korea (developing countries) and Japan (a developed country). Their study found that perceived quality for global brands is higher among consumers in Mexico, as opposed to the perceived quality of local brands. Another study which investigated the perceived quality differences between a global and a local fashion brand in India, which is also a developing country, revealed that higher ratings of perceived quality were given to the global brand. They add that it is evident that there is a lack of faith in local brands' quality within the market in India (Bhardwaj *et al.*, 2010). The results corroborate with a similar study in Thailand, also a developing country; as Thai

consumers have more favourable quality perceptions towards global brands, than they have towards local brands in the jeans and coffee categories (Winit *et al.*, 2014).

In contrast to the findings among consumers from developing countries mentioned above, a study which examined more than 700 brands in four developed countries in Europe, found that the quality perceptions among these consumers are equally as high for local brands as they are for global brands. In other words, there was no significant difference in perceived quality between global and local brands among consumers in these developed countries. In addition, quality was identified as the most important attribute among consumers when choosing a brand (Schuiling & Kapferer, 2004). No significant difference in perceived quality between the global and local brands was found among the South Korean and Japanese consumers (Lee *et al.*, 2008). Another study, which also examined consumer preferences of local-foreign, local-domestic and global brands found that the perceived quality was virtually equal among the consumers in eight developed countries (Dimofte *et al.*, 2008).

A study in a Taiwanese context, another developed country, suggest that consumers perceive global private label brands to be, in fact, inferior in quality to the local brands (Cheng *et al.*, 2007).

It is evident that the majority of consumers in developing countries have higher quality perceptions for global brands than for local brands. Based on the aforementioned research, the following hypothesis is postulated:

H₁: There is a difference in consumers' perceived quality between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

Next, the involvement of the signaling theory in emotional value is discussed.

3.4.1.3 Emotional value and the signaling theory

Both local and global brands use non-utilitarian signals. For example, Özsomer (2012) indicates that an underlying characteristic that a global brand signals includes

aspirations of achievement, happiness and excitement. Global brands signal and offer consumers a chance to be part of the aspired-to-be global consumer culture (Alden, Steenkamp, & Batra, 1999; 2006). Global brands also signal high prestige; since the consumers in multiple countries use the brand (Özsomer, 2012).

A key signaling characteristic of local brands includes the adaptation to local preferences and culture (Dimofte *et al.*, 2008). Özsomer (2012) maintains that non-utilitarian signals by local brands include uniqueness, pride in representing the local region and culture, originality, which is derived from local adaptation, and high levels of availability and awareness in their local markets. Local brands signal a deeper understanding of the local traditions and identities (Ger, 1999) and these local brand associations create greater local prestige and brand iconicity (Özsomer, 2012).

In addition, the emotional value of a brand is also based on the social signals, which indicate the social statements that brands make on behalf of their consumers, in addition to their functional performance (Meenaghan, 1995).

Next, the previous literature relating to emotional value in a global versus local brands context is discussed.

3.4.1.4 *Emotional value of global versus local brands*

Kumar *et al.* (2009) conducted a study to determine the purchase intentions towards a global American and local Indian apparel brand among consumers in India. Their study indicated that consumers in India consider the global brand to have a positive effect on perceived quality and emotional value, compared to the negative effects in the case of the local brand. Surprisingly, the results indicate that the perceived quality is not the main factor, which affects the purchase intention for either global or local brands; but rather the emotional value is the significant predictor of purchase intention among Indian consumers for both global and local brands. They note that aspects, such as fashion trends or aesthetics could be the main drivers of purchase intention over quality aspects; and as such, emotional value plays a critical role in consumer purchase intention in India for both global and local brands.

In Malaysia, it was also found that emotional value plays a significant role in consumer choice for both the global and the local brands. The study concluded that a consumer's pleasurable experience with a brand increases the likelihood that they will buy the product – whether it be global or local (Asshidin *et al.*, 2016).

Similar results were found in a study by Bhardwaj *et al.* (2010), which also showed that consumers in India gave higher ratings of perceived quality and emotional value to the American apparel brand, as opposed to the lower ratings in these categories for the local brand. In Mexico, Lee *et al.* (2008) found that the emotional value towards the global fashion brand received a higher rating than did the local brand. A study conducted in Iran, another developing country, found that consumers perceive a global American appliance brand to gain higher emotional value than a local appliance brand. The results might be explained by the notion that consumers in developing countries prefer global brands – due to their perceived status symbols and quality (Kashi, 2013). Consumers in South Korea gave the local brand a slightly higher rating for emotional value than for the global brand; while the consumers in Japan had a much higher emotional value rating for the local brand, as opposed to the global brand (Lee *et al.*, 2008).

Das (2014) establishes the importance of the symbolic benefits of retail brands in influencing quality perceptions, purchase intention and retail brand loyalty among consumers in India. Likewise, a study by Haefner *et al.* (2012) among consumers in South Africa, found that hedonic factors influence the brand preference for retail global brands, such as Zara, Levi's and Prada among other product categories.

Consumers in South Africa, too, consider global brands to be more aspirational than local brands (Yellowwood, 2014); and as previous research conducted in other developing countries showed that the majority of consumers perceive global brands' emotional value to be higher than that of local brands; thus, the following hypothesis was derived.

H₂: There is a difference in emotional value between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The next section discusses the general brand impression constructs in a global and local brand context.

3.4.2 General brand impression of global versus local brands

This section is concerned with the general brand impression; how the signaling theory plays a role, in the light of similar past research. Firstly, it provides an overview of the different signals sent out relating to brand awareness.

3.4.2.1 *Brand awareness and the signaling theory*

Hoyer and Brown (1990) indicate that building brand awareness is an important advertising strategy to increase the brand's probability of being chosen. Therefore, they note that brand awareness signals are used by local and global brands. Local brands especially signal their high awareness and availability in their specific local markets; while global brands signal their high recognition or awareness, wide availability and geographical reach (Özsomer, 2012).

Brand awareness is a strong signal of product quality; and it may signal credibility; since strong brand awareness levels can suggest that the products are distributed widely, that the brand is long-standing and that the brand's products are associated with having many other buyers (Hoyer & Brown, 1990). Furthermore, it is often perceived that only companies that are of high quality can afford high investments in brand awareness signals (Erdem *et al.*, 2006; Aaker, 1991).

The next section studies previous research in this regard to provide an understanding of the current perceptions among consumers in different markets relating to brand awareness.

3.4.2.2 **Brand awareness of global versus local brands**

Consumers in Mexico show a significant difference in brand awareness towards global versus local brands with a higher rating for the global brand (Lee *et al.*, 2008). In India too, findings have indicated that consumers have greater brand awareness towards the global apparel brand than they do for the local brand (Bhardwaj *et al.*, 2010). In contrast, consumers in South Korea showed no significant difference in brand awareness for the two brands, with a slight inclination towards local brands. Likewise, there was no significant difference in brand awareness among consumers in Japan; but these consumers had a slightly higher brand awareness towards the domestic brand (Lee *et al.*, 2008).

Interestingly, even though consumers in India have greater brand awareness towards global apparel brands, it is not the case for the banking industry. Srivastava and Dey (2016) found that new global banks in India are yet to develop strong brand awareness compared to older long-existing local Indian banks.

Schuiling and Kapferer (2004) hold that stronger brand awareness for local low-involvement category brands was also the case among consumers in four developed European countries. They add that this advantage of brand awareness towards local brands might be connected to the number of years that these brands have been in operation.

Taking into consideration the differences in the brand awareness levels of global and local brands among consumers from different countries, it is posited that:

H₃: There is a difference in brand awareness between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

Next, the role of the signaling theory relating to brand image is discussed.

3.4.2.3 Brand image and the signaling theory

Faircloth, Capella and Alford (2001) state that by controlling the marketing mix that is conveyed to consumers, brands have an opportunity to instil the desired brand image among consumers, thereby ultimately enhancing the brand's equity. Therefore, in accordance with the signaling theory, Kapferer (1992) suggests that consumers form a brand image through an incorporation of all the signals that are emitted by the brand. He adds that consumers decode, extract and interpret these brand signals, which create the brand image for the consumer.

Brands from developing countries are using global-image association as part of their marketing communication strategies; as this is believed to bring about higher social status and quality perceptions (Zhou *et al.*, 2010). Both global and local brands are able to cultivate a global brand image by placing emphasis on global cues, such as widespread availability and distribution; and also by creating appeals to highlight the prestige and social status gained by using the global brand (Winit *et al.*, 2014). Alden *et al.* (1999) also note that marketers connect their brands with desirable global images, in order to, according to Holt *et al.* (2004), build on the superior brand image of global brands in the minds of local consumers.

The next section studies past literature on brand image in a global and local brand context.

3.4.2.4 Brand image of global versus local brands

Previous research shows that consumers in Mexico gave a significantly higher rating of brand image for the global brand when compared to the local brand (Lee *et al.*, 2008). Similarly, the global brand image is significantly higher than that of the local brand's among consumers in India (Bhardwaj *et al.*, 2010). It was found that young consumers in China held greater brand image towards US global fashion retail brands, as opposed to those of local fashion retail brands (DeLong *et al.*, 2004). The findings, however, differ in more advanced markets.

Consumers in European countries showed that brand image perceptions for global brands are as high as those for local brands (Schuiling & Kapferer, 2004). Also, no significant difference existed for consumers in South Korea's ratings of brand image between the global and the local brand; but the global brand's brand image rating was slightly higher. In Japan, the ratings of brand image were not different between the global and the local brand (Lee *et al.*, 2008).

Han (1989) indicates that the generalised preference for global products among developing market consumers can stem from the positive imagery, which they carry towards global products. Furthermore, as previously mentioned, brands' global image gives consumers a feeling that they are participants in the global consumer culture; it therefore gives them membership to this aspirational group, in order to help them establish a desired identity (Alden *et al.*, 1999).

Based on the aforementioned discussion, it is evident that there are different levels of brand image towards global and local brands among consumers from different countries. Therefore, it is hypothesised that:

H₄: There is a difference in consumer perception regarding the brand image between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

Next, an overview of the previous literature for the last component, brand commitment is provided.

3.4.3 Brand commitment of global and local brands

According to Lee *et al.* (2008), consumer commitment will vary, based on a country's specific culture and economic environment. Therefore, this section provides an overview of past literature relating to brand commitment between global and local brands among consumers of both developing and developed markets, starting with brand loyalty below.

3.4.3.1 Brand loyalty and the signaling theory

Erdem and Swait (1998) posit that brand loyalty emerges as a consequence of brand equity, as proposed by the signaling theory. They explain that when a consumer's experience is consistent with the firm's product claims, it improves the brand signal's credibility. They add that this increases consumer utility by lowering information costs and perceived risk; but it also enhances the signal of the brand. Therefore, they indicate, that as a result, it raises the likelihood of repeat purchases, which leads to the development of brand loyalty. Simply stated, they add, consumers might buy certain products as a result of the expected utility, which was created by the brand's signal.

The next section discusses the last component under the brand commitment construct, purchase intention, in a global and local brand context, starting with an overview of how it applies to the signaling theory.

3.4.3.2 Brand loyalty of global and local brands

In contrast with the findings in previous studies in developing markets, which showed higher ratings for the global brand in all of the brand analysis components mentioned thus far, consumers in Mexico, according to Lee *et al.* (2008) show greater loyalty towards their local brand. They add that this might be explained in several ways, which include the high price associations accompanied by the high-quality perceptions of global brands consumers in Mexico, who are generally highly price-conscious. They add that this is especially the case when there is a great availability of inexpensive local brands.

In India, however, consumers showed greater brand loyalty towards the global American apparel brand in comparison to the local brand (Bhardwaj *et al.*, 2010). Their findings support the findings of several other researchers (e.g. Iyer & Kalita, 1997; Batra *et al.*, 2000; Kinra, 2006), which indicate that consumers in India are more loyal towards global brands; as there is a lack of faith in the local brands' perceived quality. Lin and Sternquist (1994) further indicate that although consumers in developing

markets may not always be familiar with global brands, they have a tendency to grow more loyal to global brands compared to local brands, as a result of better quality perceptions.

Likewise, Gaedeke (1973) emphasise that global brands are preferred by consumers from developing markets, such as India and China; and therefore they are more loyal to them. A similar study in China among young consumers found that these consumers held a stronger attitudinal brand loyalty towards global brands compared to local brands; however this didn't lead to behavioural loyalty, due to the attractiveness of global brands, which are not readily accessible pricewise, to young consumers in China (Lu & Xu, 2015).

The difference in consumer perception among more developed markets, like South Korea, is evident; as these consumers showed no significant difference in brand loyalty towards the global and the local brands. Interestingly, consumers in Japan showed their loyalty and affinity toward their own local brands; as they perceive their brands to be superior or good when compared to global American brands (Lee *et al.*, 2008).

It is evident by studying the past literature, that there are differences in brand loyalty between global and local brands among consumers from different countries. Also, similar to Mexico, consumers in South Africa are financially cautious. This behavioural trait indicates that consumers in South Africa will only remain brandloyal if the price is right (see Hattingh *et al.*, 2016). In addition, Petzer and De Meyer (2013) indicate that many local South African brands have been part of the lives of many consumers in South Africa; and this poses great threats for global competition. This leads to the following hypothesis:

H₅: There is a difference in consumers' brand loyalty between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

A discussion on the signaling theory relating to purchase intention is presented next.

3.4.3.3 *Purchase intention and the signaling theory*

Drawing from the signaling theory, positive purchase intention can be created for both global and local brands, if they signal brand globalness, meaning that they are perceived as being global (Özsomer, 2012; Schuiling & Kapferer, 2004). On the other hand, local brand purchase likelihood and brand prestige are enhanced when a brand signals local icon value (Steenkamp *et al.*, 2003).

Also, as mentioned under brand loyalty and the signaling theory above, brand signals that are credible assist in the formation of brand loyalty, which increases purchase likelihood (Erdem & Swait, 1998). Previous studies show that perceived quality and emotional value (Kumar *et al.*, 2009), as well as brand image (Haque *et al.*, 2015), are important influencers of purchase intention. Therefore, these signals should, according to DeLong *et al.* (2004), convince consumers of quality products and improve the brand image and name recognition through mass-media communications. In terms of emotional value, Alden *et al.* (1999) and Steenkamp *et al.* (2003) note that global brands symbolise global consumer, culture where an opportunity is offered to consumers to participate in this culture. Local brands use signals of cultural connectedness to enhance the prestige of their brands, and ultimately increase the purchase intention (Özsomer, 2012).

This section looked at previous research to determine patterns among developing and developed markets regarding consumers' preference for global rather than local brands. It is clear that the majority of consumers in developing countries choose global brands rather than local brands, thereby relating to most of the brand analysis constructions discussed above.

Next, an overview of past research is presented on the purchase intention of global and local brands among consumers from developing and developed countries.

3.4.3.4 *Purchase intention of global versus local brands*

As confirmed, Mexican consumers hold higher brand image and brand awareness for the global brand compared to the local brand. However, they not only showed higher brand loyalty towards the local brand compared to the global brand; but they also had a higher purchase intention (Lee *et al.*, 2008). In addition, there was no significant difference in consumer perceptions in general among consumers in South Korea between the global and the local brand; but these consumers had a higher purchase intention for local brands. In addition to these findings, this study shows that Japanese consumers have the higher purchase intention towards their local brand compared to the global brand.

This might be a result of Japan, a developed country, having many well-established local brands; and therefore, Japanese consumers feel confident about their local brands with regards to quality (Kotabe & Jiang, 2006). In Taiwan, consumers have higher purchase intention towards brands that are perceived as global, as opposed to those which are perceived as non-global (Dimofte *et al.*, 2008).

In contrast to the findings of positive purchase intention towards local brands, it was found that consumers in India have a purchase intention towards global brands that is higher than their purchase intention towards their local brands (Bhardwaj *et al.*, 2010). They note that this is a result of higher brand awareness levels among Indian consumers, which influences consumers' choice or selection of a brand during the process of purchasing; and consequently, it causes increased sales for global brands in India. It was also found that global fashion brands are preferred over local brands among young consumers in New Zealand; but that the purchase intentions for both were low. The reason for this is possibly that global brands are aspirational to these consumers; but they lack purchase intent due to the economic conditions (Shergill *et al.*, 2010).

More recently, Özsoy (2012) found that higher perceived quality towards a local brand has a negative effect on global brand purchase likelihood in Turkey, an emerging market and in Singapore and Denmark, two developed markets.

In addition to certain signals mentioned previously, there are other factors that also form purchase intention. These include emotional value factors among consumers in India for both global and local brands (Kumar *et al.*, 2009), brand image and quality for consumers in Bangladesh towards global brands (Haque *et al.*, 2015). Cultural capital, global brand authenticity, perceived brand globalness, global brand credibility, social responsibility, price, prestige toward global brand purchase likelihood also forms purchase intention likelihood towards global brands (Özsomer & Altaras, 2008).

Against this background, it is evident that differences exist in purchase intention towards global and local brands among consumers in different countries. In addition, one behaviour characteristic of consumers in South Africa is that they have shifted from informal retailers towards modern retailers for the better prices (Hattingh *et al.*, 2016). Also, as mentioned in Chapter 2, global retailers in South Africa often offer discounted prices, which is a key marketing strategy (Brown, 2017). Lastly, it is therefore hypothesised that:

H₆: There is a difference in consumer purchase intention between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The previous literature discussed in these two literature chapters has allowed the derivation of the six hypotheses to be tested to determine the consumer preferences between global and local brands among consumers in South Africa. In addition, these hypotheses corroborate with the objectives of this study (see Section 1.3); and they will therefore aid in addressing the overall research statement.

3.5 Conclusion

This chapter has provided an in-depth discussion on the signaling theory, as well as the brand analysis model. In order to understand the evaluation or decision-making process, when consumers are deliberating between a global and a local brand, the signaling theory may be applied (Winit *et al.*, 2014); whereas the brand analysis model

is used to further assess, according to Lee *et al.* (2008) how brands are perceived, evaluated by consumers and the extent of consumer commitment towards a brand.

An overview of the past literature for each brand analysis construct was provided to compare the past findings of global versus local brand preferences in both developing and developed countries. A pattern persists, which indicates that consumers in developing countries have higher perceptions of global brands as opposed to local brands concerning the six brand analysis constructs: perceived quality, emotional value, brand awareness, brand image, brand loyalty and purchase intention (e.g. Gaedeke, 1973; Iyer & Kalita, 1997; Batra *et al.*, 2000; Kinra, 2006; Lee *et al.*, 2008; Kumar *et al.*, 2009; Bhardwaj *et al.*, 2010; Lu & Xu, 2015; Winit *et al.*, 2014).

In contrast, consumers from developed markets had either no significant preference, or they gave higher ratings for their local brands regarding these constructs (e.g. Schuiling & Kapferer, 2004; Lee *et al.*, 2008; Dimofte *et al.*, 2008).

The hypotheses for this study were therefore derived from the aforementioned patterns in the past literature, as well as from consumer-related research in a South African context. These hypotheses were formed, according to the research objectives that relate to these six brand analysis constructs.

In order to determine whether there is a difference in the perceptions of a global and a local brand in the South African context too, a methodology for this study is needed. Therefore, the following chapter provides an in-depth discussion of the methodology employed for this study.

4 CHAPTER 4: METHODOLOGY

4.1 Introduction

This study aims to determine whether there is a difference in consumer perceptions between a global and a local fashion retail brand. Therefore, in order to address this research objective, the preceding chapters thoroughly described the theoretical framework of the study. This included an explanation of the signaling theory and the brand analysis model; as both the signaling theory and the brand analysis model are used in this study to determine consumer choices between the global and the local brand chosen for this study.

This chapter is concerned with the method employed to reach the research objectives of the study. The hypotheses introduced in the previous chapter correspond with the six research objectives that were outlined in Chapter 1. In order to address these objectives, this study employs a descriptive, quantitative approach, which uses an online survey; since, according to O'Dwyer and Bernauer (2013), it is useful when aiming to learn about a large group of people. Therefore, the relevant advantages and disadvantages are discussed to determine whether this is an appropriate tool for the purposes of this study.

Millennial consumers in South Africa form part of South Africa's youth that owns about 55% of the country's buying power (The Media Online, 2017). As such, this chapter introduces this target population; and it explains how the sample was obtained through a quota sampling method, to ensure that, according to Malhotra (2010), the selected sample represents the target population.

The methodology chapter starts by outlining the research design, which is followed by a description of the target population and the sampling methods. The development of the online questionnaire is then discussed. Thereafter, the data collection and the interpretation of the findings are explained. Finally, an overview of the ethical considerations will be discussed, followed by a conclusion to the chapter.

4.2 Research Design and Method

Sekaran and Bougie (2013) describe a research design as the blueprint for the data collection, the measurement and the analysis, which are based on the research questions of the study. They add that imperative issues for an effective research design include: (i) the purpose of the study, for example exploratory or descriptive; (ii) the research strategy, which can include experiments, surveys or interviews; (iii) the setting or location of the study; (iv) the extent of researcher interference; (v) the time horizon; and (vi) the units of analysis.

In addition, they add, the sampling design, the measurement and the data analysis, which should also form part of an effective research design. Thus, this study ensures the inclusion of all the elements mentioned above, in order to provide a rich understanding of the overall research objective, which is to determine the difference in consumer preferences between a global and a local brand.

In addition to the elements mentioned above, Leedy and Ormrod (2013) note that the human mind is undeniably the most vital tool in the toolbox of a researcher. They add that over the past few millennia, people have developed a number of strategies through which more effective reasoning about – or a better understanding of – worldly phenomena can occur. Therefore, in research, there are a number of reasoning approaches used, which include the deductive, inductive and retroductive reasoning (Mouton, 2015), critical thinking, the scientific method, theory-building and collaboration with other minds (Leedy & Ormrod, 2013).

A deductive reasoning approach was taken for this study; as the hypotheses were derived from existing theories and models; that is, the conclusions were drawn from certain premises (Mouton, 2015). Leedy and Ormrod (2013) add that researchers use these premises to proceed forwards in a logical manner towards the conclusions. The premises for this study is that the South African fashion retail landscape is under pressure, due to the influx of global fashion retail brands (see Simpson & Lappeman, 2017; Steyn, 2017).

In addition, previous research in other developing countries has found that, in general, these consumers prefer global brands rather than local brands (Batra *et al.*, 2000; Lee *et al.*, 2008; Bhardwaj *et al.*, 2010; Strizhakova & Coulter, 2015). As such, this information led to the conclusion or suggestion that consumers in South Africa, too, have different perceptions of global versus local brands. Such reasoning led to the formation of the hypotheses (see Section 3.4). Therefore, by adopting a deductive-reasoning approach, this study can, according to Sekaran and Bougie (2013), put forward theories than can be tested through objective measures, as well as a fixed, predetermined research design.

Part of the research design includes the strategy to be used (Sekaran & Bougie, 2013). For the purposes of this study, the strategy or technique employed for the descriptive research design includes the use of a survey, which is, according to Malhotra and Birks (2006), a technique based on using structured questionnaires that are distributed to a sample of the population. They add that questions asked relate to consumer perceptions about their intentions, attitudes, awareness and demographic characteristics. Therefore, a survey was conducted that was suited the purpose of this research; as these types of questions were asked to yield the needed results.

In order to address the remaining elements in a successful research design, the next section provides detailed discussions on descriptive research designs, quantitative research and survey research.

4.2.1 Descriptive research design

The primary objective for the use of descriptive research is to describe something, usually market or consumer characteristics (Malhotra & Birks, 2006). Sekaran and Bougie (2013) also assert that descriptive research enables the researcher to understand the characteristics of a group, to adopt a systematic thinking approach about aspects in given circumstances, to offer ideas for further research, or investigation, and to help with the decision-making. They add that descriptive studies may involve the obtaining of quantitative data, such as demographic information, production figures, or satisfaction ratings.

Du Plooy (2009) highlights that, as one of its main aims, descriptive research accurately describes the existing characteristics of phenomena. Therefore, a descriptive research design is appropriate for the use of this study; as it aims to describe consumer characteristics, specifically their perception of global and local brands.

Malhotra and Birks (2006) noted that survey and quantitative research techniques are crucial techniques in descriptive research. As such, the next section discusses quantitative research and its applicability to this study.

4.2.2 Quantitative research

This section provides a clear description of quantitative research, as well as the applicable advantages and disadvantages, in order to determine the suitability in relation to the purposes of this study.

4.2.2.1 *What is quantitative research?*

Both quantitative and qualitative methods aim to discover new knowledge. The difference is that qualitative research aims to discover new knowledge by retaining complexities that exist in their natural environment; while quantitative methods aim to discover new knowledge by representing complex phenomena into simpler ways, often through mathematical equations or functions (O'Dwyer & Bernauer, 2013). Leedy and Ormrod (2013) describe quantitative research, as research that involves the examination of numbers relating to one or more variables. In line with this definition, Malhotra and Birks (2006) hold that quantitative research uses techniques to quantify the data; and it usually applies some form of statistical analysis.

Render, Stair and Hanna (2009) elaborate on the definition of quantitative approaches by eliminating presumption and emotion as part of the process. They state that quantitative studies start with raw data, which are manipulated or processed into valuable information that is needed for decision-making. All in all, quantitative studies emphasize objectivity (Hoy & Adams, 2016); and it tests theories or hypotheses, rather

than generating new theories, as is the case with qualitative studies (O'Dwyer & Bernauer, 2013).

In addition, quantitative studies are characterised by precision, objectivity, logical reasoning, careful explanation and generalisability (O'Dwyer & Bernauer, 2013). Leedy and Ormrod (2013) add that quantitative research is also known for its established guidelines and its predetermined methods that are in contrast with the loosely structured nature or non-standardised observations that are associated with qualitative data.

In addition to the justification for using a quantitative method above, this study has an objective reality to be measured: the research question, which is confirmatory or predictive. The available literature is relatively large, and a relatively short timeframe is available; and these are all associated with quantitative research (see Leedy & Ormrod, 2013).

There are certain advantages and disadvantages of quantitative research that are considered to serve as further justification for the implementation of a quantitative approach. An overview of these are provided next.

4.2.2.2 *What are the advantages of quantitative research?*

According to Leedy and Ormrod (2013), an advantage of using quantitative research is that it allows the drawing of unbiased conclusions; as the researcher utilises methods that detach them from the participants and the phenomena that are being studied. Malhotra (2010) holds that in many research environments, the participants are, to some extent, withdrawn in the presence of the researcher, and from answering questions truthfully – they often fear the damaging of their social standing. He adds that, as the researcher distances themselves from the participants in quantitative research, this eliminates the risk of the participants not answering the research questions truthfully.

This shows that the presence of a researcher, as is often the case with qualitative research, can influence the reactivity of the participants; as they may behave differently during the period of the study (Sekaran & Bougie, 2013). Therefore, by using a quantitative method for this study, the respondents' perceptions of the global and local brand are less likely to be influenced by the presence of the researcher.

