



**THE EFFECT OF NEGATIVE USER-GENERATED CONTENT ON  
CONSUMER-BASED BRAND EQUITY: COMPARING BRAND LOYAL  
VERSUS NON-LOYAL CUSTOMERS IN THE LUXURY WINERY MARKET**

CLAIRE WOUTERS

E-mail: [WTRCLA001@myuct.ac.za](mailto:WTRCLA001@myuct.ac.za)

Student number: WTRCLA001

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**Supervisor**

Dr E. Botha

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## ABSTRACT

With the rise of user-generated content (UGC), negative UGC could have disastrous consequences for brands: One single post could easily spread like a virus, might even go viral and brand managers have no power in limiting the damage. Negative UGC contributes towards an overall negative brand perception, which harms the process of building long-term consumer-based brand equity (CBBE). CBBE is especially relevant for luxury brands, where decisions are heavily reliant on brand perceptions, and perceptions contrary to or different from exclusivity could be established. Luxury wines, in particular, are complex products in the mind of the consumer: wine customers are overwhelmed by too many choices in wine brands with very few objective decision cues. While CBBE is critical in an extremely competitive wine market, little research has been done on CBBE of luxury wines. This study therefore questions whether CBBE is affected through negative UGC, and if that effect is different for brand loyal versus non-loyal customers. The “love becomes hate” argument proposes that loyal consumers are more impacted by extreme negative UGC, because betrayal in brand trust leads to strong CBBE damage. The “love is blind” argument, on the other hand, proposes that loyal customers are more forgiving towards negative UGC because of their relationship with the brand. Moreover, non-loyal consumers are more influenced by negative UGC, since they exclude brands more easily in a decision-making process after consuming negative UGC. Previous researches regarding CBBE have not found evidence yet of how negative UGC impacts the perception of brand loyal and non-loyal wine consumers. This study therefore attempted to better understand this phenomenon in the luxury wine context.

In order to truly understand the impact of negative UGC on CBBE, use is made of Aaker’s four-asset CBBE model. This model proposes that CBBE consists of brand awareness, brand associations, perceived quality and brand loyalty. This study used an experimental research design and 154 respondents participated in a quasi-experimental design that tested the effect of fictitious negative UGC, that appeared on Facebook, on CBBE. This study found that negative UGC reduces CBBE and customers’ perception of the luxury brand is damaged after exposure to negative UGC. Brand loyal customers’ CBBE had the greatest decrease, which supports the ‘love becomes hate’ argument. Marketing managers therefore need to understand the risks of UGC on CBBE and set up an online brand strategy in order to know how to act and react on negative UGC to prevent CBBE from being damaged. They also need to pay particular care in managing loyal customers’ exposure to negative UGC.

**Keywords:** negative brand-related UGC, CBBE, brand loyalty, luxury brands, brand associations, brand perception, purchasing behaviour, luxury wine, social media

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*Cape Town, February 2016*

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# CHAPTER I: INTRODUCTION

## 1.1 INTRODUCTION

The powerful role marketing managers once had in controlling consumers' individual perceptions of their brand is not what it used to be (Hutter, Hautz, Dennhardt and Füller, 2013). By the advent of Web 2.0, a paradigm shift took place from traditional one-way brand communication through marketing campaigns, to online brand-related interactions by consumers (Christodoulides, Jevons and Bonhomme, 2012; Schivinski and Dabrowski, 2014a; Campbell, Pitt, Parent and Berthon, 2011). That means that it is in fact the consumers who do most of the branding activities, whether deliberately or not. The power lies in their hands and thus they have major influence on the general branding process of a brand (Christodoulides *et al.*, 2012).

The occurrence of this empowerment is mainly due to the production of user-generated content (UGC), whereby consumers create, share and participate in content about a product, company or service, influenced by their own attitudes and experiences (Bruhn, Schoenmueller and Schäfer, 2012). The exposure of this content to other consumers may influence their attitude regarding the brand (O'Brien, 2011). In this study, emphasis is placed on the impact of negative UGC. Previous studies have come to the conclusion that research on negatively valued production of online content is of most relevance, as it is in fact the negative aspects that can send a brand into disrepute.

Due to the global growth of social media users and online communities, development of brand conversations has also grown via UGC (Christodoulides *et al.*, 2012). It is essential for managers to understand the multidimensional nature and individual motivations of consumers' online content production. Companies should also know how to anticipate a situation where the brand is strongly targeted (Campbell *et al.*, 2011). Brand managers should therefore keep in mind that managerial efforts to build, manage and protect the production of UGC are now futile, as such content is outside their immediate control (Vanden Bergh, Lee, Quilliam and Hove, 2011). In the end, the only control that is left for brand managers is simply damage control (Christodoulides,

Jevons and Blackshaw, 2011). Although previous studies have appointed the damage negative UGC could cause to CBBE, little to no depth has been provided to the specific impact on CBBE and the development of this process (Schivinski and Dabrowski, 2014b).

By knowing how to react, brand managers firstly need to understand the subsequent impact negative UGC has on the brand (Berthon, Pitt and Campbell, 2008). Brand-related UGC could strongly damage corporate reputations and the effects on consumer-based brand equity (CBBE) are lasting and strong. Negative content could even change the face of marketing and affects its 'very purpose and stature' (Fournier and Avery, 2011). CBBE is an organisation's most relevant key marketing asset (Ouwersloot and Tudorica, 2001; Schivinski and Dabrowski, 2014a) and is constructed by consumers' favourable, unique and long-lasting brand associations, which positively affects consumer behaviour (Keller, 1993). When negative brand comments and discussions take place online, users create associations towards the brand that are contrary to the ones positioned by the company (Bambauer-Sachse and Mangold, 2011). Brand equity dilution may also occur, which can be difficult to rebuild (Bambauer-Sachse and Mangold, 2011). Since CBBE is strictly based on how a brand is perceived by customers, consumer's brand associations play an essential role in this study. This research also examines whether these brand associations differ between brand loyal and non-loyal customers, since both types are separately affected by negative UGC and could have different impact on CBBE.

In order to understand the impact of negative UGC on CBBE, the wine industry is an excellent market to focus on. Branding is important in the wine market, as wine brands are usually powerful and generally have high brand equity (Vrontis and Pappasolomou, 2007). The global wine market is strongly competitive and wine makers should therefore concentrate on producing the best quality of wine, in order to outshine their competitors (Vrontis and Pappasolomou, 2007). Moreover, the wine industry is divided in a high variety of product categories and price ranges, which makes the market accessible for a wide, divergent marketing audience (Berthon, Pitt, Parent and J. Berthon, 2009). Each group segment values wine in a different way; wine collectors go for rare, high-class wine brands, while for example teenagers care less about quality and authenticity and would go for the cheapest variants (Vrontis and

Papasolomou, 2007). This makes wine a very complex product for consumers to purchase, where CBBE forms a competitive asset that may motivate a consumer to prefer one wine with similar attributes and price over another (Nowak, Thach and Olsen, 2006). The complexity of the wine market, as well as the importance for wine brands to focus heavily on strong CBBE, makes the involvement of the wine market in this study especially relevant. This study is also the first to research if and to what extent the ordinarily strong brand equity of a wine brand would be seriously prejudiced after receiving multiple negative UGC on social media.

This study particularly focuses on the luxury wine brands. It is important for wineries to be perceived as a luxury brand, since luxury evokes associations of exclusivity and high quality (Jin, 2012). The perceived quality is a core component of CBBE and consumers are more driven to choose a wine brand with high-perceived quality, rather than its competitors (Yoo, Donthu and Lee, 2000). This makes luxury an influential element in building CBBE. It is challenging for luxury wine brands to maintain an exclusive and high quality reputation with the advent of UGC production by consumers (Jin, 2012), which makes it even more interesting to research the impact of this. Very little empirical research has yet been done on brand equity in the luxury wine market (Berthon *et al.*, 2009) and the involvement of UGC in this study therefore fills an empirical gap. Understanding is needed of how wine consumers still perceive a wine brand after being exposed to negative UGC, especially since taste is personal and digitally not communicable. In other words, the purpose of this study is to examine if and how negative UGC impacts both loyal and non-loyal wine consumers, to determine the consequences for wineries' CBBE of luxury brands.

This study ought to answer the following research question: *Does negative UGC influence the CBBE of South African luxury wine brands and is this influence different between both loyal and non-loyal customers?*

More specifically, this research question can be broken down into the following two primary objectives:

- (1) To determine if negative UGC influences the CBBE of luxury wine for its customers

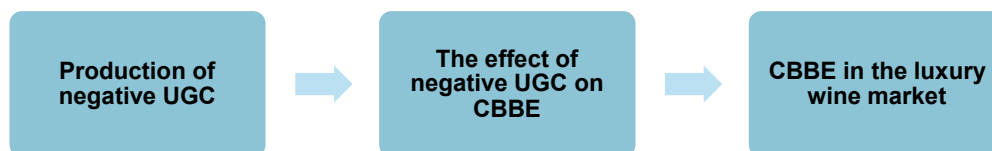
- (2) To determine whether the influence of negative UGC on the CBBE of luxury wine is different for loyal customers as compared to non-loyal customers

Next section begins by reviewing the extant literature relevant to the influence of negative UGC on the CBBE of luxury wine brands. Thereafter, a summary of this study's research question and research objectives is composed. This is followed by the methodology, which describes the research design and method relevant to this study, as well as the target population and used sampling technique. Next, the contribution of this study is proposed, which emphasises the relevance of this study. Then, the demarcation of this study illustrates the construction of the final research paper, followed by a list of references.

## 1.2 BACKGROUND TO THE STUDY

To provide theoretical understanding of the relevance of this study, this section outlines the key motivations for conducting this research subject. The nature and purpose of this study is described, which provides indication of why and how this study contributes to existing scientific marketing literature. In this section, three research concepts are outlined, which all have a mutual causal relationship. The first concept describes the phenomenon UGC, in particular negatively valued UGC, which is directly linked to the development of the second concept: consumer-based brand equity (CBBE). Consequently, both UGC and CBBE are separately important for the luxury wine market. Figure 1 illustrates the link these between three concepts.

Figure 1: Causal development of negative UGC, CBBE and luxury wine market



The question arises how these three concepts relate to each other and the aim of this study is therefore to measure the impact of negative UGC on the CBBE of luxury wine brands. This paragraph outlines the literature of every concept.

This introductory chapter begins by reviewing relevant literature related to UGC. This is followed by the conceptualisation of customer-based brand equity, how it is related to UGC and how important it is to maintain a strong brand. Thereafter, this review discusses the relevance of customer's brand loyalty and how luxury brands provide an adequate theoretical basis in measuring the impacts of UGC on CBBE. Lastly, this study refers in detail to the luxury wine market, since brand equity is very essential in this sector while little research has been done on the relationship between both.

### **1.2.1 Production of negative UGC**

In order to describe the relevance of measuring negative UGC in this study, the phenomenon of UGC is discussed first, whereafter the purpose of involving UGC is explained, which introduces the motivation for measuring UGC in this study.

#### **1.2.1.1 The nature of producing negative UGC**

Due to the development and growing popularity of social media networks and brand communities, the online production and consumption of UGC has experienced an expeditious growth (Schivinski and Dabrowski, 2014a). Since consumers are more and more motivated to produce, share and consume UGC, consumers now have the control to the way a brand is perceived and therefore gain major influence on the general branding process (Christodoulides *et al.*, 2012). In past years, brands have increasingly embedded in social media platforms, but experience that competitive strategies and symbolic meanings of the brand are now co-created by consumers via UGC (Jin, 2012). Consumers create, share and participate in online conversations related to a product, company or service, where individual attitudes and experiences are exchanged (Bruhn, Schoenmueller and Schäfer, 2012).

This study places emphasis on the impact of negative UGC. Research on negatively valued production of online content is more relevant than positive UGC, as it is in fact the negative aspects that could turn a brand into a reputational crisis (Fournier and Avery, 2011; Bambauer-Sachse and Mangold, 2011; Grégoire, Salle and Tripp, 2014 and Ng and Rao Hill, 2009). Brands firstly need to understand the valence and motivations of the production of negative UGC, as well as gain knowledge how to act



and react when the brand is affected by negative UGC (Berthon, Pitt and Campbell, 2008). Social media communication created by companies cannot improve a brand's image or reputation, as consumer experiences through UGC have stronger influence on how a brand is perceived in the long term (Godes and Mayzlin, 2009). However, the damage of negative UGC could last long, where brand managers have little to no power in controlling and minimising the impact on CBBE.

#### **1.2.1.2 The purpose of studying the concept of UGC**

The creation of UGC became part of the daily life of consumers and the production of UGC consequently is now uncontrollable, since the creation of negative UGC is completely outside of managerial control (Tirunillai and Tellis, 2011). Besides, social media content is not always detectable, because not every brand-related post is shared publicly (Jin, 2012). Research regarding the development of negative UGC is therefore essential, since brand managers have no control in drawing conclusions on what is being said online about the brand. In recent years, extensive scientific studies have been done on the nature of UGC, the subsequent control consumers obtained over a brand (Van Noort and Willemsen, 2011) and how managers should react to it (Campbell *et al.*, 2011). However, there is still a gap in literature of how UGC affects consumers' brand perceptions and behaviour, and therefore CBBE (Christodoulides *et al.*, 2012). Next paragraph analyses how negative UGC could have negative impact on CBBE. First, the conceptualisation of CBBE is presented, followed by an explanation of the relevance of focusing on CBBE.

#### **1.2.2 The effect of negative UGC on CBBE**

As explained in previous paragraph, negative UGC could change the overall brand perception of consumers who are exposed to this content. Brand-related UGC could strongly damage corporate reputations and the effects on consumer-based brand equity (CBBE) are lasting and strong (Fournier and Avery, 2011). Next subparagraphs explain the literature regarding the multidimensional nature of CBBE followed by an explanation on the relevance of measuring CBBE.

### **1.2.2.1 The multidimensional nature of CBBE**

CBBE is established when consumers hold favourable, unique and long lasting brand associations in the long-term memory, which positively affects consumer behaviour (Keller, 1993). CBBE is an organisation's most relevant key marketing asset (Ouwersloot and Tudorica, 2001; Schivinski and Dabrowski, 2014a), which is identified by the following four conceptual dimensions of brand equity, based on Aaker's four asset model: brand awareness, brand associations, perceived quality and brand loyalty (Aaker, 1996). In the process of building CBBE, the focus is first to create brand awareness, where consumers start learning about a brand or a new product of a brand, Then, consumers start to develop associations towards the brand, which are related to the value and personality of a brand (Aaker, 1996). Also, the way the quality of a brand is perceived has consequences for brand equity. The perceived quality is a core component of brand value, since consumers are more driven to choose a brand with high-perceived quality, rather than its competitors (Yoo, Donthu and Lee, 2000). When established associations are generally positive, a consumer could establish a commitment towards the brand, which could eventually lead to brand loyalty. By this occurrence, brand equity is established (Boyle, 2007; Schivinski and Dabrowski, 2014b).

Brand loyalty plays an important part in this study, since a consumer's loyalty and its strong emotional commitment to a brand drive the desire to create UGC (Boyle, 2007) and therefore empowers new brand associations to the ones who have consumed the content and which gives inspiration for further dialogue (Christodoulides *et al.*, 2012). Besides, both brand loyal customers and non-loyal customers are separately affected by negative UGC and could have a different impact on CBBE. Once the trust of loyal customers is damaged, they may feel betrayal, which results in intentionally expressing their anger and disappointment online to cause damage to the brand. In this situation, the consumer is aware of the power of UGC and deliberately uses this power to take down the brand (Grégoire and Tripp, 2011). On the other hand, negative UGC created by non-loyal customers are more powerful than brand loyal customers, because they know little about a brand and have the mutual interest in gaining new brand or product information produced by consumers who are in the same position. Online content derived from brand loyal customers could therefore be misinterpreted

as content with commercial value (Godes and Mayzlin, 2009). In conclusion, both brand loyal and non-loyal customers are interesting research groups in this research. This research therefore examines whether the brand perception differs between brand loyal and non-loyal customers after reading or seeing negative UGC. The 'love is blind versus love becomes hate' theory (Grégoire and Fisher, 2005) is a relevant measurement to study the impact of negative UGC on consumers' brand loyalty towards a brand. This theory studies the effect of strong consumer relationships to a brand or a brand's product when brand loyal customers have had bad experience with the brand. A consumer either experiences the "love is blind" effect, where they ignore these negative occurrences and hold on to the brand commitment, or the "love becomes hate" effect, where consumers intentionally strike back in order to get justification for the betrayal (Grégoire and Fisher, 2005). Next subparagraph explains why it is decided to focus this study on CBBE.

#### **1.2.2.2 The purpose of studying CBBE**

The impact of negative UGC on CBBE is an appropriate and relevant topic to focus this study on, since it fills multiple gaps in literature of online marketing. Several recent studies indicate that more understanding is needed of the relationship between negative UGC and CBBE (Hutter *et al.*, 2013; Grégoire, Laufer, and Tripp, 2010; Christodoulides *et al.*, 2010). In addition, most studies regarding UGC focus on the challenges and opportunities of UGC (Laroche, Habibi and Richard, 2012) and the creators' motivations to generate UGC (Berthon *et al.*, 2008) and not on the impact of UGC on brand perception in times of negative publicity (Wattegama and Qing, 2014). Since the target of this study fills a gap in the literature of UGC and CBBE, the outcome brings added value to the science of online marketing. Moreover, none of the few studies related to the measurement of CBBE after negative UGC has involved brand loyalty before. Therefore, this study contributes to previous studies, since it gains knowledge on whether or not brand loyalty affects the customer-based value of a brand. In the light hereof, it can be indicated if each customer type influences CBBE in a different way.

In order to find out the impact on each customer type, two objectives related to measuring brand loyalty have been drafted in section 1.3. First, the relevance of measuring CBBE in the South African luxury wine market is discussed.

### **1.2.3 CBBE in the luxury wine market**

As explained in previous paragraphs, CBBE very important for brand building, since positive brand associations regarding brand awareness, brand associations, perceived quality and brand loyalty leads to positive consumer behaviour (Keller, 1993). This study particularly focuses on the luxury wine market. Next subparagraphs describe the importance of the luxury wine market, followed by an explanation on the relevance of applying this study to the South African luxury market.

#### **1.2.3.1 An overview of the South African luxury wine market**

The importance of CBBE in both the luxury market and the wine market is very high (Berthon *et al.*, 2009). Luxury brands have the target to be perceived as exclusive, authentic and unique. By the rise of the production of UGC, luxury brands find themselves in a position, where associations contrary to or different from exclusivity and uniqueness could be established (Jin, 2012). This could lead to CBBE damage, because a luxury brand could lose its reputation of luxury when an incorrect or even negative brand perception is established. Moreover, many luxury brands are not active on social media, in order to maintain an image of exclusive. In these situations, there are no bounds to the spread of negative UGC and it is difficult for brands to have little control in positively influencing and responding to content related to the wine brand. Besides, negative UGC also has a strong impact on luxury wine brands. Amongst other things, consumers intentionally choose for luxury wine brands to symbolise their social status, which could easily be expressed on social media platforms via social media (Berthon *et al.*, 2009). Therefore, consumers of luxury goods are generally motivated to express this social image of luxury on social media (Jin, 2012).

Building CBBE is very important in the competitive market of wines. It is not easy for brands to become recognisable in a market where there are so many options for consumers to choose from (Vrontis and Papasolomou, 2007). CBBE is therefore the

most essential marketing instrument for wine brands, since high brand equity creates a stronger place in the mind of the customers than competitive brands. CBBE evokes brand name recognition in the consumer's decision-making process and consumers eventually choose this brand to another when being confronted with many wine brands (Vrontis and Papasolomou, 2007; Aaker, 1996). Also, the degree of trust and commitment towards a brand is varied, because generally young adults are not loyal to a specific wine brand and mostly purchase wines in the lowest price category, while older-aged consumers are more brand loyal to one specific wine brand (Vrontis and Papasolomou, 2007). Therefore, comparing brand loyal and non-loyal customers in the wine market is interesting for research and has also not been conducted before.

### **1.2.3.2 The purpose of focusing on the luxury wine market**

The global luxury market experienced growth in recent years, but at the same time little empirical studies have been conducted on luxury brands (Berthon *et al.*, 2009). Furthermore, there is little knowledge about CBBE in the wine market and no study has specifically focused on the impact of negative UGC on CBBE in the wine market. Understanding is needed of how wine consumers still perceive a wine brand after being exposed to negative UGC. This study fills a literature gap and is therefore relevant for research, since it offers new scientific insights to the study field of digital marketing.

Now theoretical understanding of this study's relevance and importance has been provided in this paragraph, the research question and research objectives are composed in next section.

## **1.3 SUMMARY OF RESEARCH QUESTION AND OBJECTIVES**

The aim of this study is to gain insight into the impact of negative UGC on CBBE in the luxury wine market, with a specific focus on the difference in impact for brand loyal and non-loyal customers. Concluded from the literature review given in previous section, the research question and related research objectives are drafted below, which clarify the purpose of this study.