Quantitative studies are characterised as objective, precise, logical and generalisable (O'Dwyer & Bernauer, 2013), which shows that by applying a quantitative research approach for this study, the researcher is able to obtain factual information – by relying on mathematical formulae. In addition, quantitative approaches allow researchers to count multiple variables simultaneously, in order to determine various differences or relationships (Allen, Titsworth & Hunt, 2009).

Quantitative methods may be more useful than qualitative methods, when the aim of the research is to learn more about the behaviour or attributes of a large group of people (O'Dwyer & Bernauer, 2013). Thus, it is suitable to the purposes of this study, which aims to learn more about millennial consumers in South Africa.

It has, however, been argued that, compared to quantitative methods, qualitative methods provide comprehensive insights and an understanding of the complete picture in which the specific phenomena occur (Malhotra & Birks, 2006). The next section looks at some of the disadvantages of quantitative methods, and ways in which they can be addressed.

4.2.2.3 *What are the disadvantages of quantitative research?*

Muijs (2004) warns that quantitative research often fails to suffice when a problem has to be explored in depth, even though quantitative methods are suitable for providing broad information that covers a large number of units. Malhotra and Birks (2006) explain that the use of qualitative research, as opposed to quantitative research, helps researchers to understand the fullness and complexity of consumers; and some even argue that interviews or field observation are required to fully understand consumer behaviour and cultural values. The objective of the proposed study, however, is not to

observe the underlying reasons for consumer perceptions, but only to determine whether there is a difference in how they perceive a global and local fashion retail brand. Therefore, although it is a disadvantage that no personal feelings or reasons behind their perceptions are recorded, it does not undermine the overall purpose of the study, which is to *describe* consumer perceptions, rather than to *explore* them. To curb this, Muijs (2004) argues that a quantitative study that is designed properly, would not only provide information on what is happening; but it would also provide information as to why it is happening. He adds that this is achieved through a good research design and the variables that are collected.

Quantitative studies are also less 'emergent' and 'holistic' than qualitative studies. This is because qualitative researchers often immerse themselves in the complexity of the situation. New variables can emerge from the data which then lead to patterns, new information, or theories that can be used to understand the particular phenomenon that is being studied (Leedy & Ormrod, 2013). Muijs (2004) also suggests that when it comes to developing new theories, qualitative studies fare better than quantitative studies. However, this disadvantage is not a limitation for this study; as its aim is not to develop new theories, but rather to test an existing theory.

It should be noted that neither quantitative nor qualitative methods are superior to the other (O'Dwyer & Bernauer, 2013); but that the method should suit the purpose of different studies' specific research questions (Leedy & Ormrod, 2013). Therefore, as this study's research question is to determine whether there is a difference in consumer perceptions between a global and a local brand – a relatively large group of people – a quantitative method is most suitable; and it is employed for this study.

The next section discusses surveys, which are, according to Malhotra and Birks (2006), an important technique in descriptive research designs. Relevant to this study, the next section focuses particularly on *online* surveys.

4.2.3 Online surveys

Surveys ask questions; and they allow for the tabulating of the answers of a specific group or groups of people regarding target-market profiles, situations, attitudes towards brands (Clow & James, 2014), their characteristics, certain opinions, and previous experiences (Leedy & Ormrod, 2013). Clow and James (2014: 34) add that survey research provides answers for “who, when, where, what and why types of questions”. Sekaran and Bougie (2013) add that survey research is typically used in quantitative studies – with the aim of providing a broad overview of a population.

Traditional modes of data collection, such as paper-and-pencil, telephone and face-to-face surveys, have been recently challenged by online surveys, due to the benefits they offer, such as low costs and speed (Toepoel, 2015). Online surveys include web-based, mobile and email surveys (Sue & Ritter, 2012). Bhaskaran and LeClaire (2010) describe an online survey as just that – a survey which electronically collects data from a target audience via the internet. They agree that online surveys are the easy way to collect the data compared to door-to-door surveys with a pad and pen, standing outside a store to collect responses, making phone calls, or using the post office to distribute questionnaires. In addition, Couper (2007) notes that online surveys are likely to yield a more diverse and larger group of respondents than other methods, such as mall-intercept approaches or college subject pools.

As such, the first platform for the distribution of the survey is Facebook. Baltar and Brunet (2012) describe Facebook as a free popular social networking platform, which allows users to create their own profiles, upload videos, photos, send messages and stay in touch with family, friends and colleagues. They add that Facebook includes public features, such as a marketplace, where users can post and respond to advertisements. Facebook has, on average, 1.4 billion daily active users (Facebook, 2018); and it can be advantageous for recruiting respondents. Adding to this statement, Sue and Ritter (2012) note that using links to a survey on website platforms enables researchers to collect the data from respondents from whom they may not have a sampling frame.

Facebook is often used by consumers, especially millennial consumers, to recommend or comment on brands (Duffett & Wakeham, 2016). Jordaan *et al.* (2011) add that one of the main characteristics of the millennials is their reliance on technology, which includes computers and mobile phones, to complete daily tasks. Therefore, it was recognised as a suitable platform for this study to obtain millennial respondents that are opinionated about different brands.

The second type of distribution method used is email surveys. According to Malhotra (2010), a list of respondents' email addresses is obtained, to which the survey should be distributed. For the purposes of this study, an email survey refers to a survey which has, according to McPeake *et al.* (2014) the following characteristics: (i) it is created through survey software; (ii) it has a link to the survey; and it is included in an email invitation. Also, the respondents access the survey via the link on the email (Sue & Ritter, 2012).

Complementing the use of both Facebook (see www.facebook.com) and email distribution methods of the survey, is the option of completing the survey on a mobile device. The rising popularity of surveys via mobiles should not be taken too lightly (Evans & Mathur, 2018). Sue and Ritter (2012) indicate that mobile surveys have the potential to reach new audiences; as people who are reluctant to complete surveys via emails and websites may be more inclined to participate in surveys through their mobile devices; as most individuals carry their mobile devices with them all of the time. Therefore, this study uses the online software, Qualtrics; as this route offers fully functioning online surveys on smartphones or tablets (see qualtrics.com), in order to increase convenience for the respondents.

In the light of the above, distribution via Facebook and emails was chosen as the most suitable platform for this study, when taking into consideration the study's time-and-resource constraints. Through using email and social media platforms to distribute the survey, the researcher aimed to expand the sample size and to reduce sample bias to some degree; as these respondents were not handpicked by the researcher. This was confirmed by Baltar and Brunet (2011), who conducted a study by using the social networks to obtain a sample. They concluded that the sample size and

representativeness can increase, when using virtual networks in non-probability samples.

The section below further describes the advantages and disadvantages that were considered for the use of online surveys.

4.2.3.1 *Advantages and disadvantages for using online surveys*

Table 4-1 below provides an overview of the advantages and the disadvantages associated with online surveys.

Table 4-1: Advantages and disadvantages of online surveys

Criteria	Advantages	Disadvantages
Costs	Low costs (Leedy & Ormrod, 2013; Toepoel, 2015).	-
Response time	Quick completion (Toepoel, 2015).	-
Convenience	Respondents can complete the questionnaire at a time and place most convenient to them (Malhotra & Birks, 2006).	An overload of surveys, often perceived as ‘spam’ or ‘junk mail’, may discourage respondents to participate (Evans & Mathur, 2018).
Sensitive/confidential information	Completely anonymous (Sue & Ritter, 2012).	-
Respondents’ accessibility and availability	Via online platforms, such as email and the internet (Malhotra & Birks, 2006).	In South Africa, there is limited internet access (Simpson & Lappeman, 2017). Also, for email surveys, respondents’ email addresses are required. Lastly, email address change frequently (Toepoel, 2015).
Location	Wide geographical reach (Evans & Mathur, 2018).	Coverage bias (Sue & Ritter, 2012).
Software	Simple to create and launch and online survey (Evans & Mathur, 2018).	The researcher has to rely on the software (Leedy & Ormrod, 2013).

The advantages outweigh the disadvantages of online surveys summarised in Table 4-1 above; and they encouraged the researcher to employ this method. The low costs involved and the fast response time suited the resources available for this study. Next, another advantage includes the convenience for respondents to complete the survey at a time and place most convenient to them, instead of having to do so in a face-to-face or telephone interview, as pointed out by Bhaskaran and LeClaire (2010) and Malhotra and Birks (2006).

Anonymity is the next advantage. For this study, the user-friendly online survey software, Qualtrics, not only simplified the questionnaire design process, but it ensured anonymity among the respondents, as there was no physical interaction between the researcher and the respondents; and no question required the respondents to disclose their identities. The use of Qualtrics also aided in obtaining only those respondents who met the sample criteria via screening questions.

The use of online platforms, such as Facebook and email, enabled the researcher to breach geographical boundaries, thereby enabling the respondents to participate from any location in South Africa. The last advantage in Table 4-1, includes the availability of user-friendly software for survey designs. As mentioned above, this study used Qualtrics for the effective online survey design and the distribution.

In an attempt to curb some of the disadvantages mentioned in Table 4-1, such as the unwillingness to participate in the survey due to an overload of digital surveys, the researcher did not rely on only one platform to obtain the respondents; but she used two platforms, namely email and Facebook. As confirmed by Baltar and Brunet (2012), the use of Facebook for survey data collection reduces sample bias and it also improves the sample's representativeness. Therefore, it was also used in this study for the same purposes, and specifically to curb the geographical limitations.

Another disadvantage pointed out by Simpson and Lappeman (2017) is that internet access is limited in South Africa. The researcher, therefore ensured that the survey was mobile-friendly, making it easier for some individuals to participate with their smartphones, by using mobile data to complete the surveys. Another disadvantage

listed is an emailing list that is required. For this study though, an emailing list of possible respondents that suit the sampling criteria, was compiled and used. The last disadvantage listed is the dependence of the researcher on the software. This, however, was not a disadvantage, but rather an advantage; as Qualtrics enabled the researcher to easily build and share the survey, in order to capture the responses (see qualtrics.com).

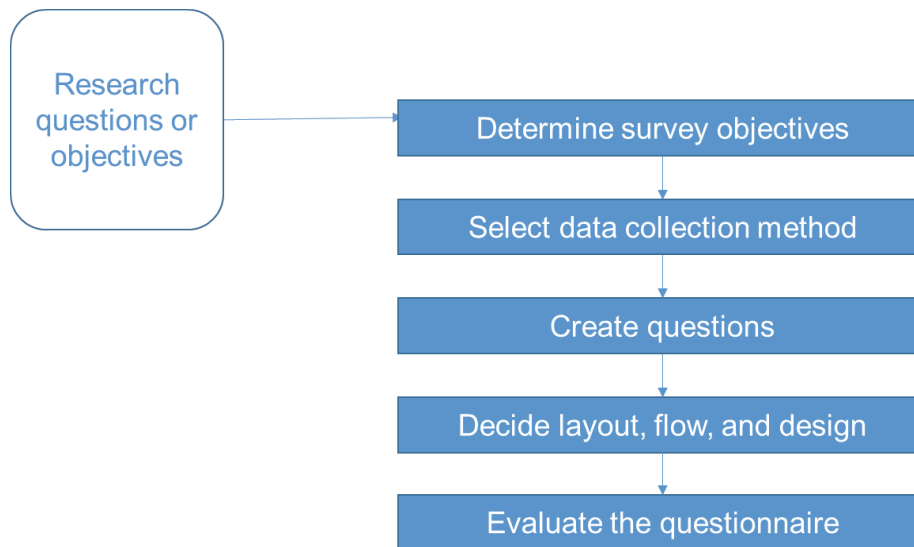
According to Bhaskaran and LeClaire (2010), online surveys are the simplest way to distribute a survey and to collect the information. They add that online surveys allow for the fast creation of customised surveys that are based on a study's specific target demographics; and that anonymous feedback from clients or customers can be gathered about services, products or marketing campaigns – and about almost anything else. They conclude that online surveys give the creator and the survey respondents the ultimate freedom, flexibility and convenience. Against this background, an online survey was chosen as the most appropriate method for the purposes of this study.

This section answered the question as to 'why' an online survey should be employed. The next section describes 'how' the online survey is applied to this specific study.

4.2.3.2 *Online surveys as application to this study*

As surveys are a technique consisting of structured questionnaires that are distributed to a population sample (Malhotra & Birks, 2006), there is a process involved when designing questionnaires (Clow & James, 2014). This process is illustrated in Figure 4-1 below.

Figure 4-1: Questionnaire design process



SOURCE: Clow & James (2014)

Clow and James (2014) mark the first step, as shown in Figure 4-1 in the survey design process, as determining the survey objective, which should be in line with the overall research objectives. They explain that these objectives clearly indicate the type of data that the questionnaire should produce; and they direct the researcher to the type of questions that should be asked and the way in which the questions should be worded and structured. They emphasise that the data received are directly linked to the quality of the questionnaire. Therefore, the objective for this study is to determine whether there is a difference in how the consumers perceive a global versus a local brand.

The secondary objectives are connected to the brand analysis constructs (perceived quality, emotional value, brand awareness, brand image, brand loyalty and purchase intention). Therefore, the questionnaire used in this study addressed each of those constructs that are aligned with the objectives of this study.

The next step in Figure 4-1 is the data collection method to be chosen, followed by the creation of the questions. Next, the layout, flow and the design of the questionnaire should be determined. The last step is to evaluate the questionnaire. For the purposes of this study, the data collection method includes an online survey through the use of

Facebook and email platforms (see Section 4.2.3). The questionnaire was then adapted from that of previous research (see Appendix A). Lastly, a pilot survey was employed to evaluate the questionnaire (see Section 4.6). The questionnaire is discussed in Section 4.4.

In addition to the questionnaire design process in Figure 4-1, Evans and Mathur (2018), have a number of recommendations for questionnaire design, which include: (i) a clear statement of the purpose of the research; (ii) clear instructions; (iii) how to be user-friendly; (iv) have a logical order of questions; (v) have a realistic length; (vi) ensuring anonymity; (vii) be appealing with proper font and font size to display on multiple devices. Therefore, the questionnaire consisted of a welcome screen, or a covering letter, as well as instructions on what is expected from the respondents (see Appendix B).

Qualtrics enabled the researcher to ‘force’ an answer from the respondents, before they were allowed to proceed to the next section of the questionnaire. The questionnaire design allocated only two pages for the brand-related questions, and a progress bar was included below the questions, in order for the respondents to keep track of their progress. In addition, Qualtrics ensured that the respondents were only allowed to complete the questionnaire once.

In order to extend the method, which was adapted for this study to the target population, a sample had to be selected. A description of the target population and the sampling design is provided below.

4.3 Target Population and Sampling Design

As the research objectives are descriptive in nature, the sampling design had to ensure that a representative sample was chosen, in order to make, according to Leedy and Ormrod (2013), generalisations about the target population. The next section discusses the target population, and why it was chosen as an appropriate target population for the purposes of this study, the sample design and the size.

4.3.1 The target population

A target population can be defined as the collection of objects or elements that holds information needed by the researcher, in order to make certain inferences (Malhotra & Birks, 2006). Malhotra (2010) states that in order to conduct effective research, an accurate description of the target population is necessary. He further explains that a description of the aspects under investigation is required. Relevant to this study, the target population comprises consumers of the fashion retail brands, H&M and Mr Price in South Africa, who fall under the millennial generation.

There is no established definition as to when the millennial generation, also referred to as Generation Y, starts and ends (Govender, 2014). Thus, in order to find a suitable definition of millennials to be used for this study, Table 4-1 Table 4-2 provides different definitions that are found in previous literature.

Table 4-2: Six definitions of millennials that are found in recent literature

	Author(s)	Year	Definition of millennials
1.	Sullivan and Heitmeyer	2008	Generation Y ranges from those born between 1977 to 1994. Thus, individuals aged 14 – 31 around the time of this publication.
2.	Govender (Finweek)	2014	Millennials are described those born around 1981 to 2000. Thus, individuals aged 14 – 33 around the time of this publication.
3.	Duffet	2015	Millennials are born between 1982 and 1994. Thus, individuals aged 21 – 36 around the time of this publication.
4.	Duffet and Wakeham	2016	Millennials, also referred to as Generation Y, are aged from 18 years old to early thirties (1982 – 1998). Thus, individuals aged 18 – 34 around the time of this publication.
5.	Hilkka and Luoma-Aho	2016	Millennials are young consumers born in the 1980s and early 2000s. Thus, individuals aged 16 – 36 around the time of this publication.

	Author(s)	Year	Definition of millennials
6.	Jassawalla and Sashittal	2017	Millennials are born between 1980 and 2000. Thus, individuals aged 17 – 37 around the time of this publication.

It is clear from Table 4-2 that there is no specific age group or birth dates that indicate the millennial cohort, but rather that it is considered as a broad overview of young individuals born in the 1980s and in the late 1990s. Therefore, for the purposes of this study, the most recent definitions were used, together with the youth age groups from Statistics South Africa (2016) to determine the definition of millennials for this study. Statistics South Africa (2016), categorises the youth as those between the ages of 15 – 34. Table 4-2 shows that among definitions 3 – 5, the authors agree that millennials are those generally born in the early 1980s. Therefore, to use a definition from recent literature that is aligned to the age groups from Statistics South Africa, those individuals born between 1999 and 1983, individuals aged between 18 and 34 at the time of the data collection, i.e. 2017, will be considered as part of the millennial generation for the purposes of this study.

Kgosiemang (2016) highlights that the millennial customer segment, together with technical developments, are the main contributors to the ever-changing consumer market in South Africa. She adds that a millennial's power is drawn from this increasing buying power and the power that they possess for influencing other generations. As mentioned in Chapter 1, there are about 14,5 million millennials in the country, which comprises about 27% of the population (see Stephan, 2017; GfK, 2017). In the light of the above, millennials are considered a valuable target market in South Africa. Therefore, they were considered as an appropriate target population for the purposes of this study.

Other similar studies have also used the millennial cohort as their target population. Knight and Kim (2007) conducted a study to examine millennial Japanese consumers' brand perceptions, their need for uniqueness and the purchase intention of an American apparel brand. They note that, according to Morton (2002), millennial consumers tend to be internet savvy, well-educated and eager to shop. In fact,

millennials are often considered as the first segment of the global consumer, as a result of their exposure to global communication through the internet (Walker, 1996). Knight and Kim (2007) add that millennials have developed a wide variety of perspectives and have created a 'patchwork culture,' which is not limited to only one country. Consequently, a student sample from two Japanese metropolitan universities was used to represent the millennial population in Knight and Kim's (2007) research.

Another similar study by Strizhakova *et al.* (2008) used a student sample of respondents between the ages of 18 and 29 in the United States, Ukraine and Russia to represent the youth market. Their study examined the impact on branded products, as an important factor in consumption, as influenced by consumers' belief in global citizenship. They focused on the youth market; as this market is more likely to be subject to worldwide communications; and it is more likely to hold similar brand meanings, value global belongingness and be less likely to be subject to extraneous biases like income, compared to older population groups. Likewise, other global and local brand comparison studies also focused on a younger consumer sample, such as the studies by Lee *et al.* (2008), Bhardwaj (2010), Srivastava and Dey (2016), Dimofte *et al.* (2008), Kumar *et al.* (2009) and Winit *et al.* (2014).

It is expected that millennial consumers form part of the target market of the two brands chosen for this study, H&M and Mr Price; as Mr Price describes their target market as "young and youthful" consumers (MrPriceGroupLimited, 2018b) and H&M claims to cater for women, men, teenagers and children (H&M Group, 2018a). Therefore, in line with the previous research mentioned above, the use of a millennial consumer target population was suitable for the use of this study, which aimed to understand consumer perceptions of a global and a local brand.

Although the studies mentioned above made use of student samples, Pappu and Quester (2006) argue that future studies should make use of realistic, non-student samples as student samples have often been criticised for being atypical consumers, due to their limited experience in consumption, restricted age range and relatively lower incomes (Szymanski & Henard, 2001). It is also argued that the generalisability of the findings to the broader population is limited by using student samples; as

students only represent a subset of the total consumer population (Winit *et al.*, 2014; Bhardwaj *et al.*, 2010; Kumar *et al.*, 2009; Lee *et al.*, 2008). Subsequently, the authors advised that future brand analysis research should include a non-student consumer segment (Bhardwaj *et al.*, 2010), or a sample that includes consumer groups, such as Generation X or teenagers (Lee *et al.*, 2008). In the light of this, and as this study aims to increase the generalisability of the findings, the use of a student sample was avoided.

In order to obtain the sample for this study, which is, according to Malhotra (2010), a smaller group of the target population, which is analysed to learn more about the target population, the sampling design for this study is discussed below.

4.3.2 Sampling design

Research aims to describe certain characteristics of a large population through investigating a sample of that population (Leedy & Ormrod, 2013). Therefore, the majority of descriptive studies use probability sampling methods (Mouton, 2015); and some even advise against the use of non-probability techniques in statistical or descriptive studies, as these are most suitable for exploratory research. However, it is argued that it is often impractical for online and mobile survey studies to use probability sampling methods (Sue & Ritter, 2012). Therefore, as this study used an online survey as its data collection technique, it proceeded with the use of a non-probability, two-stage sampling method for additional reasons that are discussed below.

Convenience sampling is a non-probability sampling technique, which is described as a sample that is chosen, based on the researcher's subjective judgement, as opposed to a randomly chosen sample associated with probability sampling (Lund Research Limited, 2012; Malhotra & Birks, 2006). However, Malhotra and Birks (2006) argue that convenience sampling is not suitable for representing a definable population; and that the findings cannot be generalised. Therefore, this study did not rely on convenience sampling alone; but it also applied quota sampling to strengthen the representativeness of the sample.

Malhotra and Birks (2006) describe quota sampling as a non-probability, two-stage sampling method. The first stage includes the development of control characteristics or quotas of population elements, such as gender or age. They explain that these quotas are often assigned to ensure that the proportion of the sample's control characteristics is the same as the proportion of the population's control characteristics. In other words, the quotas are based on the control characteristics of the target population, ensuring that the sample represents the target population effectively (Malhotra, 2010). Watchravesringkan and Punyapiroje (2011) also used quota sampling to improve the convenience sample in a comparative study of consumers' attitudes towards the marketing practices of hypermarket retailers in Thailand.

The quotas were based on students' versus non-students', genders and ages. They used it to "ensure a certain degree of variability within each sample and to offer statistically significant comparisons across samples" (Watchravesringkan & Punyapiroje, 2011:707). Therefore, in order to also improve the robustness of this study's sample, quota sampling was applied.

The second stage of the quota sampling method includes the selection of sample elements through judgement or convenience sampling, with the only requirement being that the elements should fit the quota (Malhotra & Birks, 2006). To do so, respondents should be screened to avoid targeting incorrect individuals in the sampling frame (Malhotra, 2010). Thus, in order to ensure that only those individuals who form part of the desired population took part in this study, the survey started by asking whether they were i) between the ages of 18 and 35; ii) familiar with the fashion retail brand, Mr Price; and iii) familiar with the fashion retail brand, H&M. Participants were only screen for conditions (ii) and (iii) if the preceding screening criteria were met, i.e. if participants did not meet (i), they were not screened for (ii) and (iii). Should any respondent have answered no, they would not have been able to complete the survey on Qualtrics.

Malhotra (2010) describes quota sampling as a fast, cost-effective sampling method. In addition, it is a useful alternative when researchers do not have access to sampling frames (McGivern, 2006), as was the case with this study. Therefore, this study

applied quota sampling to obtain a more representative sample of the consumers in South Africa, who were familiar with both the Mr Price and H&M brands and fall under the millennial generation.

Recent South African statistics on the distribution of the youth by gender for people aged between 15 and 34 are presented in Table 4-3 below; and an extract of the youth distribution from Statistics South Africa (2006) is attached to Appendix C. It should be noted that as the data were collected in 2017, the latest statistics from 2016 were used. These statistics provided a suitable guideline for the drawing of quotas for this study's sampling process.

Table 4-3: Distribution of youth (Statistics SA, 2016)

			15-24	25-34	Quota used
			Sex and age group	Male	N('000)
	50.2%	50.8%			50.5%
Female	N('000)	5 137.0		4 743.0	9 881.0
		49.8%		49.2%	49.5%
Both	N('000)	10 312.0		10 313.0	19 958.0
		100%		100%	100%

Table 4-3 indicates the numbers of the youth distribution of South Africa, according to gender and age groups. These two population characteristics were applied to this study to obtain a representative sample of millennials in South Africa. Therefore, to select a sample that represents the characteristics of the target population, 50.5% of the sample had to consist of millennial males, and 49.5% had to consist of millennial females. The second quota was age, where Table 4-3 was also used as a guideline to draw a quota for the sample. Thus, 50.2% males and 49.8% females had to be chosen, falling within the 15 to 24 age group. Likewise, 50.8% males and 49.2% females had to be chosen within the 25 to 34 age groups.

Statistics South Africa (2016) used the age groups 15 to 24 and 25 to 34; but because 15 to 17 year-old individuals do not form part of the millennial generation for the purposes of this study (see Section The target population4.3.1), the 15 to 24 year-old age group was adapted to represent 18 to 24 year-old individuals.

After the description on the sampling design and the specific quotas for this study, the next section discusses the appropriate sample size for this study.

4.3.3 Sample size

According to Sue and Ritter's (2012) perspective, no formulae exist for statistical inference, when estimating a sample size suitable for non-probability samples. They justified this by stating that there was no information available on a respondent that was needed to calculate a suitable sample size; and as a rule-of-thumb for selecting an appropriate size for non-probability sampling, a larger sample is preferred rather than a smaller sample. Lee *et al.* (2008) used a sample of 275 (Mexican), 235 (Korean) and 172 (Japanese) students attending major universities in respective metropolitan cities. As this study is based on that of Lee *et al.* (2008); and as a larger sample is preferred, this study planned a sample size of a minimum of n=250 by using the sample sizes in the study by Lee *et al.* (2008), as a guideline.

McGivern (2006) holds that quota sampling uses primary and secondary sources, like census data to develop a sampling framework that would represent the entire target population. Secondary data (see Table 4-3) from Statistics South Africa (2016) were used to draw the quotas for this study. Therefore, a proportional amount of the two quotas was drawn to represent the millennial population: (i) gender and (ii) age. Table 4-4 below provides a further breakdown of the actual population composition in percentages; and from those numbers, Table 4-5 was calculated.

Table 4-4: Further breakdown of population distribution by gender and age groups

Sex and age group	Gender	18 - 24	25 - 34	Quota used
	Male	25.93%	24.57%	50.49%
	Female	25.74%	23.77%	49.51%
	Both	51.67%	48.33%	100.00 %

Table 4-4 subsequently shows the percentages to be used to calculate the sample for this study, based on the actual population. Therefore, when using a sample size of a

minimum of 250 respondents, the percentages calculated above can be applied to get a representative split in gender and age groups, in order to represent the overall population distribution. As such, the distribution calculated by using a sample size of 250 individuals is illustrated in Table 4-5:

Table 4-5: Quota sampling: calculation

Sex and age group	Gender	18 - 24	25 - 34	Quota to use
	Male	65	62	126 (50.49%)
	Female	64	59	124 (49.51%)
	Both	129	121	250 (100%)

Table 4-5 shows how the sample for this study was determined, based on the proportions of the entire target population (see Table 4-4). Therefore, by using this table, the researcher was able to determine what the minimum numbers were for males and females under each age category. According to Malhotra and Birks (2006), convenience sampling can be applied after choosing the quotas, as long as the respondents meet the criteria. Therefore, the screening process mentioned above, ensured that only those respondents who matched the quotas could form part of the study.

The final realised sample included a total number of 263 usable questionnaires, which exceeded the intended sample of $n=250$. Table 4-6 presents the actual sample obtained.

Table 4-6: Actual sample obtained

Sex and age group	Gender	18 - 24	25 - 34	Quota used
	Male	65	66	131 (49.81%)
	Female	65	67	132 (50.19%)
	Both	130	133	263 (100%)

Table 4-6 shows that the sample obtained $\{n(\text{male})=131; n(\text{female})=132\}$ exceeds the intended sample of $n=250$ presented in Table 4-5 with 13 respondents ($n=263$). One extra female between the ages of 18 and 24 participated in the survey; and so did

eight extra females between the ages of 25 and 34. However, four extra males between the ages of 25 and 34 also participated in the survey, thereby minimising the substantial skewness of the intended sample. Couper (2007) notes that there is usually little or no control over those who complete online surveys. Nevertheless, the extra respondents were retained; as, according to Sue and Ritter (2012), a larger sample is preferred for non-probability samples.

The subsequent section describes the measurement scales and the questions used in the questionnaire.

4.4 Measurement

Section 4.2.3.2 outlined the questionnaire design process in general. This section explains how the measure was compiled to suit the purposes of this study.

The basic scale design used included a Likert scale rating. According to Brace (2013) (2013), the Likert scale presents respondents with a series of attitudinal dimensions, where they are asked how strongly they agreed or disagreed with the statements by using a five-point Likert scale. Therefore, a five-point Likert scale was used for this study, in which the respondents were asked to rate the 17 scale items, labelled, and ranging from strongly disagree (=1), disagree (=2), neither agree nor disagree (=3), agree (=4) to strongly agree (=5).

These scale items measured the perceptions of H&M and Mr Price in the same questionnaire. In other words, one respondent had to rate both H&M and Mr Price.

Firstly, the questionnaire welcomed respondents with a welcome page, or a covering letter. Clow and James (2014) listed the typical information contained in a covering letter as: (i) the purpose for the study; (ii) the assurance of anonymity and confidentiality; (iii) the approximate time required to complete the survey; and (iv) thanking respondents in advance for participating. Therefore, the welcome page or covering letter for this study (see Appendix B), included all of the requirements mentioned above. In addition, the covering letter assured the respondents that the

survey was completely voluntary; and that the research project had been approved by the Commerce Faculty Ethics Research Committee at the University of Cape Town.

Next, the screening section was included to, according to Clow and James (2014), to ensure that only those respondents who met the target population criteria could proceed to participate in the study. Once the respondents had met the screening criteria, the questionnaire proceeded to the scale items related to the brand analytical constructs (see Appendix D).

By adapting the scales from Lee *et al.* (2008), the researcher was able replicate the measure to produce findings in a South African context. Attached to Appendix A is an overview of the original scale items, as well as the adapted scale items, which were slightly modified for the purposes of this study.

Malhotra and Birks (2006) indicate that one objective of a questionnaire's design is the translating of information required, into questions that the respondents can answer. Therefore, the modifications to the questionnaire included slight sentence structural improvements, for example: "*This* is a brand that I enjoy", instead of "*Be one* that I enjoy" or "*This* is a brand that makes me feel good" instead of "*Be one* that makes me feel good" (see Appendix A). In addition, after conducting the pilot study (see Section 4.5), confusion was raised by one of the statements: "This brand is durable". It was unclear to the respondent whether the question was whether the actual brand was durable, or if the clothes were durable. Thus, the statement was updated to "this brand's products are durable".

Below, Table 4-7 specifies the authors, who developed the scale items under each concept and construct that used in this study.

Table 4-7: Authors who developed the scales

Concept	Construct	Authors of scale items
Brand-specific associations	Emotional value	Sweeney & Soutar (2001)
	Perceived quality	Dodds, Monroe & Grewal (1991)
General brand impressions	Brand awareness	Yoo, Donthu & Lee (2000)
	Brand image	Lee <i>et al.</i> (2008)
Brand commitment	Brand loyalty	Yoo, Donthu & Lee (2000)
	Purchase intentions	Lee <i>et al.</i> (2008)

Lee *et al.* (2008) used the scale items that were previously developed by the authors in Table 4-7 in their study. Originally, the scale items measuring the emotional value were compiled by Sweeney and Soutar (2001). Dodds, Monroe and Grewal (1991) developed the scale items for perceived quality, and Yoo, Donthu and Lee (2000) for brand awareness and brand loyalty. Lee *et al.* (2008) developed the scale items for brand image and purchase intention.

Only closed-ended questions were asked in the questionnaire. Clow and James (2014) hold that the advantages of using closed-ended questions include: (i) the accurate recording of data as responses are limited to a set of options set out by the researcher; (ii) limited responses; and (iii) ability of the data to be automatically exported to a spreadsheet, which thereby saves the researcher time and prevents possible process errors. Another advantage also includes the reducing of interviewer bias, as respondents choose from a predetermined list of response options (Clow & James, 2014).

Sekaran and Bougie (2013) note that the language of a questionnaire should be at a level that can be understood by all the participants. As not all the respondents are marketing practitioners, marketing jargon, such as specific-brand association, general-brand impression and brand commitment were omitted as headings from this questionnaire, in order to avoid confusion.

To further simplify and lessen the survey time for respondents, side-by-side matrix tables were used (see Appendix D). The respondents were asked to rate each scale

item for both brands. The response time for completing the survey was reduced by using a side-by-side question; as, according to Qualtrics (2018), this allows the asking of several questions in one, condensed table. Respondents only had to read each scale item once; and were then able to simultaneously rate these scale items for both brands, as opposed to repeating the scale items for the two brands respectively.

The questionnaire also included a demographic section, which helped the researcher categorise the respondents. These categories were introduced in Section 1.2.2 and include age, gender, monthly income, highest level of education and race. The demographical data enabled the researcher to compare the differences in consumer perception towards global and local brands among these groups.

Using the questionnaire described in this section, the collection of the findings was carried out in a manner described in the following section.

4.5 Data Collection and Preparation

Malhotra (2010) suggest that the research instrument should be tested on a small sample, in order to identify any possible problems. Sekaran and Bougie (2013) described the pilot test, as using a small group of people to test the questions' appropriateness and comprehension and recommend that the results of the pilot test be debriefed. As previously mentioned, the questionnaire for this study was not newly developed, but rather adapted from the study by Lee *et al.* (2008). The researcher conducted a pilot test nevertheless, to ensure that all the questions were clear and could be understood correctly. Therefore, the pilot test of this study made use of a convenience sample of n=20 respondents to test the questionnaire items and the functionality of the online survey.

The researcher tested the distribution channels (Facebook and email) by posting a link to the survey on their personal Facebook page, asking for volunteers between 18 and 34 to complete the pilot survey. Furthermore, the survey was emailed to colleagues, friends and family members that formed part of the sampling criteria, to complete the pilot survey. As per the quotas identified, the pilot-respondents were a

suitable mix of male and females, and younger and older millennials – based on convenience sampling. The results of the pilot test enabled the researcher to make one improvement regarding the wording of a question, which was unclear (see Section 4.4) and to continue with the official distribution of the survey to the final sample.

A cross-sectional study involves the one-time collection of data from a given sample; and it is the most frequently used method in descriptive studies for marketing research (Malhotra & Birks, 2006). The data collection could only commence upon the approval for this study from the Ethics Committee from the University of Cape Town (see Appendix E). Once received, this survey was open for respondents for two months from November to December 2017.

The data for this study were collected by using an online questionnaire (see Appendix D). The questionnaire was compiled and the data collected electronically by using Qualtrics, which is trusted for the use of complex academic research. The questionnaire was distributed via email and Facebook platforms.

The first step in the data preparation involved the close observation of the incoming completed questionnaires to ensure that the quotas (gender and age) were addressed. The next step in the data preparation occurred once the data collection process had been completed. After the data collection, the raw data were exported to the statistical software, SPSS, where the first step relates, according to Malhotra (2010) to ensuring that the data are cleaned up, in order for them to be ready for analysis. Pallant (2011) notes that the data had to be checked for scores that were out of the minimum and maximum range; and to then delete or fix the value. The data were checked and no statistical adjustments to the data were required. The researcher reduced the survey respondents to only those who met the screening criteria, and who had completed the questionnaires.

The last step in the data preparation process includes the selection of a suitable data-analysis strategy (Malhotra, 2010). Subsequently, the data analysis for this study is discussed.

4.6 Interpretation of the Findings

Following the data collection, Malhotra (2010) provides steps to analyse the data, which include: (i) deciding on which data to be enhanced, set aside, or those be reduced, according to the purpose of the study; (ii) highlighting trends or patterns using visuals, such as graphs and charts; and (iii) examining the meaning of the data in relation to the research question. As such, these processes were followed; and they will be discussed below.

SPSS was used for all the statistical analyses in this study (see IBM Software, 2018). Descriptive statistics were used to describe the sample characteristics and to check for assumptions associated with the use of certain statistical techniques. These statistics usually include the standard deviation, mean, range, skewness and kurtosis (Pallant, 2011).

The reliability and validity of the data were then checked. Firstly, a Cronbach's Coefficient Alpha was conducted, in order to ensure, according to Sekaran and Bougie (2013), the internal consistency reliability of the measure that tests the consistency of answers to all the measurement scale items. Next, a factor analysis was applied on SPSS to indicate whether, according to Muijs (2004), the scale items measured the intended construct, and not any of the other constructs. Once the reliability and validity were proven to be satisfactory, the analysis addressing the research objectives could proceed.

Lee *et al.* (2008) used a split-plot analysis of variance (ANOVA) to analyse their data, in which the two brand types were considered as the repeated measure factors (the within-subjects), which consisted of two conditions (domestic and global brand). The three countries were included, as the grouping factor, or the between-subjects factor. Unlike the study by Lee *et al.* (2008), this study only consisted of one country, South Africa. Thus, in order to analyse the findings for the entire sample, that is only *one* group, a paired-samples t-test was employed.

Pallant (2011) explains that the paired-samples t-test, also known as repeated measures, is used when a study uses one group of people to collect the data under two different conditions, or on two different occasions. She adds that a paired-samples t-test is also used to measure the same response to two separate questions by the same person. Therefore, to test this study's hypotheses, a paired-samples t-test was suitable to use for the analysis of consumer perceptions of a global versus a local brand, which relates to the sample as a whole.

In order to provide supplementary findings, the study assessed the differences between the different subgroups of the demographic groups (e.g. gender and race). Pallant (2011) note that a study can be further assessed if the researcher wants to test whether the effect of, for instance gender, is different for females and males. She adds that this technique requires two independent variables: one being a between-subjects variable (e.g. races: African, Caucasian, Coloured and Indian) and the other being a within-subjects variable (e.g. the global and local brands). In addition, one continuous dependent variable is needed (e.g. perceived quality ratings). Therefore, similar to the study by Lee *et al.* (2008), which determined the differences between countries, a split-plot ANOVA was used in this study to determine the differences between the demographic subgroups. In addition, to determine the effect size of the results, the partial eta squared result was used (see Pallant, 2011). Cohen (1988) provides these effect size guidelines for the partial eta squared statistic as: 0.01 = small, 0.06 = moderate, 0.14 = large.

To add to the supplementary findings, the relationship between the brand analytical constructs was measured by using the Spearman rank-order correlation coefficient or Spearman's rho was used. Muijs (2004) explains that while the Pearson product-moment correlation coefficient is suitable for continuous variables, Spearman's rho is suitable for ordinal values. As a Likert-scale was used to measure the attitudes relating to the constructs, ordinal values are present (see Pallant, 2011) and therefore Spearman's rho is applied.

Up until this section, the process for the research design has been discussed. It is important, however, to conduct research in an ethical manner, when humans are

concerned (Leedy & Ormrod, 2013). As such, the importance of ethical research is discussed.

4.7 Ethical Considerations

Mouton (2015) indicates that ethical research is concerned with what is right and what is wrong in research. As scientific research is a form of human conduct, it has to conform to generally accepted values and norms (Mouton, 2015). Leedy and Ormrod (2013) highlight that the rights and interests of the participants have to be protected. Mouton (2015) adds that protecting the rights, interests and sensitivities of those being studied is crucial to gathering information on the basis of mutual trust.

The basic rights of those being studied include: (i) the right to privacy, which includes the right to refuse participation; (ii) the right to remain anonymous and for the information to be treated in a confidential manner; (iii) the right to informed consent, and; (iv) the right not to be harmed physically, emotionally or psychosocially (Mouton, 2015; Leedy & Ormrod, 2013). It should also be noted that vulnerable groups, such as children, the elderly and mentally handicapped individuals have additional rights (Mouton, 2015).

Sue and Ritter (2012) indicate that the respondents of online surveys will, in almost all cases, be volunteers and should be briefed about the research, in order for them to make an informed decision about participating or not. They explain that this brief should include: (i) The nature of the survey; (ii) the sponsor of the research's identity; (iii) how the information will be used; (iv) more or less how long it will take to complete the survey, including if they might be asked to participate in future surveys; and (v) if there are any risks involved for the respondents, such as disclosing personal or embarrassing information.

In the light of the above, and as indicated throughout this chapter, this study ensured that this research project was conducted in an ethical manner – to ensure that no harm is done to any of the respondents who participated in the survey. The following section concludes this chapter.

4.8 Conclusion

The purpose of the methodology chapter was to provide an overview of the research design; and to determine which methods are most suitable to use for the purposes of this study. Therefore, in order to address the research question and the research objectives, which were to describe the differences in consumer perceptions of a global versus a local brand, the methodology design took a descriptive study approach, in which according to Malhotra and Birks (2006), descriptive studies often use quantitative research techniques.

Against all the advantages and disadvantages listed in Section 4.2.2.3, an online survey method was used to obtain the data for this study. The survey contains a questionnaire, which is described as an instrument to collect information from the respondents through asking questions that are related to the purpose of the study (Malhotra, 2010).

The target population for this study was identified as South African Millennials that are familiar with the fashion retail brands, Mr Price and H&M. A non-probability sampling method was used to select the respondents: quota sampling. The screening stage of the questionnaire ensured that only those who met the criteria would be able to complete the survey. A similar study by Lee *et al.* (2008) guided the researcher as to how large the sample should be. As such, a minimum sample of n=250 respondents were asked to participate in the survey; however, this was exceeded and a total sample of n=263 were obtained after the data collection.

Sekaran and Bougie (2013) add that researchers are in the fortunate position to be able to use ready-made reputable measures that were previously developed by other researchers, rather than having to develop these themselves. Therefore, the questionnaire was designed by adapting the scale items from the study of Lee *et al.* (2008). Pallant (2011) advises that a variety of statistics are often used in research, depending on the type of data and the research question. Accordingly, an

interpretation of the findings was tailored and described for the specific research objectives of this study.

The methodology chapter was concerned with the description of how the study would obtain the findings. Subsequently, the next chapter presents the findings that were obtained, based on the methodology provided in this chapter.

5 CHAPTER 5: RESULTS

5.1 Introduction

The preceding chapter provided a description of this study's research design, which explained the methods used to address the research objective; to determine if there is a difference in consumer perceptions towards a global versus a local brand among millennial consumers in South Africa. This chapter presents the findings after the data had been collected from the online survey, as well as the interpretation thereof.

As seen in previous chapters, the majority of the findings of similar studies in developing countries found a preference for global brands rather than local brands (e.g. Alden *et al.*, 1999; Lee *et al.*, 2008; Kumar *et al.*, 2009; Bhardwaj *et al.*, 2010; Winit *et al.*, 2014). To learn about the consumer perceptions of a global versus a local brand in a South African context, this chapter reveals the findings of this study.

The layout of the chapter is as follows. It starts with descriptive statistics, which provide an overview of the demographics of the sample obtained, the descriptive statistics for the six brand analysis constructs and a test of normality for the data. Then, the hypotheses are tested; and the results are presented, according to the three brand-analysis components: brand-specific association, general brand impression and brand commitment. To further evaluate the findings, the results of the split-plot ANOVAs are presented, to determine the differences in consumer perceptions of global and local brands among the demographic categories. In addition, the findings present the relationship between the constructs for both brands.

5.2 Descriptive Statistics

This section starts with an overview of the brand analysis construct abbreviations used in this chapter, presented in below in Table 5-1:

Table 5-1: Construct abbreviations

Concept	Construct	Abbreviation
Brand-specific Associations	Perceived Quality	PQ
	Emotional Value	EV
General Brand Impressions	Brand Awareness	BA
	Brand Image	BI
Brand Commitment	Brand Loyalty	BL
	Purchase Intentions	PI

Large volumes of data can be condensed and summarised with the use of descriptive statistics (Lombard *et al.*, 2010). Therefore, this study uses a combination of graphical and tabulated descriptions, as well as statistical commentary on the findings, in order to make the data more easily interpretable. The descriptive statistical section starts with an analysis of the sample size and the sample characteristics. The second part of this section reports on the descriptive statistics associated with the brand analysis constructs, followed by a test of normality of the data.

5.2.1 Sample descriptive statistics

Section 4.3.2 in the previous chapter indicated that a quota sampling technique was used to determine a representative sample for this study. Therefore, based on the population characteristics from the youth distribution from Statistics South Africa (2016), the sample was determined according to age the groups {n(18-24)=130; n(25-34)=133} and gender {n(male)=131; n(female)=132}, which exceeded the initial quota sampling calculation of n=250. Therefore, the total sample size of n=263 was considered adequate to proceed with the data analysis.

A response rate of 62,77% was obtained. A total of 419 respondents opened the online survey, of which only 306 respondents met the screening criteria (age, familiarity with both H&M and Mr Price). Forty-three out of the 306 respondents did not complete the questionnaire. Therefore, out of the 306 respondents, only 263 provided viable responses.

Table 5-2 below summarises the applicable descriptive statistics that present the profile of the total number of respondents (n), as well as the corresponding frequencies.

Table 5-2: Sample characteristics

Gender	n	%
Male	131	50%
Female	132	50%
Total	263	100%
Age	n	%
18-24 years	130	49%
25-34 years	133	51%
Total	263	100%
Income	n	%
R0 - R4 999	63	24%
R5 000 - R9 999	37	14%
R10 000 - R19 999	50	19%
R20 000 - R29 999	40	15%
R30 000 - R64 999	35	13%
R65 000 or more	7	3%
Prefer not to answer	31	12%
Total	263	100%
Education	n	%
High School not completed	7	3%
Grade 12/matric completed	67	25%
National Diploma	54	21%
Bachelor's Degree	79	30%
Post Graduate Degree	56	21%
Total	263	100%
Race	n	%
African	66	25%
Coloured	15	6%
Indian	15	6%
White/Caucasian	163	62%
Other	0	0%
Prefer not to answer	4	2%
Total	263	100%

The results from Table 5-2 show an even participation rate between genders with 50% (n=131) male respondents and 50% (n=132) female respondents. A total of 49% (n=130) indicated that they were between the ages of 18 and 24; while 51% (n=133) indicated that they were between the ages of 25 and 34.

In terms of gross income, 24% (n=63) indicated that they earn less than R4 999 per month. Another 19% (n=50) indicated that they earn between R10 000 and R19 999 per month; while 15% (n=40) earn between R20 000 and R29 999. Table 5-2 also shows that 14% (n=37) of the respondents earn between R5 000 and R9 999; and 13% (n=35) indicated that they earn between R30 000 and R64 999. There were 31 respondents (12%, n=31), who preferred not to disclose their income bracket. The remaining 3% (n=7) of the respondents indicated that they earn R65 000 per month or more.

Table 5-2 shows that 30% (n=79) of the respondents indicated that their highest level of education was a bachelor's degree; and 25% (n=67)

indicated that Grade 12 was their highest level of education. Fifty-six respondents (21%, n=54) hold a post graduate degree; 54 (21%) hold a national diploma; while the remaining 3% (n=7) indicated that they had not completed high school.

Lastly, the racial distribution is as follows. Sixty-two per cent (n=163) of the respondents were Caucasian; 25% (n=66) were African; 6% (n=15) were Coloured; and another 6% (n=15) were Indians. The remaining 2% (n=4) preferred not to disclose their race.

The next section discusses the descriptive statistics for the six brand analysis constructs used in this study.

5.2.2 Descriptive statistics for constructs

This section presents the descriptive statistics for the summated constructs for both H&M and Mr Price. The scale items that make up each brand analysis construct were described in Section 4.4, (also refer to original and adapted scale item table in Appendix A); and they were summated, using SPSS's compute variable function.

Table 5-3 below summarises the descriptive statistics for the constructs relating to the global brand, H&M. Figure 1-2 provides an overview of the abbreviations used throughout this chapter.

Table 5-3: Summarised statistics for constructs H&M

	PQ H&M	EV H&M	BA H&M	BI H&M	BL H&M	PI H&M
Mean	3.68	3.72	4.06	3.84	2.92	3.17
Median	4.00	3.80	4.00	4.00	3.00	3.00
Mode	4.00	4.00	4.00	4.00	3.00	3.00
Standard Deviation	.82	.76	.71	.71	1.03	1.04
Skewness	-.64	-.57	-.56	-.29	.11	-.18
Kurtosis	.98	.83	-.33	.25	-.47	-.42

Overall, Table 5-3 shows the high agreement levels for PQ, EV, BA and BI; as the means are above 3.6 (3=neutral). This is supported by medians close to 4 and a mode of 4 for these constructs. The lowest agreement levels were for BL towards H&M, with a mean of 2.92, a median of 3 and a mode of 3. However, the results indicated a neutral level of agreement towards PI for H&M with a mean of 3.17, a median of 3 and a mode of 3.

Likewise, Table 5-4 below summarises the descriptive statistics for the constructs relating to the local brand, Mr Price.

Table 5-4: Summarised statistics for constructs Mr Price (MrP)

	PQ MrP	EV MrP	BA MrP	BI MrP	BL MrP	PI MrP
Mean	2.85	3.30	4.18	3.21	2.64	2.86
Median	3.00	3.40	4.33	3.00	2.50	3.00
Mode	3.00	4.00	4.00	2.50 ^a	2.00	2.00
Standard Deviation	.98	.89	.64	.90	1.16	1.19
Skewness	.19	-.39	-.78	-.02	.33	.09
Kurtosis	-.52	-.08	.56	-.28	-.74	-.88

a. Multiple modes exist. The smallest value is shown

Table 5-4 shows neutral responses towards the PQ of Mr Price, with a mean of 2.85, a median of 3 and a mode of 3. Slightly higher levels of agreement are evident for EV Mr Price, with a mean of 3.30, a median of 3.4, and a mode of 4. Table 5-4 shows high levels of agreement for BA for Mr Price, with a mean of 4.18, a median of 3.4 and a mode of 4 (=agree). A mean of 3.21 and a median of 3 for BI was obtained, and a mode of 2.5, although multiple modes exist. Evident from Table 5-4 are the low levels of agreement towards the BL and PI of Mr Price. BL got a mean of 2.64, a median of 2.5, and a mode of 2 for brand loyalty. Similarly, for PI, a mean of 2.86, a median of 3 and a mode of 2 suggest lower levels of agreement for Mr Price.

In order to report on the standard deviation, the skewness and the kurtosis values in Table 5-3 and Table 5-4 above, histograms are presented next to each construct for each brand to visually illustrate the shape of the curve. A skewness and kurtosis value of 0 indicates a perfectly normal distribution; but this is uncommon in social sciences

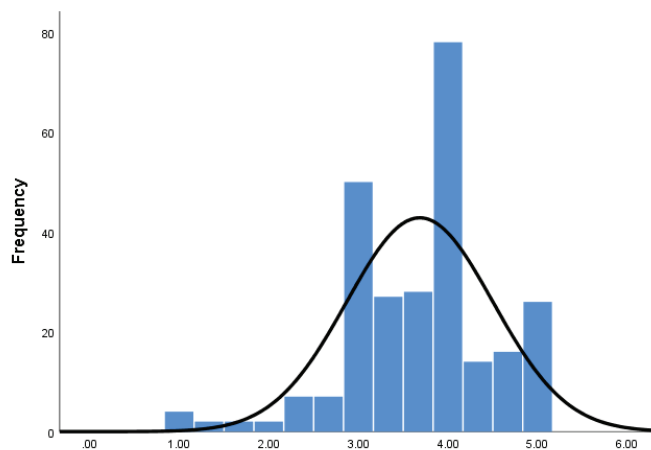
(Pallant, 2011); and it is also not the case for this study, as is evident in Table 5-3 and Table 5-4. In addition, Malhotra (2010) indicates that the shape's measures are examined to ensure that the data conform to normality assumptions. Against this background, the histograms and further discussions are presented below.

5.2.2.1 Descriptive statistics for brand-specific association

The descriptive statistics are described next to each histogram for the brand-specific constructs, PQ and EV.

- **Descriptive statistics for construct perceived quality**

Figure 5-1: Histogram PQ H&M



The PQ for H&M was operationalised, as the summated items presented in Appendix A. The mean of 3.68 suggests that the respondents feel 'neutral' towards, 'in agreement' with the PQ of H&M. This is supported by a median of 4 and a mode of 4 (=agree). A

standard deviation of 0.82 suggests little spread among the responses. The negative skewness value (-.64) shows the clustering of scores on the right-hand side of Figure 5-1; while the kurtosis value (0.98) suggests a peaked distribution, meaning that the data are clustered in the centre.

Figure 5-2: Histogram PQ Mr Price

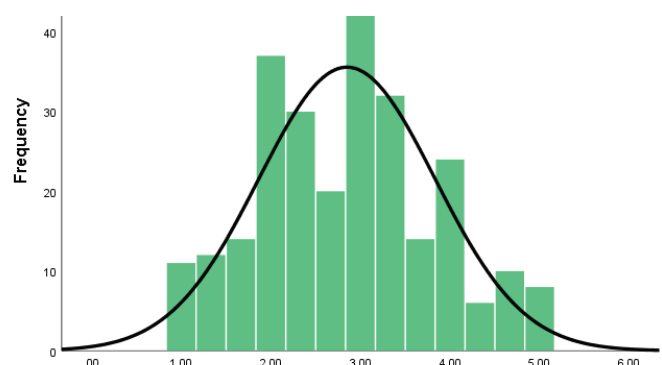
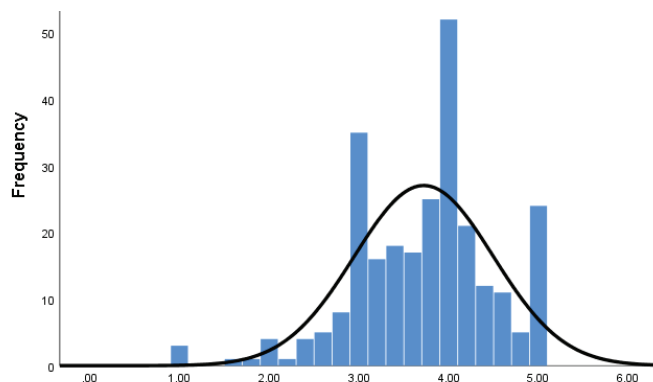


Figure 5-2 shows that the responses were unanimous, with a standard deviation of 0.98. A mean of 2.85 suggests that the respondents feel 'neutral' towards 'disagreement' toward the PQ of Mr Price. This is supported by a median of 3, as well as a mode of 3. A

positive skewness value of 0.19 shows a slightly positive skew, with scores clustered to the left; and the negative kurtosis value of -0.52 indicate that, according to Pallant (2011), this indicates a flat distribution, which means that there are too many cases that occur in the extremes.