### **1.3.1 Research question**

This study is guided by the following research question:

*To what extent does negative user-generated content affect customer-based brand equity of South African luxury wine brands?*

### **1.3.2 Research objectives**

The proposed research question ought to find answers that are not yet researched before in literature. Moreover, no distinction has been argued between loyal and non-loyal consumers. The above stated research question can therefore be broken down into the following two primary objectives:

- (1) To determine if negative UGC influences the CBBE of luxury wine for its customers
- (2) To determine whether the influence of negative UGC on the CBBE of luxury wine is different for loyal customers as compared to non-loyal customers

Following section provides a discussion of this study's methodology.

## **1.4 METHODOLOGY**

In this section, the specific research design and employed method for this study are discussed, followed by the sampling technique that treats the target population and sampling method.

### **1.4.1 Research design and method**

This study makes use of a conclusive research design, as the intention of this study is to measure the perception of a wine brand before and after exposure of negative UGC. Also the relationship between the perception of loyal and non-loyal customers is examined. In order to prove and demonstrate the research outcome of both comparisons, statistics are needed, which can only be obtained with the use of structured research techniques. The research process is therefore formal and data

analysis is quantitative (Malhotra and Birks, 2007, p. 70). This research ought to discover the cause-and-effect relationship between the production of negative UGC and the consequences for CBBE, and therefore a causal research approach forms the basis of this study.

The commonly used research method for a causal design is an experiment (Malhotra and Birks, 2007, p. 79). A one-group pretest–posttest pre-experimentation is the most appropriate research method for this study, since it measures one single group of test units twice and the dependent variable is taken in one single measurement (Malhotra and Birks, 2007, p. 313). A structured online questionnaire is carried out to respondents and the experiment is set up by presenting fictive negative UGC related to a specific wine brand. The treatment of the experiment is presented in this online questionnaire, which consists of negative brand comments related to a specific wine, presented on a social media platform; for example users' comments on Facebook, publications in online communities or a vlogger's wine review on YouTube. The pre-treatment and post-treatment measure is the same in this study, which consists of the same questionnaire measuring brand perception. The results of the online questionnaire must gain insight in how respondents perceive a specific luxury wine brand before being exposed to negative social media comments of this specific brand. The experimentation evokes new associations towards the wine brand. With in mind the four dimensions of brand equity (Aaker, 1996), the comparison of the perceived associations prior and post to the consumption of negative UGC gives an impression of the effect of negative UGC on CBBE, based on individual brand perceptions.

#### **1.4.2 Target population and sampling method**

The target population and sampling methods used in this study is examined in below subparagraphs.

##### **1.4.2.1 The Target Population**

The target population for this study is divided in two groups of luxury wine customers produced in South Africa: brand loyal customers and non-loyal wine consumers.

- ***Loyal wine customers***

Most brand loyal wine customers of luxury wines are middle-aged and older-aged (Vrontis and Pappasolomou, 2007). However, younger adults who are brand loyal are also approached in this study, for example students who are member of the UCT's wine society. The target population for this experiment are customers of a specific South African luxury wine brand, who have high brand knowledge of this favourite wine brand, as well as wine in general. Since these customers are exposed by content placed on social media, the sampled population must be active on social media and must have user experience in all online forms of UGC before. Since these consumers are brand loyal to a specific luxury wine brand, they are interested in spending their leisure time in activities related to wine, such as visiting wine farms or being part of (online) wine communities.

- ***Non-loyal wine customers***

Non-loyal customers mostly consist of youths and the young adulthood. Naturally, respondents of this study cannot be lower than the allowed legal drinking age, which is 18. It is also self-evident that enough middle and older aged wine consumers could not feel commitment to one specific wine brand as well. Therefore, non-loyal wine consumers of all different ages are selected for this target population, with a minimum age of 18 years old. This group consumes South African luxury wine brands, but generally has little to no knowledge towards luxury wine brands. Since these customers are not brand loyal, they do not feel any commitment towards a specific luxury wine brand and consequently purchase different wine brands in a wide range of offered wine brands. Customers could prefer a specific type of wine, but do not prefer one specific luxury wine brand.

In order to make an obvious conclusion of the different effects UGC has on brand loyal and non-loyal customers, this study equally selects respondents of both segments.

#### **1.4.2.2 Sampling Method**

The sampling frame of this study for both loyal and non-loyal customers includes student members of University of Cape Town's (UCT) wine society, other students



attending UCT and individuals in wine farms and liquor stores. This sampling requires selecting only wine drinking consumers, in particular consumers of the specific brand that is applied in this study. The selected sample also consumes and/or produces UGC on social media platforms. Therefore, this study follows a non-probability sampling technique, which obtains a sample of both convenience, quota and snowball elements. Members of wine clubs and consumers in liquor stores are deliberately selected, because the respondents happen to be in the right place at the right time. This can be described as convenience sampling (Malhotra and Birks, 2007, p. 411). On the other hand, also quota sampling is used. 'Street interviewing' is conducted at the campus of UCT and selecting wine drinkers of a particular brand is not self-evident. For this reason, controlling characteristics, or quotas, of population elements are developed first, based on whether the person consumes the wine brand or not, and has the correct age to participate in the experiment. Lastly, snowball sampling is used in sampling brand loyal customers. Brand loyal customers might be hard to reach and hard to find and the personal and professional network of brand loyal respondents are used to get in touch with others who are brand loyal to the brand as well.

### **1.4.3 Ethical considerations**

Human subjects are involved during the implementation of this study. Any student undertaking any research that involves the use of human subjects or that may lead to ethical consequences for the University of Cape Town is required to agree to ethical and professional guidelines. No alcoholic beverages are consumed during the experiment and all approached human subjects are asked for their age, after which only individuals of 18 years and older are selected for the experiment.

## **1.5 INTENDED CONTRIBUTIONS OF THE STUDY**

This section summarises the contribution this research gives to the science of online marketing. These contributions ultimately form the most important conclusions of this study.

Concluded from the literature review of this study, it is obvious that little empirical research has been done yet on consumer's changed perception of a brand after

exposure of negative UGC. Previous studies have mainly focussed on the customer's nature of producing negative UGC and how companies should handle in social media crisis. In past years, the relationship between UGC and CBBE has regularly been studied: Christodoulides *et al.* (2012), Christodoulides *et al.* (2010), Schivinski and Dabrowski (2014a), Schivinski and Dabrowski (2014b), Vanden Bergh *et al.* (2011), Bruhn *et al.* (2012) and Severi *et al.* (2014). However, most of these studies focus on the general impact of UGC, instead of solely negative brand-related UGC, and the outcome of these studies mostly describes the chances and opportunities of UGC. Grégoire (2009, 2011, 2014) is one of the few scientific writers that specifically focuses on the strong impact of negative UGC and conducted multiple studies about revenge writing. However, Grégoire does not include brand equity in his study, but emphasises the consumer's power and the motivations of online public complaining.

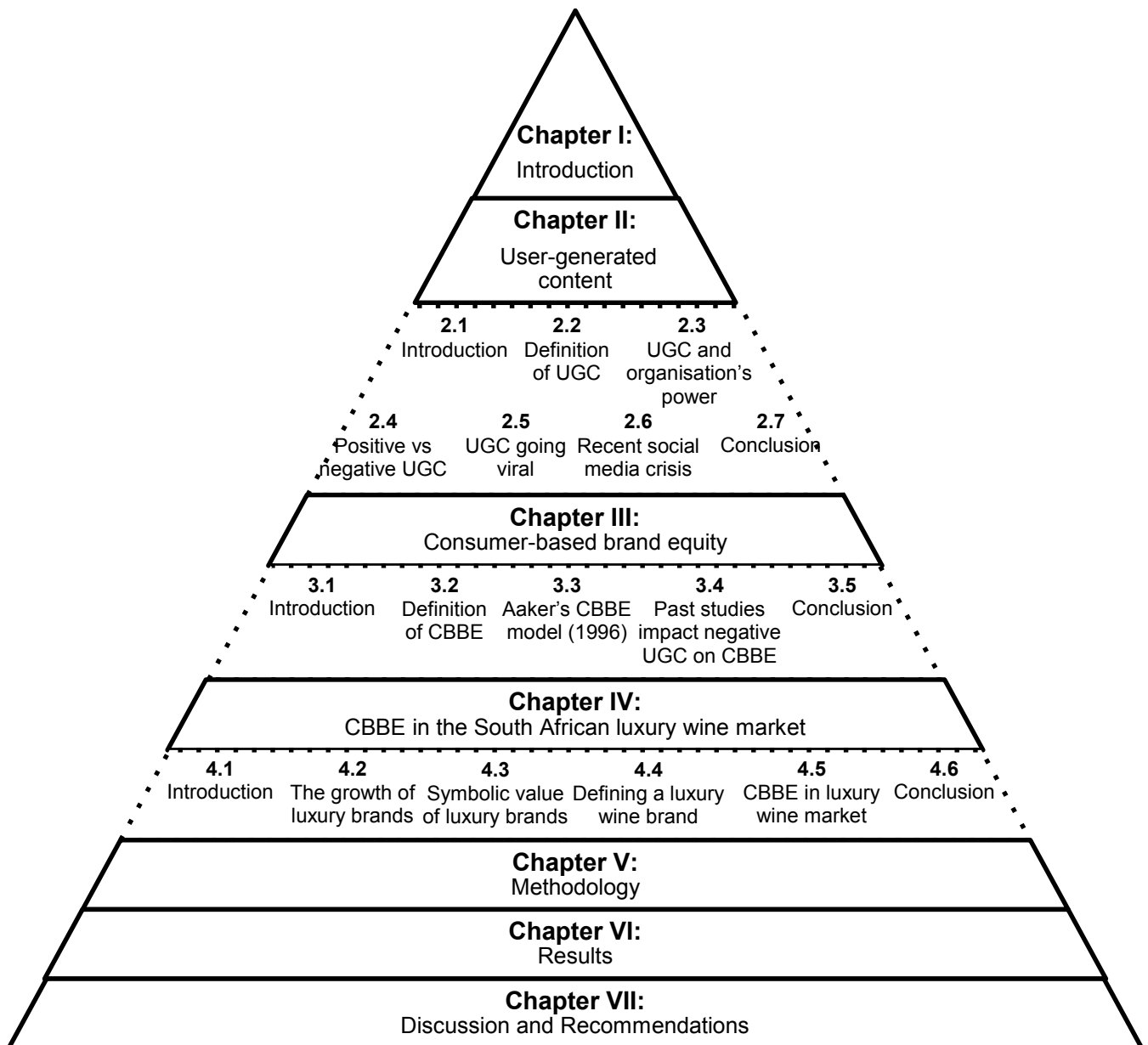
Few studies have focussed on the impact of negative UGC on CBBE: Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009). All studies concluded that negative UGC does in fact negatively affect CBBE. However, none of the studies has used Aaker's four-scaled brand equity model in measuring the impact of UGC on brand equity, while it is recommended to use CBBE dimensions in future research (Ng and Rao Hill (2009). Therefore, this study fills a gap by using Aaker's four-asset brand equity model. This study also contributes to prior studies by researching whether brand loyal and non-loyal consumers are differently affected by negative UGC. No research regarding the impact of UGC has compared brand loyal and non-loyal customers before in the measurement of CBBE. Brand loyalty is an important dimension of CBBE and this study seeks to find out if companies can still rely on their brand loyal customers after negative exposure of UGC. Lastly, brand equity in the luxury wine market has not been researched yet (Berthon *et al.*, 2009). Luxury is important in building CBBE, since a perception of high quality stimulates consumers to prefer one brand to another. Besides, little research has been done yet on CBBE in the wine market (Berthon *et al.*, 2009). Generally, wine customers are committed to a specific wine brand and this makes CBBE important for the wine industry. This study provides new scientific insight in the way consumers perceive luxury wine brands after consuming negative UGC.

Findings from this study provide some insights for marketers in the wine industry. With the outcome of this study, wineries could make an estimation of how their brand is still perceived in times of social media crisis, and which brand equity dimension is the biggest cause of CBBE damage. Based on the results of the study, marketers can compose or adapt their social media crisis strategy, in a way that offers the best resistance against the most affected CBBE dimension(s). Managers can set up precautions when they are aware of how and why dimensions are negatively developed after social media crisis. Besides, wine brands gain more insight into the question if they could still count on their loyal customers and if the non-loyal customers would still be triggered to ever buy the brand again after being negatively influenced by online comments.

## **1.6 DEMARCATION OF THE STUDY**

There are seven chapters in this study, illustrated in Figure 2. This chapter (Chapter I) provided an introduction to the study and Chapter II to Chapter VII is explained below Figure 2 on the next page.

Figure 2: Demarcation of the study



Chapter II places emphasis on the scientific literature related to user-generated content. Chapter III gives an analysis of the conceptualisation of CBBE and past studies regarding the impact of negative UGC on CBBE are compared. In Chapter IV, the importance of high CBBE in the wine market is discussed. Chapter V explains the methodology used to measure the two objectives stated in paragraph 1.3.2. Chapter VI focuses on the findings from the quantitative data analysis. The final chapter, Chapter VII, discusses the interpretations of the study's findings, but also managerial implications and suggestions for future research within the scientific area of negative UGC and CBBE.

## 1.7 CONCLUSION

As concluded in paragraph 1.2.1.3, negative UGC could cause disastrous consequences for brands, since negatively valued content is uncontrollable for companies, could cause reputational damage and mainly brand loyal consumers intentionally use UGC to take down a brand after a negative experience. All consequences result in a negative brand perception, where consumers consequently express and share this negative perception online on social media. Additionally, paragraph 1.2.2.1 explained the development of CBBE, which occurs when consumers hold favourable, unique and long-lasting brand associations in memory that eventually leads to a positive purchasing behaviour. As concluded in paragraph 1.2.3 and paragraph 1.2.4, CBBE is especially relevant in the luxury wine market, since strong CBBE is the only answer in establishing a unique position in the minds of the customers in an extremely competitive market. CBBE is particularly relevant for luxury wine brands, since luxury brands need high CBBE in order to maintain an exclusive and high-quality reputation. Besides, consumers with wine knowledge are generally attached to one specific type of wine and therefore wine brand. This means that brand loyalty plays an important part in the CBBE process, which is also an important dimension in Aaker's four-dimensional model of CBBE. Moreover, brand loyal consumers seem to be more impacted by extreme negative UGC, because betrayal in brand trust could lead to strong CBBE damage. Thus, further understanding is required on the influence of negative UGC on brand loyal consumers is different from non-loyal wine customers.

The following chapter provides depth in the scientific literature related to user-generated content.

## **CHAPTER II: USER-GENERATED CONTENT**

### **2.1 INTRODUCTION**

The development and growing popularity of social media platforms and brand communities has led to a rapid increase of UGC production and consumption (Schivinski and Dabrowski, 2014a). Through brand-related UGC, such as YouTube vlogs, Facebook comments and Twitter feeds, people's associations towards a brand could change. This has brought brand managers into a situation in which customers have taken over control and become an obstacle in building CBBE (Christodoulides *et al.*, 2012). Customers could make a brand, but also break a brand, and managers should therefore never overlook misperceptions in negative brand conversations online (Wattegama and Qing, 2014).

The following sections gives an analysis of the definition of UGC. Thereafter, the remained power of organisations in the Web 2.0 is described, followed by a comparison between the relevance of both positive and negative UGC. Then, the scientific theory related to negative UGC going viral is introduced. This chapter ends with a conclusion related to the mentioned subjects above.

### **2.2 DEFINING USER-GENERATED CONTENT**

This section opens with a literature review on the definition of UGC. Since the Internet has empowered ways for consumers to proactively express brand-related opinions and experiences online and in public, user-generated content (UGC) has been an important topic in previous scientific marketing studies (Schivinski and Dabrowski, 2014b). The growth of online social media platforms and online communities has turned UGC into an emergent phenomenon that changed the power of manager-generated content into user-generated content (Christodoulides, Jevons and Bonhomme, 2012). However, there are still uncertainties about how UGC should exactly be defined and what kind of content can be labelled as 'UGC'.

This section gains insight into the scientific definitions previous studies have given to UGC and how these definitions still leave gaps in literature, considering the complexity of this phenomenon.

### **2.2.1 UGC versus eWOM**

Besides the terms “social media brand communication”, “user-generated branding” and “brand co-creation”, past studies mainly have used two different terms for social media communication: user-generated content (UGC) and electronic word-of-mouth (eWOM). In literature, both are conceptualised in a similar way, since both types are related to brands, have no commercial intention and aren’t controlled by companies (Berthon *et al.*, 2008). However, the two concepts do have differences, depending on whether the content is generated or only conveyed by users (Schivinski and Dabrowski, 2014a). For example, posting a video on YouTube is UGC, but becomes eWOM when the YouTube link has been spread to others by e-mail. Since eWOM depends on the dissemination of content and mainly focuses on the influence of content, UGC is a less complex concept to use. Therefore, this study makes use of the concept ‘UGC’.

### **2.2.2 Defining UGC**

Since UGC is a relatively new phenomenon in marketing and in particular brand management, there is no widely accepted scientific definition of UGC yet (Hass, Walsh and Kilian, 2008) and fewer still agree on how to measure the social, cultural and economic consequences of it (Wunsch-Vincent and Vickery, 2007). For this reason, different definitions of UGC have been formulated in past empirical literature.

The most generally cited definition of UGC has been drafted by Wunsch-Vincent and Vickery (2007) in a research study for OECD (Organization for Economic Cooperation and Development) and define UGC as “content made publicly available over the Internet, which reflects a certain amount of creative effort and is created outside of professional routines and practices”. Huberman, Romero and Wu (2009) refer in their definition to the term “crowdsourcing”, leading to a situation where million users create content in the form of blogs, news, videos and comments. Besides eWOM, UGC can

in literature be unchangeably referred to as user-created content, user-led content creation and consumer-generated media (CGM). CGM describes “a variety of new sources of online information which are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities and issues” (Blackshaw and Nazzaro, 2006). One study gives a wider definition and describes UGC as “media content primarily distributed on the Internet” (Daugherty, Eastin and Bright, 2008). Hass, Walsh & Kilian (2008, p. 273) describe UGC as “content that is independently produced and consumed online by an indefinite public, without a direct profit orientation”. Also Hass *et al.* (2008) state in their study that UGC never has a direct profit orientation. Consumers who generate UGC can be described as “ordinary people, who represent the end users of products or services” (Cheong and Morrison, 2008).

### **2.2.3 Gaps in the research concerning UGC**

It can be concluded that all analysed studies on the definition of brand-related UGC point out that UGC is accessible for the general public, is created by consumers rather than by marketing professionals and is primarily distributed on the Internet. However, UGC remains a difficult concept and some of these definitions do contain a few gaps.

To start, not all definitions of UGC have determined whether or not UGC has been made publicly. It is unclear to what extent content is available to the public, because content could be partially accessible, for example to designated communities (Christodoulides *et al.*, 2012). Additionally, several scientific definitions consider the Internet to be the only medium of spreading UGC. There are many media platforms that are emerging and converging, such as mobile applications, which make the reference to ‘the Internet’ too common. Another gap is that all studies mentioned above assume that UGC is always brand-related. UGC could also consist of simple, daily, personal practices, without any references to a brand. To avoid confusion, any reference in this study to UGC should be considered as brand-related.

Finally, it can be questioned whether UGC is always conducted outside of professional routines. UGC could still have a commercial purpose, in situations where fraudulent social identities are being created on social media, for instance by managers and



company owners, who intentionally make the suggestion that (positive) content is created by a consumer (Arnhold, 2010). Brand managers could intentionally praise a product or service, while pretending to be a consumer. Since recognising, tracing and measuring the effect of this 'fictive' content is difficult to realise, this study assumes that UGC is always consumer-related and thus does not have any profit intention.

Although the power caused by UGC seems to be shifted into the consumers' hands, organisations can still have influence on brand-related published online content by consumers. In order to gain deeper understanding of the nature of UGC and the control of both the consumer and the brand, the next paragraph specifies the opportunities and threats for organisations when it comes to the relation between UGC and online branding.

### **2.3 UGC AND THE ORGANISATION'S POWER**

Since UGC is produced by consumers and should not have commercial value, organisations cannot take direct actions on the implementation of UGC. Still, it may be possible to indirectly influence UGC, because brands do always retain a certain ability to influence consumer-to-consumer communications through social media (Mangold and Faulds, 2009). By creating a brand platform, consumers can express their opinions, experiences and also absorb information about a brand (Mangold and Faulds, 2009). Social media give organisations the opportunity to initiate, which eventually generates sales (Godes and Mayzlin, 2009). Companies can actively apply word-of-mouth by leaving indelible impressions in the minds of consumers. Social media communication created by companies cannot improve a brand's image or reputation, as consumer experiences through UGC have stronger influence on how a brand is perceived in the long term (Godes and Mayzlin, 2009).