- **Descriptive statistics for construct emotional value**

Figure 5-3: Histogram for EV H&M

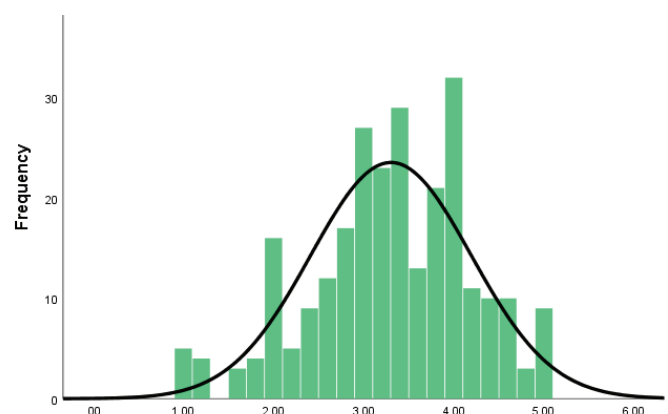


The second construct in the brand analysis model is EV. An examination of the mean suggests an overall 'neutral' to favourable evaluation of H&M's EV (mean=3.72). The higher the median and the mode support this indication (median=3.8; mode=4). The standard deviation of 0.78 shows

little spread among the respondents regarding the EV of H&M. A skewness value of -0.57 indicates a distribution of scores slightly clustered to the right, as in Figure 5-3. A positive kurtosis of 0.83 shows a somewhat peaked distribution (centrally clustered).

In Figure 5-4, a mean of 3.30, a median 3.4 and a mode of 4 (=agree) suggest that the respondents felt 'neutral' towards favourable toward the EM of Mr Price. The results show that the data were concentrated around the mean, with a standard deviation of 0.89. The distribution shows both a negative skewness value of -0.39 and a negative kurtosis value of -0.08.

Figure 5-4: Histogram for EV Mr Price

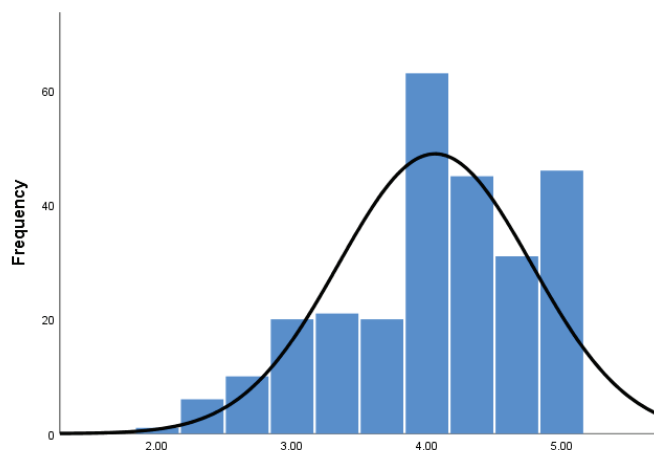


5.2.2.2 Descriptive statistics for general brand impression

The descriptive statistics are described next to each histogram for the brand impression constructs, BA and BI.

- **Descriptive statistics for construct brand awareness**

Figure 5-5: Histogram for BA H&M

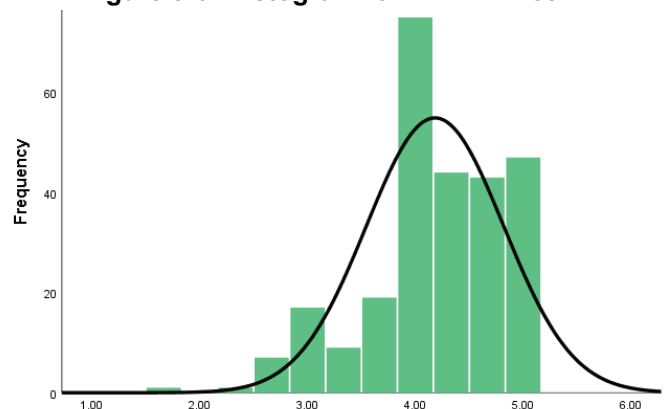


The construct of BA was operationalised as the summated scale items presented in Appendix A. The findings indicate a high level of BA toward H&M with a mean of 4.06, a median of 4 and a mode of 4. As seen in Table 5-3, the standard deviation of 0.72 indicates a unanimous response among the

respondents. The skewness value of -0.56 shows a cluster of cases on the right-hand side of the graph; while the negative kurtosis value of -0.33 indicates a relatively flat distribution.

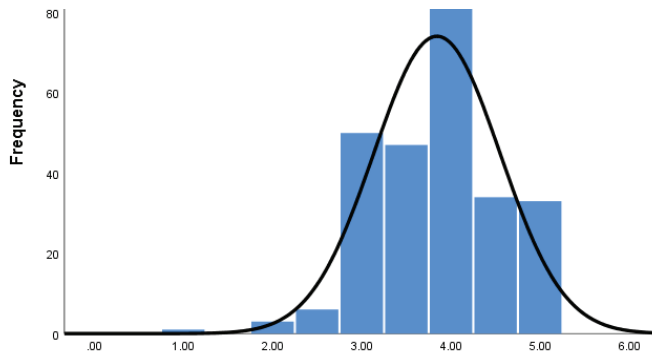
A high level of BA for Mr Price is suggested by the findings (mean=4.18, median=4.3, mode=4). In addition, there is little spread among the responses with a standard deviation of 0.64. The distribution shows that cases are rather clustered on the right-hand side of Figure 5-6 and rather peaked (skewness=-0.78; kurtosis=-1.56).

Figure 5-6: Histogram for BA Mr Price



- **Descriptive statistics for construct brand image**

Figure 5-7: Histogram for BI H&M

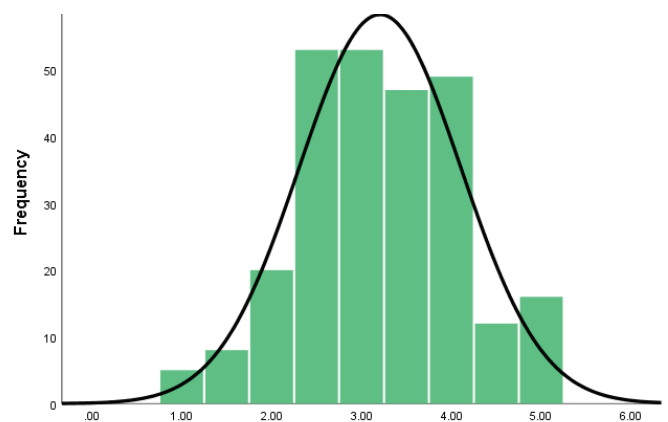


The scale items in Appendix A were added to form the BI construct. The findings indicate a 'neutral' to favourable view of H&M's BI. This is supported by a mean of 3.84, a median of 4 and a mode of 4(=agree). The standard deviation of 0.71 reflects little deviation in the

group, suggesting that the majority of the group feel the same way towards the BI of H&M. The distribution of the data is slightly clustered on the right, with a negative skewness of -0.29. The kurtosis value of 0.25 shows a slight peak of distribution.

The results show lower scores for BI Mr Price with a mean of 3.21 (3=neutral). This is supported by a median of 3 and a mode of 2.5; however, multiple modes were obtained, with 2.5 being the lowest value. The standard deviation of 0.90 suggests a unanimous response among the respondents. The distribution of the data show that cases are slightly clustered on the right (skewness=-0.02) and they are slightly peaked (kurtosis=-0.29).

Figure 5-8: Histogram for BI Mr Price

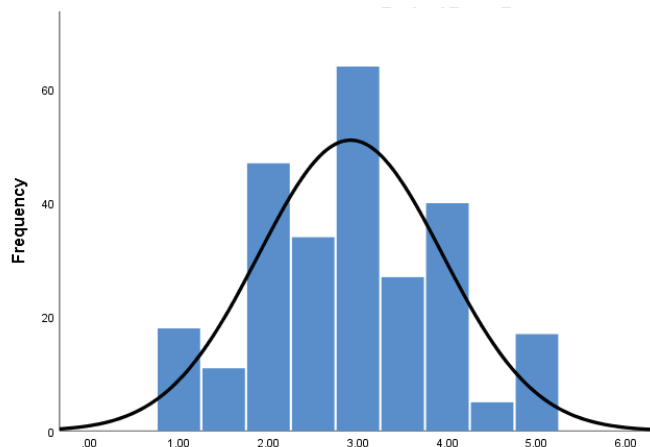


5.2.2.3 Descriptive statistics for brand commitment

The descriptive statistics are described next to each histogram for the brand commitment constructs, BL and PI.

- **Descriptive statistics for construct BL**

Figure 5-9: Histogram for BL H&M

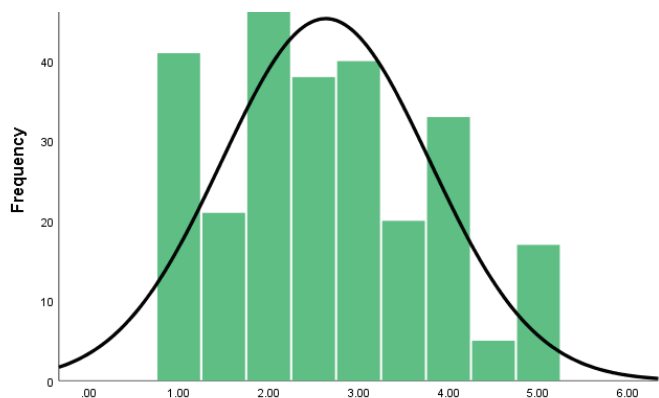


The construct of BL was operationalised, as the summated scale items in Appendix A. ‘Neutral’ to lower levels of brand loyalty are suggested by the findings (mean=2.92; median=3; mode=3). However, a standard deviation of 1.08 suggests variation among the responses in the group, indicating

different levels of brand loyalty toward H&M. A positive skewness value of 0.11 shows a slight cluster of scores on the lower left; and the negative kurtosis value of -0.47 suggest a rather flat distribution.

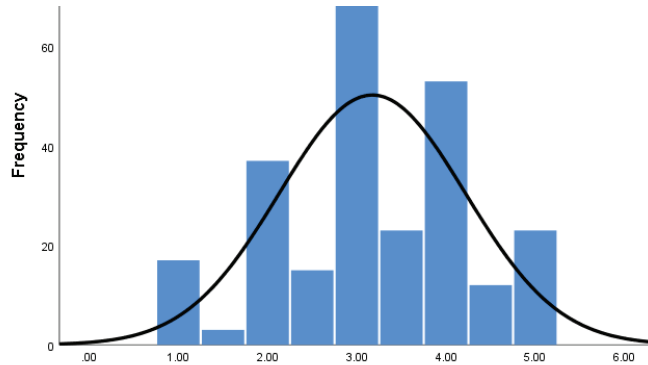
An interpretation of the results indicates lower levels of BL towards Mr Price (mean=2.64; median=2.5; mode=2). However, a standard deviation of 1.16 suggests that different levels of brand loyalty are evident among the respondents. The cases are slightly clustered toward the lower left; as the skewness value is 0.33. The distribution is also flat with a negative kurtosis value of -0.74.

Figure 5-10: Histogram for BL Mr Price



- **Descriptive statistics for construct PI**

Figure 5-11: Histogram for PI H&M

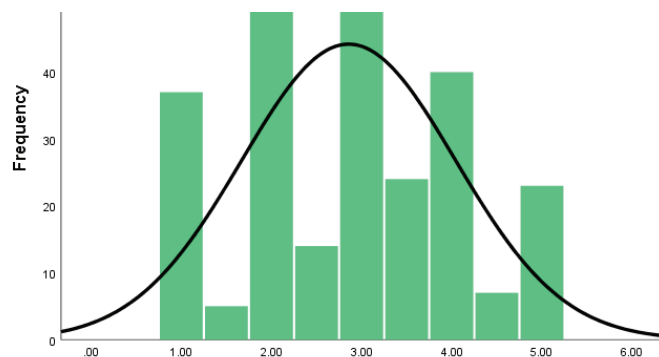


PI was operationalised as the summated scale of the items in Appendix A. An examination of the mean of 3.17, shows a ‘neutral’ intention to purchase the H&M brand. This is supported by a median of 3 and a mode of 3. The standard deviation, however, shows that different purchase intentions

towards the H&M occur among the respondents (standard deviation=1.04). The distribution shows a slight cluster of cases on the right-hand side, with the negative skewness value of -0.18. The distribution is relatively flat with a kurtosis value of -0.42.

The intention to purchase the Mr Price brand is neutral to low among the respondents (mean=2.86; median=3; mode=2). It should be noted, however, that a standard deviation of 1.87 suggests that although some people would purchase the brand, others would not. This is also evident in the distribution, with a skewness value of 0.89 and a kurtosis value of -0.88, indicating that there are many cases in the extremes.

Figure 5-12: Histogram for PI Mr Price



This section addressed the constructs that were operationalised by the summated scale items. An overview of the skewness and kurtosis, the standard deviation and the histogram curves were an indication of the data distribution. The next section, however, further tests the data, in order to determine the normality of the distribution.

5.2.3 Normality of the data

The previous section reported on the skewness and the kurtosis of each construct. It should be noted that, according to Tabachnick and Fidell (2007), the shape of histograms should rather be inspected to determine the distribution, as tests to evaluate skewness and kurtosis are often too sensitive for large samples. They also argue that skewness would not result in a substantive difference in the analysis when large samples are used. Lastly, they add that kurtosis may result in a miscalculation of the variance; but that if a sample of over 200 is used, the risk is reduced – as was the case with this study's sample size of $n=263$.

Skewness has to fall within the interval of $[-1;1]$ and kurtosis within the interval of $[-1,5;1,5]$ (Malhotra, 2010). Examining the results obtained in Table 5-3 and Table 5-4, it may be concluded that all the variables fall within the prescribed intervals for skewness and kurtosis; and thus, the data are considered to be normal.

Against this background, and taking into consideration that a larger sample was used, the findings of the skewness and kurtosis, and the shapes of the histograms, it may be concluded that the normality of the data is adequate. Therefore, the analysis of this study proceeded with the use of parametric techniques, the paired-samples, the t-test and the split-plot ANOVA.

The current section provided details relating to the descriptive statistics of the data findings. Next, the data were analysed; and they are presented in such a way that it includes the intended findings about the sample.

5.3 Inferential Statistics

Inferential statistical analysis is about drawing inferences and conclusions about a population from the sample observed (Asadoorian & Kanterelis, 2009). Malhotra (2010) holds that the central process of inferential statistics is hypothesis-testing, whereby suggested expectations are either rejected or supported by the data at a specific level of statistical significance, or level of confidence. Therefore, the

forthcoming section tests the hypotheses that were deduced for this study (see Section 3.4). Firstly, the measurement instrument was examined to ensure the reliability and the validity of the measures.

5.3.1 Reliability and validity

The reliability is concerned with the consistency that a measuring instrument measures; what it intended to measure; while validity is a test to determine how well a measuring instrument measures the specific concepts it was intended to measure (Sekaran & Bougie, 2013). As such, the reliability is first analysed, followed by an examination of the measurements' validity.

5.3.1.1 *Reliability*

The reliability of a measurement instrument refers to the extent to which a measurement scale produces results that are consistent; if measurements are repeated (Malhotra & Birks, 2006). The internal consistency reliability is tested for this study, which, according to Malhotra and Birks (2006), means that the reliability of a summated scale is assessed. They explain that this is when multiple items are summed up to equal a total score. The inter-item consistency reliability tests the consistency of the answers to scale items used in a measure. One of the common tests of inter-item consistency reliability is the Cronbach's coefficient alpha (Sekaran & Bougie, 2013), or Cronbach's alpha, where a value of 0.6 or less generally suggests unsatisfactory internal consistency reliability (Malhotra & Birks, 2006); whereas higher values indicate greater reliability (Pallant, 2011). Nunnally, Bernstein and Berge (1967) recommend a Cronbach's alpha value of greater than, or approaching a 0.6 threshold for studies in the social sciences.

The reliability of the summated scale items (see Section 5.2.2) were assessed by using the Cronbach's alpha test. The findings are presented in Table 5-5 below.

Table 5-5: Reliability of constructs

Brand analysis components	Constructs	Cronbach's alpha
Brand-specific associations	Perceived quality	0.92
	Emotional value	0.94
General brand impressions	Brand awareness	0.68
	Brand image	0.74
Brand commitment	Brand loyalty	0.90
	Purchase intention	0.93

Table 5-5 above shows that the constructs with high levels of reliability include PQ ($\alpha=0.92$), EM ($\alpha=0.94$), BL ($\alpha=0.90$) and PI ($\alpha=0.93$). Acceptable levels of reliability were achieved for BA ($\alpha=0.68$) and BI ($\alpha=0.74$). Therefore, all of the constructs meet the minimum threshold; and they are considered to be reliable.

As the reliability of the measurement model was assured in this section, the focus then turns towards the validity considerations in the next section.

5.3.1.2 Validity

Factor analysis is a statistical method to determine the validity of a scale. Validity occurs when the items load onto one correct construct (Malholtra, 2010). In this study, factor analysis determined that the factors loaded and explained 71.54% of the variance in the data. All factors that loaded had *eigenvalues* greater than 1, which is, according to Malholtra (2010) in accordance with Kaiser's criterion, which suggests that factors should be retained with *eigenvalues* equal to or higher than 1.

Factor 1 had an *eigenvalue* of 9.15 and this explained 53.84% of the variance in the data. Items relating to PQ and EV were loaded onto Factor 1.

Factor 2 had an *eigenvalue* of 1.85; and this explained 10.86% of the variance in the data. Items relating to BL and PI were loaded onto Factor 2.

Factor 3 had an *eigenvalue* of 1.161 and this explained 6.83% of the variance in the data. Items relating to BA loaded onto Factor 3. One BI item loaded onto Factor 3 as well, whereas the second BI item loaded onto Factor 2. This is an interesting find and brings the validity into question for the BI scale. However, despite this, BI was retained in this study; as these scale items were validated and included in previous similar studies (e.g. Lee *et al.*, 2008; Bhardwaj *et al.*, 2010). Therefore, this study kept these scale items to not only compare the results between the global and local brand, but also to compare them with the findings from these previous studies.

Based on the results mentioned above, regarding both the reliability and the validity, the measurement was considered to be adequate; and it allowed for the interpretation of the results. Hence, the hypotheses are addressed in the next section.

5.3.2 Perceptions of a global versus a local brand

The paired-samples t-test technique is a parametric technique. Parametric techniques, according to Pallant (2011), makes various assumptions, such as normally distributed scores for the population, from which a sample was drawn. Therefore, as the normal distribution of the data for this study was adequate (see Section 5.2.3); the study proceeded with the parametric technique, and the paired-samples t-test.

Each section is structured, according to the brand analysis components (brand-specific associations, general brand impression and brand commitment) with its constructs (see Figure 1-1). In addition, the results directly address the research objectives for this study (see Section 1.3).

5.3.2.1 *Hypotheses for brand-specific association*

A paired-samples t-test was conducted to evaluate the differences in brand-specific association (perceived quality and emotional value) between the H&M and Mr Price. Table 5-6 below presents the computations of the paired samples-test for PQ and EV.

Table 5-6: Paired-samples t-test computation for PQ and EV

		Paired Differences				t-statistic	df	Significance value (2-tailed)
		Mean difference in scores	Standard Deviation	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1	PQ for H&M and MrP	.84	1.05	.71	.96	12.91	262	.000
Pair 2	EM for H&M and MrP	.42	.99	.30	.54	6.86	262	.000

The results shown in Table 5-6 above are discussed in detail below.

- **Hypotheses for perceived quality**

The first hypothesis focused on the difference in the perceived quality of a global versus a local brand. H_1 is provided below:

H_1 : There is a difference in consumers' perceived quality between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The results for PQ in

Table 5-6 indicate that the null hypothesis may be rejected at the 5% level of significance with the t-statistic 12.905, as the p-value is less than 5%. Therefore, there is a statistically significant difference in the perceived quality of the two brands, with higher ratings for H&M ($M = 3.68$, $SD = 0.82$) than for Mr Price ($M = 2.85$, $SD = 0.98$), $t(262) = 12.91$, $p < 0.05$ (two-tailed). The mean difference in scores is 0.84 with a 95% confidence interval ranging from 0.71 to 0.96. Therefore, this led to support for H_1 . It may be concluded that consumers perceive the quality of H&M to be higher than that of Mr Price.

Next, the hypothesis concerned with EV are tested.

- ***Hypotheses for emotional value***

The second hypothesis under brand-specific association is concerned with the different levels of emotional value, which are created by the global versus the local brand. Stated below is H_2 :

H_2 : There is a difference in emotional value between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The results of EV in

Table 5-6 show that the null hypothesis may be rejected at the 5% level of significance, with the t-statistic of 6.86; as the p-value is less than 5%. It thus shows that there is a significant difference in the emotional value, with higher ratings for H&M ($M = 3.72$, $SD = 0.78$) compared to Mr Price ($M = 3.30$, $SD = 0.89$), $t(262) = 6.855$, $p < 0.05$ (two-tailed). The mean difference in scores is 0.419, with a 95% confidence interval ranging from 0.30 to 0.54. Therefore, it led to H_2 being supported. It may consequently be concluded that consumers perceive the emotional value of H&M to be higher than that of Mr Price.

The hypotheses for the brand analysis component, the general brand impression are tested next.

5.3.2.2 Hypotheses for general brand impression

A paired-samples t-test was conducted to evaluate the differences in general brand impression (brand awareness and brand image) between the H&M and Mr Price. Table 5-7 below presents the computations of the paired samples-test for BA and BI.

Table 5-7: Paired-samples t-test computation for BA and BI

		Paired Differences				t-statistic	df	Significance vare (2-tailed)
		Mean difference in scores	Standard Deviation	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 3	BA for H&M and MrP	-.12	.70	-.21	-.04	-2.81	262	.005
Pair 4	BI for H&M and MrP	.64	.95	.52	.75	10.92	262	.000

The results shown in Table 5-7 above are discussed in detail below.

- **Hypotheses for BA**

The third hypotheses in this study focused on the difference in brand awareness between the global and local brands. H_3 is thus stated below:

H_3 : There is a difference in brand awareness between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The results of BA in Table 5-7 indicate that the null hypothesis may be rejected at the 5% level of significance with the t-statistic of -2.81; as the p-value is less than 5%. There is thus a significant difference in brand awareness between the global and the local brand, with lower brand awareness levels of H&M ($M = 4.06$, $SD = 0.71$) than Mr Price ($M = 4.18$, $SD = 0.64$), $t(262) = -2.81$, $p < 0.05$ (two-tailed). The mean difference in scores is -0.12, with a 95% confidence interval ranging from -0.21 to -0.04. It may thus be concluded that consumers perceive the brand awareness of Mr Price to be higher than that of H&M. As a result, H_3 was supported.

Next, the hypothesis focusing on BI is tested.

- **Hypotheses for BI**

The fourth hypothesis is concerned with the difference in the brand image of H&M versus that of Mr Price. H_4 is thus stated below:

H_4 : There is a difference in consumer perception regarding the brand image between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The results of BI in Table 5-7 above show that the null hypothesis may be rejected at the 5% level of significance, with the t-statistic of 10.92; as the p-value is less than 5%. It indicates a significant difference in the brand image between the global and the local brand, with higher levels of brand image of H&M ($M = 3.84$, $SD = 0.71$) compared to those of Mr Price ($M = 3.21$, $SD = 0.90$), $t(262) = 10.92$, $p < 0.05$ (two-tailed). The mean difference in scores is 0.64, with a 95% confidence interval ranging from 0.52 – 0.75. It may be concluded that consumers in South Africa perceive the brand image of H&M to be higher than that of Mr Price. As such, H_4 was supported.

The subsequent section tests the hypotheses relating to the brand commitment constructs, brand loyalty and purchase intention.

5.3.2.3 Hypotheses for brand commitment

A paired-samples t-test was conducted to evaluate the difference in brand commitment (brand loyalty and purchase intention) between the H&M and Mr Price. Table 5-8 below presents the computations of the paired samples-test for BL and PI.

Table 5-8: Paired-samples t-test computation for BL and PI

		Paired Differences				t-statistic	Df	Significance value (2-tailed)
		Mean difference in scores	Standard Deviation	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 5	BL for H&M and MrP	.28	1.21	.14	.43	3.80	262	.000
Pair 6	PI for H&M and MrP	.32	1.38	.15	.48	3.74	262	.000

The results shown in Table 5-8 above are discussed in detail below.

- ***Hypotheses for brand loyalty***

The fifth hypothesis focused on the brand loyalty of H&M versus that of Mr Price. Subsequently, H_5 is provided below:

H_5 : There is a difference in consumer brand loyalty between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The results of BL in Table 5-8 show that the null hypothesis may be rejected at the 5% level of significance, with the t-statistic of 3.80 and a p-value that is less than 5%. Thus, a statistically significant difference between the brand loyalty of the two brands exists with slightly higher ratings in brand loyalty towards H&M ($M = 2.92$, $SD = 1.03$) than Mr Price ($M = 2.64$, $SD = 1.16$), $t(262) = 3.80$, $p < 0.05$ (two-tailed). The mean difference is 0,28 with a 95% confidence interval ranging from 0.14 to 0.43; and thus, it may be concluded that brand loyalty levels among consumers are higher for H&M than for Mr Price. Therefore, H_5 was supported.

Next, the hypothesis relating to PI is tested.

- ***Hypotheses for purchase intention***

The last hypothesis is centred around the purchase intention towards H&M versus that of Mr Price. Stated below is the hypothesis of H_6 :

H_6 : There is a difference in consumer purchase intention between the global fashion retail brand and the local fashion retail brand among millennial consumers in South Africa.

The findings of PI in Table 5-8 above indicate that the null hypothesis may be rejected at the 5% level of significance with a t-statistic 3.74 and a p-value that is less than 5%. Therefore, there is a statistically significant difference with a slightly higher rating of purchase intention towards H&M ($M = 3.17$, $SD = 1.04$) than Mr Price ($M = 2.86$, $SD = 1.19$), $t(262) = 3.74$, $p < 0.05$ (two-tailed). The mean difference in scores is 0.32, with a 95% confidence interval ranging from 0.15 to 0.49. It can be concluded that consumers' purchase intention toward H&M is higher than that of Mr Price. As such, H_6 was supported.

This section has described the consumer perceptions among the total sample. The next section, however, further investigates consumer perceptions among the demographic categories.

5.3.3 Effect of demographics on constructs

In order to investigate the findings beyond the testing of the hypotheses above, the impact of gender, the level of education, the level of income and different racial groups (see Table 5-2) on the brand analysis constructs are tested below by using a split-plot ANOVA. The age demographic group is not included in this section; as the inclusion for the age breakdown (18 – 24 and 25 – 34) was only for quota sampling purposes. All the respondents fall within the millennial cohort, which comprise those born in the early 1980s and the late 1990s (see Duffet and Wakeham, 2016).

The split-plot ANOVA is used to determine the main effect, which is the overall effect of each independent variable, such as age and gender (Pallant, 2011). Therefore, it was specifically used in this study to determine the effect of the demographic groups on the constructs; and to indicate whether there are differences in perceptions among the groups. The findings were tested at the 5% level of significance.

It should be noted that due to sensitivity, there was an option 'prefer not to answer' in the questionnaire under the level of income and race categories. The 31 respondents who did not wish to disclose their income bracket and the 3 respondents, who preferred not to disclose their race, were therefore excluded in this particular analysis.

In addition to the normality, homogeneity was also tested, to ensure that no assumptions were violated. A Levene's Test of Equality of Variances showed that the significant values were not significant, indicating that the variances in this dataset are more or less equal (see Muijs, 2004). Therefore, the ANOVA tests were performed and presented below. As indicated above, H&M held the highest ratings overall; thus, this section indicates which specific groups had contrasting perceptions. This section is also structured, according to the brand analysis components, starting with brand-specific association. Appendix F shows that there are the graphs to visually illustrate the difference in perception among the different groups of the demographic categories.

5.3.3.1 *Effects of demographics on brand-specific association*

- ***Effects of demographics on perceived quality***

The first demographic group, gender, did not show any significant results relating to PQ. The results indicate that the main effect comparing male and female respondents was not statistically significant, $F_{(1,261)} = 0.001$, $p = 0.97$, thereby suggesting no difference in PQ among the male and female respondents.

The main effect comparing the difference in PQ among different income levels was statistically significant, $F_{(5,226)} = 4.63$, $p = 0.00$, partial eta squared = 0.093,

concluding that the main effect of income level having a moderating effect of size on PQ.

The split-plot ANOVA results indicate that there is a statistically significant difference in PQ among different educational levels, $F_{(4,258)} = 9.16$, $p = 0.00$, partial eta squared = 0.124, concluding a moderate effect size between educational level and PQ. Interestingly, only those respondents with high school as their highest level of education gave higher ratings to the PQ of Mr Price ($M = 3.48$) compared to those of H&M ($M = 3.38$).

The main effect comparing the difference in PQ among the racial groups was also significant, $F_{(3,255)} = 5.54$, $p = 0.001$, partial eta squared = 0.061, suggesting a moderate effect size on race and PQ. The results show that all the racial groups had higher quality perceptions for H&M in comparison with those for Mr Price.

The next section provides the findings of demographic group effects on emotional value.

- ***Effects of demographics on emotional value***

All of the demographic groups yielded significant findings. The split-plot ANOVA results indicate that there was a statistically significant difference in EV between male and female respondents, $F_{(1,261)} = 6.26$, $p = 0.01$, partial eta squared = 0.023, indicating a small effect size of gender on EV.

The main effect comparing the different income levels was significant, $F_{(5,226)} = 3.58$, $p = 0.004$, partial eta squared = 0.071, concluding that there is a moderate effect size on level of income and EV.

The split-plot ANOVA results indicate that there is a statistically significant difference in EV ratings between respondents with different educational levels, $F_{(4, 258)} = 3.71$, $p = 0.006$, partial eta squared = 0.054, suggesting a small effect size on educational level and EV perceptions. It is noteworthy that only those respondents who have not

completed high school have higher EV levels towards Mr Price ($M = 3.49$) than towards H&M ($M = 3.14$).

The main effect comparing the different racial groups was significant, $F_{(3,255)} = 3.34$, $p = 0.020$, partial eta squared = 0.038, suggesting a small effect size of race on EV. Interestingly, there is no difference in EV among the Coloured racial group between the H&M ($M = 3.73$) and Mr Price ($M = 3.73$).

The effects of the demographic groups on the second brand analysis component, general brand impression is provided next.

5.3.3.2 Effects of demographics on general brand impression

- **Effects of demographics on brand awareness**

The split-plot ANOVA tests were conducted to determine the effect of the demographics on BA. The results indicate, however, that the differences of all demographic categories (gender, income, educational level and race) are not statistically significant. Therefore, these demographic categories did not have an effect on brand awareness levels.

Next, the effects of the demographic groups on brand image are discussed.

- **Effects of demographics on brand image**

The results of the split-plot ANOVA indicate that there was no statistically significant difference in BI among the male and female respondents, $F_{(1,261)} = 1.33$, $p = 0.250$.

The main effect comparing the levels of income and BI was significant, $F_{(5,226)} = 2.29$, $p = 0.047$, partial eta squared = 0.048, suggesting a small effect size on the level of income and BI.

The results from the split-plot ANOVA test indicate that there is a statistically significant difference between the respondents who fall within different educational levels, $F(4,258) = 6.66$, $p = 0.000$, partial eta squared = 0.094, suggesting that there is a moderate effect size on the level of education and BI.

The main effect comparing the different racial groups' BI towards the global and the local brand was statistically significant, $F(3,255) = 7.53$, $p = 0.000$, partial eta squared = 0.081, suggesting a moderate effect size on race and BI.

The next section assesses the differences between the groups relating to the third brand analysis component, brand commitment.

5.3.3.3 Effects of demographics on brand commitment

- **Effects of demographics on BL**

It was found that there was no significant difference in BL among male and female respondents, $F(1,261) = 0.96$, $p = 0.329$.

The main effect comparing the different levels of income was statistically significant, $F(5,226) = 4.11$, $p = 0.001$, partial eta squared = 0.083, suggesting a moderate effect size on the level of income and BL. It is noteworthy that only those respondents who fall within the R0 – R4 999 income bracket gave slightly higher brand loyalty ratings for Mr Price ($M = 2.94$) in comparison with those for H&M ($M = 2.83$).

The split-plot ANOVA results indicate that there is a statistically significant difference between the educational level groups, $F(4,258) = 6.74$, $p = 0.000$, partial eta squared = 0.095, suggesting a moderate effect size on level of education and BL. Contrasting results show that only respondents with Grade 12 as their highest level of education, gave a slightly higher BL rating for Mr Price ($M = 2.96$) in comparison with those for H&M ($M = 2.90$).

The main effect comparing the racial groups was statistically significant, $F_{(3,255)} = 5.12$, $p = 0.002$, partial eta squared = 0.057, suggesting a small effect size on race and BL. Only the Coloured racial groups gave higher brand loyalty ratings to Mr Price ($M = 3.23$) in comparison with H&M ($M = 2.97$).

The next section provides an overview of the findings among the different demographic groups concerning PI.

- ***Effects of demographics on PI***

An assessment of the demographic groups shows that there were no statistically significant differences between male and female respondents regarding PI, $F_{(1,261)} = 1.14$, $p = 0.287$.

The main effect comparing different levels of income was statistically significant, $F_{(5,226)} = 4.11$, $p = 0.001$, partial eta squared = 0.083, suggesting a moderate effect size on the level of income and PI. It is noteworthy that only those respondents who earn R4 999 or less show higher purchase intention levels towards the Mr Price ($M = 2.94$) than H&M ($M = 2.83$).

The split-plot ANOVA results show that the comparison between educational levels is statistically significant, $F_{(4,258)} = 8.03$, $p = 0.001$, partial eta squared = 0.111, suggesting a moderate effect size on the level of education and PI. Respondents that fall under two educational level categories; those respondents who have not completed high school as well as those with Grade 12, have higher PI levels towards Mr Price { M (High School not completed) = 2.79, M (Gr 12/Matric completed) = 3.30} than H&M { M (High School not completed) = 2.64, M (Gr 12/Matric completed) = 3.17}.

The main effect comparing the different racial groups' PI was significant, $F_{(3,255)} = 3.95$, $p = 0.009$, partial eta squared = 0.044, suggesting a small effect size on race and PI. Interestingly, only the Coloured racial group have higher PI levels towards Mr Price ($M = 3.30$) in comparison with those for H&M ($M = 2.80$).

This section has provided insights into the effects that the different demographic groups have on the brand analysis constructs. Next, to further understand consumer choice evaluation, the relationship between the constructs is measured.

5.3.4 The relationship between constructs

In order to measure the relationship between the brand analysis constructs for both brands, the Spearman rank-order correlation coefficient or Spearman's rho is used. First, according to Pallant (2011) scatter plots should be created to check for any violation of assumptions of homoscedasticity and linearity. As such, the scatterplots for this method were checked; and they were found to be appropriate for the use of Spearman's rho. The results are presented below for H&M (Table 5-9) and Mr Price (Table 5-10).

Table 5-9: Spearman rank-order correlation coefficient between brand analysis constructs for H&M

Construct		1	2	3	4	5	6
1	Perceived quality	-	0.65**	0.41**	0.52**	0.520**	0.51**
2	Emotional value		-	0.39**	0.49**	0.59**	0.61**
3	Brand awareness			-	0.51**	0.28**	0.34**
4	Brand image				-	0.45**	0.42**
5	Brand loyalty					-	0.78**
6	Purchase intention						-

** p < 0.01 (2-tailed)

Table 5-9 shows that there is a positive correlation between all of the variables relating to H&M. By using the guidelines of Cohen (1988) to indicate the strength of the relationship (small = 0.10 – 0.29; medium = 0.30 – 0.49; large = 0.50 – 1.0), it shows that perceived quality is strongly correlated to emotional value, brand image, brand loyalty and purchase intention. Emotional value also has a strong relationship with brand image and brand loyalty; while brand awareness is strongly correlated with brand image. Moderate relationships exist between brand image, brand loyalty and purchase intention; while there is a strong relationship between brand loyalty and purchase intention. Brand awareness has a moderate relationship with perceived

quality and emotional value. Lastly, there is a slightly positive relationship between brand awareness and brand loyalty, and a moderate relationship between brand awareness and purchase intention.

Next, the Spearman’s rho correlation results for Mr Price are presented in Table 5-10.

Table 5-10: Spearman rank-order correlation coefficient between brand analysis constructs for Mr Price

Construct		1	2	3	4	5	6
1	Perceived quality	-	0.66**	0.23**	0.65**	0.59**	0.56**
2	Emotional value		-	0.27**	0.62**	0.74**	0.74**
3	Brand awareness			-	0.37**	0.18**	0.20**
4	Brand image				-	0.64**	0.58**
5	Brand loyalty					-	0.86**
6	Purchase intention						-

** p < 0.01 (2-tailed)

Table 5-10 shows that there is a positive correlation between all of the variables relating to Mr Price. Perceived quality is strongly correlated to emotional value, brand image, brand loyalty and purchase intention. There is a strong relationship between emotional value, brand image, brand loyalty and purchase intention. Brand loyalty and purchase intention are also strongly correlated. Small correlations are evident between brand awareness, brand loyalty and purchase intention; while moderate relationships exist between brand awareness and brand image. Lastly, a slight positive relationship exists between brand awareness, perceived quality and emotional value.

5.4 Conclusion

An outline of both the descriptive and inferential results obtained for this study was provided in this chapter. Using the results from the online survey, the findings were tested against the hypotheses, in order to better understand consumer perceptions regarding global and local brands, based on the brand analysis constructs. In addition to presenting the findings for the sample as a whole, the second part of this chapter

analysed the differences and the effects of the different demographic categories on the brand analysis constructs.

In line with other studies in developing countries, consumers perceive the quality, the emotional value (see Lee *et al.*, 2008; Bhardwaj *et al.*, 2010; Winit *et al.*, 2014), brand image (Bhardwaj *et al.*, 2010; Lee *et al.*, 2008), brand loyalty (see Bhardwaj *et al.*, 2010; Batra *et al.*, 2000; Iyer & Kalita, 1997; Kinra, 2006) and purchase intention (see Bhardwaj *et al.*, 2010) of the global brand to be higher than that of the local brand. However, this study yields contrasting findings relating to brand awareness; as the results indicate higher brand awareness levels towards the local brand in comparison with the global brand.

After an analysis of the differences in consumer perception among the demographic groups, it was found that, overall, there were significant differences among the groups with small to moderate effect sizes. Although the majority of the groups gave higher ratings towards the global brand, the following findings indicate the opposite. Respondents who have not completed high school gave higher perceived quality and emotional value scores for the local brand in comparison with those for the global brand. The Coloured racial group had no difference in emotional value ratings for the global and local brands. Respondents who earn less than R4 999 per month, respondents with Grade 12 as their highest qualification, and respondents who form part of the Coloured racial group had higher brand loyalty levels towards the local brand compared to the global brand. Lastly, higher purchase intention ratings for the local brand, compared to the global brand, were evident among those respondents who earn less than R4 999 per month, those respondents who have not completed high school, those with Grade 12 as their highest level of education, as well as those respondents who comprise part of the Coloured racial group.

The Spearman's rho correlations indicate positive relationships between all the constructs for both brands.

The following chapter is the final chapter in this study; and it elaborates further on the findings of this chapter. In addition, and based on the conclusions, an explanation of

the managerial implications, the limitations and recommendations for future research are provided.

6 CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Consumer perceptions regarding global versus local brands have been a topic of study in a number of developed (e.g. Schuiling & Kapferer, 2004; Dimofte *et al.*, 2008; Lee *et al.*, 2008;) and developing countries (e.g. Batra *et al.*, 2000; Kinra, 2006; Lee *et al.*, 2008; Kumar *et al.*, 2009; Bhardwaj *et al.*, 2010; Winit *et al.*, 2014). Similarly, this study focused on consumer perceptions of a global versus a local brand in a 'unique market,' such as South Africa's, according to Simpson and Lappeman (2017). The core aim of this study was to investigate the perceived difference in consumer perceptions between a global and a local brand. As far as is known, this is the first study in a South African retail context to evaluate consumer choices between a global and a local fashion retail brand, using this particular brand analysis model.

This study was based on the research by Lee *et al.* (2008), which sought to determine whether there is a difference in consumer perceptions among consumers in different economic conditions. Their study was based on consumers from Mexico (developing country), South Korea (a developing country at the time of their study, but, according to Jin and Sternquist (2003), showing rapid growth) and Japan (a developed country) by conducting the brand analysis. Therefore, this study also conducted a brand analysis.

In order to address the research question, this study followed a quantitative research method, using an online survey as the research instrument. Quota sampling based on age and gender was used to draw the sample, consisting of millennial consumers in South Africa. A total sample size of n=263 was obtained. The fashion retail brand H&M was used as the global brand; whereas Mr Price was used as the local fashion retail brand.

With reference to the signaling theory, signalers – in this case, the marketers – can consider countersignals to help them adjust to future signals (Gulati & Higgins, 2003). Thus, the findings of this study aid signalers in identifying the effectiveness of their current signals. In turn, the managerial implications aim to help marketers better

understand the difference in consumer perceptions of global versus local brands, in order to, according to Bhardwaj *et al.* (2010), adjust their marketing strategies accordingly. As mentioned in Chapter 2, Kotler (2000) states that strong brand equity translates into high recognition of the brand name, high perceived quality of the brand and high mental brand associations. Also, brand equity has financial implications and a consumer aspect; where perceived brand equity indicates value (Rosenbaum-Elliott *et al.*, 2015). Therefore, the managerial implications place emphasis on the ways in which brand equity can be enhanced. Next, the limitations of this study are discussed with accompanying recommendations for future research.

Following the introduction, the subsequent section provides this study's overall conclusions.

6.2 Overall Conclusion

After an examination of the brand analysis results presented in the previous chapter, it may be concluded that, overall, millennial consumers in South Africa have higher perceptions of H&M, compared to those of Mr Price. This finding supports previous research in other developing countries, that the global brand has a better perception rating than the local brand (see Alden *et al.*, 1999; Batra *et al.*, 2000; Strizhakova *et al.*, 2008; Zhou *et al.*, 2008; Lee *et al.*, 2008; Kumar *et al.*, 2009; Bhardwaj *et al.*, 2010; Winit *et al.*, 2014; Lu & Zu, 2015).

South Africa is a diverse, multicultural country (James & Lappeman, 2017). Therefore, Petzer and De Meyer (2013) note the importance for marketers to consider, among other things, the difference in the levels of education and the differences in cultural backgrounds. Therefore, the data were further analysed to understand the difference between the demographic groups, as well as the effect that these groups have on the perceptions of the global and the local fashion retail brand. As suspected, differences were noticed among gender, different income levels, educational levels and racial groups (see Appendix F). This is discussed under each applicable section. In addition, the researcher aimed to also understand the relationship between constructs for both

brands. Figure 6-1 for H&M, and Figure 6-2 for Mr Price below. These were derived from the Spearman rank-order correlation coefficient results in the previous chapter.

Figure 6-1: Strength of relationship between constructs for H&M

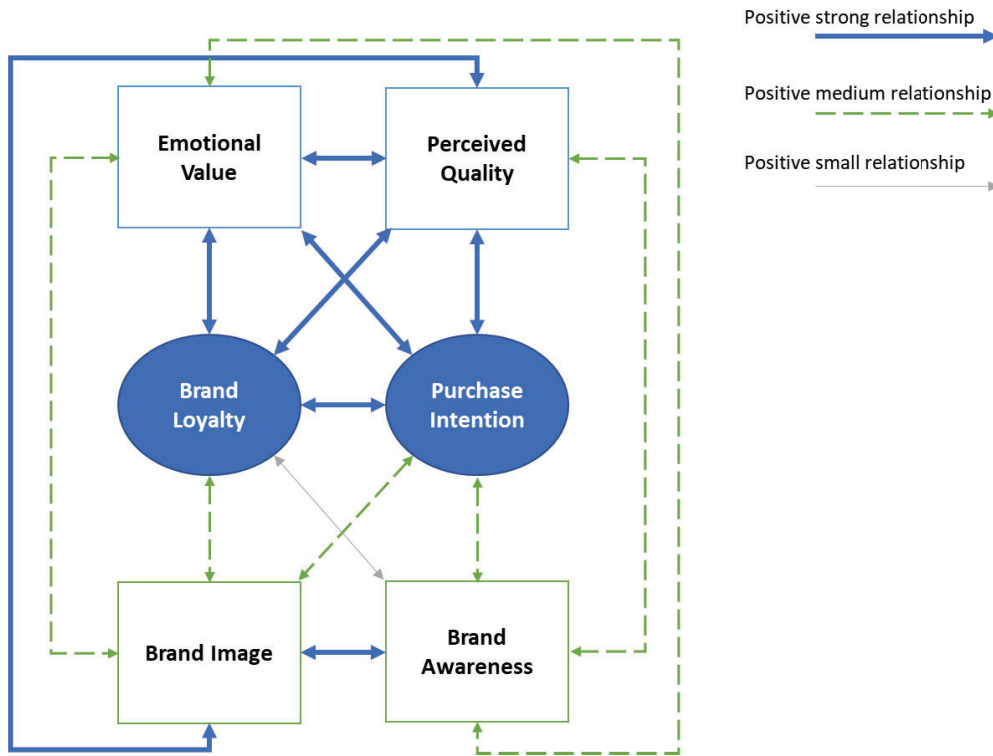


Figure 6-2: Strength of relationship between constructs for Mr Price

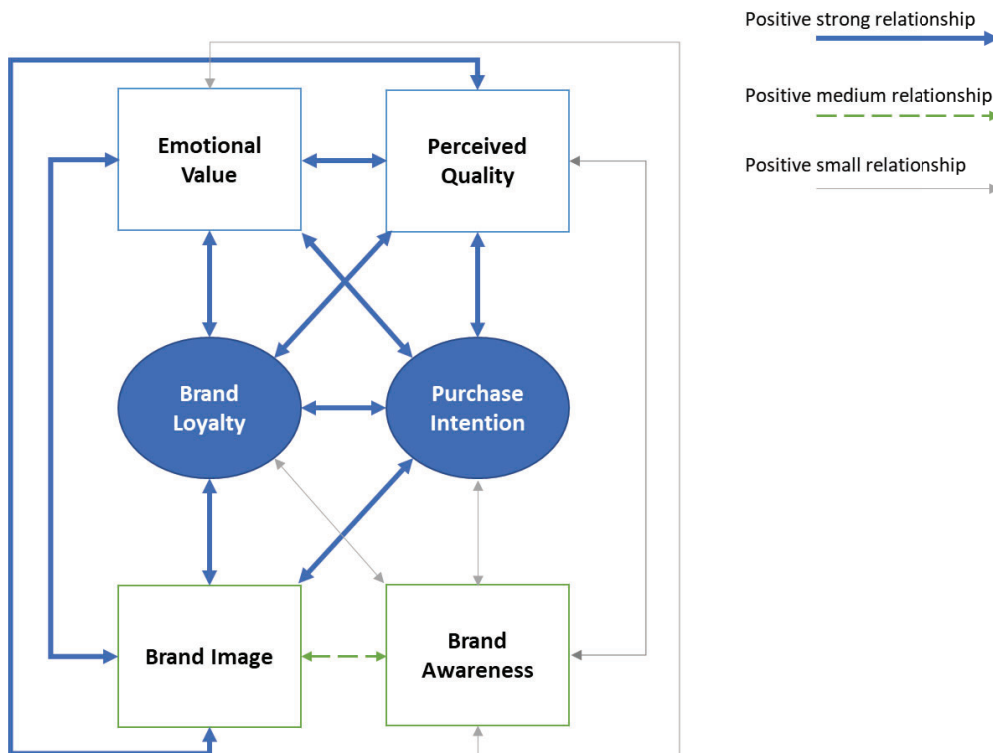


Figure 6-1 and Figure 6-2 above visually illustrate that there is a significant, positive relationship between all of the constructs for both brands with varying strength levels. These are further discussed under the applicable section.

The discussion and managerial implications for each brand analysis construct are presented next.

6.3 Discussion and Managerial Implications

The following discussions are based on the results provided in the previous chapter. In doing so, the relevant managerial implications are highlighted that were derived from these findings. This section is structured, according to the brand analysis components, brand-specific association, general brand impression and brand commitment.

6.3.1 Brand-specific association

The discussion on the two brand-specific association constructs, perceived quality and emotional value, are presented next.

6.3.1.1 *Discussion and managerial implications for perceived quality*

H_1 was derived from the first objective, which aimed to determine whether there is a difference among millennial consumers in South Africa in the perceived quality of a global and a local fashion retail brand. The results found that there is a difference, and that consumers perceived the quality of H&M to be higher than that of Mr Price. This supports the findings of consumer research in other developing countries, such as Mexico (Lee *et al.*, 2008), India (Kumar *et al.*, 2009; Bhardwaj *et al.*, 2010) and Thailand (Winit *et al.*, 2014), where it was found that the global brand has a more favourable perception in terms of perceived quality, than does the local brand.

This finding can be clarified as follows. Winit *et al.* (2014) demonstrate that when a brand is perceived as global, more favourable quality assessments are displayed by consumers, compared to those of a local brand. Also, the perceived globalness of a brand often reflects the demand for superior quality worldwide, which is associated with the expertise of global brands from producing high quantities for many markets (Özsomer, 2012). Furthermore, Strizhakova *et al.* (2008) and Zhou *et al.* (2008) explain that this preference for global brands among consumers from developing countries stem from the belief that global brands are ‘trendy’ and high in quality.

Against this background, the following managerial implications are derived. Similar to the findings by Bhardwaj *et al.* (2010) in India, it is evident that there is lack of faith in the quality of Mr Price among consumers in South Africa. They suggest that consumer confidence in local brands needs to be increased by offering quality products, similar to global brands. Tsiotsou (2006) suggests that the quality of clothing items may be improved through the use of quality materials, good workmanship and quality stitches. For example, Levi’s, a reputable American apparel brand, marks an unswerving devotion to quality, as one of the brand’s greatest commitments (see levistrauss.com). In order to further ensure adequate quality of clothing, fabric-quality control is advised. Fabric quality control measures the standard of fibres, yarns, fabric construction, surface designs and colour fastness, in order to determine a product’s quality (SgT, 2017).

In line with studies that showed that higher quality perceptions for local brands that are perceived to be sold in other countries (see Özsomer & Altaras, 2008) and other previous research, which highlight the importance of high quality perceptions related to signals of brand globalness (e.g. Strizhakova & Coulter, 2015; Xie, Batra & Peng, 2015), the following is recommended. Marketers need to capitalise on this perception and to use it as a competitive advantage, in order to position and differentiate their products; as consumers in developing countries purchase global brands for higher quality and prestige associations (see Hussein & Hassan, 2018).

For example, this strategy has been implemented by the local brand, Freedom of Movement, a South African authentic leather-goods brand. They often post pictures of

consumers using their products in areas all around the world on social media platforms (see [Instagram.com/fombrand](https://www.instagram.com/fombrand)). Therefore, it is advised that, similar to the marketing initiatives by Freedom of Movement, local marketers in South Africa should consider expanding to other countries, to increase their quality perceptions and to invest in communication initiatives to make this known in the market.

According to Steenkamp (2017), wide distribution is a quality signal; as it reflects wide market acceptance. Alden *et al.* (1999), too maintain that global brands advertise their worldwide availability and acceptance, as signals to spread information about their high-quality attributes. In addition to the wide distribution, extensive advertising is considered to also be a signal of quality. Heavily advertised brands reflect high quality, as consumers infer that advertising investments would be wasted if a brand does not meet expectations (Steenkamp, 2017). Therefore, in line with these findings from previous research, it is suggested that marketers in South Africa adjust their marketing strategies, to include extensive advertising campaigns that specifically focus on signaling brands' widespread availability.

Upon further investigation into the differences among demographic details, it is notable that the higher the income level, the lower the perceived quality for both H&M and Mr Price. Among different educational backgrounds, only those respondents who have not completed high school had higher perceptions of quality towards Mr Price than H&M. Those with a postgraduate degree had the lowest ratings of perceived quality for both brands. Regarding the different racial groups, the African racial group had the highest rating for both brands; while the Indian racial group had the lowest perceived quality ratings for both brands.

Against the findings among these demographic groups, both global and local marketers will have to work harder to improve their quality perceptions among higher earners and those with high levels of education. Local marketers will especially need to work on strategies to convince the White and Indian racial groups of their quality through creating targeted strategies and implementing the aforementioned suggestions.

Next, the discussion and managerial implications for emotional value are provided.

6.3.1.2 Discussion and managerial implications for emotional value

H_2 was derived from the second objective, which aimed to determine whether there is a difference in the emotional value between a global and a local fashion retail brand among millennial consumers in South Africa. It was found that there is a difference; and that the emotional value towards H&M is higher than that of Mr Price. This finding is also in line with those of Lee *et al.* (2008), Kumar *et al.* (2009) and Bhardwaj *et al.* (2010) in other developing countries.