According to Arnhold (2010), sponsored UGC offers companies the opportunity to directly effect online content creation. Sponsored USC can be described as "stimulated brand-related UGC, in which the brand manager deliberately asks social media users for contribution of UGC, such as bloggers" (Arnhold, 2010). Also Burmann's study (2010) proofs that sponsored UGC has a market-oriented effect, but emphasises that this content is never produced spontaneously. Because of the daily

exposure to advertising, today's consumer gets smarter by the day and could see through sponsored UGC. In this case, a consumer could perceive a brand as manipulative, since consumers could feel deceived towards the honesty of the brand, but also the freedom of producing UGC (Arnhold, 2010).

Since UGC is a broad concept, UGC can cause different effects on a brand. Both positive and negative UGC could change the way a person perceives a brand. The next paragraph analyses the relevance of positive and negative UGC, to determine on which this study can best focus.

## **2.4 POSITIVE VERSUS NEGATIVE UGC**

Multiple previous studies have paid attention to the nature of UGC, the increasing power of consumers via UGC and how UGC affects companies. In the last mentioned research field, the advantages and disadvantages of UGC are mostly discussed, e.g. Christodoulides, Jevons and Bonhomme (2012), Schivinski and Dabrowski (2014a) and Mangold and Faulds (2009). However, these studies mostly focus on the general impact of UGC and have come to the conclusion that UGC mainly offers opportunities for companies. Studies on how negative UGC impacts CBBE have only been conducted by Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009). Given the little depth of prior studies in the effects of negatively valued production of online content, the emphasis of this study is placed on the negative side of UGC. More arguments confirm that research on the effects of negative UGC is more relevant than on positive UGC, which are discussed in the following paragraphs.

### **2.4.1 Negative UGC is uncontrollable**

Firstly, positive UGC is possibly influenced and even established by the result of advertisements published by 'well known and propagated firms', whereas negative UGC is most likely 'an uncontrolled outcome of consumers' experiences' (Tirunillai and Tellis, 2011). With other words, companies do have power in influencing the creation of positive UGC and thus creating positive brand perception by expressing its brand values, brand proposition, brand promise and the brand's or product's unique selling points via advertisements or any other marketing communication instrument.

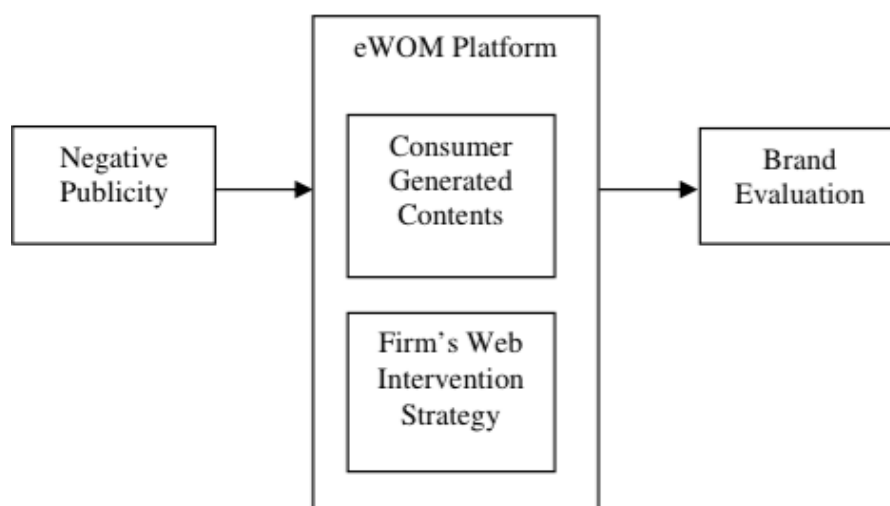
However, the creation of negative UGC is completely outside of managerial control, because the valence of this is mostly based on a bad personal experience with the brand or a result of exposure to negative word-of-mouth offline or online (Tirunillai and Tellis, 2011).

#### 2.4.2 Negative UGC causes reputational damage

Secondly, negative brand content created by social media users has a significant impact on consumer purchasing behaviour (Wattegama and Qing, 2014). After reading or seeing a post with negative value on Facebook, a consumer could change its attitude towards the brand, which results in declining repurchase intentions and generating new negative UGC about the brand (Wattegama and Qing, 2014). According to Wattegama and Qing (2014), negative UGC weakens consumers' satisfaction and brand attitude and existing customers do not believe that their previous brand expectations are met any longer. This eventually leads to reputational damage and in times of post-social media crisis, consumers likely purchase a similar product from the brand's competitor (Wattegama and Qing, 2014).

With a self-developed conceptual model, Wattegama and Qing (2014) constructed the process of reputational damage after social media crisis, demonstrated in below figure.

Figure 3: Conceptual framework - Impact of negative UGC on Brand Evaluation



Source: Wattegama and Qing, 2014

Based on the conducted literature review and above conceptual model, Wattegama and Qing (2014) concluded that negative UGC eventually weakens consumers' satisfaction, purchase intention and brand evaluation of the affected brand (Wattegama and Qing, 2014). In order to recover from a social media crisis, brand perceptions should be changed by publishing positive content about the brand, to compensate the bad light the brand was put into (Wattegama and Qing, 2014).

### **2.4.3 Negative UGC leads to consumers' revenge**

Thirdly, dissatisfied consumers who had negative experience with a brand or a brand's product may even lead to customer's desire for revenge towards the company and could become key driver of negative UGC. In this instance, consumers are aware of their perceived power and intentionally complain about a brand, with the goal to harm a company's reputation, in order to gain justification and punishment for the dissatisfaction (Grégoire, Tripp and Legoux, 2009). Once negative UGC is spread online, users build on each other's comments and the involved company may lose control over the conversation, which could lead to a serious social media crisis (Grégoire, Salle and Tripp, 2014). And because content is available 24/7, it can provide an immediate pulse of UGC performance that is not possible to maintain (Tirunillai and Tellis, 2011).

All external effects mentioned above are evident that the damage from negative UGC has a stronger impact than the gain from positive UGC. This also means that a brand could get into serious trouble when a negatively valued post, possibly posted out of revenge, goes viral (Grégoire, Salle and Tripp, 2014). The next section provides scientific insight into the valence of viral posts consisting of negative UGC and discusses the risks of extreme negative UGC getting virally disseminated.

## **2.5 UGC GOING VIRAL**

In the landscape of Web 2.0, creating and sharing online content is part of the daily life (Berger and Milkman, 2012). People share and therefore spread posts created by other social media users. The power of the consumers' behaviour of interpersonally

sharing online content makes it able to reach millions of social media users with one single post on social media, which eventually could become viral within a short period of time (Grégoire and Tripp, 2011; Botha & Reyneke, 2013; Vanden Bergh, Lee, Quilliam and Hove, 2011). When it comes to the valence of a message, negative social media posts that evoke anxiety or anger are mostly to be shared and have the highest chance to go viral than negative posts of sadness (Berger and Milkman, 2012). Specifically, negative content created by spite-driven customers are the most likely to go viral, with the risk that the brand reputation could get damaged (Grégoire, Salle and Tripp, 2014).

While companies could also benefit from positive UGC, virally distributed negative UGC should get closer attention. When consumers have negative or incorrect touch points with a brand, consumers' brand expectations are also affected and complicate the process long-term brand building (Arnhold, 2010). Eventually, the viral spread of negative UGC could eventually turn into a social media crisis (Grégoire, Salle and Tripp, 2014) and reaches the attention of mainstream media offline and online, where the brand perception of an even greater public is negatively influenced (Mangold and Faulds, 2009). In this situation, targeted companies cannot do much, since consumers do not believe good intentions and feel a public crisis was needed for a company to fix a certain problem (Grégoire, Salle and Tripp, 2014).

The next section illustrates a practical example of a recent social media crisis, which offers a better comprehension of how the production of negative UGC could get a brand in trouble. This example provides understanding of the impact negative UGC could cause to a brand, which emphasises the common thread running through this chapter.

## **2.6 RECENT OCCURRENCE OF A SOCIAL MEDIA CRISIS**

A recent example of a social media crisis is the case of KFC South Africa. KFC employees were caught on camera while washing off raw chicken outside the fast-food restaurant. A person witnessed this event, took a video with a smartphone and

subsequently posted this on Facebook. The video<sup>1</sup> went viral on every South African social networking platform, with the public belief that the chicken was intended to be sold afterwards. KFC experienced a national reputation crisis that might even have spread internationally, since the event also got international attention<sup>2</sup>. Consumers feel the need to express their opinion, disappointment or even anger online, resulting in negative KFC-related UGC. Producers and consumers of this content strengthen each other in their opinion, which gives more motivation to participate in online interactions and negative UGC starts to spread intensively. In the language of this study, the exposure of this content changes the general perception of the brand in a negative way. In other words, it seriously damaged KFC's customer-based brand equity and it is more likely that consumers choose another restaurant in the near future. KFC's brand managers have no power in stopping this invasion of anti-branded UGC, all there is left to do for them now is to estimate the total impact of this crisis, as well as regaining control again on all social media platforms.

Appendix D provides an impression of the consequence of the viral post in which KFC is strongly targeted, consisting of existing posts on social media and related headlines in global newspapers. The next paragraph ends this chapter with a conclusion that gives a synthesis of the findings of this chapter and introduces the next chapter.

## **2.7 CONCLUSION**

With the rise of the production of UGC, consumers now have the power in hands when it comes to the way a brand is perceived (Christodoulides *et al.*, 2010). Because of the highly production and consumption of UGC, people's associations towards a brand could change, which could eventually make the difference whether or not a consumer would (re)purchase a product (Christodoulides *et al.*, 2012). Mainly the production of negative UGC could cause very harmful effects to companies. Consumers value and trust negative UGC more than positive UGC, since user's disappointing experiences with a product are more informative in the decision making process (Bambauer-Sachse and Mangold, 2011). Due to the creation of negative UGC, consumers

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<sup>1</sup> <https://youtu.be/m22DnSfOnKA>

<sup>2</sup> <http://www.dailymail.co.uk/news/article-3079431/KFC-apologises-staff-filmed-rinsing-chicken-meat-hose-concrete-floor-coated-seasoning-South-African-outlet.html>

negatively affect each other in the way a brand is perceived, which has high consequences for CBBE. The valence of his content is mostly caused by bad personal experience or a result of negative (e)WOM, which means that brand managers cannot have influence in the production and valence of this content (Tirunillai and Tellis, 2011). Especially when dissatisfied consumers intentionally produce negative UGC to harm a company's reputation in order to get justification for the bad user experience with the brand (Grégoire, Tripp and Legoux, 2009). Negative UGC has also significant impact on consumer purchase intentions, which eventually leads to reputational damage and consumers likely go for another brand (Wattegama and Qing, 2014).

Especially when content gets viral could strongly damage the reputation of a brand, since one simple post could reach millions of social media users within a short period of time (Grégoire and Tripp, 2011; Botha & Reyneke, 2013; Vanden Bergh, Lee, Quilliam and Hove, 2011). The viral spread of negative UGC could eventually cause a social media crisis or even reach the media, which means that consumers who are not active on social media indirectly get exposed to negative content (Grégoire, Salle and Tripp, 2014). One recent example of social media crisis is the case of KFC, where on single post with negative value got viral. The exposure of this content changed the general perception of the brand in a negative way and this has led KFC into reputation dilution on international scale. Now KFC is out of the crisis, one question arises: What did this crisis do to KFC's CBBE? Were the loyal customers enough to keep the brand name from being damaged? And should companies practice damage control more towards the loyal or non-loyal customers, since both types require different marketing approaches?

A review on the literature of CBBE is discussed in next chapter, including the specific relationship between negative UGC and CBBE. Also the involvement of brand loyalty is explained.

## **CHAPTER III: CONSUMER-BASED BRAND EQUITY**

### **3.1 INTRODUCTION**

No specific study has reported the influence in detail yet of brand-related UGC on consumer-based brand equity (Schivinski and Dabrowski, 2014b). In recent years, extensive scientific studies have been done on the nature of UGC, the subsequent control consumers obtained over a brand (Van Noort and Willemsen, 2011) and how managers should react to it (Campbell *et al.*, 2011). However, there is a gap in marketing literature regarding how UGC affects consumers' brand perceptions and behaviour, and ultimately their CBBE with the brand (Christodoulides *et al.*, 2012).

Several recent studies indicate that more understanding is needed of the relationship between negative UGC and CBBE (Schivinski and Dabrowski, 2014a; Schivinski and Dabrowski, 2014b; Christodoulides *et al.*, 2012; Christodoulides *et al.*, 2010). In addition, most studies regarding UGC focus on the challenges and opportunities of UGC (Laroche, Habibi and Richard, 2012) and the creators' motivations to generate UGC (Berthon *et al.*, 2008) and not on the impact of UGC on brand perception in times of negative publicity caused by UGC (Wattegama and Qing, 2014). Since the target of this study fills a gap in the literature of UGC and CBBE, the outcome brings added value to the science of online marketing.

In this chapter, emphasis is placed on the definition of CBBE, the long-term consequences of negative UGC on CBBE and Aaker's four-dimensional model of CBBE (Aaker, 1996) is explained, which is used in this study in measuring CBBE. Then, several existing theories are analysed in the measurement of CBBE, where previous studies similar to this research are explained. Lastly, conclusions of this study are made in the last section.

### **3.2 CONSUMER-BASED BRAND EQUITY**

Much previous researched have studied the importance of CBBE. However, CBBE was founded by Aaker (1996) and Keller (1993), who also formed the basis of the



conceptualisation of brand equity. Therefore, a literature review on the establishment of brand equity is provided below, based on the theory of Aaker (1996) and Keller (1993).

### **3.2.1 Definition of CBBE**

Brand equity can be defined as “a set of brand 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 firm and/or to that firm’s customers” (Aaker, 1991). Keller (1993) defines brand equity as “the differential effect of brand knowledge on consumer response to the marketing of the brand”. The differential effect of brand equity is divided into two ways: the financial-economic and the customer-based perspective (Keller, 1993). The financial value of a brand is mostly determined by the price customers are willing to pay extra for a branded product, which causes “incremental cash flows that accrue to branded products over unbranded products” (Simon and Sullivan, 1993). Customer-based brand equity (CBBE) emphasises the added value of the cognitive and behavioural responses of individual consumers and assesses its psychometric properties (Yoo and Donthu, 2001). It is a competitive asset that is developed over time that arouses a consumer to prefer one brand with similar attributes and price to another (Nowak *et al.*, 2006).

### **3.2.2 The influence of CBBE**

CBBE is an organisation’s most relevant key marketing asset (Ouwensloot and Tudorica, 2001; Schivinski and Dabrowski, 2014a) and occurs when consumers hold favourable, unique and long-lasting brand associations in memory, which results in a positive differential effect on consumer behaviour (Keller, 1993). CBBE can only be acknowledged when the significant effect of brand equity eventually generates behavioural or attitudinal customer response (Ouwensloot and Tudorica, 2001). The differential effect of this customer response describes the difference between a branded product and an identical unbranded product (Keller, 1998) that has zero customer brand awareness and therefore little to no brand associations and loyalty have been created towards the brand (Ouwensloot and Tudorica, 2001). A brand with high brand equity eventually leads to positive consumer purchasing behaviour.

### **3.2.3 Measuring CBBE: Aaker (1996) versus Keller (1993)**

Several models have been developed in measuring CBBE. The two most commonly used models in literature are conceptualised by Aaker (1996) and Keller (1993), who also constituted the basis for brand equity literature (Christodoulides and de Chernatony, 2009). In Aaker's (1996) model, CBBE is represented by consumer's perceptions and reactions to a brand, identified by four conceptual dimensions of brand equity: brand awareness, brand associations, perceived quality and brand loyalty. Keller sees CBBE from a consumer psychology perspective and states that CBBE is constituted by "the effect of brand knowledge on consumer response to the marketing of the brand". Brand knowledge is the full set of brand associations linked to the brand (Keller, 1993). In order to measure brand knowledge, Keller's (1993) model consists of two constructs: brand awareness and brand image. However, this model does not measure the link between brand awareness and brand image, but only provides a framework to measure these dimensions (Gill and Dawra, 2010).

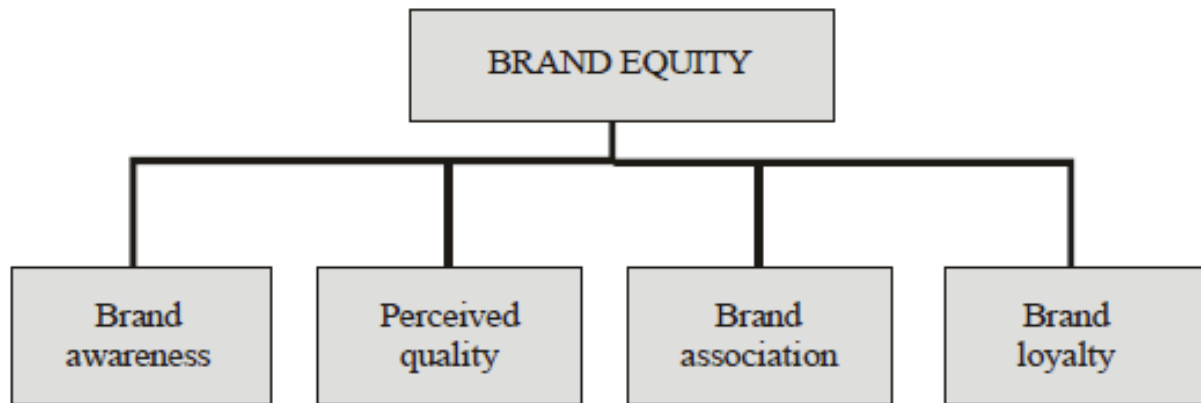
Despite both views are customer oriented and point out the importance of brand awareness and brand associations, Aaker's (1996) four-dimensional model is more extensive in measuring CBBE, since it includes perceived quality as a separate dimension (Moisescu, 2005). This makes Aaker's four-dimensional model of CBBE more convenient to measure and to compare the relationship between separate CBBE dimensions. Therefore, focus in this study is placed on the four-dimensional model of CBBE, developed by Aaker (1996), which is discussed in following paragraph.

### **3.3 AAKER'S FOUR-DIMENSIONAL MODEL OF CBBE (1996)**

Aaker's CBBE model is an asset of four dimensions: brand awareness, brand associations, perceived quality of the brand and brand loyalty (Aaker, 1996). In the process of building brand equity, consumers first start to learn about a brand through marketing and communications that leads to increasing brand awareness. Before and after product consumption, consumers consistently start to create associations towards the brand and the brand's quality, which consequently have positive effect on their general perception of the brand. Positive brand associations could eventually

lead to brand loyalty. By this occurrence, the financial-economic and consumer-based brand value increases and brand equity is established (Boyle, 2007; Schivinski and Dabrowski, 2014b).

Figure 4: Aaker's four-dimensional model of CBBE



Source: Aaker (1996)

### 3.3.1 Brand awareness in CBBE

Aaker (1996) defines brand awareness as the “strength of a brand’s presence in the consumers’ mind”. Brand awareness occurs when consumers have the ability to identify a brand within the product category, in order to make the final purchase (Rossiter and Percy, 1997, p. 113).

This brand identification can be divided in six ways: (1) Brand Recognition, (2) Brand Recall, (3) Top-of-mind, (4) Brand Dominance, (5) Brand Knowledge and (6) Brand Opinion. Brand recognition and brand recall are the most important elements in measuring brand awareness, where Top-of-mind and Brand Dominance are an extension of brand recall. All types of brand awareness have their own advantages, but comparison between all types is difficult, because every type measures an appropriate level of brand awareness and differs across brands and product categories (Aaker, 1996). This study does not compare all levels of brand awareness, but only measures which level is affected the most and which level is affected the least by negative UGC.

### **3.3.1.1 Brand recognition as a dimension of Brand Awareness**

When customers do not plan to purchase a specific brand, but still recognise the brand while having touch points with the brand, for example by being exposed to commercials, brand recognition is established. Consumers first have to be recognised by prior knowledge in order to make the decision of purchasing this brand. With these impulse purchases, there is no motivation to buy the brand or even the product category, before the brand is encountered. When a brand has the goal of simulating its impulse product purchases, marketers should focus on brand recognition (Rossiter and Percy, 1997, p. 113). Brand recognition can be measured with the following research questions: “*Have you heard of [brand name]?*” and “*When presented with a list of brands in the [product category] market, would you choose for [brand name]?*” (Aaker, 1996).

### **3.3.1.2 Brand recall as a dimension of Brand Awareness**

Consumers can think of one or more brands to choose from before purchasing a certain brand. When the consumer automatically associates a specific brand name with the category need, brand recall is established (Rossiter and Percy, 1997, p. 113). Brand recall can be measured with the following research question: “*What brands of [product category] can you recall?*” and “*When thinking about which [product category] to purchase, does [brand name] come to mind?*” (Aaker, 1996).

### **3.3.1.3 Top-of-mind as a dimension of Brand Awareness**

Top-of-mind is a higher level of brand awareness, and is established when customers firstly name the brand in a recall task. Thus, when thinking about which brand to purchase within a specific category, Top-of-mind awareness is achieved when the brand name is the first that pop up in the minds of a customer. Top-of-mind can be measured with the following research question: “*When thinking about which [product category] to purchase, would [brand name] come to mind first?*” (Aaker, 1996).