This finding can be explained as follows. Alden *et al.* (1999) hold that global brands are used as status symbols. Hussain and Hassan (2018) hold that global brands offer consumers a chance to be part of the aspiring global consumer culture (see Section 2.3.3). Dalmoro *et al.* (2015) explain that consumers in developing countries desire to form part of the global consumer culture; and that global brands are a way to express their prestige, social status and success. He adds that the preference for global brands is aligned with self-enhancement values. This leads to the following managerial implications.

Based on the results, global marketers should pay particular attention to groups with lower levels of education; as those respondents who have not completed high school were the only group who gave slightly higher emotional value scores to Mr Price, as opposed to H&M. There was no difference in emotional value scores between H&M and Mr Price among the Coloured racial group. Batra *et al.* (2000) indicate that one of the advantages of global brands is that consumers from developing countries associate global brands with the sought-after lifestyles of consumers from developed countries. With reference to the aforementioned signaling theory, and in line with Özsomer (2012), it is suggested that global marketers continue to signal aspirations of achievement, happiness and high prestige. In addition, it is suggested that global marketers should target these specific groups, by signaling opportunities for becoming part of a global consumer culture; as, according to Akturan and Bozbay (2018),

consumers in developing countries are influenced by a desire to use brands that are chosen, recognised and used by many other people.

Steenkamp *et al.* (2003) note that global brands may adapt their offerings to accommodate local needs and taste, thereby linking themselves with local traditions and culture, while still holding their perceived globalness through symbols and names. Nike and Coca-Cola are good examples of global brands that appeal to the local market. According to Yellowwood (2014), Nike is an aspirational brand; but it is not exclusive. It is a good quality, comfortable product, which resonates with consumers in South Africa with an energetic attitude. The Yellowwood study shows that Coca-Cola, too, taps into localness by connecting with South Africans through local sports and culture, by using local terms and by employing local people.

The difference in emotional value among demographic groups indicates that the lowest scores for emotional value for Mr Price were given by the following groups: (i) higher income earners; (ii) higher education levels; and (iii) the Caucasian and Indian racial groups. It is therefore suggested that local marketers should strive to appeal to consumers in South Africa, and especially to these groups mentioned above, by strategising the sending of non-utilitarian signals. These signals should include the local brand's pride in representing the culture, in addition to its originality, uniqueness (see Özsomer, 2012; Schuiling & Kapferer, 2004), and a deeper understanding of and more flexibility in adapting to local market needs (see Dimofte *et al.*, 2008). Nando's, a South African restaurant offering Portuguese-style chicken dishes (see Nandos.co.za) is an example of how this can be done. Nando's acts as social commentator on South African cultural, political and social issues – with their humorous and controversial advertising campaigns (Simpson & Lappeman, 2017).

Xie, Batra and Ping (2015) opine that strong relationships with developing market consumers may be built by brands that successfully integrate their perceived brand globalness and perceived brand localness (see Section 3.2.2), whereby consumers can simultaneously seek their global and local identities. Therefore, it is suggested that marketers integrate marketing initiatives to signal both aspirational signals relating to the global consumer culture, as well as their connection with the local market.

The discussion for the next brand analysis component, general brand impression, is provided next.

6.3.2 General brand impression

Firstly, the discussion and managerial implications for brand awareness are presented.

6.3.2.1 *Discussion and managerial implications on brand awareness*

H_3 was derived from the third objective, which aimed to determine whether there is a difference in brand awareness of a global and a local fashion retail brand among millennial consumers in South Africa. The results indicated that there is a difference in brand awareness, but with higher levels for Mr Price than for H&M. Interestingly, this finding is in contrast with consumers in other developing countries, such as Mexico (Lee *et al.*, 2008) and India (Bhardwaj *et al.*, 2010). However, similar to this finding, consumers in South Korea also showed slightly higher brand awareness levels towards their local brand (Lee *et al.*, 2008).

This finding can be justified as follows. Although global brands carry high recognition levels in developed markets (Dimofte *et al.*, 2008), global brands that have recently entered developing markets might carry lower levels of brand awareness among these consumers – as was the case in a global versus a local bank study in India (Srivastava & Dey, 2016). Schuiling and Kapferer (2004) further explain that the advantage of higher brand awareness towards a local brand, might be due to the long time that these brands have been in business.

In South Africa, some local brands have been a part of the lives of South Africans for a long time, which, considering the tradition-bound nature of South Africans, poses threats to new global competitors (Petzer & De Meyer, 2013).

The following two managerial implications were derived. Further investigation of the data shows that brand awareness for H&M, has a strong relationship with brand image. Lee *et al.* (2008) suggest that US global brands should reshape their brand image, in order to attract South Korean consumers. Similarly, it is therefore suggested that global brands should reshape their image in the minds of consumers in South Africa. Ways in which this could be done might include, according to Bhardwaj *et al.* (2010), advertising campaigns, which place the emphasis on prestige, quality, social status, self-image, performance and functionally related aspects that are all associated with global brand consumption.

Marketers are advised to heighten their brand awareness through online social media platforms as, according to Barreda, Bilgihan, Nusair and Okumus (2015), this has exceptional communicative and interactive abilities. Marketers should also focus their online strategies to produce content quality, virtual interactivity and rewarding activities, in order to generate and influence brand awareness (see Barreda *et al.*, 2015).

Another successful strategy is evident with global fashion retailer, Zara. Instead of advertising, Zara's strategy is to choose prominent store locations with high customer traffic. Their powerful communication tool is to continuously update their window displays to showcase the latest fashion pieces in an artistic and attention-grabbing way (MartinRoll, 2018). Based on Zara's successful strategy (see The Fashion Enterprise, 2018), it is suggested that, in addition to advertising and the utilising of online platforms, fashion retail brands should locate stores, in which there is high customer traffic; and they should ensure that the window displays are unique and eye-catching to the consumers.

Brand awareness for Mr Price has a positive, moderate relationship with brand image. Therefore, particular focus on brand image strategies should be given to enhance brand awareness. These issues are discussed in the next section.

Lastly, the results indicate that the demographic groups had no significant effect on brand awareness. Therefore, these suggested strategies are not only advised to be

directed at a specific demographic group; but they can be applied to consumers in South Africa in general.

Next, the discussion and managerial implications for brand image are provided.

6.3.2.2 Discussion and managerial implications for brand image

H_4 was derived from the fourth hypothesis, which aimed to determine whether there is a difference in the brand image of a global and local fashion retail brand among millennial consumers in South Africa. The results showed that there was a difference, with higher brand image scores for H&M, as opposed to Mr Price. This finding is in line with those of Lee *et al.* (2008) and Bhardwaj *et al.* (2010) and Delong *et al.* (2004) in Mexico, India and China.

This finding is explained as follows. Global brands project an image that is often associated with glamour, with which local brands struggle to compete. In addition, there is a history of poor quality among consumers in developing markets (Alden *et al.*, 1999). It is also believed that a global brand image increases both social and quality perceptions (Zhou *et al.*, 2010). Chinomona (2016) too notes that brand image directly influences the perceived quality of the product in the minds of consumers. In line with the aforementioned findings, there is also a strong relationship between brand image and perceived quality for both H&M and Mr Price. On the other hand, the correlation results indicate that Mr Price's brand image is also strongly associated with emotional value, brand loyalty and purchase intention. Therefore, it is noted that the aforementioned strategies relating to perceived quality and emotional value can be implemented, in order to influence brand image also.

In view of this background, the following managerial implications are derived. In line with the aforementioned studies and the results from this study, Kumar *et al.* (2009) also suggest that local brands in India boost their image to influence perceived quality and to elicit favourable emotional feelings. In order to do so, Faircloth *et al.* (2001) explain that by controlling the marketing mix signals, brands are able to instil the desired brand image in the minds of consumers. Hence, signals relating to the product,

price, place and promotion should be utilised by both global and local marketers in South Africa, in order to improve their brand image.

In line with a study in Bangladesh, which also found that brand image influences purchase intention (Haque *et al.*, 2015), it is advised that a favourable brand image should be created. One of the most popular means to improve brand image is through advertising (Belch & Belch, 2012); therefore it is proposed that local brands should use their resources for aggressive advertising campaigns, in order to improve their brand image. DeLong *et al.* (2004) confirm that mass media communication aids in improving brand image and name recognition. They emphasise the importance of consumption experience and good service for the establishment of quality perceptions. Hence, it is suggested that marketers should integrate these factors to maximise their marketing strategies, in order to create a favourable brand image.

Although higher levels of brand image for H&M were evident among all demographic groups, the focus should be on improving brand image for both global and local brands, among higher earners, those with higher levels of education, Caucasian and Indian racial groups; as these groups had overall lower ratings for both brands. In contrast, higher scores for brand image for both H&M and Mr Price are evident among respondents with a lower income, lower levels of education, and the African racial group.

The discussion for the third brand analysis component, brand commitment, follows.

6.3.3 Brand commitment

The first brand commitment construct, brand loyalty is discussed below, including an overview of the managerial implications.

6.3.3.1 *Discussion and managerial implications for brand loyalty*

H_5 was derived from the fifth objective, which aimed to determine whether there is a difference in the brand loyalty of a global and a local fashion retail brand among

millennial consumers in South Africa. The results indicated that there is a difference, with higher levels of brand loyalty for H&M, than those for Mr Price. It is worth noting that the brand loyalty for both these brands is relatively low. This finding is in line with similar studies in India (Iyer & Kalita, 1997; Kinra, 2006; Bhardwaj *et al.*, 2010); however, it is in contrast with the findings in Mexico, which found that these consumers are more brand loyal to their local brands (Lee *et al.*, 2008).

This finding can be justified as follows. Zhang (1996) asserts that consumers in developing countries are more attracted to global brands; and thus, they become more loyal to those brands compared to the local brands. Consumers in developing countries might not be familiar with global brands; but due to better quality perceptions, they tend to show more brand loyalty towards the global brand (Lin & Sternquist, 1994). DeLong *et al.* (2004) also indicate that quality perception is a key factor in brand loyalty; and as such, young consumers in China showed greater brand loyalty towards the global brand due to its attractiveness.

The justification above is supported by the results of this study, which showed that strong relationships exist between brand loyalty, perceived quality, emotional value and purchase intention for both H&M and Mr Price. As mentioned in the previous section, brand image is also strongly correlated to brand loyalty in the case of Mr Price. Against this background, and taking the strength of these relationships into account, the aforementioned managerial implications under perceived quality, the emotional value of brand image and purchase intention are relevant to the brand loyalty of fashion retail brands.

The lowest brand loyalty scores for both brands were evident among the high-income earners, higher levels of education and among the Indian and White racial groups. In contrast to the overall higher levels of brand loyalty towards H&M, there were groups that had similar views to those of the consumers in Mexico (see Lee *et al.*, 2008) with higher brand loyalty scores towards Mr Price than those towards H&M. These groups include the lowest income groups (0 – R4 999 per month), those with high school as their highest level of education, and also the Coloured racial group.

In comparing the scores, the groups that showed the highest levels of brand loyalty towards both brands include lower income earners (R5 000 – R9 999), those with high school as their highest level of education, and the African racial group. Ways in which marketers can address these different groups are discussed in the next section.

The last construct for brand commitment, purchase intention, follows with a discussion and the managerial implications thereof.

6.3.3.2 Discussion and managerial implications for purchase intention

H_6 was derived from the sixth objective, which aimed to determine whether there is a difference in purchase intention towards a global and a local fashion retail brand among millennial consumers in South Africa. The results do indicate a difference; and that the purchase intention towards the H&M is higher than that towards Mr Price. This finding is in contrast to the findings by Lee *et al.* (2008) among consumers in Mexico; but it is in line with the findings among consumers in South Korea (Lee *et al.*, 2008) and India (Bhardwaj *et al.*, 2010).

In order to provide an explanation and the managerial implications for this finding, an overview of the relationship between purchase intention and the other brand analysis constructs is provided first. The correlation results indicate that the purchase intention for H&M is strongly associated with brand loyalty, perceived quality and emotional value. As discussed above, H&M scored higher in terms of both perceived quality and emotional value than did Mr Price. As such, it is not surprising that H&M had higher purchase intention scores. These findings support previous research, which found that global brands' quality and prestige perceptions are positively associated with purchase intention for global brands (Steenkamp *et al.*, 2003; Holt *et al.*, 2004).

Global brands in South Africa are, therefore, advised to signal symbols of global consumer culture; as, according to Akturan and Bozbay (2018), global brands are consumed as a signal of wealth and status, which improves purchase intention. Their findings show that consumers in developing countries not only seek social acceptance; but they also seek to be perceived as having a higher status. Furthermore, as

consumers in South Africa are generally brand-conscious and seek sophisticated goods (Export Entreprises, 2018), it is advised for global marketers to signal these symbolic values. In addition, global brands should advertise their availability around the world, as a quality signal (see Alden *et al.*, 1999; 2006).

Mr Price's purchase intention is strongly associated with brand loyalty, perceived quality, emotional value and brand image. It is therefore advised that local brands in South Africa should continuously introduce new products and enhance their prestigious brand image, in order to compete effectively with global brands (see Lee *et al.*, 2008). Özsomer (2012) suggests that local marketers could achieve this through investing in the building of brand presence in other countries – particularly in advanced countries – to use their success and global availability as quality signals to the local consumers. Global and local brands are advised to resonate with the local South African culture by investing and communicating their brands' icons of local South African culture, in order to enhance perceptions, similar to that which Nike and Coca-Cola have done (see Section 6.3.1.2), in order to strengthen their brand equity.

In line with a study by DeLong *et al.* (2004), it is suggested that brands convince consumers of their good quality by positively influencing purchase intention. Haque *et al.* (2015) also note that brands should influence consumer perceptions by advertising superior quality. In terms of emotional value, Özsomer (2012) maintains that symbolism relating to local culture creates local iconness, which in turn, enhances the prestige of the local brand and increases the purchase intention thereof. Therefore, it is suggested that local brands in South Africa should seek to appeal to consumers in South Africa by investing and communicating their local pride to a multicultural South Africa. An example is local South African fashion retailer, Big Blue, which offers clothing and South African memorabilia. Big Blue prides themselves by being a proudly South African brand, by sourcing fabrics locally, and by using local craft techniques. In addition, they maintain jobs for South Africans and continually provide skills development training to their employees (see Big Blue, 2018).

A further exploration into the differences of perceived quality among the demographic groups yields interesting and contrasting findings. Similar to the findings among the

groups relating to brand loyalty, purchase intention for H&M was higher among all the demographic groups, except for the following specific categories that gave higher ratings towards Mr Price: (i) lowest income group (0 – R4 999); (ii) lower levels of education (those who have not completed high school and those with high school as their highest level of education); and (iii) the Coloured racial group.

Among these groups, the findings are aligned with consumers' purchase intention in Mexico, which also had higher levels of brand commitment (brand loyalty and purchase intention) towards their local brand (see Lee *et al.*, 2008). This can be explained in several ways. Consumers in Mexico might have higher general brand impressions of global brands, due to marketing communication, but lower brand-specific associations, due to less brand experience, which means that they remain loyal to the local brand. Next, consumers in Mexico perceive the price of global brands to be high, due to the perceived superior quality and prestige; and as they are known to be price conscious, this might explain their inclination to buy local brands. Lastly, due to the great availability of inexpensive local brands and their familiarity towards local brands, the likelihood of buying global brands among consumers in Mexico might consequently be lower (Lee *et al.*, 2008).

Consumers in South Africa, too, are price conscious (Hattingh *et al.*, 2016), which needs to be taken into consideration by marketers. Similarly, local brands in South Africa, such as Mr Price and Woolworths, have operated in the local market for many years. Woolworths SA, for example, a food and clothing retailer, opened its first shop 87 years ago in Cape Town, South Africa (see Woolworths Holdings Limited, 2018). Therefore, marketers should take these factors into consideration when targeting different demographic groups.

Strong brand equity is built through the constant delivery of high quality, the creation of associations between a brand and a set of benefits, and the development of a consistent image through logos, trademarks, spokespeople, or via humanitarian causes (Hanna & Wozniak, 2013). Therefore, in addition to the aforementioned managerial implications, it is suggested that both global and local brands partner with

bloggers and influencers (see Section 2.5), in order to improve brand image through social media and online platforms, to aid in ultimately achieving strong brand equity.

One particular social media platform to consider is Pinterest, a virtual pinboard where users can save inspirational things from the internet. Pinterest enables businesses to engage with millions of users, which drives traffic back to their websites (Pinterest, 2018). Badenhorst (2017) holds that there are over a million potential customers on Pinterest in South Africa; and that business should embrace the exposure offered by this platform. She indicates that businesses that offer food products, shoes or clothing, could display their products on different boards, similar to that which Woolworths SA is doing with their different food and clothing boards on Pinterest.

Although this section has effectively addressed the study's objectives and provided useful insights on how the findings of this study could be used to improve the marketing strategies of both global and local brands, there were limitations to be noted. Subsequently, the limitations are explained below, with some accompanying recommendations for future research.

6.4 Limitations and Future Research

In the light of the focus of this study and the way in which it has been conducted, the limitations and recommendations for future research are presented next. Firstly, since the data were collected within a span of two months, time constraints limited the amount of data that could potentially have been collected. Therefore, instead of a cross-sectional study, such as this one, a longitudinal study is recommended; as one of the advantages includes, according to Malhotra and Birks (2006), larger amounts of data that could have been collected. In addition, cross-sectional studies are less likely to mirror the dynamic nature of changing situations (Wagner & Meyer, 2006); and therefore, a longitudinal study could consider events that might impact or change consumers' behaviour.

Statistics South Africa's 2017 general household survey shows that internet access is limited among many South Africans (see MyBroadband, 2018), which means that

these individuals were excluded from this study; as participation in the online survey requires internet access. It is recommended that future research should include additional measures to ensure the inclusion of those without access to the internet, such as mall-intercepts; since the interviewer provides the technology or the computers needed for the interviewees to complete the questionnaire (see Lamb, Hair, McDaniel, Kapoor, Klaise and Appleby, 2010).

Another limitation, which affects this study's generalisability is the non-probability sampling method used. In order to maximise the representative of the sample, quota controls were implemented; but according to Malhotra (2010), it cannot be guaranteed that the drawn inferences about the population are accurate and objective. This concern was, however, alleviated; as the final sample was based on that of the youth population in terms of gender and age (refer to the sample composition in Section 4.3.2). A slight bias toward female respondents was evident; but since more males than anticipated also answered the survey, the skewness of the quotas was thereby minimised.

The sample characteristics are, consequently, not an actual representation of South Africa's millennial population with reference to income groups, educational levels and racial groups (see Statistics South Africa, 2016). Consequently, it is suggested that future research could benefit from using probability sampling techniques, in order to ensure, according to Leedy and Ormrod (2013), the generalisability of the findings to the actual target population.

Olivier (2007) noted that the Black Diamond segment holds promising opportunities for marketers in South Africa. Truffert (2015) also maintains that the Black Diamond segment does – and will continue to – enhance South Africa's economy. Therefore, in addition to sample-related recommendations, it is recommended that future research be expanded to gain an in-depth understanding of other groups, for example, South Africa's Black Diamond target market.

The survey findings are only applicable to consumers in South Africa. Hence, it is recommended that this study be replicated in a country, in which such a study has not

yet been conducted. For example, in Norway, a homogeneous country (see Gasman, 2012), a more homogeneous sample could be studied that is in contrast with South Africa's diverse consumer market.

To enhance the statistical findings, it is recommended that future research be designed to further investigate the moderating effect of different demographic groups on the relationships between the brand analysis constructs. Regression statistical techniques could be used to evaluate the impact of predictors on dependent variables (e.g. perceived quality and emotional value) (Pallant, 2011).

Based on the findings of this study, which found higher perception towards a global fashion retail brand, it is suggested that future studies investigate the underlying reasons relating to global brand preference. This brand analysis model stopped at *purchase intention*. It would therefore be interesting for future research to do an ethnographic study to monitor actual consumer behaviour, which aims to, according to Sekaran and Bougie (2013), understand the behaviour and culture of a social group from the perspective of the insider.

The next limitation brings the validity of the brand image construct into question; as it loads onto two separate factors. Although these scale items were adapted from previous research, which also measured brand image (e.g. Lee *et al.*, 2008; Bhardwaj *et al.*, 2010), caution should be taken for future research regarding the validity of these scale items.

Hussain and Hassan (2018) note that services are growing globally at a fast rate, and that the underlying factors driving global service purchasing are worth researching. Therefore, it is recommended that future research should test hypotheses based on global versus local services (for example professional services in the built-environment industry) by conducting a brand analysis, similar to this study.

6.5 Conclusion

When collectively considered, this study was able to answer the research question presented in Chapter 1: Is there a difference in consumer perceptions of a global fashion retail brand compared to a local fashion retail brand among millennial consumers in South Africa? The results of this study indicate that there is indeed a difference; and that millennial consumers in South Africa have higher perceptions towards the global brand relating to perceived quality, emotional value, brand image, brand loyalty and purchase intention. However, in contrast to previous findings in developing countries, brand awareness levels towards the local brand are higher than towards that of the global brand.

Winit *et al.* (2014) state that marketers should not assume that global brand purchase motives are universal. This is supported by an overview of past research, which indicates the difference in perceptions among consumers from developing and developed countries (see Section 3.4). Özsoyner and Altaras (2008) thus advise that a different communication strategy be employed in a developing country. Haque (2015) too emphasise the importance of marketers to tailor strategies based on the different perceptions from consumers in different countries; so that marketers can appropriately position and sell the different brands.

Consequently, this study provides practical strategic insights for both global and local marketers, looking to position their brands in the South African retail landscape with specific reference to the signaling theory, where certain signals are used to enhance brand credibility (see Erdem and Swait, 1998).

To conclude, interesting findings were brought to light by this study, of which some can be used as a building block to further build on the literature regarding the interplay between global and local brands from the consumer's perspective. This study was contextualised in the fashion retail landscape of South Africa. However, it may also be valuable to apply to service industries. Furthermore, it is hoped that other studies will stem from this research to contribute to the literature, in order to further understand and develop theories about the perceptions held in the minds of consumers.

In addition, it is hoped that by fully understanding these perceptions, marketers can advance their strategies to maximise brand equity.

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Appendix A: Original and Adapted Scale items

Original and adapted scale items				
Concept	Construct	No	Original scale items	Adapted scale items
Brand-specific associations	Perceived quality	1	Be reliable	This brand is reliable
		2	Be durable	This brand's product is durable
		3	Be high quality	This brand is high in quality
	Emotional value	4	Be one that I enjoy	This is a brand that I enjoy
		5	Make me feel good	This is a brand that makes me feel good
		6	Give me pleasure	This brand gives me pleasure
		7	Make me want to use it	This brand makes me want to use it
		8	Feel comfortable using it	I feel comfortable using this brand
General brand impressions	Brand awareness	9	I can recognize this brand among competing brands	I can recognize this brand among competing brands
		10	I am aware of this brand	I am aware of this brand
		11	I can quickly recall the symbol or logo of this brand	I can quickly recall the symbol or logo of this brand
	Brand image	12	Have good reputation	This brand has a good reputation
		13	Be prestigious brand	This is a prestigious brand
Brand commitment	Brand loyalty	14	I am loyal to this brand	I am loyal to this brand
		15	This brand is my first choice among competing brands	This brand is my first choice among competing brands
	Purchase intentions	16	I intend to buy this brand frequently	I intend to buy this brand frequently
		17	I plan to buy this brand more often	I plan to buy this brand more often

Appendix B: Welcome screen and instructions

Welcome screen and instructions letter



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Dear respondent,

Thank you for participating in the study about global versus local fashion retail brands. The survey forms part of my masters degree at the University of Cape Town.

Please note that the study has been approved by the Commerce Faculty Ethics in Research Committee and that you will not be requested to supply any identifiable information, ensuring complete anonymity of your responses. Participation in the study is voluntary and will only take about 5 minutes to complete.

Should you wish to access the findings, kindly contact Zandereen Coetzee (ctzzan003@myuct.ac.za).

Thank you once again; your participation is greatly appreciated.

0% 100%



Appendix C: Youth distribution from Statistics South Africa


Extract from Statistics South Africa Vulnerable Groups Indicator Report 2016:

Distribution of youth, 2016

Sex and age group		15-24		25-34		RSA	
		N('000)	%	N('000)	%	N('000)	%
Male	N('000)	5 174	50,2	4 903	50,8	10 078	50,5
	%						
Female	N('000)	5 137	49,8	4 743	49,2	9 881	49,5
	%						
Both	N('000)	10 312	100,0	10 313	100,0	19 958	100,0
	%						


Appendix D: Questionnaire

Screenshots of questionnaire

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Are you between the ages of 18 and 34?


Yes
 No

0%  100%

<< >>

Survey Powered By [Qualtrics](#)

Screening question 1


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Are you familiar with the fashion retail brand, Mr Price?

Yes
 No

Are you familiar with the fashion retail brand, H&M?

Yes
 No

0%  100%

>>

Survey Powered By [Qualtrics](#)

Screening questions 2 and 3



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Please state your level of agreement with each of the following statements relating to Mr Price and H&M:

	Mr Price					H&M				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
This is a brand that I enjoy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is a brand that makes me feel good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is a brand that gives me pleasure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand makes me want to use it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel comfortable using this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand is reliable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand's product is durable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand is high in quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

0% 100%



Scale items for constructs emotional value and perceived quality



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Please state your level of agreement with each of the following statements relating to Mr Price and H&M:

	Mr Price					H&M				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I can recognize this brand among competing brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am aware of this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can quickly recall the symbol or logo of this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand has a good reputation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is a prestigious brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am loyal to this brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This is my first choice among competing brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to buy this brand frequently.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I plan to buy this brand more often.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

0% 100%

<< >>

Scale items for constructs: brand awareness, brand image, brand loyalty, purchase intention



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What is your age?

- 18 - 24
- 25 - 34

What is your gender?

- Male
- Female
- Prefer not to answer

What is your race?

- African
- Coloured
- Indian
- White/Caucasian
- Other
-
- Prefer not to answer

Demographics age, gender race

What is your highest level of education?

- High School not completed
- Grade 12/ Matric completed
- National Diploma (Technicon/ University of Technology)
- Bachelor's Degree
- Post graduate degree (Honours, Masters, Doctorate)

Please indicate your total gross (before deductions) monthly income.

- R0 - R4 999
- R5 000 - R9 999
- R10 000 - R19 999
- R20 000 - R29 999
- R30 000 - 64 999
- R65 000 or more
- Prefer not to answer

0%  100%



Survey Powered By [Qualtrics](#)

Demographics level of education and monthly income



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We thank you for your time spent taking this survey.
Your response has been recorded.

0%  100%

Survey Powered By [Qualtrics](#)

Survey completed, thank you screen

Appendix E: Ethics Approval Letter



Faculty of Commerce

Private Bag X3, Rondebosch, 7701

2.26 Leslie Commerce Building, Upper Campus

Tel: +27 (0) 21 650 4375/ 5748 Fax: +27 (0) 21 650 4369

E-mail: com-faculty@uct.ac.za

Internet: www.uct.ac.za



@Commerce_UCT



UCT Commerce Faculty Office

14/09/2017

Ms Zandereen Coetzee
School of Management Studies
University of Cape Town

REF: REC2017/009/008

Dear Zandereen Coetzee

Project: Brand analysis of global Swedish fashion retail brand in comparison with a local South African fashion retail brand.