#### **3.3.1.4 Brand Dominance as a dimension of Brand Awareness**

Brand Dominance is the highest level of recall brand awareness, which occurs when a brand is the only brand recalled in a recall task. Thus, when thinking about which brand to purchase within a specific category, no other brands besides this brand are considered in the decision-making process. In this situation, a consumer is so aware of a brand that the person assumes that this brand is the only one that could satisfy the category need. Brand Dominance can be measured with the following research question: *“When thinking about which [product category] to purchase, would [brand name] be the only brand that comes to mind?”* (Aaker, 1996).

#### **3.3.1.5 Brand Knowledge as a dimension of Brand Awareness**

The degree of brand awareness also depends on the knowledge a consumer has of a brand. When a consumer has high brand knowledge, the person knows where a brand stands for and usually knows the whole assortment of the brand in all product categories. When a consumer has more knowledge of a brand compared to other brands, then the chance that person is more aware of this specific brand is usually higher. Brand Knowledge can be measured with the following research question: *“Do you know what [brand name] stands for?”* (Aaker, 1996).

#### **3.3.1.6 Brand Opinion as a dimension of Brand Awareness**

Consumers may have high brand knowledge, but it is still questionable to what extent a consumer values the absorbed information about the brand. Consumers could create an opinion about a brand or not, which all depends on the fact if the consumer attaches value and importance to the established brand associations. Brand Opinion can be measured with the following research question: *“Do you have an opinion about [brand name]?”* (Aaker, 1996).

All of these dimensions of brand awareness are measured in the four-dimensional model of CBBE proposed by Aaker (1996), and therefore formed part of the conceptualisation of brand awareness in this study. A first concept of the following hypothesis was consequently drafted:

*H1: Negative UGC negatively impacts brand awareness*

The context wherein these hypotheses was measured is explicated in the following chapter. Once the validity of the argument that negative UGC impacts CBBE in the luxury wine market is established, more specific hypotheses follow. First, however, the key theory regarding each dimension of CBBE is provided.

### **3.3.2 Brand associations in CBBE**

Of all four assets, brand associations are the hardest but most important to research (Boyle, 2007). Brand associations are impressions and images held in customers' memory that form the basis of how consumers evaluate the brand in relation to the price they have paid for a brand's product or service. A brand can be defined as 'a network of associations in the customer's mind' and brand associations are therefore essential in explaining the strengths and weaknesses of the brand (Boyle, 2007).

Associations are established after remarking so-called "touch points", such as advertisements, user experiences and word-of-mouth, which happens before, during and after consuming a brand's product or service (Rossiter and Percy, 1997; Edelman, 2010). These touch points affect the consumer's final purchase decision and companies are able to facilitate these touch points by making the right choices in the brand positioning (Rossiter and Percy, 1997). However, nowadays consumers establish most brand touch points online, via websites, mobile apps and social media (Edelman, 2010). Edelman (2010) concludes in his study that consumers' touch points with a brand are mostly influenced by reviews and discussions online and less by advertisements and promotions. Brand touch points therefore play a main part in measuring the effects of how a brand is perceived after being exposed to UGC.

Brand associations can be measured from three perspectives (Aaker, 1996): Brand-as-product (value), Brand-as-person (brand personality) and brand-as-organisation (organisational associations). The brand-as-product perspective focuses on the functional benefit of a brand, which forms the brand's value proposition and ultimately generates brand value. The brand-as-person perspective focuses on the emotional and self-expressive brand benefits, shapes the brand personality and strengthens

customer relationships. The brand-as-organisation considers the organisation that lies behind a brand. Organisations convey their inner values through brand attributes: the physical aspects of the brand (Aaker, 1996). Every perspective is relevant in measuring CBBE.

This study therefore makes use of all three perspectives. Since brand associations are important to measure CBBE, the following hypothesis was formulated:

*H<sub>2</sub>: Negative UGC negatively impacts brand associations*

### **3.3.3 Perceived quality in CBBE**

Perceived quality is “the consumer’s judgement of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (Aaker, 1991). Consumers do not only judge the quality of products based on own experience, but is also established by brand’s advertisements, where high advertised brands are mostly also perceived as high quality brands (Schivinski and Dabrowski, 2014b). The perceived quality is a core component of brand value, since consumers are more driven to choose a brand with high-perceived quality, rather than its competitors (Yoo, Donthu and Lee, 2000). The third hypothesis was formulated:

*H<sub>3</sub>: Negative UGC negatively impacts the perceived quality*

### **3.3.4 Brand loyalty in CBBE**

Brand loyalty is the last marketing metric of brand equity and can be defined as ‘a deeply held commitment to consistently repurchase or re-patronise a preferred good or service over time’ (Aaker, 1991). Brand loyalty reflects when consumers select the brand as their first choice within a specific product category (Yoo and Donthu, 2001) and do not easily shift to other brands, even if a brand offers them price advantage (Severi, Ling and Nasermodeli, 2014). Hence, to the extent that consumers are loyal to the brand, brand equity increases. The following hypothesis was consequently formulated:

*H<sub>4</sub>: Negative UGC negatively impacts brand loyalty*

Brand loyalty is especially relevant in this study. To start, a consumer's loyalty and its strong emotional commitment to a brand drive the desire to create UGC (Boyle, 2007), which empowers new brand associations to the ones who have consumed the content and which gives inspiration for further dialogue (Christodoulides *et al.*, 2012). Also Hutter *et al.* (2013) state that the creation of UGC 'is a potential consequence of the loyalty phase'. The value of content posted by brand loyal customers mostly has a positive value, since they like to talk about it and are actively motivated to convince others about the product or brand (Van Noort and Willemsen, 2011). So unintentionally they could even become 'an ambassador of a brand' (Hutter *et al.*, 2013). Brand loyalty also results in brand communities, which is a platform full of positive associations and perceptions, and contributes to consumers' self-expression, social connections and common interest (Aaker, 1996; Christodoulides *et al.*, 2012).

Loyal customers may be strongly bonded with the brand and repurchase a brand's product again, however, they are likely the first who turn their back on the brand once this trust is damaged, for example via bad service (Grégoire and Tripp, 2011). They may feel betrayed, since they had put their faith into the brand and hence could become the brand's 'worst enemies'. This makes them much more persistent and vindictive than less loyal customers in taking down the brand online, intentionally expressed by online complaints (Grégoire and Tripp, 2011). This tendency of 'revenge' occurs more to brand loyal customers than less loyal customers and would also give up on their relationship with the brand much sooner (Grégoire and Tripp, 2011). Therefore, it is important to study the impact of negative UGC on loyal customers.

On the other hand, Godes and Mayzlin (2009) conclude from their field study that negative UGC derived from non-loyal customers is more powerful than loyal customers. Non-loyal customers have little to no knowledge of the brand and are in need for more explanation and information. These customers have mutual intentions of creating UGC and are therefore easily influenced by each other (Godes and Mayzlin, 2009).

In conclusion, both brand loyal and non-loyal customers are interesting research groups in this research. None of the few studies related to the measurement of CBBE after negative UGC has involved brand loyalty before. Therefore, this study contributes



to previous related empirical studies, since it imparts knowledge on whether or not brand loyalty affects the customer-based value of the brand. In the light hereof, this study aims to compare both brand loyal and non-loyal customers' perception of a brand after being exposed to negative UGC, to find out if each customer type influences CBBE in a different way. Therefore, hypothesis six to ten was formulated:

*H<sub>6</sub>: Negative UGC has a greater impact on the brand awareness amongst brand loyal customers than non-loyal customers*

*H<sub>7</sub>: Negative UGC has a greater impact on the brand associations amongst brand loyal customers than non-loyal customers*

*H<sub>8</sub>: Negative UGC has a greater impact on the perceived quality amongst brand loyal customers than non-loyal customers*

*H<sub>9</sub>: Negative UGC has a greater impact on the brand loyalty amongst brand loyal customers than non-loyal customers*

*H<sub>10</sub>: Negative UGC has a greater impact on the CBBE amongst brand loyal customers than non-loyal customers*

Again, the above hypotheses will be better contextualised (and restated) once the context of this study, the luxury wine market, is fully explicated. The above hypotheses tie in with the love-hate theory of Grégoire and Fisher (2005): This theory considers the effect of strong consumer relationships to a brand or a brand's product when brand loyal customers had bad experience with the brand, caused by for example service failures. When brand loyal customers are disappointed in a brand, two different effects could occur: the "love is blind" effect or the "love becomes hate" effect. The "love is blind" effect is established when disappointed customers forgive a bad experience and will not retaliate. Instead, these customers hold on to their meaningful relationship towards the brand. The "love becomes hate" effect occurs when the previous strong relationship with a brand tend to retaliate more vigorously. These customers feel betrayed by their favourite brand, which causes a greater ache and leads to invasive behaviour to strike back in order to get justification (Grégoire and Fisher, 2005). Section 5.8 provides an overview of how this literature is used to take conclusions of this study's outcome regarding brand loyalty.

In the past, several researches paid attention to the general effect of negative UGC on CBBE, which are treated in the next paragraph. Each author tackles this subject in

a different way, with a different research approach and with different research conclusions. Although the number of these studies is very limited, each study offers a better understanding of the importance and versatility of this research topic.

### **3.4 PREVIOUS STUDIES ON THE LONG-TERM EFFECTS OF UGC ON CBBE**

Although various previous studies have appointed the damage negative UGC could cause to CBBE, little depth has been provided yet to the specific impact on CBBE and the development of this process. Schivinski and Dabrowski (2014b) conclude from their literature review that no specific study has reported the influence in detail yet of negative brand-related UGC on CBBE. However, several past studies did in fact research the impact of negative UGC on CBBE. Below paragraphs introduce the study of Bambauer-Sachse and Mangold (2011) who focused on the effect of negative online reviews on brand equity, and the study of Ng and Rao Hill (2009) who studied the impact of negative eWOM on brand equity. Both studies are similar to this research and below paragraphs the purpose, research design and outcome of both studies are described. The last paragraph of this section introduces studies that concluded negative UGC impacts CBBE, but base this conclusion on their literature review and not on own conducted study.

#### **3.4.1 CBBE after negative online reviews (Bambauer-Sachse and Mangold, 2011)**

The study of Bambauer-Sachse and Mangold (2011) focuses on the individual perceptions of CBBE, which ought to explain the attitudinal effects of negative online reviews. The perceptions of general persuasiveness and credibility of online product reviews are compared and also brands with high and low brand knowledge were selected. In contrary to this study, Bambauer-Sachse and Mangold (2011) did not make use of Aaker's four brand equity dimensions, but based their study on the brand equity theory of Yoo *et al.* (2001). This concept of brand equity focuses on brand perceptions that are based on consumers' attitudinal and behavioural aspects, whereby ultimately consumer behaviour and purchase intentions can be determined.

The results of the study showed that negative UGC caused CBBE damage. However, there is no significant difference in the susceptibility of online reviews, since the

perceived brand value of both groups is equally damaged after UGC exposure. However, the deterioration of brand value perceptions is stronger for consumers with high brand knowledge than with low brand knowledge (Bambauer-Sachse and Mangold, 2011). This is remarkable, since consumers with high brand knowledge already perceived brand value prior to the research, which means that established positive associations were most likely not strong enough to overrule the negative brand perception caused by the consumption of negative UGC. Consumers with low brand knowledge barely or never perceived the brand prior to the research, so a negative brand perception created during the experiment cannot be backed up by previously established brand associations.

Bambauer-Sachse and Mangold (2011) measured the average number of reviews consumers intentionally read related to one specific product. The target of this study, on the other hand, is to measure the impact of negative UGC on social media: If Facebook users for example see a Facebook post on their Timeline, they did not have any influence, control or intention to see that specific content, but friends or friends of friends 'pushed' the content to them. Since no study other than Bambauer-Sachse and Mangold's empirical research (2011) has researched the impact of negative UGC on CBBE, this study makes a distinction in focusing on negative UGC that is unintentionally exposed to and consumed by social media users, meaning that there was no intention or need to absorb the information prior to the exposure to the content. Besides, the producer and consumer of content on social media platforms generally know each other outside the Internet and consumers of online reviews do not know the content creator. Therefore, this study focuses on negative content posted on a social media platform by a friend or friend or friend, without knowing beforehand what the content is about, but with knowledge and therefore an established attitude towards the content creator. In this context, the content itself is not only influential for CBBE, but also the person who wrote it could make a difference in brand perception.

Bambauer-Sachse and Mangold (2011) also make a distinction in their research by comparing high brand knowledge with low brand knowledge. Consumers first create brand knowledge about a brand, subsequently develop feelings towards a brand, which finally results in buying or avoiding a brand (Hutter, *et al.*, 2013). Thus, the

stronger the brand knowledge, the better CBBE can be measured. This study takes this concept one step further by comparing loyal to non-loyal customers.

A study by Ng and Rao Hill (2009) also looked at the impact of negative eWOM on brand equity.

### **3.4.2 Impact of negative eWOM on brand equity (Ng and Rao Hill, 2009)**

Ng and Rao Hill (2009) researched the consequences of eWOM on CBBE, by examining whether or not consumers would purchase a certain brand after reading negative opinions.

Ng and Rao Hill (2009) concluded that consumers do actively search for consumers' opinion online, before making a purchase decision. Consumers also visit multiple sites with UGC, so the perceived information is more representative. When reading negative user experiences online, consumers likely will not purchase the brand. With the reading of online comments, consumers mentally eliminate undesirable brands, which means that negative UGC does reduce the perceived brand value. Ng and Hill (2009) therefore conclude that negative UGC does in fact harm CBBE. Also, detailed comments with examples were considered as most valid, since it justifies and explains the negative value. It would take a long while to regain trust again in a brand, since consumers expect brands to always be honest about a product, even when it is negative (Ng and Hill, 2009).

Their study concluded that negative UGC reduces the overall brand perception, which subsequently harms CBBE, and consumers likely go for a competitive brand. The authors, however, did not measure the brand perception prior to the exposure of negative UGC, which means that the actual impact could not be tested empirically. They also used a fictitious brand, consumers have no brand knowledge prior to the research and therefore cannot identify their exact perception. Ng and Rao Hill (2009) also did not use Aaker's brand equity dimensions in their study, however the authors do recommend using these in future researches on brand equity (Ng and Rao Hill, 2009). Therefore, while their study suggested that negative UGC impact CBBE, this study empirically tested this relationship.

### 3.4.3 Other studies on the influence of negative UGC

Only Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009) measured the impact of negative UGC on CBBE before. Based on their results it can be concluded that negative UGC does harm a brand's CBBE and that the negative effects on CBBE are lasting and strong, which can extend beyond corporate reputations (Fournier and Avery, 2011). Negative perceptions of a brand arise even faster when the organisation already has had a reputation crisis in the past (Wattegama and Qing, 2014).

Several past studies did not involve CBBE, but still focused on the impact of negative UGC. For example, the study of Wattegama and Qing (2014) measured the effect of negative UGC on brand evaluation related to buying decisions, which eventually determined how companies should respond in times of negative publicity. Wattegama and Qing (2014) did not measure CBBE, but concluded from their literature study that negative UGC has negative consequences for CBBE. Also other studies have indicated that negative UGC weakens consumer-based brand equity. Hutter, *et al.* (2013) measured the impact of negative UGC on brand awareness, which is only one of four dimensions on measuring brand equity. It is concluded that negative eWOM does have negative impact on brand awareness, as well as on the evaluation of brands in the purchasing process (Hutter, *et al.*, 2013). This is similar to brand equity, however, Hutter, *et al.* (2013) did not use theory related to brand equity or even outlined the concept of CBBE in their study. In conclusion, the study of Hutter, *et al.* (2013) has similarities with this study, but there is no comparison between both studies since Hutter, *et al.* (2013) did not entirely measure brand equity or even CBBE. The same applies to the study of Fournier and Avery (2011), who conducted a literature study on marketers struggle with the power of consumers via the production of negative UGC and explains the paradigm from brand building to brand protection (Fournier and Avery, 2011).

Lastly, many past studies focussed on the general impact of UGC on CBBE, including Christodoulides *et al.* (2012), Christodoulides *et al.* (2010), Schivinski and Dabrowski (2014a), Schivinski and Dabrowski (2014b), Vanden Bergh *et al.* (2011), Bruhn *et al.* (2012) and Severi *et al.* (2014). All studies conclude that the production of UGC

impacts CBBE in a positive way and provide recommendations on how brand managers should act to put the production of UGC into their advantages. Of all these Schivinski and Dabrowski (2014b) and Christodoulides *et al.* (2010) were the only studies that included Aaker's 4-asset theory on measuring CBBE. Christodoulides *et al.* (2010) concluded that brand loyalty and brand associations are the two most increased dimensions caused by UGC involvement. Therefore, Christodoulides *et al.* (2010) advised to include more depth in the effects of UGC on brand loyalty and brand associations. Godes and Mayzlin (2009) did not use Aaker's four-dimensional model of CBBE, but state that more scientific knowledge is needed of the differences in UGC production between brand loyal and non-loyal customers (Godes and Mayzlin, 2009).

It can be concluded from this section that little depth has been provided yet to the specific impact on CBBE and the development of this process. This study fills a literature gap by comparing brand loyal and non-loyal customers in the luxury wine market. As Aaker's four-dimensional model of CBBE is used in this study, the impact of negative UGC on each dimension is tested individually with the first four hypotheses. Based on the outcome of these hypotheses, hypothesis 5 can be tested:

*H<sub>5</sub>: Negative UGC negatively impacts CBBE*

All ten hypotheses proposed in this chapter are still very general and need to be applied to a specific context and brand (or product) and will be restated once they have been contextualised. The following chapter discusses this context and product in greater depth, but first, the conclusion for this chapter is provided.

### **3.5 CONCLUSION**

This study makes use of Aaker's four-dimensional model of CBBE, which consists of brand awareness, brand associations, perceived quality and brand loyalty. In the context of Aaker's (1996) framework, the purpose of this study is to explore whether the relationship between the four dimensions last and hold after negative brand-related UGC. When satisfied consumers create more positive brand associations in comparison with similar non-branded products, CBBE is positively affected (Yoo, Donthu and Lee, 2000). However, brand communication through negative online UGC

can in fact be harmful for building brand equity (Christodoulides *et al.*, 2010), especially since consumers intentionally compare user's experiences and rely on this information (Mangold and Faulds, 2009; Bambauer-Sachse and Mangold, 2011). Consumers consider this information to be trustworthy and credible in contrast to firm-created content (Schivinski and Dabrowski, 2014a) and even tend to specifically hunt for negative customer reviews online, as disappointing experiences are considered to be 'more diagnostic and informative than positive or neutral information' (Bambauer-Sachse and Mangold, 2011). This makes the consumers' judgement of UGC more weighty and valuable (Mangold and Faulds, 2009).

The CBBE dimension 'brand loyalty' plays an important role in this study, because brand loyal customers are generally motivated to create UGC but are most affected by negative UGC in a negative way (Grégoire and Tripp, 2011). On the other hand, content created by non-loyal customers is more powerful, because there is a mutual interest in reading previous user brand experiences before making a purchase (Godes and Mayzlin, 2009). The UGC created and consumed by non-loyal customers is therefore more influential.

Despite prior research indicated that negative UGC does in fact have negative consequences for CBBE, only few studies have researched the effect before of negative UGC on luxury wine brands in particular. Only Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009) measured the influence of negative UGC on CBBE. It can be concluded from these studies that negative UGC does in fact have negative consequences for CBBE. However, none of the studies has used brand loyal customers in measuring CBBE, nor is Aaker's four-dimensional model of CBBE used before in measuring the impact of UGC on brand equity.

Following chapter discusses why the relevance of brand luxury and the wine market is essential in this study.

## CHAPTER IV: CBBE IN THE SOUTH AFRICAN LUXURY WINE MARKET

### 4.1 INTRODUCTION

This study focuses on the luxury wine market. From previous chapter it can be concluded that few studies have measured the influence of negative UGC on luxury wine brands. Establishing high CBBE is important in both the luxury market and the wine market. Therefore, understanding is needed of how wine consumers still perceive a wine brand after being exposed to negative UGC, especially since consumers are possibly not aware of the taste in a purchasing situation. Strong CBBE triggers brand name recognition in the consumer's decision-making process (Vrontis and Papasolomou, 2007; Aaker, 1996). Also, the degree of trust and commitment towards a brand is very diverse: mainly the older population is brand loyal to one specific luxury wine brand in a high price range, while the young generation is non-loyal and purchase different economic wine brands in a low price range process (Vrontis and Papasolomou, 2007). This is even further complicated with a complex product like wine. Therefore, comparing the influence of negative UGC on brand loyal versus non-loyal customers in the luxury wine market, contributes towards understanding a complex phenomenon.

The global luxury market experienced growth in recent years, but at the same time little empirical studies have been conducted on luxury brands (Berthon *et al.*, 2009). Furthermore, there is little knowledge about CBBE in the wine market and no study has specifically focused on the impact of negative UGC on CBBE in the wine market. Therefore, this study offers a third theory chapter, since the involvement of the luxury wine market offers several distinctions that need comprehensive attention in this dissertation.

This chapter give an analysis of the importance of CBBE for luxury wine market, and why both the production of UGC and CBBE is relevant for this market. First, the growth of the luxury market is discussed, which makes research on CBBE in the luxury market more relevant. Thereafter, the symbolic value of luxury brand is introduced in the second section. In third section, the definition of luxury in the wine market is discussed,



since the degree of luxury is hard to define for wine brands. Lastly, brand equity in the wine market is explained.

## 4.2 THE GROWTH OF LUXURY BRANDS

The degree of luxury is determined by the personal value consumers may or may not have with a brand (Berthon *et al.*, 2009). Luxury goods pursue to evoke associations of uniqueness and exclusivity, which is expressed through high quality, high range pricing and controlled distribution (Jin, 2012; Reyneke, Pit and Berthon, 2011). It is challenging for luxury brands to maintain brand integrity and an exclusive reputation with the advent of consumer's power through UGC (Jin, 2012).

The global market for luxury goods experienced a period of rapid economic growth in recent years. Still, a luxury brand or product could be successful for a specific generation, but could lose its status of luxury in the next. During time, luxury products become more ordinary and therefore more accessible. According to Berthon *et al.* (2009), consumption of products can be divided in four categories: necessary, basic, affluence and luxury brands. Within these types of consumption, necessary goods are needed to maintain life, are inexpensive, have a high supply and are therefore easy to find in stores. The opposite of necessary goods are the luxury products, which are in limited supply, are expensive, hardly offered in stores and therefore difficult to find. The low volume of production makes a luxury brand exclusive, however, when a brand reaches a large public and the production volume increases it is hard for luxury brands to maintain an exclusive reputation and remain successful (Berthon *et al.*, 2009).

Even if it is difficult for luxury brands to remain a strong position towards competitors, the luxury market is still growing according to Berthon *et al.* (2009), and with the strong rise of mass production, consumers are increasingly craving for exclusive, authentic brands. Consuming luxury goods in a society of mass productions offers consumers extra symbolic value "that goes beyond the material and invokes a world of dreams, images, signs, and motifs" (Berthon *et al.*, 2009). Luxury brands are this century's most profitable and fast-growing brand segments; however, they are also hardly understood and under-investigated (Berthon *et al.*, 2009). There is little scientific knowledge of what constitutes and conceptualises a luxury brand and the different

dimensions of a luxury brand. This paper therefore contributes to the study of luxury brands, and in particular to the marketing literature, because of the involvement of UGC and CBBE in the luxury market.

Besides the fact that little empirical knowledge has been established about luxury brands (Berthon *et al.*, 2009), measuring the luxury market is also relevant considering the symbolic value of luxury brands. The symbolic value has a strong influence on the production of UGC and consequently on building CBBE. Consumers do not only choose for luxury goods because it offers them high quality and exclusivity, but also to express their social image. This has significant influence on motivations to produce UGC, but also in the development of CBBE.

### **4.3 SYMBOLIC VALUE OF LUXURY BRANDS**

Besides functional and experiential value, luxury brands have symbolic value, meaning that people consume luxury goods to symbolise their high level of wealth, power and status (Berthon *et al.*, 2009). Jin (2012) divides the symbolic value of a luxury brand into two elements: 'value-expressive attitude' and 'social-adjustive attitude'. Consumers have value-expressive attitude when they are motivated to communicate about a luxury brand as self-expression (Jin, 2012), but also to enhance a person's self-concept (Berthon *et al.*, 2009). Social-adjustive attitude towards luxury brands occurs when consumers want to live up to a certain social image and social approval (Jin, 2012). Both type of attitudes drive consumers to create brand-related content, since the symbolic value of this content highlights the socially conspicuous nature of luxury, and their social status is intentionally expressed to the outside world (Berthon *et al.*, 2009). Generally, luxury brands are not active on social media, since a high visibility online exposes the brand to a large, undefined public that weakens the uniqueness and authentic character of the brand (Jin, 2012), which means that many wine brands do not have a clearly defined social media strategy (Reyneke *et al.*, 2011). However, consumers of luxury brands are still motivated to produce content online and brands are still exposed to UGC – this UGC is typically found in social media.

Deciding whether or not a wine brand is a luxury brand is not easy. The next section explains how luxury brands are defined in the wine industry, which is important to ultimately select a South African luxury wine brand to apply this study to.

#### **4.4 DEFINING A LUXURY WINE BRAND**

Since the degree of luxury is determined by the personal value consumers may or may not have with a brand, it is difficult to separate luxury brands from other brands (Berthon *et al.*, 2009). Luxury is important and hence particularly difficult to define in the South African wine market. In order to emphasise the high-quality and exclusive value of wine, most wine brands want to be associated with luxury, which is emphasised in the brand strategy (Beverland, 2005). Associations of authenticity and uniqueness are core components of successful brands, because consumers intentionally seek for authentic brands and experiences (Beverland, 2005). However, luxury wine brands are within a higher price category and have a long history of delivering high quality for a high price premium.

Beverland (2006) examined the brand strategy of 20 luxury wines and 30 wine customers, to explore the authenticity and exclusivity, and therefore degree of luxury. The selection of luxury brands was based on high price, outstanding quality, specialisation of distribution channels, prestige brand image of uniqueness and exclusivity and history of high performance (Beverland, 2006). Data was collected by conducting: (1) case-related interviews with wine customers and wine experts, (2) observations of the wine production facilities and (3) secondary sources of general wine press, news media, specialist wine books and data gained from wineries. Beverland (2006) concluded from the study that the degree of authenticity is decided on six attributes: heritage and pedigree, stylistic consistency, quality commitments, relationship to place, method of production and downplaying commercial motives. Every attribute is important in brand building and therefore establishing CBBE. Following paragraphs explain why these attributes are essential for luxury wines.

#### **4.4.1 Heritage and pedigree**

Customers identify value of exclusivity by placing a link between brand and its winery history. Brands steeped in tradition carry out reliability, and for this reason most wineries use their individual history to create brand value of authenticity, which is important in the brand building process. Older wines add value, because they represent the potential for a consistent level of better quality. Wines with a long history prove to be differentiated from new 'cult brands', which are produced for early drinking. Besides, wines with a strong history have a higher expertise with producing wine, since experienced wines proven to deliver the highest quality (Beverland, 2006).

#### **4.4.2 Stylistic consistency**

The stylistic elements are important in how a wine brand is perceived. Consumers generally know a wine is drinkable or not when they recognise the wine's label and get reminded of earlier brand experiences. Luxury wine brands are driven to express a traditional wine style, which could be established by making the right decisions in the visual aspects of a brand. Luxury wine brands perceived as 'fashionable' and 'trendy' indicate that they are new in the market, which eventually dilutes the traditional style of the brand. Moreover, it is essential for a luxury brand to create consistency in the brand's stylistic elements, since it presents essence of authenticity and also symbolises consistency in taste and quality (Beverland, 2006).

#### **4.4.3 Quality commitments**

The degree of authenticity strongly depends on the degree of compromising commitments to quality. High-quality wines are generally made by the chief wine maker with high technical expertise and produced with grapes produced by the winery itself, which are cultivated in the vineyards next to the winery. Besides, single vineyard wines are seen as high-quality manufacturers. This means that picking grapes and blending the wine takes time and the wine is left for between a year to two and a half years in quality oak before it's bottled and then it's left again on the shelf (Beverland, 2006). Thus, quality can be identified by the purity through the production of the winery's own fruit, care in selecting fruit, intensity of care throughout the process, the

use of oak and the long duration of time the wine is cellared before being sold. All of which represent significant costs to the winery and eventually explains and justifies the higher prices of luxury wines (Beverland, 2006).

#### **4.4.4 Relationship to place**

The quality of wines is not only decided by the way a wine is produced, but also the location of where the wine is produced, where high quality is achieved when “letting nature doing her job” (Beverland, 2006). Region of origin is a core brand attribute for luxury wine brands, since it symbolises a long history. A winery generally emphasises the added value of their grapes when the vineyard is located in the exact convenient environment of soil, climate and topography. Besides, consumers value relationship to place in some way and generally trust the best-known wine region. In South Africa, Stellenbosch is the perfect example of a highly appreciated wine region where generally be best wines of South Africa are produced. Many wines label themselves as a single vineyard in a known wine region, because it means the product has a traceable origin (Beverland, 2006). Relationship to place therefore establishes added value to the authenticity of the brand, which is an important element used in wine brand strategies and emphasis on the wine’s region is important for CBBE.

#### **4.4.5 Method of production**

Consumers are interested in how a wine is produced. Knowing the link between the final product and the creative process of winemaking increases the authenticity, since consumers are able to distinguish luxury wines produced in small batches from the mass-marketed wines that represent diluted or impure products (Beverland, 2006).

#### **4.4.6 Downplaying commercial motives**

Consumers do not value overtly commercialised wine brands, because it evokes associations of a mass-marketed wine brand and detracts from a wine’s authentic brand value. Consumers would be disappointed when luxury wine brands gain from commercial activities in marketing campaigns, such as advertisements and sponsoring. The scarcity of a wine brand provides value, which makes a wine

authentic. When a wine brand is difficult to find because it is made in small batches and not available for any consumers, the brand is more special and therefore evokes associations of high authenticity (Beverland, 2006). Especially since consumers purchase luxury brands for symbolic-valued reasons (Berthon *et al.*, 2009), it is important that a wine brand is unique, hard to find, high in price range and not for the mainstream population. Luxury brands are therefore not or rarely commercialised.

Based on above attributes, a winery can only be acknowledged as luxury when it meets every criterion at all times. In order to understand the impact of negative UGC on the CBBE of luxury brands, the wine industry is a suitable location for research. The next section describes the importance of brand building in the wine industry and illustrates why the involvement of wine brands makes this study especially relevant.

#### **4.5 BRAND EQUITY IN THE LUXURY WINE MARKET**

In an increasingly competitive environment, brand building is very important in the wine market, where wine consumers can be overwhelmed by too many choices in brands and product categories (Vrontis and Papasolomou, 2007). This means that for each type of wine, there are many different products to choose from, divided by grape variety, region and aging process (Nowak *et al.*, 2006) and in price ranges that appeal to very different wine consumers (Berthon *et al.*, 2009). Therefore, wine is a very complex product, which makes CBBE building very important but more difficult to establish. Among all comparable wine brands, it is not easy for brands to become recognisable and to establish a permanent place in the minds of customers. Building stronger CBBE is the only way to stand out of competition, which makes brand equity highly important in the wine industry (Vrontis and Papasolomou, 2007).

##### **4.5.1 High quality in wine market**

Perceived quality is an important dimension for wine brands in Aaker's four-dimensional CBBE model, and therefore, CBBE in the wine market is only effective when a wine brand can deliver high quality. Moreover, consumers need to be aware of this quality, especially in a situation where consumers are not acquainted yet with the taste before purchase (Vrontis and Papasolomou, 2007). Therefore, packaging

and advertising is indispensable in the wine industry, which has a strong impact on wine preferences and consumption patterns. In addition to the customer's perception of wine quality, the perceived pricing related to the quality is also a critical factor for building brand equity (Nowak *et al.*, 2006). However, Vrontis and Papasolomou (2007) conclude in their study that luxury wine customers with high brand knowledge are not influenced by the price. Also, customers generally do not believe every expensive wine is a 'good wine'. This could be explained by the fact that higher wine prices are not only based on superior quality, but also the popularity of the region of the produced wine (McCutcheon, Bruwer and Elton, 2009).

#### **4.5.2 Relevance of measuring CBBE in wine market**

The complexity of the wine market, as well as the importance of CBBE for wine brands, in particular perceived quality and brand loyalty, makes this study especially relevant. Besides, very little research has been done yet on CBBE in the wine market (Berthon *et al.*, 2009), nor have existing studies provided understanding of the impact of negative UGC on wine brands' CBBE. Scientific insight is needed in the way consumers perceive a wine brand after being exposed to negative UGC and if there is a difference in the perception of loyal and non-loyal customers. Therefore, emphasis in this study is placed on CBBE in the South African luxury wine industry, since it fills an empirical gap.

#### **4.5.3 Luxury brands in social media: The impact of negative UGC on CBBE**

Since social media is a great tool for self-expression in an online, social environment, UGC could have significant influence on luxury brands. Social media creates virtual brand communities that are either based on "a structured set of social relationships among brand admirers", but could also result in anti-brand platforms that intentionally focus on negative aspects of a brand (Jin, 2012). These negative social interactions could damage the company's intended perception of luxury, also when produced UGC evokes associations opposite to 'uniqueness' and 'exclusivity'. UGC becomes a threat when brand-related posts of ubiquity are being published online. Ubiquity is the opposite of exclusivity and makes a good obtainable for mass-class groups (Berthon *et al.*, 2009). Negative UGC may therefore have a greater impact on luxury brands

than on economic, basic or inferior brands, which are brands that will always have better quality alternatives within a low price range (Becker, 1960). The impact of negative UGC is stronger on the CBBE of luxury brands (Berthon *et al.*, 2009), which makes it more relevant to involve luxury brands in this study.

Measuring the impact of negative UGC on CBBE is therefore important in the luxury wine industry. Consequently, the hypotheses stated in 3.3.4 have been finalised by applying this context:

*H1: Negative UGC negatively impacts the brand awareness of a luxury wine amongst wine drinkers*

*H2: Negative UGC negatively impacts brand associations of a luxury wine amongst wine drinkers*

*H3: Negative UGC negatively impacts the perceived quality of a luxury wine amongst wine drinkers*

*H4: Negative UGC negatively impacts the brand loyalty of a luxury wine amongst wine drinkers*

*H5: Negative UGC negatively impacts the CBBE of a luxury wine brand amongst wine drinkers*

#### **4.5.4 Brand loyalty in wine market**

Besides perceived quality, brand loyalty is another important dimension that is important in the wine market. High quality wines provide a level of trust, which results in positive personal customer experience and can create strong brand preferences. This eventually leads to customer brand loyalty, since it provides a level of trust and commitment (Vrontis and Papasolomou, 2007). Building brand loyalty is therefore essential for every wine brand, since it triggers brand name recognition in a purchasing situation. Brand loyal customers are generally committed to a specific wine brand, based on personal taste. In general, older people tend to be more brand loyal to wines in comparison to younger people (Vrontis and Papasolomou, 2007). Contrariwise, the wine market also has non-loyal buyers, namely the younger generation in particular, who mainly go for the wines in a lower price range (Vrontis and Papasolomou, 2007). The comparison between both customer types provides new insights into the relation



between brand loyalty and UGC in the wine market, which has not been done in any study before.

More research arguments confirm that brand loyalty in the luxury wine market is relevant for research. As concluded in paragraph 3.3.4, measuring the impact of negative UGC on loyal customers is important, since brand loyal customers are the first who feel betrayed after bad experience and creates the motivation to take down a brand online (Grégoire and Tripp, 2011). Even though non-loyal customers have mutual intentions of creating brand-related UGC and influence each other in the spread of UGC (Godes and Mayzlin, 2009), emotions play a part for brand loyal customers in creating negative UGC (Grégoire and Tripp, 2011). The impact of the production and consumption of negative UGC created by brand loyal customers is more likely stronger than non-loyal customers and therefore relevant to measure. It is therefore interesting to test how negative UGC impacts the CBBE of brand loyal luxury wine drinkers.

Based on the importance for brand loyalty in the luxury wine market, brand loyalty is hypothesised to have an impact on the influence of CBBE in the luxury wine market. In order to test this impact, the following five statements are formulated:

*H<sub>6</sub>: Negative UGC has a greater impact on the brand awareness of a luxury wine, amongst loyal versus non-loyal wine drinkers*

*H<sub>7</sub>: Negative UGC has a greater impact on the brand associations of a luxury wine, amongst loyal versus non-loyal wine drinkers*

*H<sub>8</sub>: Negative UGC has a greater impact on the perceived quality of luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

*H<sub>9</sub>: Negative UGC has a greater impact on the brand loyalty of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

*H<sub>10</sub>: Negative UGC has a greater impact on the CBBE of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

Testing H<sub>10</sub> is based on the outcome of H<sub>6</sub>, H<sub>7</sub>, H<sub>8</sub> and H<sub>9</sub>. The love-and-hate theory of Grégoire and Fisher (2005) is a relevant measurement to test the brand loyalty of brand loyal customers, because it measures the effect of strong consumer relationships to a brand or a brand's product when brand loyal customers had bad

experience with the brand, caused by for example service failures. An overview of how these hypotheses are tested is given in section 5.8 in the next chapter.

In the following section, this chapter's conclusions are taken that explains the relevance of involving the luxury wine market in this study.

## **4.6 CONCLUSION**

The global market for luxury goods experienced a period of rapid economic growth in recent years. Yet, there is little empirical knowledge about luxury brands (Berthon *et al.*, 2009). Furthermore, little research has been done on the luxury wine market, and no study has specifically focused on the impact of negative UGC on CBBE in the wine market. However, the importance of CBBE in both the luxury market and the wine market is very high (Berthon *et al.*, 2009). What is more, negative UGC has a stronger impact on luxury wine brands in particular: Consumers could intentionally choose for luxury wine brands to symbolise their social status, which could easily be expressed on social media platforms via social media (Berthon *et al.*, 2009). Therefore, consumers of luxury goods are generally motivated to communicate on social media about a luxury brand as self-expression (Jin, 2012). Luxury brands have the purpose to be perceived as exclusive, authentic, unique and high quality. The danger for luxury wine brands is that consumers create and share an incorrect brand perception on social media due to the production of UGC, where associations opposite to or different from exclusivity and uniqueness could be established. Especially because most luxury wine brands are not active on social media, it is difficult for brands to have little control in positively influencing and responding to the spread of UGC related to the wine brand.

Building CBBE is very important in the competitive market of wines. It is not easy for brands to become recognisable and to stand out of competition (Vrontis and Papsolomou, 2007). CBBE is the most essential marketing instrument to create a stronger place in the mind of the customers than competitive brands, which eventually results in positive purchasing behaviour towards the wine brand. Since little research has been done on CBBE in the wine market, this study fills a literature gap and gains

scientific insight in the way brand loyal and non-loyal consumers perceive a wine brand after being exposed to negative UGC.

In order to measure the impact negative UGC on CBBE, this study selects a luxury wine brand produced in South Africa. Since most wine brands emphasise the value of high-quality and exclusivity, luxury is particularly difficult to define in the South African wine market (Beverland, 2005). However, a wine brand can be acknowledged as luxury when it lives up to six attributes. First, a luxury wine must have a strong wine history and heritage. Secondly, the brand must be consistent in the decisions of stylistic elements that evoke associations of tradition. Thirdly; a wine must have strong commitments to quality, by perform a pure and high technical production process. Fourthly, the wine farm of the brand must be located in a known wine region with favourable climate and soil structure. Fifthly, the wines must have a creative process of winemaking. Sixthly, the brand is not commercialised and difficult to find.

Every attribute is important in building wine brands and based on these attributes a selection is made of luxury wine brands in the methodology, which is discussed in the next chapter.

## CHAPTER V: METHODOLOGY

### 5.1 INTRODUCTION

Previous chapters have described the impact of negative UGC on CBBE and importance of CBBE in the luxury wine market. This chapter explains the methodology used to measure the two objectives stated in paragraph 3.3.4.

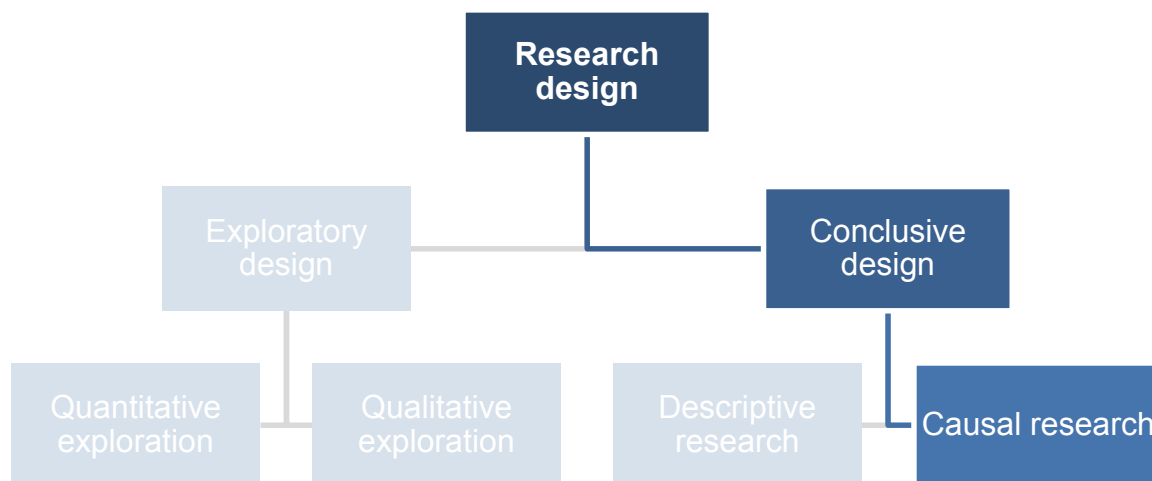
As explained in Chapter II, negative UGC could cause disastrous consequences for brands. Consumers are motivated to share negative brand opinions on social media where one single post could spread like a virus and may even go viral (Grégoire and Tripp, 2011). Additionally, Chapter III explained the importance of CBBE, which eventually leads to a positive purchasing behaviour but could get damaged by UGC as well. As concluded in Chapter IV, CBBE is especially relevant in the luxury wine market, since high CBBE is required in order to maintain an exclusive and high-quality reputation in an extremely competitive market. Besides, wine consumers with high brand knowledge are generally committed to one specific wine brand (Vrontis and Papsolomou, 2007). This means that brand loyalty plays an important part in the CBBE process, which is also an important dimension in Aaker's four-dimensional model of CBBE. Moreover, brand loyal consumers seem to be more impacted by extreme negative UGC, because betrayal in brand trust could lead to strong CBBE damage. Further understanding is therefore required of whether the UGC impact brand loyal consumers is different from non-loyal consumers. The question arises whether both brand-loyal and non-loyal consumers of luxury wine brands would be negatively affected by negative content online, created by friends or friends-of-friends on Facebook or by people followed on Twitter or Instagram.