It is a pleasure to inform you that the EiRC has **formally approved** the above-mentioned study.

Approval is granted for the period of 12 months. Should you require an extension or make any substantial changes to the research methodology which could affect the experiences of participants, you must submit a revised protocol to the Committee for approval.

Please note that the ongoing ethical conduct of the study remains the responsibility of the principal investigator.

Your sincerely

Litha Tyulu
Administrative Assistant
University of Cape Town
Commerce Faculty Office
Room 2.26 | Leslie Commerce Building

Office Telephone: +27 (0)21 650 2695

Office Fax: +27 (0)21 650 4369

E-mail: litha.tyulu@uct.ac.za

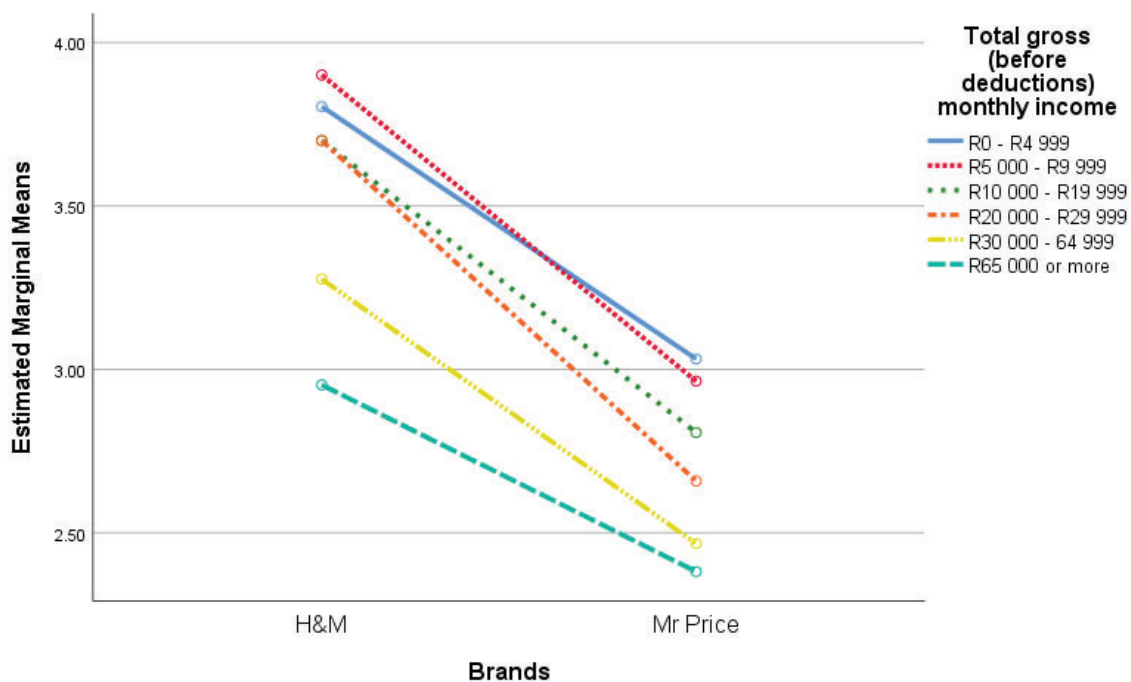
Website: www.commerce.uct.ac.za<<http://www.commerce.uct.ac.za/>

Appendix F: Effect of demographic groups on brand analysis constructs

Effects of demographics on brand analysis constructs

1.1 Effects of demographics on brand-specific association

Figure 1: Effect of income on PQ



The R5 000 – R9 999 income bracket had the highest quality perceptions for the global brand ($M = 3.90$), followed by the R0 – R4 999 bracket ($M = 3.80$). The R0 – R4 999 bracket, however had slightly higher ratings for the PQ of the local brand ($M = 3.03$) than the PQ of the local brand among respondents in the R5 000 – R9 999 income bracket ($M = 2.96$). Respondents who earn between R10 000 and R19 999 as well as those earning between R20 000 and R29 999, both had the same quality perceptions for the global brand ($M = 3.70$). The R30 000 – R64 000 income group shows the second highest rating for both the global ($M = 3.28$) and the local brand ($M = 2.47$). The lowest levels of PQ for both the global ($M = 2.95$) and the local ($M = 2.38$) brand were rated by respondents earning more than R65 000 per month.

Figure 2: Effect of education on PQ

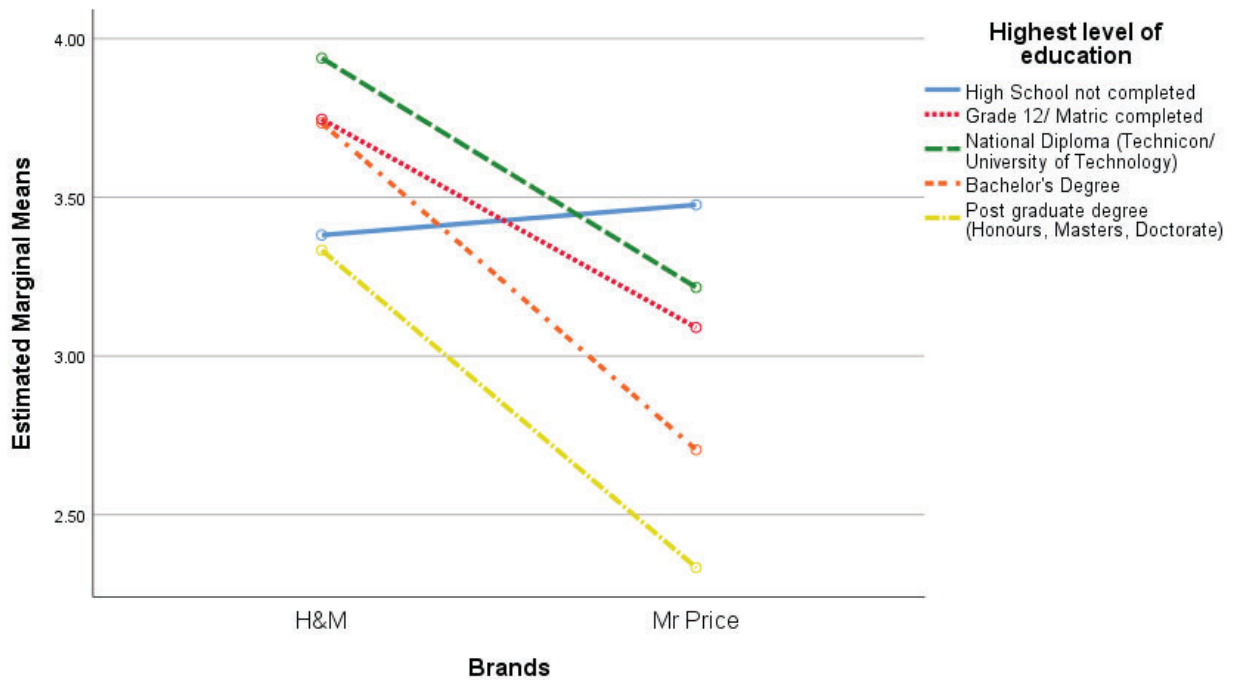


Figure 2 shows that respondents with a National Diploma gave the highest PQ ratings to the global brand ($M = 3.94$) and the second highest PQ ratings to the local ($M = 3.22$) brand. The second highest ratings for the global brand ($M = 3.75$) brand came from respondents who completed Grade 12/Matric with a lower rating toward the local brand ($M = 3.09$). Respondents with a Bachelors ($M = 3.73$) degree also rated the PQ for the global brand closely to that of the Grade 12 group. The post graduate group gave the lowest ratings for both the global ($M = 3.33$) and the local ($M = 2.33$) brand. In contrast to the findings mentioned thus far, those respondents who have not completed high school, gave the highest rating in terms of PQ for the local brand ($M = 3.48$) with a lower rating for the global brand ($M = 3.38$).

Figure 3: Effect of race on PQ

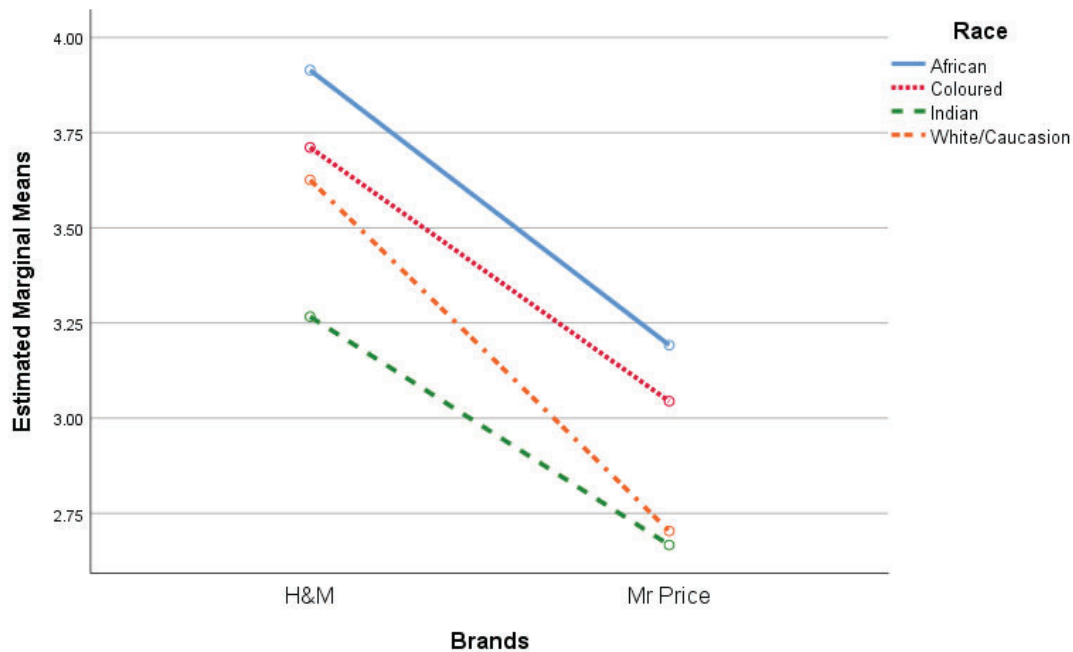


Figure 3 above shows that all the racial groups had higher quality perceptions for the global brand in comparison with the local brand. The African racial group had the highest perceived quality for both the global ($M = 3.91$) and the local brand ($M = 3.19$), while the Indian group showed the lowest perceived quality for the global ($M = 3.27$) and the local ($M = 2.67$) brand. The Coloured racial group shows the second highest perceived quality ratings for the global ($M = 3.71$) and the local ($M = 3.04$) brand, while the Caucasian racial group shows the second lowest scores in terms of PQ for the global ($M = 3.63$) and the local ($M = 2.70$) brand.

- ***Effects of demographics on emotional value***

All of the demographic groups yielded significant findings. The results described and visually illustrated in Figure 4 (gender), Figure 5 (income levels), Figure 6 (education levels) and Figure 7 (race) below.

Figure 4: Effect of gender on EV

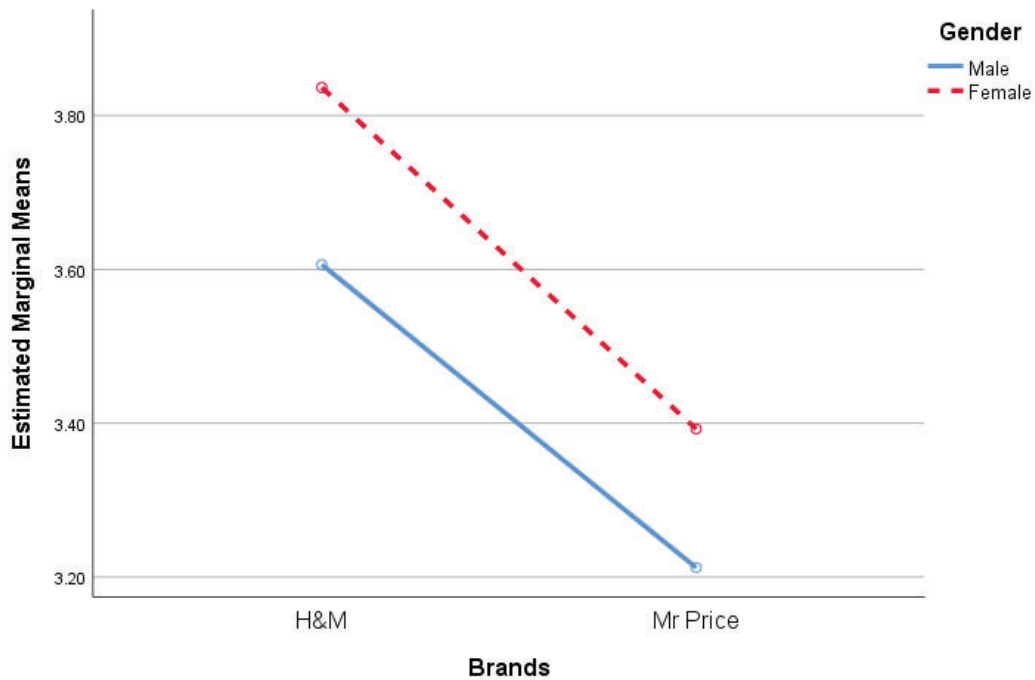


Figure 4 above shows that both male and female respondents gave the highest EV ratings for the global brand in comparison with the local brand. Female respondents gave the higher ratings for both the global ($M = 3.84$) and the local ($M = 3.39$) while male respondents gave lower EV ratings for the both the global ($M = 3.60$) and the local ($M = 3.21$) brand.

Figure 5: Effect of income on EV

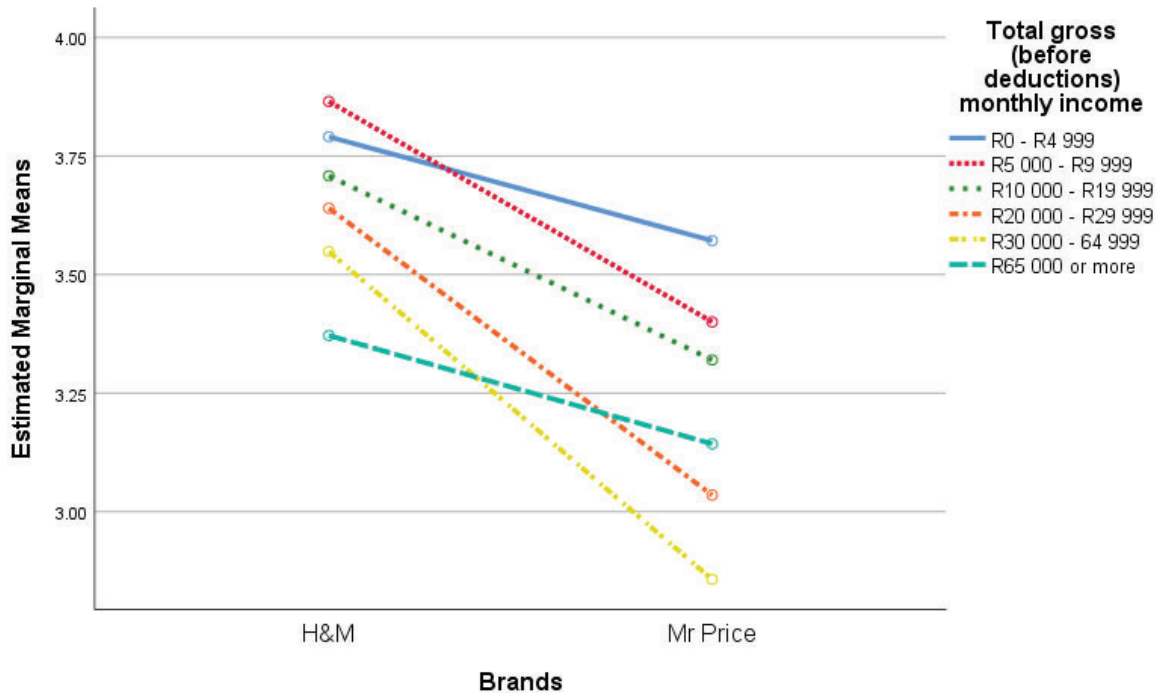
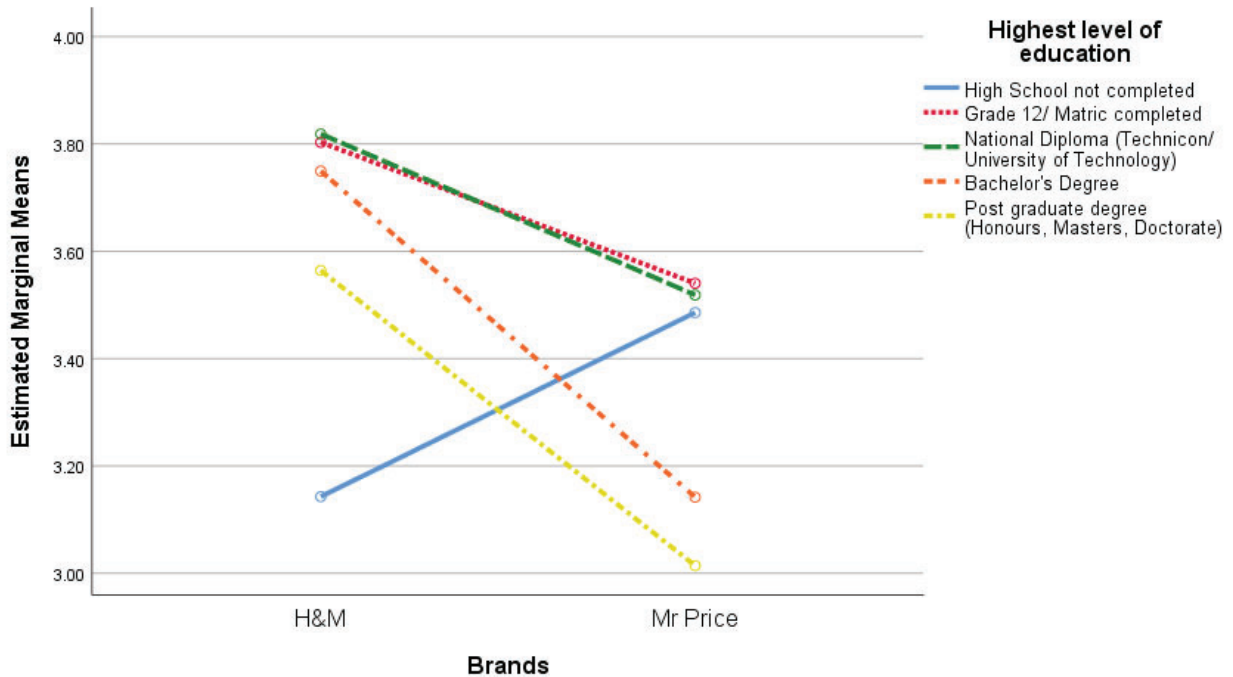


Figure 5 that the respondents who fall under all of the income brackets gave a higher EV rating for the global brand than for the local brand. The highest rating for EV for the global brand was given by respondents who fall within the R5 000 – R9 999 income bracket ($M = 3.87$), while the lowest was given by those who earn R65 000 and more per month ($M = 3.37$). The highest level of EV for the local brand was given by respondents who fall within the R0 – R4 999 income bracket ($M = 3.57$), while the lowest EV rating for the local brand was given by those who fall within the R30 000 – R64 999 income bracket ($M = 2.86$). Respondents who earn between R10 000 and R19 999 per month had the third highest EV levels for the global ($M = 3.71$) and the local ($M = 3.32$) brand. Likewise, those respondents who fall within the R20 000 – R29 999 income bracket gave a higher rating for the EV of the global brand ($M = 3.64$) than the local brand ($M = 3.04$), but the EV ratings among those who earn R65 000 or more for the local brand ($M = 3.14$) was higher than that of the R20 000 – R29 999 income group. Respondents who fall within the R30 000 – R64 999 income group gave a higher EV rating for the global brand ($M = 3.55$) than the local brand ($M = 2.86$), which was the lowest for the local brand overall.

Figure 6: Effect of education on EV



Noteworthy in Figure 6 above, is that only respondents who have not completed high school have higher EV levels toward the local brand ($M = 3.49$) than toward the global brand ($M = 3.14$). In contrast, similar ratings of EV are evident among those respondents who have completed Grade 12 and those with national diplomas as those with a national diploma gave the highest ratings for the global brand in terms of EV ($M = 3.82$), close to those respondents with Grade 12 ($M = 3.80$). Similarly, respondents with Grade 12 gave the highest EV ratings for the local brand ($M = 3.540$) with a close rating of the EV of local brands among those respondents with National Diplomas ($M = 3.52$). The respondents with bachelor degrees also rated the EV of the global brand ($M = 3.75$) higher than that of the local brand ($M = 3.14$). The lowest rating for the EV of the local brand was among those respondents with a post-graduate degree ($M = 3.01$), with higher EV levels for the global brand ($M = 3.56$).

Figure 7: Effect of race on EV

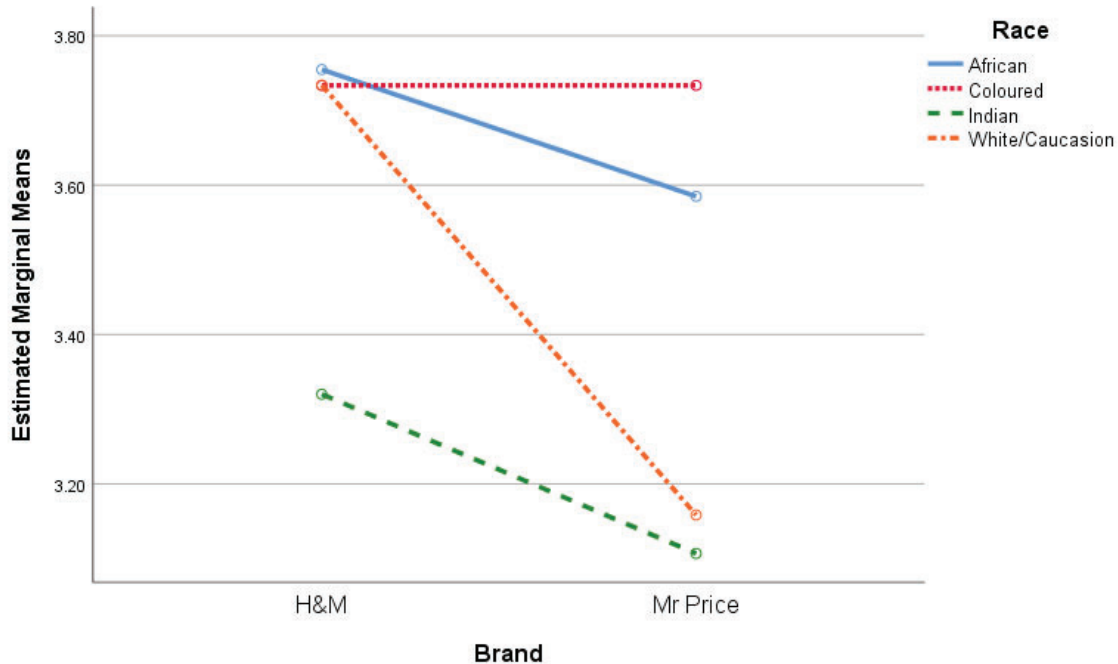
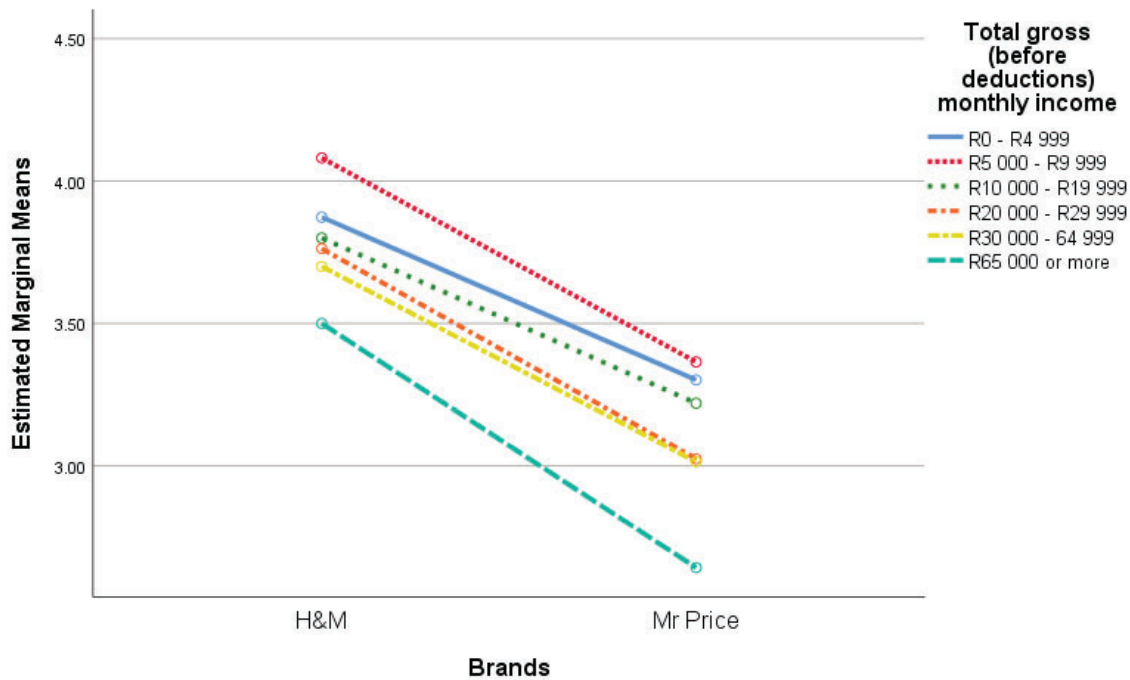


Figure 7 indicates that the African racial group gave the highest EV rating for the global brand ($M = 3.76$). The Coloured racial group gave the local brand the highest EV rating overall ($M = 3.73$), following the African racial group ($M = 3.54$), the Caucasian racial group ($M = 3.16$) and the Indian group ($M = 3.11$). Interestingly, there is no difference in EV among the Coloured racial group between the global ($M = 3.73$) and the local brand. The Caucasian racial group had the second highest rating for both the global ($M = 3.73$) and the local ($M = 3.16$) brand while the Indian racial group gave the lowest EV ratings overall for both the global ($M = 3.32$) and the local ($M = 3.11$) brand.

1.2 Effects of demographics on general brand impression

- *Effects of demographics on brand image*

Figure 8: Effect on income and BI



The results are illustrated in Figure 8 and show that the respondents in all the income brackets gave higher BI ratings for the global brand in comparison with the local brand. Respondents who fall within the R5 000 – R9 999 income bracket gave the highest BI ratings for both the global ($M = 4.08$) and the local ($M = 3.37$) brand. Respondents who earn between R0 – R4 999 per month had the second highest rating of BI for both the global ($M = 3.87$) and the local ($M = 3.30$) brand. Third highest, was the BI rating among those respondents who earn between R10 000 and R19 999 with a higher rating for the global brand ($M = 3.80$) than for the local brand ($M = 3.22$). Those respondents who fall within the R20 000 – R 29 999 category had a similar rating for BI for the global brand ($M = 3.76$) than the previous income bracket with a lower rating for the local brand ($M = 3.03$). The respondents who earn between R30 000 and R64 999 also rated the BI for the local brand similar to the previous income bracket ($M = 3.01$) and the second lowest overall for the global brand ($M = 3.70$). The lowest ratings for BI were received by the respondents who earn R65 000 per month or more for both the global ($M = 3.50$) and the local ($M = 2.64$) brand. Next,

Figure 9: Effect of education on BI

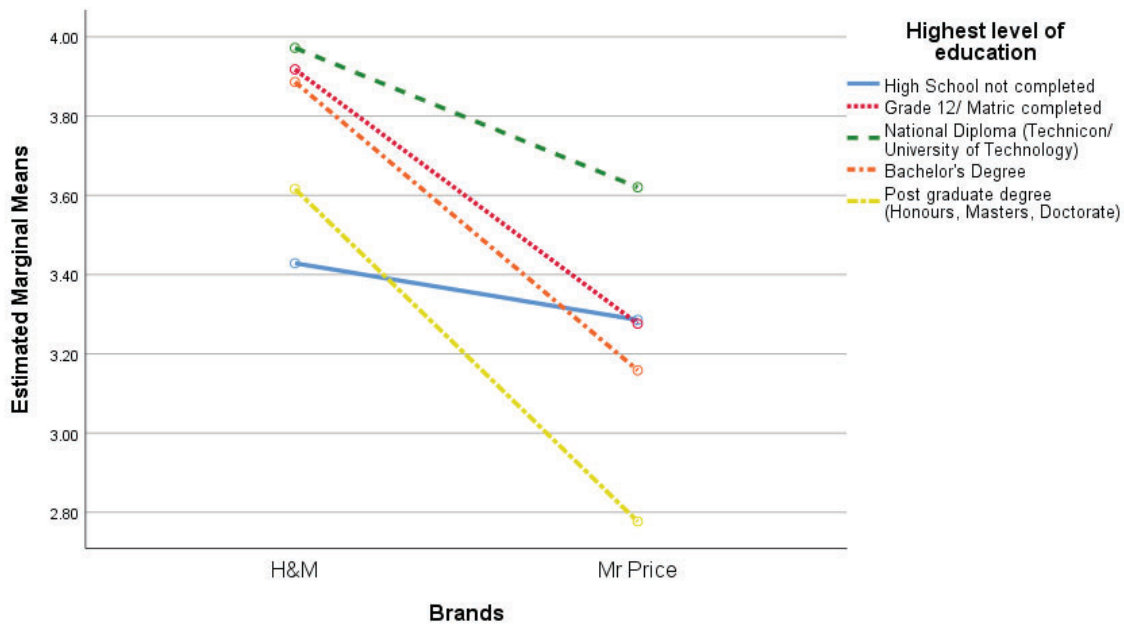


Figure 9 shows that, overall, higher levels of BI were received for the global brand in comparison with the local brand among all the respondents from different education levels. Respondents with a National Diploma gave the highest BI ratings for both the global ($M = 3.97$) and the local ($M = 3.62$) brand. Those respondents who have completed Grade 12 had the second highest rating for both the global ($M = 3.92$) and the local ($M = 3.28$) brand. Similarly, those respondents with a bachelor's degree gave the third highest rating of BI to the global brand ($M = 3.89$) and had lower ratings for the local brand ($M = 3.16$) compared to respondents with a National Diploma, Grade 12 and those respondents who did not finish high school ($M = 3.29$). Noteworthy is that there is not much of a difference in perceived BI for individuals who have not completed high school for the global ($M = 3.43$) and the local brand. The lowest rating among the education levels for BI for the local brand ($M = 2.78$) was from those respondents with a post graduate degree with a higher rating of BI for the global brand ($M = 3.62$).

Figure 10: Effect of race on BI

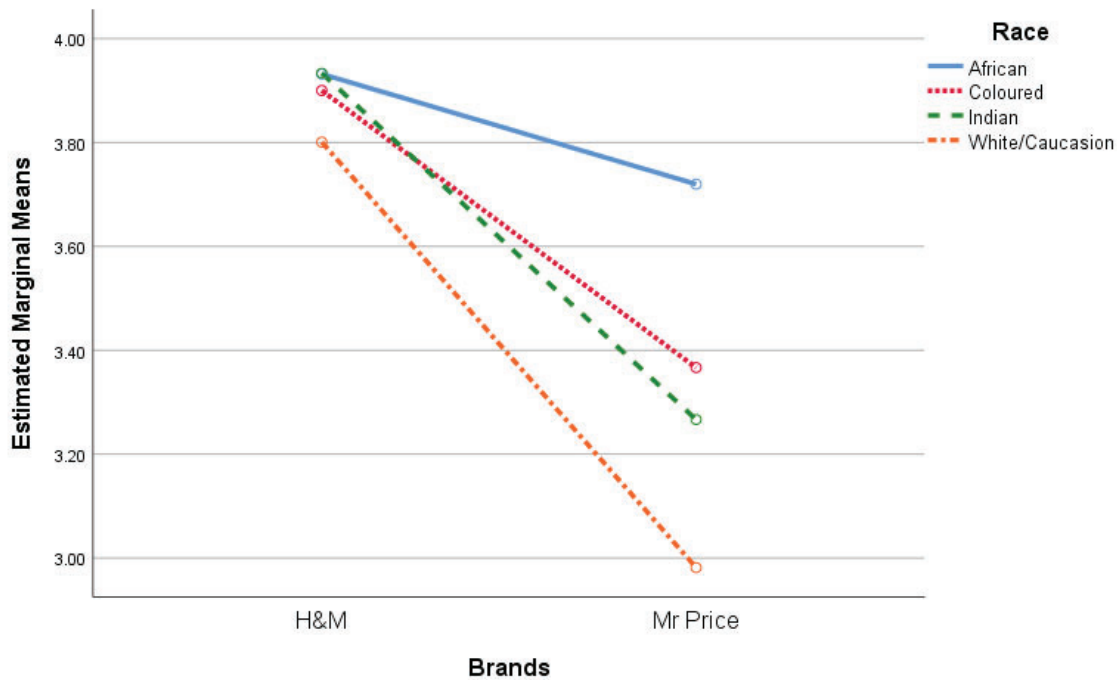


Figure 10 depicts that all the racial groups have higher levels of BI for the global brand in comparison with the local brand. The African racial group had the highest ratings for both the global ($M = 3.93$) and the local ($M = 3.72$) brand. The Indian racial group had a similar rating than the African group for the global brand ($M = 3.93$), but with a lower rating for the local brand ($M = 3.27$). The Coloured racial group had slightly lower BI ratings for the global brand ($M = 3.90$) but had higher ratings for the local brand ($M = 3.37$) than the Indian and Caucasian racial groups. Lastly, the Caucasian racial group had the lowest BI ratings for both the global ($M = 3.80$) and the local ($M = 2.98$) brand.

1.3 Effects of demographics on brand commitment

- *Effects of demographics on BL*

Figure 11: Effect of income on BL

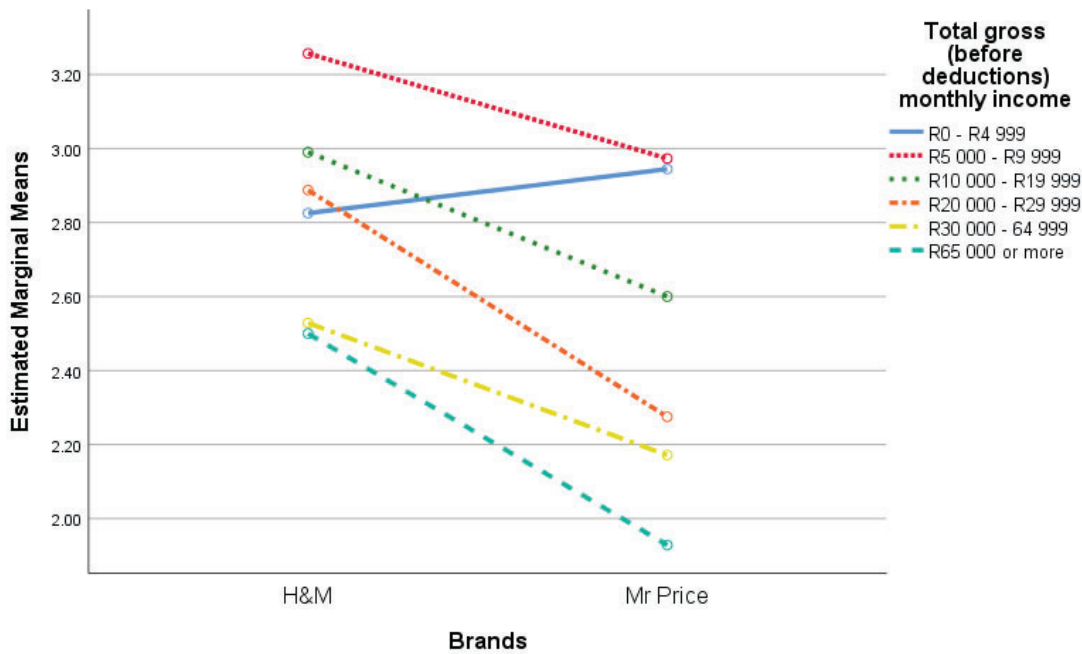


Figure 11 above shows relatively low levels of BL among all income brackets as most means fall within the 2 (=disagree) rating. Noteworthy is that only those respondents who fall within the R0 – R4 999 income bracket gave slightly higher brand loyalty ratings for the local brand ($M = 2.94$) in comparison with the global brand ($M = 2.83$). The highest levels of BL for both the global ($M = 3.26$) and the local brand ($M = 2.91$) exist among those respondents within the R5 000 – R9 999 income bracket, followed by respondents who fall within the R10 000 – R19 999 income bracket who also gave higher brand loyalty ratings towards the BL of the global brand ($M = 2.99$) than the local brand ($M = 2.60$). Similarly, those who earn between R20 000 and R29 999 gave the third highest ratings toward the global brand ($M = 2.89$) and the local brand ($M = 2.28$). Respondents who earn between R30 000 and R64 999 gave the second lowest ratings for the global brand ($M = 2.53$) and the local ($M = 2.17$) brand. The lowest BL ratings are evident among those respondents who earn R65 000 or more per month with higher ratings for the global ($M = 2.50$) than the local ($M = 1.93$).

Figure 12: Effect of education on BL

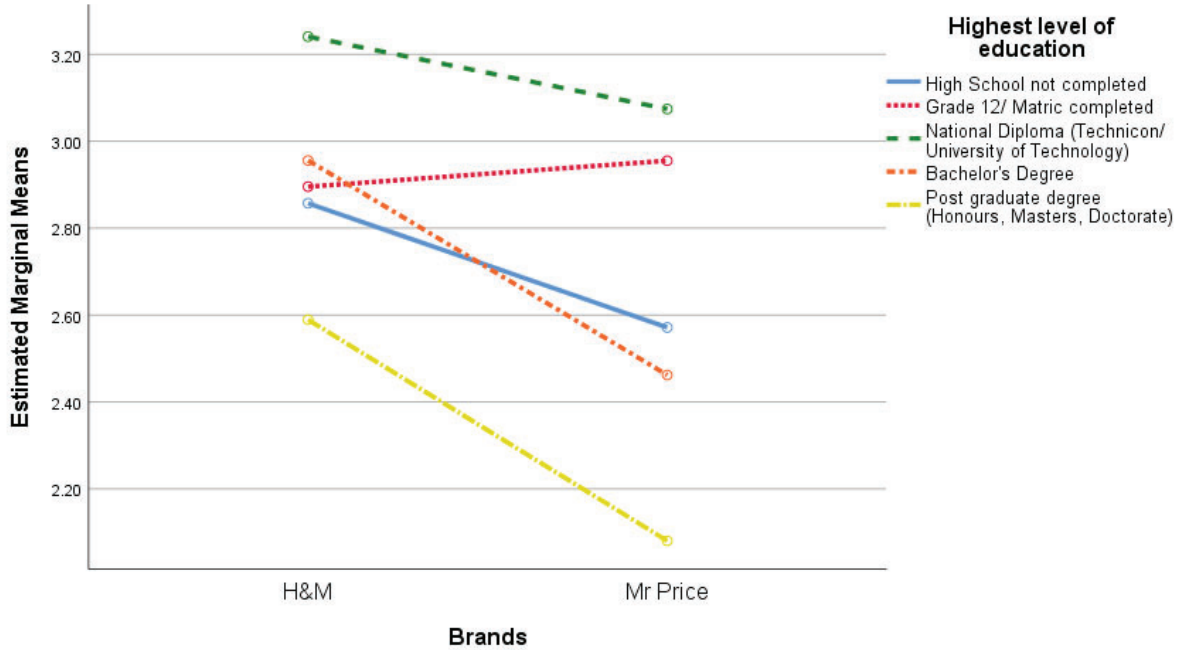


Figure 12 above shows that only respondents with Grade 12 as their highest level of education, gave a slightly higher BL rating for the local brand ($M = 2.96$) in comparison with the global brand ($M = 2.90$). Respondents with a National Diploma had the highest levels of BL toward both the global ($M = 3.24$) and the local ($M = 3.07$) brand compared to the other groups. Furthermore, respondents who have not completed high school gave higher ratings of BL for the global brand ($M = 2.86$), as opposed to the local brand ($M = 2.57$). Similarly, those respondents with a bachelor's degree rated the BL of the global brand ($M = 2.96$) as opposed to the local brand ($M = 2.46$). The lowest ratings of BL are evident among those respondents with a post-graduate degree with a higher rating for the global brand ($M = 2.58$) than the local brand ($M = 2.08$).

Figure 13: Effect of race on BL

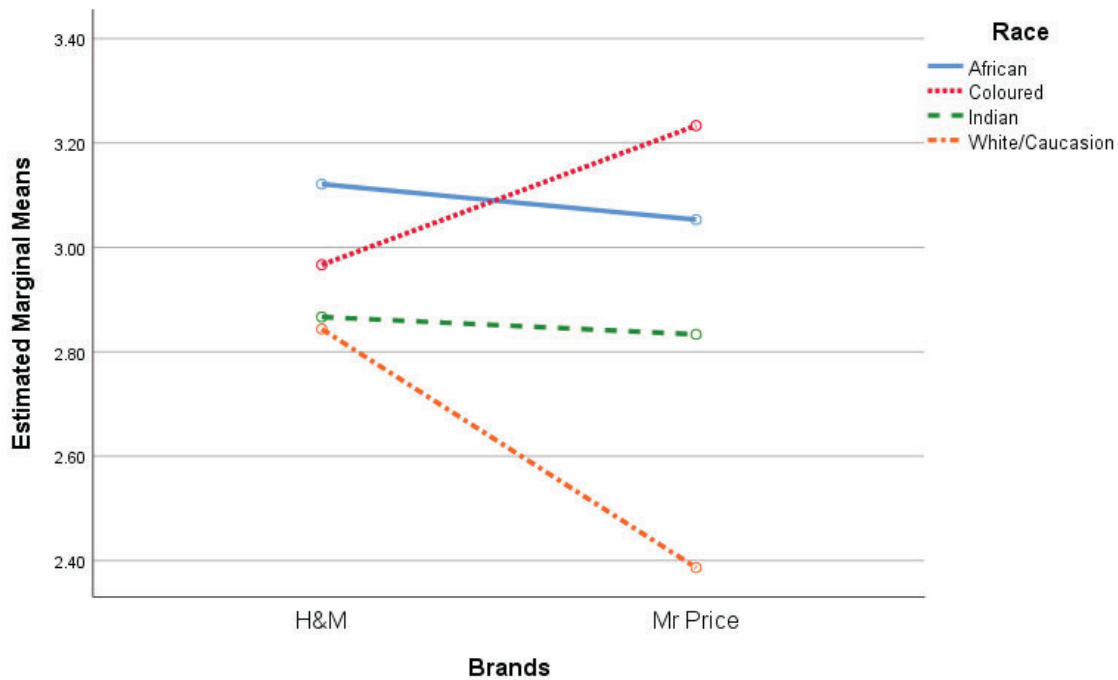


Figure 13 illustrates that only the Coloured racial groups gave higher brand loyalty ratings to the local brand ($M = 3.23$) in comparison with the global brand ($M = 2.97$). Furthermore, the African racial group gave the highest brand loyalty ratings to the global brand ($M = 3.12$) and the second highest to the local brand ($M = 3.05$). The Indian racial group gave the second lowest ratings of BL to both the global ($M = 2.87$) and the local ($M = 2.83$) brand. The lowest BL ratings for both the global ($M = 2.92$) and the local ($M = 2.39$) brand are evident among the Caucasian racial group.

- **Effects of demographics on PI**

Figure 14: Effect of income on PI

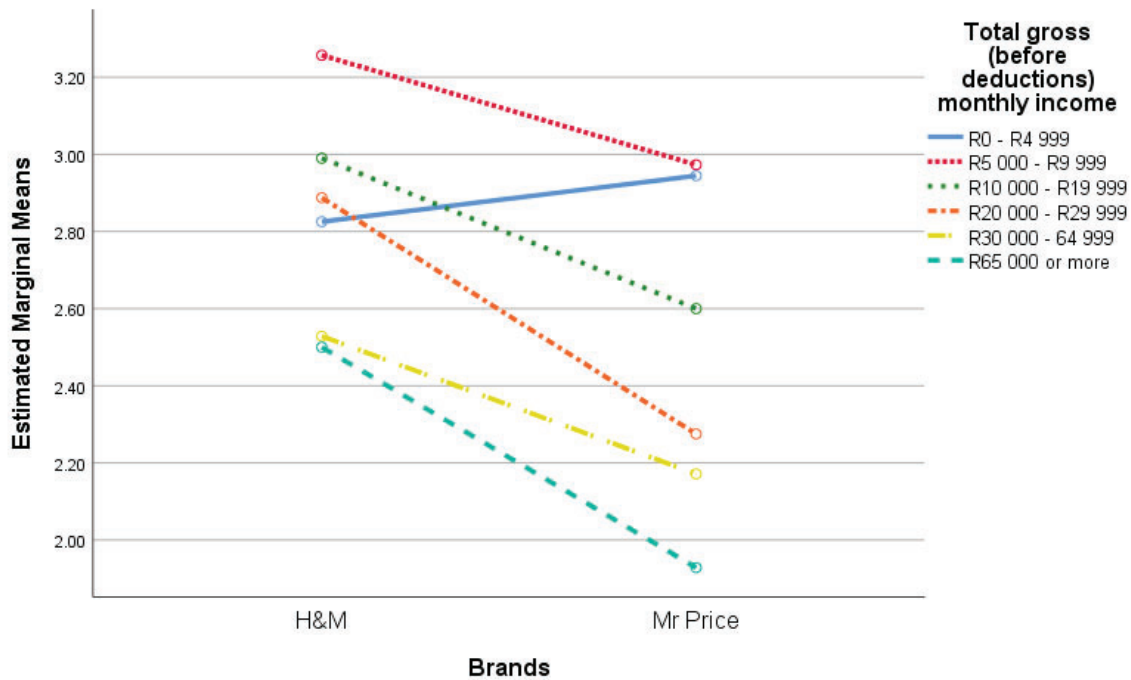


Figure 14 above shows an overall lower rating for PI among all the income brackets for both brands with the majority of the means being around 2 (=disagree). Noteworthy is that only respondents who earn R4 999 or less show higher purchase intention levels toward the local brand ($M = 2.94$) than the global brand ($M = 2.83$), while the two highest income brackets show higher PI towards the global brand $\{M (R30\ 000 - R64\ 999) = 2.89, M (R65\ 000\ \text{or more}) = 2.50\}$ than the local brand $\{M (R30\ 000 - R64\ 999) = 2.17, M (R65\ 000\ \text{or more}) = 1.93\}$. Those respondents who earn between R20 000 and R29 999 also had a higher PI rating towards the global brand ($M=2.888$) than the local brand ($M = 2.275$), compared to the higher income brackets.

Figure 15: Effect of education on PI

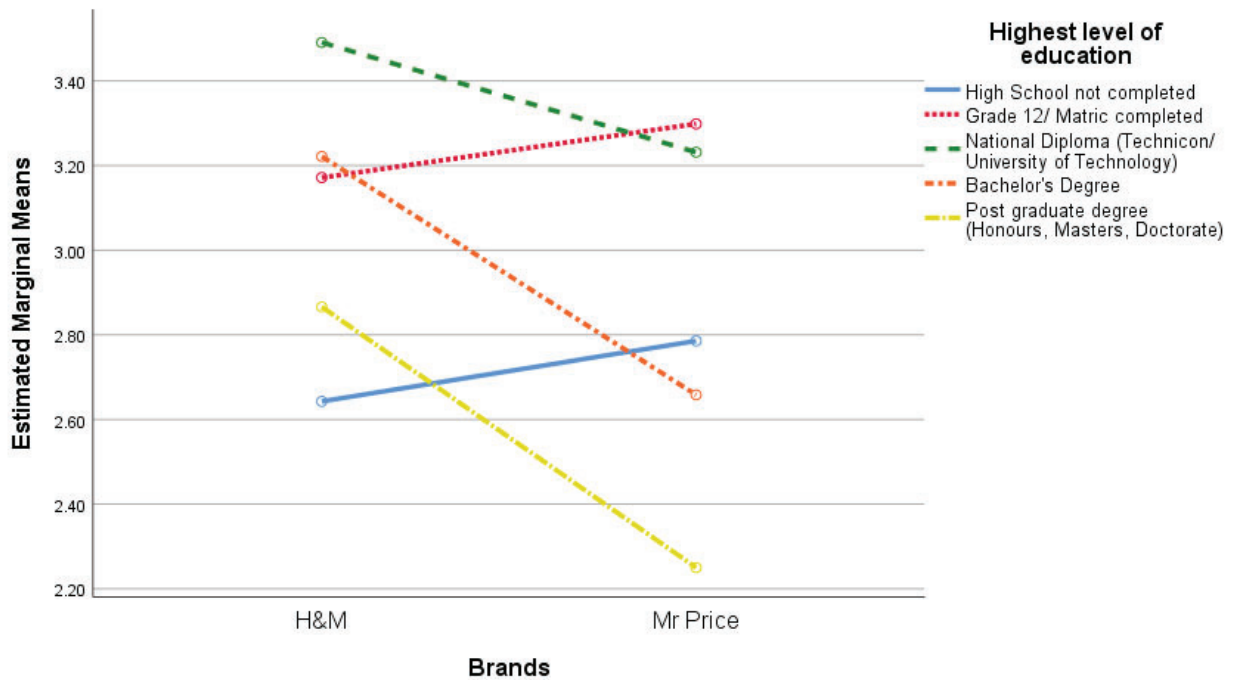


Figure 15 shows that respondents that fall under two education level categories; those respondents who have not completed high school as well as those with Grade 12, have higher PI levels toward the local brand $\{M(\text{High School not completed}) = 2.79, M(\text{Gr 12/Matric completed}) = 3.30\}$ than the global brand $\{M(\text{High School not completed}) = 2.64, M(\text{Gr 12/Matric completed}) = 3.17\}$. The respondents with a National Diploma had the highest PI towards the global brand ($M = 3.49$) with a lower PI rating towards the local brand ($M = 3.23$). The second highest PI towards the global brand are among those respondents with a bachelor's degree ($M = 3.22$), also with lower PI ratings towards the local brand ($M = 2.66$). Respondents with a post-graduate degree had the lowest PI towards the local brand ($M = 2.25$) with slightly higher ratings towards the global brand ($M = 2.86$) compared to those respondents who have not completed high school.

Figure 16: Effect of race on PI

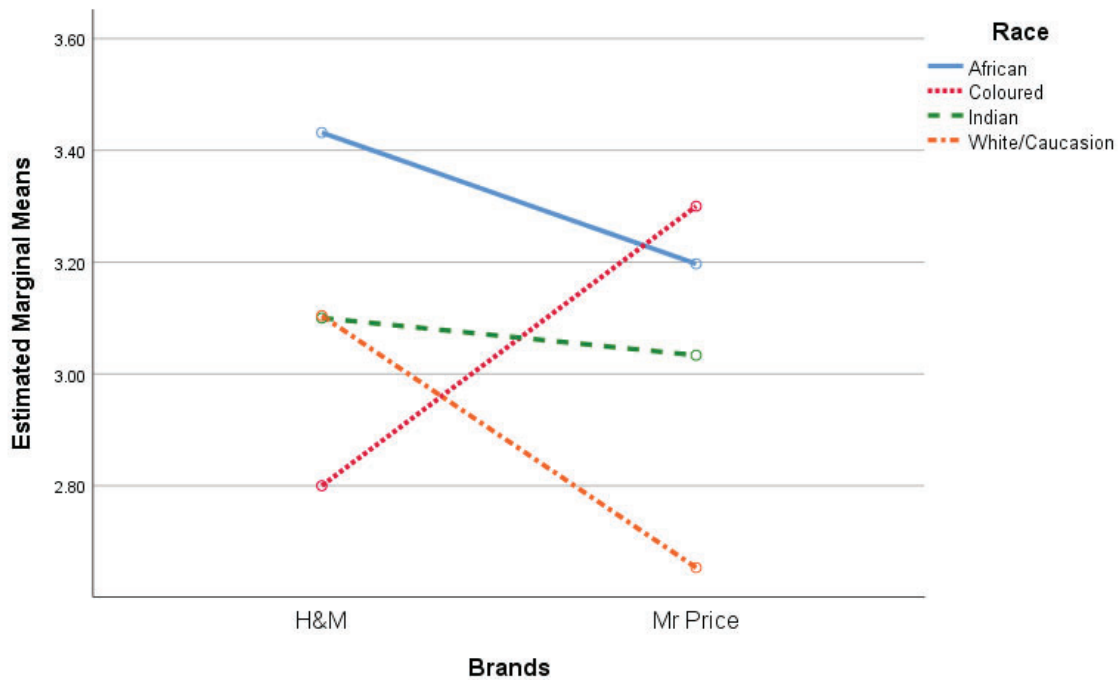


Figure 16 shows that only the Coloured racial group have higher PI levels toward the local brand ($M = 3.30$) in comparison with the global brand ($M = 2.80$). The African racial group had the highest levels of PI towards both the global ($M = 3.43$) and the local ($M = 3.20$) brand. The Caucasian and Indian racial groups had similar purchase intentions toward the global brand $\{M$ (Caucasian) $= 3.10$, M (Indian) $= 3.10\}$, while the Indian racial group had slightly higher PI levels toward the local brand ($M = 3.03$) than the Caucasian racial group ($M = 2.65$).