This study questions if the perceived associations of brand loyal consumers are different from consumers who are not brand loyal. In order to truly understand this difference, use is made of Aaker's four-dimensional model of CBBE, which maps out the general brand perception before and after consumption of negative UGC. Additionally, two objectives were proposed in this study: (1) To determine if negative UGC influences the CBBE of luxury wine for its customers; (2) To determine whether

the influence of negative UGC on the CBBE of luxury wine is different for loyal customers as compared to non-loyal customers. These objectives make sure that every important research aspect in this study is measured and nothing is overseen that could block the main purpose of this study.

This chapter explains how these objectives were measured. This study is conclusive in nature, where the aim is to describe and understand the link between UGC and CBBE and to examine the relationship between the perception of brand loyal and non-loyal consumers before and after UGC consumption. In conclusive research, the frequency of consumers' attitude patterns is measured that determines perceptions of a brand's characteristics (Malhotra and Birks, 2007, p. 72). Data was collected with a quantitative analysis and a causal research design is applied to this study, since the cause-and-effect relationship between consumers' attitude is measured before and after reading negative UGC. Figure 5 below provides an overview of the choices made in this study's research design.

Figure 5: Overview of this study's research design



Adapted from: Malhotra and Birks, p. 70 (2007).

To discuss the above in more detail, this methodology chapter starts with a summary of the research question and objectives (5.2). Thereafter, the research design and method is presented (5.3), which also includes an explanation of the development of an online questionnaire, backed up with two pre-tests (5.3.4). Then, this study's sampling design is introduced (5.4), consisting of the target population (5.4.1),

sampling frame (5.4.2), sampling techniques (5.4.3) and lastly sampling size (5.4.4). The next section explains how and when the data is collected (5.5), followed with a discussion of how the findings should be interpreted (5.6) in order to find answers to the research question. Paragraph 5.7 explains which ethical considerations this study takes into account and how the conduction carries ethical responsibility. Last paragraph provides a conclusion of this chapter (5.8).

## **5.2 SUMMARY OF RESEARCH QUESTION AND OBJECTIVES**

To make a clear assessment to the validity of the chosen research methodology, the stated research question and objectives composed in section 1.3 are repeated first. This paragraph justifies every decision made in the methodology, since a methodology is only effective when it provides answers to the research question and when the two research objectives are achieved.

### **5.2.1 Research question**

The target of this study is to find answers to the following question:

*To what extent does negative user-generated content affect customer-based brand equity of South African luxury wine brands?*

### **5.2.2 Research objectives**

The objectives associated with this research question are focused on the difference in the way brand loyal and non-loyal consumers are influenced by negative UGC. In order to find answers to this question, the influence on brand loyal and non-loyal customers need to be measured separately, in order to make conclusions on how the two customer types differ. The following two objectives are drafted:

- (1) To determine if negative UGC influences the CBBE of luxury wine for its customers
- (2) To determine whether the influence of negative UGC on the CBBE of luxury wine is different for loyal customers as compared to non-loyal customers

Following section provides a discussion of this study's research design.

### **5.3 RESEARCH DESIGN**

The research design can be defined as 'a framework for conducting a marketing research project and details the procedures necessary for obtaining the information needed to structure or solve marketing research problems' (Malhotra and Birks, 2007, p. 64). A research design proposes practical aspects of implementing a specific approach to the problem.

This study makes use of a conclusive research design. The next sections of this paragraph consist of a better understanding of conclusive research design, followed by a justification for choosing causal research design. The paragraph thereafter explains the experimental design that this study adopted. Lastly, the questionnaire used in the experiment and the two conducted pre-tests are discussed.

#### **5.3.1 Conclusive research design**

Conclusive research aims to get more insight into relationships in a specific marketing phenomenon that is inherently difficult to measure. In this regard, the phenomenon would be negative UGC, where the brand perception before and after negative UGC consumption is the measured relationship. Besides, another relationship in this study is if and how the brand perception of brand-loyal is different from non-loyal consumers. Where conclusive design has a formal and structured character, an exploratory design has the aim to get better understanding of the nature of marketing phenomena and has an unstructured and flexible research process (Malhotra and Birks, 2007, p. 70). In fact, conclusive research provides a way to test detailed insights gained from exploratory research, where a phenomenon measured with qualitative data is tested with quantitative data (Shukla, 2008, p. 39).

The aim of this study is not to define or understand a research problem, but to measure it, based on existing marketing theory of Aaker (1996). In order to prove and demonstrate the research outcome of the relationships between brand perception and brand loyalty, statistical data is needed. This means that this study has a quantitative

research approach, where the outcome can only be representative with large samples. The research process is therefore formal and quantitative data can only be obtained with the use of structured research techniques. Different possible methods in a conclusive research design are surveys, secondary data, databases, panels, structured observations and experiments (Malhotra and Birks, 2007, p. 70).

As discussed in section 3.4, only two studies are similar to this study, which also focussed on the influence of negative UGC on CBBE. Both studies also used conclusive design. This justifies the decision that the use of a conclusive research design was most appropriate in this study.

Conclusive research may be either descriptive or causal (Malhotra and Birks, 2007, p. 70; Shukla, 2008, p. 54). This study makes use of a causal research design. Following section explains the theory of causal research and justifies the decision of conducting a causal research design.

### **5.3.2 Causal research**

Causal design is a type of conclusive research with the purpose to obtain evidence of specific cause-and-effect relationships (Malhotra and Birks, 2007, p. 79). Descriptive research has the objective to describe specific characteristics in the market. As discussed in previous paragraph, this study ought to discover cause-and-effect relationships between production of negative UGC and the consequences for CBBE. In this regard, UGC is the cause in this research design and the effect is CBBE. Therefore, a causal research design is the best approach in this study.

As concluded from the literature review, most previous studies focus on the positive side of social media and most managers consider it as an opportunity for CBBE creation (see section 2.4). With other words, it is generally assumed that the use of UGC mainly has a positive cause-and-effect relationship on developing CBBE, while the negative consequences are mainly overseen. These assumed decisions made by marketing managers or even scientific marketing researchers may not always be justifiable. Causal research on this subject is therefore needed, which examines the validity of causal relationships, which aims to determine the nature of the relationship



between independent causal variables and the variables that established the effect of the marketing phenomenon (Malhotra and Birks, 2007, p. 79; Silver, Stevens, Wrenn and Loudon, 2013, p. 19). Applied to this study, the measurement theory of Aaker (1996) is used, consisting of four dimensions: brand awareness, brand associations, perceived quality and brand loyalty. Each dimension is an important variable used in measuring the perception prior to the cause (production of UGC) and the effect (the brand perception after reading negative UGC). For example, the dimension 'brand awareness' is measured before and after reading negative UGC, which eventually provides answers to what extent brand awareness has been changed by negative UGC. Besides measuring the cause-and-effect relationship of one variable, all dimensions are also compared prior and after negative UGC exposure. This way it can be measured which brand equity dimension is mostly affected by negative UGC, and therefore the biggest cause of possible CBBE damage. As, for example, it appears that consumers still consider the wine brand in the decision-making process (brand awareness), but would no longer recommend it to a friend, managers can make adjustments in their marketing strategy to mainly focus on increasing brand awareness, since this CBBE dimension seemed to be mostly affected by negative UGC.

A causal research design requires a structured design, where independent variables are manipulated 'in a relatively controlled environment' (Malhotra and Birks, 2007, p. 79). In this study, the production of UGC was manipulated by creating a fictive post (i.e. the treatment) on a social media platform. The effect of manipulation can be measured via experimentation, which is the main research method for a causal research (Malhotra and Birks, 2007, p. 79; Shukla, 2008, p. 47). It is therefore decided in this study to conduct experimental research, which is explained in the next paragraph.

### **5.3.3 Experimental research**

Experimentation research is used to construct causal relationships, also referred to as 'causality', which happens when the "occurrence of X increases the probability of Y" (Malhotra and Birks, 2007, p. 302). The scientific meaning of causality is complex since X is not always the cause of Y in marketing research. In the findings of this study,

it can never be concluded that negative UGC has caused a decrease in positive purchasing behaviour and therefore CBBE damage. There are other variables besides negative UGC that could have caused a damaged brand perception, where negative associations were already established before reading negative brand-related UGC online. New established negative associations caused by negative UGC could be built upon previously established negative associations, where both the established associations prior and during the experiment define the general brand perception. Next to negative UGC, CBBE dilution could also be caused by, for example; a negative review in the newspaper, an increase of a product's price, or an unhappy friend who told you in person about a bad experience with the brand. Below table gives understanding of the general meaning and the scientific meaning of causality.

Table 1: Concept of causality in experimentation research

<i>Ordinary meaning</i>	<i>Scientific meaning</i>
X is the only cause of Y.	X is only one of a number of possible causes of Y.
X must always lead to Y.	The occurrence of X makes the occurrence of Y more probable (X is a probabilistic cause of Y).
It is possible to prove that X is a cause of Y.	We can never prove that X is a cause of Y. At best, we can infer that X is a cause of Y.

Source: (Malhotra and Birks, 2007, p. 303).

### 5.3.3.1 **Conditions of causality**

So in marketing research, a certain degree of consistency is viewed as acceptable, rather than absolute correlation. There are three conditions that must be satisfied to demonstrate causality: (1) concomitant variation, (2) time order of occurrence of variables, and (3) elimination of other possible causal factors (Malhotra and Birks, 2007, p. 303).

- ***Concomitant variation***

In concomitant variation, there must be a correlation between what is assumed to be the cause (X) and what is assumed to be the effect (Y). Concomitant variation is established when both variables occur together or vary together in the way predicted

by the hypothesis (Malhotra and Birks, 2007, p. 303). In the quantitative case of this study, it is questioned if the development of CBBE (effect Y) is dependent on the value of UGC (cause X). CBBE could also be caused by other variables. The fact that this study cannot and will not prove if CBBE dilution is caused by negative UGC, it does not mean that there is no causation. Concomitant variation assesses if both variables are correlated, thus if negative UGC could also negatively influence a person's perception of a brand. Aaker's four dimensions of CBBE must determine if the cause and effect in this study are correlated, by testing every dimension before and after negative UGC exposure. If it appears that people are less brand loyal after reading negative UGC, it means that UGC has influence on the dimension brand loyalty and therefore CBBE. It can then be concluded that the cause and effect are correlated, but however not proven that negative UGC causes CBBE damage.

- ***Time order of occurrence of variables***

The time order of occurrence condition means that the cause must precede effect in time. This means that the causing event must occur either before or simultaneously with the effect, but never afterwards. A variable can be both a cause and an effect in the same causal relationship (Malhotra and Birks, 2007, p. 304). A customer of a wine brand could be affected by negative UGC (cause), which leads to a negative purchasing decision and therefore a decrease of CBBE for this brand (effect). This customer could respond to this by creating own negative UGC online, which means that a negative purchasing decision, the effect, starts to be the cause of negative UGC production, which is then the effect. In this study, a fictive post that contains negative UGC is presented to the respondent, before questions are presented in the questionnaire that must determine the influence. The causing event therefore takes place before the effect.

- ***Elimination of other possible causal factors***

The effect must truly be caused by what we assume is the cause, rather than being due to some other variable. This means that negative UGC must be the only possible causal explanation of CBBE decrease, due to the absence of other possible causal factors in this study. Other causal factors can never be ruled out, however, the absence of causal factors can be controllable in experimental research (Malhotra and

Birks, 2007, p. 305). In the proposed questionnaire of this study, questions related to measuring the impact of CBBE are asked immediately after the respondent was presented to the experimental treatment, namely a fictive post on social media. Therefore, the respondent are not exposed to other factors that could cause CBBE damage, such as personal experiences or negative product reviews online.

### **5.3.3.2 Experimental design**

An experiment is formed when one or more independent variables are manipulated and the causal effect on one or more dependent variables is measured (Shukla, 2008, p. 47). The design of an experimental study specifies the exact procedure of the study, involving: (1) test units and sampling procedures, (2) independent variables, (3) dependent variables, and (4) control of extraneous variables (Malhotra and Birks, 2007, p. 306).

- ***Test units***

Test units are “individuals, organisations or other entities whose responses to independent variables or treatments are being studied” (Malhotra and Birks, 2007, p. 306). The test units of this study are consumers of one specific South African luxury wine brand. These consumers are existing customers of this brand and must have established brand knowledge prior to the research, since both brand loyal and non-loyal customers are compared in this study. These customers are presented to a manipulated situation on social media, where after the new perception is studied. This independent variable is explained in following paragraph.

- ***Independent variables***

In experimental research, independent variables are manipulated by the researcher and whose effects are measured and compared (Malhotra and Birks, 2007, p. 306). In this study, a fictive post on Facebook is the independent variable, supposedly published by an unsatisfied customer of a luxury wine brand. Respondents are proposed to a constructed but realistic situation on Facebook where one luxury wine brand is strongly targeted. The writer of this Facebook post expresses its negative experience of a wine brand, based on a personal event that has recently happened,

supported by comments of other Facebook users. To make the manipulated treatment look realistic, an existing occurrence in the wine market is applied to this specific post on Facebook. The treatment of this study is discussed in next paragraph.

- ***Dependent variables***

Dependent variables measure the effect of the independent variables on the test units (Malhotra and Birks, 2007, p. 306). Consumers' brand perceptions are the dependent variables of this study, which consist of brand associations consumers establish in the long-term mind. These perceptions are measured before and after being exposed to the independent variable, where the difference of both perceptions measures the effect of negative UGC. Brand perceptions are based on the four CBBE dimensions established by Aaker (1996).

- ***Control of extraneous variables***

Extraneous variables are variables other than independent variables that influence responses of the test units, which may weaken or invalidate the results of the experiment (Malhotra and Birks, 2007, p. 306). The following extraneous variables could influence the outcome of the experiment:

- *Amount of time and energy respondents spend on social media.* Consumers active on Facebook could interpret the independent variable differently from someone who is rarely active on Facebook. Active Facebook users might have more user experience and could place themselves in a manipulated situation better than users with little experience.
- *Surfing online during the treatment about a manipulated situation that never happened.* The treatment of this study is an event that never happened to the wine brand. Respondents could 'Google' with their smartphone or pc, to check if the facts in the fictive Facebook post and comments are real.

Experimental research has several subtypes: Pre-experimental, true experimental, quasi- experimental and statistical designs. Below table gives a definition of every experimental design.

Table 2: Classification of experimental design

<i>Experimental designs</i>	<i>Characteristics</i>
<b>Pre-experimental design</b>	<ul style="list-style-type: none"> <li>- No randomisation</li> <li>- One single group of test units is exposed to a treatment.</li> <li>- Dependent variable is taken in one single measurement.</li> </ul> <p style="text-align: right;">(Malhotra and Birks, 2007, p. 313)</p>
<b>True experimental design</b>	<ul style="list-style-type: none"> <li>- Test units and treatments are randomly assigned to experimental groups</li> </ul> <p style="text-align: right;">(Malhotra and Birks, 2007, p. 315)</p>
<b>Quasi-experimental design</b>	<ul style="list-style-type: none"> <li>- Applies part of the procedures of true experimentation yet lack full experimental control.</li> <li>- Researcher controls when measurements are taken and on whom they are taken.</li> <li>- Researcher lacks control over scheduling of treatments.</li> <li>- Research is unable to expose test units to the treatments randomly.</li> <li>- Quick, least expensive design.</li> </ul> <p style="text-align: right;">(Malhotra and Birks, 2007, p. 317)</p>
<b>Statistical design</b>	<ul style="list-style-type: none"> <li>- Allow for the statistical control and analysis of external variables.</li> <li>- Several basic experiments are conducted simultaneously, that allow for statistical control and analysis of external variables.</li> <li>- Effects of more than one independent variable can be measured.</li> <li>- Extraneous variables statistically controlled.</li> </ul> <p style="text-align: right;">(Malhotra and Birks, 2007, p. 319)</p>

Adapted from: Malhotra and Birks, 2007

Pre-experimentation is the most appropriate research method for this study because of the lack of sampling framework: There is no list of luxury wine enthusiasts that the study could draw on, and therefore random sampling was not possible. This experimental design therefore does not use randomisation and only one single group of test units is exposed to a treatment, where the dependent variable is taken in one single measurement (Malhotra and Birks, 2007, p. 313). In this study, the test units are self-selected, since respondents need to be at least 18 years or older, know the specific luxury wine brand and need to be active on social media. A one-group pretest–posttest pre-experimental design is therefore applied to this study, which measures one single group of test units twice. First, a pre-treatment measure is taken (O1), then

the group is exposed to a treatment (X), and lastly, a post-treatment measure is taken again (O2). The difference between the pre-treatment and the post-treatment is give the effect of the treatment (X), which can be calculated as:  $O2 - O1$ . The disadvantage is that the validity is questionable, since controlling extraneous variables is difficult (Malhotra and Birks, 2007, p. 314). The pre-treatment and post-treatment measure is the same in this study, which consists of the same questionnaire measuring brand perception.

This pre-experimental research is executed in the shape of a questionnaire, supported by two pre-tests. Following paragraph explains how these are conducted.

#### **5.3.4 Online questionnaire supported by pre-tests**

This paragraph discusses how the pre-experimental design comes into practice. An online structured questionnaire is spread, that must measure the perception of one specific wine brand before and after the treatment of this experiment. Before the data collection for the experiment took place, two pre-test were conducted first, to avoid misread and even misconstrue questions. First of all, a luxury brand needs to be selected that will be used in the study. In the first pre-test, five luxury brands were selected and a small questionnaire was spread to ask South African wine drinkers to what extent they; (1) know each brand and, (2) think a brand is luxury. Second of all, the manipulated treatment in this study is negative UGC expressed in a fictive post on social media. In the second pre-test, a self-created Facebook post in Photoshop was demonstrated in an online questionnaire and respondents were asked to what extent they; (1) negatively perceive the post, (2) believe the painted situation in the post is real and, (3) believe the designed Facebook looks real.

Following subparagraphs provide an extensive description of the two pre-tests and the main questionnaire.

##### **5.3.4.1 Pre-test 1: Selection of a South African luxury wine brand**

Since this study compares brand loyal with non-loyal luxury wine consumers, an existing brand is required to be used in the study since wine customers cannot be loyal

to a brand that does not exist. Besides, no brand perception can be measured when no brand associations have ever been established prior to the research. Therefore, this study makes use of an existing luxury wine brand, which is selected based on the results of this pre-test.

As concluded from the literature review, it is difficult to define whether or not a wine can be considered as 'luxury brand' (Berthon *et al.*, 2009). Every wine brand wants to be associated with 'luxury', since perception of high-quality, exclusivity, and therefore luxury, is the only way to increase CBBE and to stand out in a very competitive market. In order to select one specific wine brand, Platter's Wine Guide 2016 was used, which provides a selection of the best luxury wines in South Africa, selected by the biggest wine experts in South Africa. A team of 20 wine experts have blindly tested 8000 different South African wines, thus no wine label or other physical attributes were visible for the tasters. The tasting process consisted of two phases: In the first phase all South African wines were. All wines mooted by the wine judges as 'outstanding' were entered for the second review phase. Eventually a selection of the "top end of the quality" of South African luxury wines was made with a minimum rate of 4½ stars (which is a score of at least 90 points on a 100-point scale). Ratings of 95-100 (max = 100) points were awarded the maximum of five stars. Three different categories were reviewed: best red wine, best white wine and best desert wine (Platter's Wine Guide 2016, p. 6).

Besides Platter's Wine Guide of 2016, a wine expert has been consulted to determine which wine brands are definitely a luxury brand, and if these brands are also known enough to sample a representable size within the time period of this study. Besides, the stronger the brand knowledge, the better CBBE can be measured, which can be concluded from Chapter III. A meeting with Sue Proudfoot was set up, who is owner of a Wine Concepts franchise store in Kloof Street, Cape Town, and who achieved her degree in South African wines at the Cape Wine Academy. She therefore can be considered as wine expert. Based on her knowledge of the most popular wines as well as her professional perception of luxury wine brands, five luxury brands were selected that are also mentioned in Platter's Wine Guide 2016. During the selection process, Sue Proudfoot also took the six attributes of deciding the degree of authenticity and luxury into account, described in section 4.4. The following five luxury brands were



chosen and consequently treated in the pre-test: Meerlust, Rust en Vrede, Hamilton Russell, Bouchard Finlayson and De Toren.

A small questionnaire was spread to ask South African wine drinkers to what extent they know each brand and think a brand is luxury. Based on a 10-point Likert scale, respondents had to give their first impressions. For Brand Knowledge, the scale 1 = Low brand knowledge and 10 = High brand knowledge. For Luxury, the scale 1 = Economy brand and 10 = Luxury brand. Respondents also had the option to indicate that they do not know the brand. Eventually, the wine brand with the highest average of brand knowledge and perception of luxury was chosen to use in the main study. Thereafter, the treatment for pre-test 2 was created, where the constructed negative content was based on this brand.

In total 20 respondents were asked, who are at least 18 years old, occasionally consume wine and are from South Africa. From the results of this pre-test, it can be concluded that Meerlust both has the highest brand knowledge (Mean = 7.40) and highest perception of luxury (Mean = 8.00). No one stated not to know Meerlust, while 9 out of 20 respondents said to never have heard of De Toren before. Concluded from the results of this pre-test, Meerlust is the South African luxury wine brand used in the main study.

The questionnaire and results of this pre-test can be found in Appendix A. Next section explains the second pre-test, which is adapted to the brand Meerlust.

#### **5.3.4.2 Pre-test 2: Testing the perception of the fictive Facebook post**

To test brand perception after reading or seeing UGC online, a social media post is realised to use as treatment in the experiment. The content of this post is 100% manipulated, which means that the content in the post has never been written by any Facebook user, but by the researcher. The proposed UGC must be new to respondents and customers might already been exposed to and influenced by existing negative UGC of the wine brand. The first idea for the treatment was to use existing posts on the social network and to present these in the main questionnaire. However, it is difficult to find extensive negative UGC of specific wine brands, since most wine

brands are intentionally not active on social media in order to maintain a luxury reputation (Jin, 2012). Most traceable content about South African brands is focussed on wine farms as a place to visit. Besides a few posts about the wine itself, most comments are about the location of the wine farm, about the service of the staff and whether it has nice views and a luxurious presence. It is difficult to find a past occurrence on Facebook where one specific wine brand was strongly targeted with negatively valued content. Therefore, it is decided to create one fictive story on Facebook, supported with an image that could be damaging enough to become viral. According to the literature review, a viral post reaches millions of social media users within a short period of time (Grégoire and Tripp, 2011; Botha & Reyneke, 2013; Vanden Bergh, Lee, Quilliam and Hove, 2011). Also, social media posts with a valence of anxiety or anger are mostly to be shared and have the highest chance to go viral (Berger and Milkman, 2012). Therefore, using a treatment that has the potential to get viral is an appropriate example to apply the treatment to. Specifically, negative content created by spite-driven customers are the most likely to go viral, with the risk that the brand reputation could get damaged (Grégoire, Salle and Tripp, 2014).

While companies could also benefit from positive UGC, virally distributed negative UGC should get closer attention. When consumers have negative or incorrect touch points with a brand, consumers' brand expectations are also affected and complicate the process long-term brand building (Arnhold, 2010). Eventually, the viral spread of negative UGC could eventually turn into a social media crisis (Grégoire, Salle and Tripp, 2014) and reaches the attention of mainstream media offline and online, where the brand perception of an even greater public is negatively influenced (Mangold and Faulds, 2009). In this situation, targeted companies cannot do much, since consumers do not believe good intentions and feel a public crisis was needed for a company to fix a certain problem (Grégoire, Salle and Tripp, 2014). Two ideas were established and developed.

- **Idea 1: Customer finds piece of oak in wine bottle**

The first idea was to create a fictive situation where the wine made a mistake in its production process. A customer finds a piece of oak coming out of a just opened wine bottle. The person takes a photo of it and expresses his or her anger on Facebook, together with this photo. The post is supported with comments of friends and friends of friends. The post describes the following occurrence:

*“Lekker! Was looking forward to drink the Meerlust Pinot Noir from 2013 after a long day of work, until I noticed this sharp piece of oak floating out of the bottle straight into my glass.... Seriously, Meerlust, are you trying to choke me or what?! Last time I bought from you. #notcool #meerlust #pinotnoir #dontbuythisplease #dangerous”*

- **Idea 2: Wine scandal - Selling faux Pinot Noir**

The second idea was to create a situation based on an existing wine scandal that happened in the past. In 2009, the French wine brand Red Bicyclette was charged of producing for millions of euros a wine labelled as ‘Pinot Noir’, but actually produced with cheaper Merlot and Syrah grapes (Daab, 2011). The content of the second treatment option is based on this wine scandal, where the newest Pinot Noir 2015, released in December 2015, appears to be a different wine. After seeing a news item on SABC about this occurrence, a disappointed brand loyal customer of Meerlust expresses its disappointment in Meerlust on Facebook, added with a photo of his recently purchased Pinot 2015. This story might not get viral, though the situation in this post is realistic, since it already happened in the past. The post describes the following:

*“I feel like I’ve been duped by my favourite wine brand Meerlust with my last bottle of their Pinot Noir. Found out Meerlust cut costs by using their Merlot and Syrah grapes in the so-called ‘2015 Pinot Noir’. Paid R250 for this pretentious wine... Lekker 😞! Seriously Meerlust, is this your way of making a quick buck?! Lying to customers is NOT ok. So disappointed, last time I’m buying from you! #notcool #meerlust #pinotnoir2015 #dontbuythisplease #onebiglie #winefraud #frustrating #SABCnews”*

The final results of both fictive posts can be found in appendix B.

Once the two treatment options were developed in Photoshop, both fictive posts were presented to wine expert Sue Proudfoot. Based on her professional opinion, it can be concluded that the second option would be the best option to use in the main study. Firstly, the first option could never exist, since the filter process of wines in the last stage of the wine production process is so frequent and executed with high care, that an oak in a wine bottle could never happen to any wine brand. The risk is that brand loyal customers, with generally high wine knowledge, are aware of the fact that the occurrence in the post did not really happen. However, the situation in the second fictive post would be more realistic, since it is based on an existing wine scandal. Therefore, the second option is used in the second pre-test of this study.

In the second pre-test, the chosen treatment was demonstrated in a small online questionnaire. Respondents were asked to what extent they negatively perceive the post, believe the painted situation in the post is real and believe the designed Facebook looks real. Based on a 10-point Likert scale, respondents were first asked if they would ever purchase again if they image this was their favourite wine (scale 1 = Not at all and 10 = Absolutely). Then, the question was if they believed the described situation of the fictive Pinot Noir while reading the post (options: Yes/No/I had my doubts). Lastly, respondents were asked if they believed the design of the Facebook post was real (options: Yes/No/I had my doubts). If respondents selected “No or “I had my doubts”, an explanation was asked why the person has this opinion. Based on this input, it could be measured if the fictive post would be appropriate for the study, and what must be done to make the post more believable.

In total, the opinions of 35 respondents were collected, who are all active on Facebook. From the results of this pre-test, it can be concluded that the opinions are divided when it comes to whether or not a repurchase would happen if it was their favourite brand. Most people would likely still purchase it (8), however, only 3 out of 35 respondents would absolutely repurchase their favourite brand again after reading the post. Since there is no measurement of their favourite brand’s perception prior to the exposure of negative UGC, the results of this question could only give a slight indication. Secondly, there was just 1 person who did not believe the fictive post. 17 people believed the post was real, 17 people had their doubts. This last group of respondents gave the following reasons, which were generally corresponding:

*“I normally don’t believe anything on Facebook”*

*“A high luxury brand would never do this”*

*“The main post was a little too emotional”*

*“The comments below the main post were too “supposititious”*

*I couldn’t click on the link of the news item, so the source isn’t clear”*

Lastly, all respondents believed the post on Facebook was real and not designed or manipulated. Based on this input, edits have been made to the fictive post. Firstly, the tone of the post has been made less emotional. Also, emotional comments would be more effective when a friend or acquaintance reads it. Therefore, it has been added to the introduction text to the treatment that respondents should imagine the post has been published by their own friend. Secondly, the valence and number of replies have been reduced, where the comments are a little less supportive but still negative. Also the text that appeared to be a link to the news page has been removed. This link has been replaced by an explanation of the Facebook user that he or she saw it on SABC news, supported by a friend’s comment that he “just saw the item too”. After making these adaptations, the fictive post is now valid and has been added to the main questionnaire, explained in following paragraph.

The questionnaire and results of this pre-test can be found in Appendix B.

#### **5.3.4.3 Main questionnaire**

A questionnaire is a “structured technique for data collection that consists of a series of questions, written or verbal, that a respondent answers” (Malhotra and Birks, 2007, p. 371). According to Shukla (2008, p. 86), a questionnaire design is potent tool for collecting primary data related to problems in the field of marketing research, since they are complex in nature. A questionnaire provides logic and objective data, and strong conclusions can be drawn for the research problem (Shukla, 2008, p. 86).

In this study, a structured online questionnaire is carried out and self-completed by customers of one South African luxury wine brand. This questionnaire consists of multiple choice questions based on the 5-point Likert scale. The questions are divided in four question groups, each group is related to one dimension of brand equity: brand

awareness, brand associations, perceived quality and brand loyalty. Statements are given that are related to the dimension, where respondents must indicate to what extent they agree or disagree with each statement. Before the questionnaire starts, two pre-questions are asked if the respondent is 18 years or older and if the respondent have ever consumed wine of Meerlust. Both questions must be answered with “Yes”, otherwise the person will not be included in the research. The questionnaire ends with demographic questions about age, gender and employment status.

Table 3 on next page gives an overview of the presented statements, related to every dimension of Aaker’s four-dimensional model of CBBE. All these statements are used in the experiment and respondents are asked to what extent they agree or disagree with each statement. All these questions are asked before being introduced to the treatment, so the brand perception can be measured before absorbing fictive negative UGC related to Meerlust, which has been tested in pre-test 2 (5.3.4.2). With in mind the four dimensions of brand equity (Aaker, 1996), the comparison of the perceived associations prior and post to the consumption of negative UGC gives an impression of the effect of negative UGC on CBBE, based on individual brand perceptions. The same questions are asked after seeing the fictive Facebook post. Since this research is quantitative in nature, the target of this structured questionnaire is to quantify data, where statistical analysis will be done. It is targeted to get at least 200 respondents to fill in the online questionnaire.

The main questionnaire needs to maximise the generation of insights into both loyal and non-loyal consumers. Paragraph 5.5.4 provides a detailed explanation of how the degree of brand loyalty is measured in the questionnaire.

The designed online questionnaire can be found in Appendix C.

Table 3: Questions related to CBBE dimensions, adapted to this study

<i>CBBE dimension</i>	<i>Related statements</i>
<b>Brand awareness</b>	<ul style="list-style-type: none"> <li>- When presented with a list of wine brands, I would choose for Meerlust. (<i>Brand Recognition</i>)</li> <li>- When I think about which wine to purchase, Meerlust definitely comes to mind. (<i>Brand Recall</i>)</li> <li>- When I think about which wine to purchase, Meerlust definitely comes to mind <u>first</u>. (<i>Top-of-Mind</i>)</li> <li>- When I think about which wine to purchase, <u>only</u> Meerlust comes to mind. (<i>Brand Dominance</i>)</li> <li>- I know what Meerlust stands for. (<i>Brand Knowledge</i>)</li> <li>- When talking with others about wines, I would definitely express a positive opinion about Meerlust. (<i>Brand Opinion</i>)</li> </ul>
<b>Brand associations</b>	<ul style="list-style-type: none"> <li>- Meerlust has all characteristics I'm looking for in a wine (<i>brand-as-product perspective</i>).</li> <li>- I associate Meerlust with luxury (<i>brand-as-person perspective</i>).</li> <li>- Meerlust provides good value for money (<i>brand-as-product perspective</i>).</li> <li>- Meerlust symbolises my personal style, lifestyle and taste (<i>brand-as-person perspective</i>).</li> <li>- I feel I can impress my friends with a bottle Meerlust (<i>brand-as-person perspective</i>).</li> <li>- Generally, I have a positive attitude towards the organisation (people, values, programs) behind Meerlust. (<i>brand-as-organisation perspective</i>)</li> <li>- Generally, I am more positive about Meerlust than other wine brands (<i>brand-as-product</i>).</li> </ul>
<b>Perceived quality</b>	<ul style="list-style-type: none"> <li>- I am satisfied with the overall quality of Meerlust.</li> <li>- I believe Meerlust is of high quality, because it has strong <u>intrinsic</u> factors (such as: age, harvest, grape selection, alcohol content, taste, aroma and colour).</li> <li>- I believe Meerlust is of high quality, because it has strong <u>extrinsic</u> factors (such as design of bottle, wine label and packaging).</li> <li>- It is noticeable in taste that Meerlust has been produced with care and high technical expertise.</li> <li>- The fact that Meerlust is produced in a good region in South Africa makes me believe that the brand is of high quality.</li> <li>- Because Meerlust has a strong and traditional wine history, makes me believe the brand is of high quality</li> <li>- The fact that Meerlust is likely more expensive than any mass-produced economy wine brand, makes me believe that the brand is of high quality.</li> <li>- The advertisements of Meerlust make me believe the brand is of high quality.</li> </ul>
<b>Brand loyalty</b>	<ul style="list-style-type: none"> <li>- I feel proud to be a drinker of Meerlust.</li> <li>- I feel I can trust Meerlust.</li> <li>- Meerlust always fulfils what it promises.</li> <li>- If I want to drink my favourite type of wine, I would only choose Meerlust</li> <li>- Overall, I am satisfied with Meerlust.</li> <li>- I will repurchase my favourite wine of Meerlust again in the future.</li> <li>- I would definitely recommend Meerlust to a friend or associate.</li> </ul>

Adapted from: Aaker (1996).

## **5.4 TARGET POPULATION AND SAMPLING DESIGN**

According to Shukla (2008, p. 55), sampling is very important in marketing research, because it leads to more accurate data, which makes the process of data collection faster and less expensive. In the sampling design, the target population is designed first, followed by the determination of the sampling frame, selection of sampling techniques, decisions of sample size, implementation of the sampling process and validating the sample (Malhotra and Birks, 2007, p. 403). The goal of sampling is to select a subgroup of the population with specific elements for participation in the study, in order to define or find solutions for the marketing research problem (Malhotra and Birks, 2007, p. 405). In order to make inferences about a population, the right characteristics or parameters of a population need to be selected. Sampling is therefore a key component of any research design, because it ensures that the right information is obtained about a population.

The following sub-paragraph introduces the definition of this study's target population. Thereafter, the sample frame is determined, followed by the selection of the used sampling techniques. Then, the size of the sampling is decided.

### **5.4.1 Target population**

The target population can be defined as “the collection of elements or objects that possess the information sought by the researcher and about which inferences are made” (Malhotra and Birks, 2007, p. 159) and is specifically identified according to the objectives of the research (Shukla, 2008, 57). All participants that are theoretically interesting to the study are included and can be generalised so strong conclusions can be made. The target population must be defined precisely, otherwise the results of the study will be ineffective and misleading (Malhotra and Birks, 2007, p. 406). Since this study compares the degree of brand loyalty to brand perception after negative UGC, the target population for this study is divided in two types of customers: brand loyal customers and non-loyal wine consumers. Both are described in following subparagraphs.



#### **5.4.1.1 Brand loyal wine customers**

As it can be concluded in the literature review, brand loyal customers are emotionally committed to a brand, but are likely the first who turn their back on the brand once this trust is damaged (Grégoire and Tripp, 2011). Brand loyal customers are therefore an important subgroup of the target population.

As described in paragraph 4.5.4, most brand loyal wine customers of luxury wines are middle-aged and older-aged, starting from the age of 40. However, younger adults who are brand loyal are also considered and approached in this study, for example students who are member of the UCT's wine society. Therefore, the age of the target population is 18 years and older. The selected brand loyal customers have high brand knowledge of Meerlust and generally also know a lot about wines in general. These consumers need to be brand loyal to the South African wine brand Meerlust, where the degree of brand loyalty is measured during the experiment itself. Consumers are not always aware whether or not they are brand loyal. Therefore, the literature of Aaker (1996) is most appropriate to measure brand loyalty, instead of asking if a consumer considers himself loyal to Meerlust prior to the questionnaire. Interim measures are done during the data collection, so the results can indicate if more brand loyal customers need to be sampled or not. Paragraph 5.5.4 gives an explanation of how the degree of brand loyalty is measured based on the results of the questionnaire.

The respondents are exposed to a fictive post on Facebook. For this reason, the selected respondents must be active on social media, and have a Facebook account in particular that they use regularly. If consumers hardly know or use Facebook, it is more difficult to get a true interpretation of how they perceive the treatment. Since these consumers are brand loyal to a specific luxury wine brand, they are interested in spending their leisure time in activities related to wine, such as visiting wine farms or being part of (online) wine communities.

#### **5.4.1.2 Non-loyal wine customers**

While the brand perception of brand loyal customers could be damaged by negative UGC, it is concluded in paragraph 3.3.4 that negative UGC derived from non-loyal

customers is more powerful than brand loyal customers. Because non-loyal customers have little knowledge of a brand, there is need for finding past experiences of other consumers online. Non-loyal customers therefore have mutual intentions of creating UGC and are easily influence each other in this content exchanging process (Godes and Mayzlin, 2009).

The target population of this subgroup comprises wine customers of the brand Meerlust. These customers remember having purchased and consumed a Meerlust bottle or glass in a restaurant at least once. These customers generally have little to no knowledge towards the brand Meerlust and do not feel any commitment towards Meerlust, since they are not brand loyal. Mostly different wine brands are purchased in the wide range of offered wine brands. Non-loyal customers of Meerlust could prefer one specific type of wine, or could be even brand loyal to other wine brands within the same wine type market.

It can be concluded from the literature review that younger people tend to be less committed to wines. These customers mainly go for wines in a lower price range and care more about the effect of wine than the wine taste itself. It would be obvious that this target population subgroup mostly consists of youths and the young adulthood. However, it is also self-evident that enough middle and older aged wine consumers could not feel commitment to one specific wine brand as well. Therefore, non-loyal wine consumers of all different ages are selected for this target population, with a minimum age of 18 years old. Naturally, respondents of this study cannot be lower than the allowed legal drinking age, which is 18.

#### **5.4.2 Sampling frame**

A sampling frame is a representation of all elements of the target population, which provides directions for identifying the target population (Malhotra and Birks, 2007, p. 407). Obtaining a precise sampling frame is difficult to achieve and marketing researchers must always keep in mind that this could lead to 'sampling frame errors', which can be described as "the variation between the population defined by the researcher and the population used" (Shukla, 2008, p. 57).

For this study, the frame of both brand loyal and non-loyal customers is quite similar, since the selection of Meerlust customers mostly takes place at the same location, where both customer types are found. A separate frame is developed for brand loyal and non-loyal customers, described in the next paragraphs. The questionnaire was distributed online, and a link was spread to the found respondents via a link to the questionnaire itself. Also, a tablet was available which made it possible for sampled subjects to fill in the questionnaire directly.

#### **5.4.2.1 Brand loyal customers**

The sampling frame for brand loyal customers includes student member of the University of Cape Town's (UCT) wine society and customers in liquor stores and wine sections in supermarkets. Visiting wine farms is not an option, since most wineries do not allow sampling, in order to keep on delivering a high-quality and exclusive perception of the brand experience. Most visitors have driven far to visit the wine farm and considering the negative approach towards Meerlust in this study, sampling in Meerlust's winery is not an option. As mentioned in previous chapter, the decision whether a consumer is brand loyal or not is made during the data collection. Brand loyalty is measured in the questionnaire, before consumers are exposed to the treatment. In-between measurements are done to get an impression of how many brand loyal consumers and non-loyal consumers have participated so far. Once it appears that most respondents so far are mostly non-loyal, it is asked prior to the questionnaire if the person feels a commitment to Meerlust, regularly purchases Meerlust and would recommend Meerlust to a friend or an acquaintance. Extra attention is paid to customers who specifically purchase Meerlust in the store where the sampling takes place.

#### **5.4.2.2 Non loyal-customers**

Just like brand loyal customers, the sampling frame of non-loyal customers includes student member of the University of Cape Town's (UCT) wine society and customers in liquor stores and wine sections in supermarkets. Added to this sampling frame are students attending UCT, since it can be concluded from the literature in paragraph 4.5.4 that the younger generation mostly switch brands and generally are not brand

loyal. It could appear during the evaluation of the intermediated results of the questionnaire that the questioned respondents are mostly brand loyal. In this case, non-loyal customers are sampled separately prior to the questionnaire by asking the same questions as brand loyal customers.

### **5.4.3 Sampling techniques**

Sampling techniques give direction to how population elements can be sampled in the best and most efficient way. The most important decision in selecting the right sampling technique is whether to use non-probability or probability sampling (Malhotra and Birks, 2007, p. 408). Non-probability sampling does not use chance selection during the sampling procedure, but relies on the personal intuition of the researcher (Malhotra and Birks, 2007, p. 410). In a probability sampling procedure, each element of the target population has a probabilistic chance of being selected in the sample (Malhotra and Birks, 2007, p. 411). Given the fact that the proposed sample consists of only Meerlust consumers who are active on social media and are at least 18 years old, a non-probability sampling procedure is employed in this study. The non-probability sampling techniques includes convenience sampling, judgemental sampling, quota sampling and snowball sampling. Convenience sampling seeks to find convenient elements, because respondents could be exactly in the right place at the right time (Malhotra and Birks, 2007, p. 411). The population elements in judgemental sampling are purposely selected based on the judgement of the researcher (Malhotra and Birks, 2007, p. 412). Quota sampling is a two-stage confined judgemental sampling technique that is only used in street interviewing. In the first stage, quotas of the population elements are developed, where subsequently these elements are selected in the second stage, during the sampling process (Malhotra and Birks, 2007, p. 412). Snowball sampling occurs when elements of the population are randomly selected and respondents are asked to identify others who fit into the target population (Malhotra and Birks, 2007, p. 414).

This technique followed in this study contains convenience, snowball and quota elements. In the sampling process for both brand loyal customers and non-loyal Meerlust customers, respondents in liquor stores are deliberately selected, because they happen to be in the right place at the right time (Malhotra and Birks, 2007, p. 411).

The same applies to members of UCT wine society club, where all members have wine knowledge and most likely know Meerlust. Convenience sampling is therefore the best technique to follow during this sampling stage. On the other hand, also quota sampling is used for non-loyal customers. Street interviewing is conducted at the campus of UCT and selecting wine drinkers of Meerlust is not self-evident. For this reason, controlling characteristics, or quotas, of population elements are developed first, based on whether the person consumes wine in general, has ever purchased Meerlust before, is active on social media and has the correct age to participate in the experiment. Below table gives an overview and description of the quotas developed for this study (Table 4).

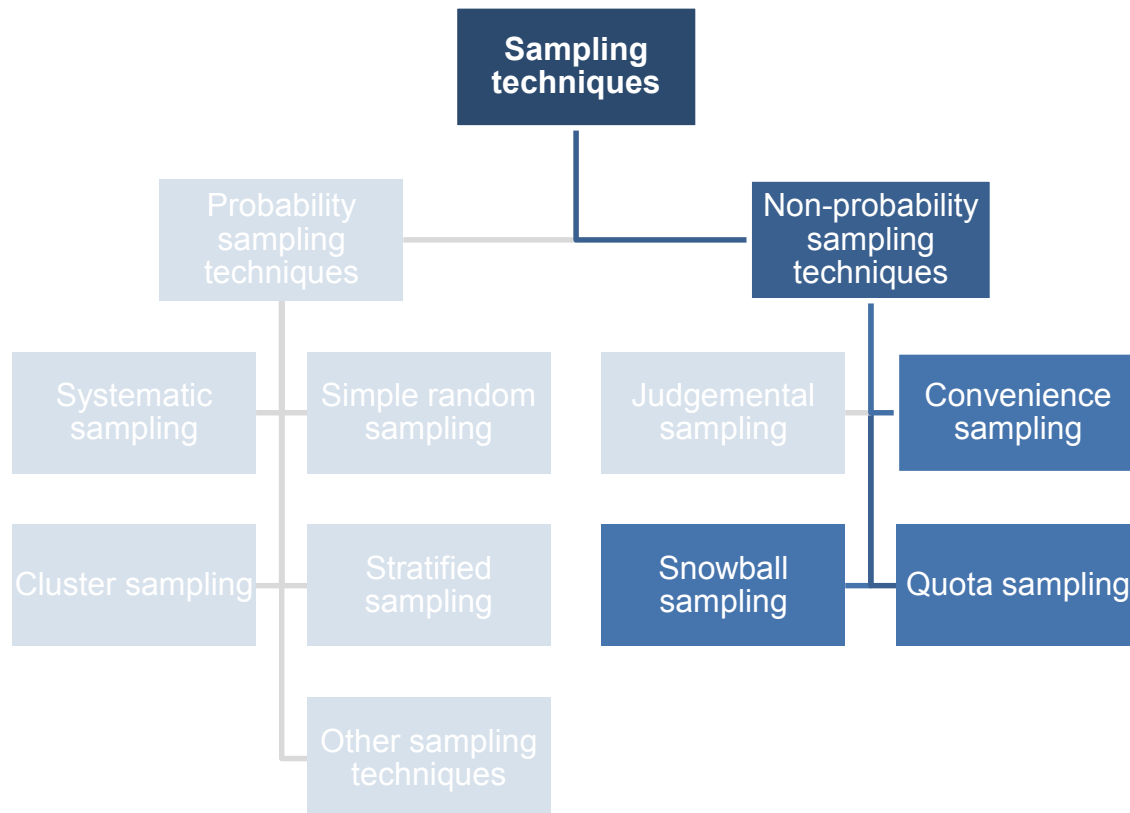
Table 4: Overview of used quotas in non-probability sampling technique

#	Category	Specification	Description
<b>Quota one</b>	Age	18 years and older	Since the treatment of this study involves an alcoholic beverage, respondents need to be at least 18 years old, since people under 18 are not allowed to drink alcohol according to the South African law.
<b>Quota two</b>	Customer of wine brand	Respondent must have consumed Meerlust before and be aware of this experience	Since brand loyal and non-loyal customers are compared, it is essential that the target population is known with the brand before being introduced to the treatment
<b>Quota three</b>	Social media user	Respondents must be active on Facebook	Since the treatment of this study is a fictive post on Facebook, respondents must regularly use Facebook. These respondents have experience with Facebook and provide a stronger interpretation of the treatment.

Lastly, the snowball sampling is an effective technique in sampling brand loyal customers. Brand loyal customers might be hard to reach and hard to find. Therefore, a set of respondents who are brand loyal is used as informants who identify others who are brand loyal to Meerlust as well. Questioned respondents who seem to be brand loyal, based on questions asked prior to the questionnaire, were asked to refer potential respondents for inclusion in the sample.

Figure 6 below summarises the decisions made in the sampling technique process.

Figure 6: Overview of this study's sampling techniques



Adapted from: Malhotra and Birks, p. 411 (2007)

The next paragraph explains the targeted sampling size for this study.

#### 5.4.4 Sampling size

The sampling size defines the number of elements to be included in the study (Malhotra and Birks, 2007, p. 408). Determining the sampling size depends on the “balance between the resources available and number of accuracy or information obtained” (Shukla, 2008, p. 58). For conclusive research, larger samples are needed to make representable conclusions and recommendations of the research problem. In order to examine the relationship between brand loyal and non-loyal customers and their brand perception of Meerlust after reading negative UGC, representable conclusions can only be made with a large sample.

The aim in this study is to have at least 200 respondents participating in the study. Half of these respondents are brand loyal and the other half is not loyal to Meerlust, so each customer type requires at least 100 valid respondents. One similar past study focussing on brand perception after negative UGC exposure, have maintained a similar sampling size. Bambauer-Sachsen and Mangold (2011) measured the susceptibility of negative UGC. In their study, 114 respondents were questioned with little susceptible and 102 respondents were questioned with high susceptible. This justifies the decision that sampling at least 200 respondents is enough and most appropriate in this study.

#### **5.4.5 Target population and sampling method in an overview**

Previous paragraphs have decided the main sampling elements for this study. In order to maintain a clear overview of these decisions, all sampling elements are merged together. Below table summarises all decisions made in the sampling design.

Table 5: Overview of target population and sampling method

	<i>Brand loyal customers</i>	<i>Non-loyal customers</i>
<b>Target population</b>	<ul style="list-style-type: none"> <li>- 18 years and older</li> <li>- Male and female</li> <li>- High brand knowledge of Meerlust</li> <li>- High wine knowledge</li> <li>- Customer of Meerlust</li> <li>- Active on social media, in particular Facebook</li> <li>- Loyal: feel commitment towards Meerlust</li> <li>- Loyal: repurchasing Meerlust</li> </ul>	<ul style="list-style-type: none"> <li>- 18 years and older</li> <li>- Male and female</li> <li>- Little to no brand knowledge of Meerlust</li> <li>- Customer of Meerlust</li> <li>- Active on social media, in particular Facebook</li> <li>- Non-loyal: do not feel commitment towards Meerlust</li> <li>- Non-loyal: purchasing different wine brands</li> </ul>
<b>Sampling frame</b>	<ul style="list-style-type: none"> <li>- UCT wine society</li> <li>- Customers liquor stores and wine section supermarket</li> <li>- Special attention to customers who purchase Meerlust</li> </ul>	<ul style="list-style-type: none"> <li>- UCT wine society</li> <li>- Students attending UCT</li> <li>- Customers liquor stores and wine section supermarket</li> <li>- Special attention to customers who purchase Meerlust</li> </ul>
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>- Non-probability technique                             <ul style="list-style-type: none"> <li>• Convenience sampling</li> <li>• Snowball sampling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Non-probability technique                             <ul style="list-style-type: none"> <li>• Convenience sampling</li> <li>• Quota sampling</li> </ul> </li> </ul>
<b>Sampling size</b>	<ul style="list-style-type: none"> <li>- Minimum 100 respondents (of total = 200)</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum 100 respondents (of total = 200)</li> </ul>

Following section explains the used measurement instruments for the data collection.

## 5.5 MEASUREMENT INSTRUMENTS

This chapter explains how CBBE is measured from the collected data described in previous chapter and how this data can make conclusions linked to Aaker's theory of measuring CBBE. The collected data is analysed in a structured way. Statements are given in the questionnaire that are related to each dimension of CBBE and respondents can indicate if they agree or not on a Likert scale of 1 (Strongly agree) to 5 (Strongly disagree). Below paragraphs describe how the findings for every dimension are interpreted and how the collected data for every dimension can eventually determine CBBE. Table 6 in paragraph 5.5.5 of this section explains how the results of every scale are interpreted, which are important in making strong conclusions of the relationship between CBBE and negative UGC.



### 5.5.1 Measuring brand awareness

Brand awareness is defined as the “strength of a brand’s presence in the consumers’ mind” (Aaker, 1996) and occurs when consumers have the ability to identify a brand within the product category, in order to make the final purchase (Rossiter and Percy, 1997, p. 113). As concluded from the literature review, there are six levels of brand awareness, which include: brand recognition, brand recall, top-of-mind, brand dominance, brand knowledge and brand opinion. The explanation of all these different ways a person could be aware of a brand can be found in paragraph 3.3.1. Each level is measured in the questionnaire, with the goal to find out which level of brand awareness mostly applies to Meerlust and which level is affected the most and the least by negative UGC. Based on the answers of the following questions, the degree of brand awareness can be decided:

- When presented to a list of wine brands, I would choose Meerlust (*Brand Recognition*).
- When I think about which wine to buy, Meerlust comes to mind (*Brand Recall*).
- When I think about which wine to buy, Meerlust comes to mind first (*Top-of-Mind*).
- When I think about which wine to buy, only Meerlust comes to mind (*Brand Dominance*).
- I know what Meerlust stands for (*Brand Knowledge*).
- When talking with others about wines, I would definitely express a positive opinion about Meerlust (*Brand Opinion*).

Besides measuring which level of awareness mostly applies to Meerlust, the average of all levels is calculated to understand how brand awareness is developed during the exposure of the treatment. Eventually, the same results are used in measuring CBBE.

### 5.5.2 Measuring brand associations

Besides brand awareness, insights of consumers’ established brand associations are needed to measure CBBE. Brand associations are impressions and images held in customers’ memory that gives insight into the way consumers evaluate the brand in relation to the price they have paid for a brand’s product or service (Boyle, 2007). Brand associations can be measured in three ways (Aaker, 1996): Brand-as-product (value), Brand-as-person (brand personality) and brand-as-organisation

(organisational associations). With these perspectives in mind, the following questions related to brand associations are presented in the questionnaire, where the answers are eventually used in measuring CBBE:

- Meerlust has all characteristics I'm looking for in a wine (*brand-as-product perspective*).
- I associate Meerlust with luxury (*brand-as-person perspective*).
- Meerlust provides good value for money (*brand-as-product perspective*).
- Meerlust symbolises my personal style, lifestyle and taste (*brand-as-person perspective*).
- I feel I can impress my friends with a bottle Meerlust (*brand-as-person perspective*).
- Generally, I have a positive attitude towards the organisation (people, values, programmes) behind Meerlust (*brand-as-organisation perspective*).
- Generally, I am more positive about Meerlust than other wine brands (*brand-as-product*).

### **5.5.3 Measuring perceived quality**

The CBBE dimension 'Perceived quality' measures the consumer's judgement of the overall quality or superiority of a product or service. This judgement is established by own experiences, the experiences of others (word-of-mouth) but also by the brand's advertisements (Aaker, 1991). The better a brand's quality is perceived, the higher the brand value and the stronger the competitive advantage (Yoo, Donthu and Lee, 2000). The degree of how strong the quality is perceived can be measured with the following questions if the respondent (1) is satisfied with the overall quality of Meerlust, (2) appreciates the intrinsic and extrinsic factors of Meerlust (3) feels Meerlust is of high quality because of the high technical expertise, region of production, strong history and higher price and advertisements.

### **5.5.4 Measuring brand loyalty**

As concluded from the literature review in paragraph 3.3.4, a customer can be considered brand loyal when a deep commitment is held towards the brand and when a preferred good or service consistently is repurchased or re-patronised over time. When it comes to Meerlust, brand loyalty reflects when customers always select Meerlust as their first choice within a specific wine category and are willing to pay a

little extra for a Meerlust bottle or glass of Meerlust wine in a restaurant. As discussed in Table 3, brand loyalty can be measured in quantitative or qualitative research by asking if respondents: feel proud to be a drinker of Meerlust, are satisfied with Meerlust, would always choose for Meerlust in the decision making process, repurchase Meerlust and would recommend Meerlust to a friend or associate (see Table 3). Based on the answers of these questions, the degree of brand loyalty can be decided. In the online questionnaire, measuring brand loyalty has two purposes: (1) brand loyalty of all respondents must be measured before and after exposure of the experimental treatment, and (2) it must be determined for every respondent if the person is brand loyal to Meerlust or not.

#### **5.5.4.1 Determining brand loyalty before and after treatment**

The findings of the study must conclude if the degree of brand loyalty is damaged, is still the same or is even increased after consumption of UGC. It can be concluded from the literature study that brand loyal customers are the first who could be negatively influenced by negative posts online, since these customers could feel their trust has been for nothing. At the same time, brand loyal customers could be of support to a brand when it is targeted online with negative UGC. To measure if a company can count on their brand loyal customers in times of crisis, the answers of the questions related to brand loyalty are calculated from all respondents. The results of the degree of brand loyalty before and after having absorbed negative UGC are compared, as well as the degree of brand loyalty between brand loyal and non-loyal customers. The difference concludes if negative UGC decreases or increases brand loyalty and if brand loyal customers are affected differently than customers who are not loyal to Meerlust. The outcome of the brand loyal related questions of all respondents are also needed to eventually measure CBBE, which were explained in paragraph 5.5.3 of this section.

#### **5.5.4.2 Determining brand loyal and non-loyal customers**

As mentioned in previous paragraphs, the measurement whether a person is brand loyal or not is calculated during the data collection of the online questionnaire. The questions related to brand loyalty determine if a consumer can be considered as brand

loyal. On a scale of 1 (Strongly agree) to 5 (Strongly disagree), respondents can indicate if the statements apply to them or not. When a respondent generally agrees to most statements, which means that the person has an average response not higher than 2 (= Agree), the consumer is brand loyal. All customers with an average score higher than 2 are labelled as non-loyal. The target is to get at least 100 brand loyal customers and 100 non-loyal customers, with a deviation of maximum 10 respondents. To make sure that both groups are equally sampled, mid-term measurements are done during data collection, so it can be decided which customer type is mostly represented so far and which customer type should get more attention in the sampling process.

The results of brand loyalty are used together with brand awareness, brand associations and perceived quality to measure CBBE. The next paragraph describes how this is conducted.

#### **5.5.5 Measuring consumer-based brand equity**

In this study, CBBE is measured with the results of all CBBE dimensions described in previous paragraphs. First, the mean values of every dimension are determined before and after contact with negative UGC. Then, the value of CBBE is measured, by calculating the mean value of all dimensions. The difference of the mean value of CBBE before and after UGC exposure finally determines if UGC increases or decreases and thus what negative UGC does to CBBE. Afterwards, it is concluded which CBBE dimension is the biggest cause of CBBE decrease or increase, since the development of each dimension is measured as well before and after UGC. Finally, the differences between the brand perception of brand loyal and non-loyal customers are measured and the difference concludes which type of group is mostly affected.

Below table gives an interpretation of the way the findings of CBBE should be analysed, based on the mean value of CBBE.

Table 6: Interpretation of findings CBBE

	<i>All dimensions</i>	
	<b>Brand perception</b>	<b>Brand equity</b>
<b>Scale 1 (Strongly agree)</b>	Very high brand perception	Very high brand equity
<b>Scale 2 (Agree)</b>	High brand perception	High brand equity
<b>Scale 3 (Neither agree nor disagree)</b>	Neutral brand perception	Neutral brand equity
<b>Scale 4 (Disagree)</b>	Low brand perception	Low brand equity
<b>Scale 5 (Strongly disagree)</b>	Very low brand perception	Very low brand equity

If, for example, the findings of this study conclude that the mean value for perceived quality is 4.70, then it can be interpreted that CBBE is very low, where in this case the value will be round off upwards. In Chapter VI, the results of this study are presented, where this way of interpreting the findings is relevant to determine if CBBE was strong before negative UGC and how strong CBBE is after exposure.

Next section verifies how ethical standards are applied to this methodology.

## 5.6 ETHICAL CONSIDERATIONS

A number of ethical issues arise during data collection and analysis phases of research. Human subjects are involved during the implementation of this study, and any student undertaking any research that involves the use of human subjects or that may lead to ethical consequences for the University of Cape Town is required to agree to ethical and professional guidelines. Two important ethical considerations are made in this research, which involves the respondents' privacy and the use of an experimental treat that is related to alcohol. Below paragraphs describe which considerations are made so this study is conducted ethically.

### 5.6.1 Respondents' anonymity

Every respondent's identity must be protected and may not be disclosed to anyone outside the researcher's network (Malhotra and Birks, 2007, p. 292). This means that

names and contact details of respondents will not be seen in this research. An e-mail address is only asked for sending out the URL link to persons who are included in the sample and agreed on participating in the research. This little group of respondents is notified in advance that the given e-mail address will not be used for other purposes than sending out the questionnaire to the person. Assurance is given that the researcher keeps the respondent's trust and their identities will not be used for commercial purposes or misused in other ways.

### **5.6.2 Involvement of alcoholic topic**

This study focuses on CBBE in the South African wine market, which means that the respondents are questioned about their consumption and attitude towards the wine brand Meerlust. Alcohol consumption could be a sensitive issue for many respondents, since overuse and abuse of alcohol is a problem in many societies and not every person would be straightforward about their alcohol drinking behaviour. Moreover, the glorification of drinking alcohol should not be expressed to persons under 18 and thus underaged people should not participate, or even being approached to participate, in the experiment.

During the data collection of this study, no alcoholic beverages are consumed and no consumption to any alcoholic brand or drink is promoted or stimulated. Besides, all approached human subjects are asked for their age, after which only individuals of 18 years and older are selected for the experiment.

### **5.6.3 Misrepresentation of Meerlust**

In order to measure the perception of a luxury wine brand after reading or seeing negative UGC, respondents need to have knowledge of the brand before they participate in the research. Besides, the perception of brand loyal customers will be compared with non-loyal customers, so the decision of choosing an existing brand to apply this study on is essential and therefore inevitable. In the experimental treatment of this study, this brand is subjected to negative content and this means that Meerlust, the chosen brand in this study, could be set in negative daylight.

Firstly, the treatment could lead to misperceptions of Meerlust, since the drafted situation in the Facebook post never happened. Secondly, there is always a slight chance that a respondent thinks the treatment is manipulated and mainly brand loyal customers could feel anger because their favourite brand has unfairly been placed in a vulnerable position. This study has taken these possible occurrences into account. In order to notify participating respondents that the actual situation actually did not happen to Meerlust, a disclaimer has been added to the questionnaire, explaining that the content depicted in the questionnaire is entirely fictitious and the results thereof are used for scientific research purposes only and nothing else. This disclaimer can be read at the bottom of pre-test 2 (appendix B) and the main questionnaire (appendix C).

#### **5.6.4 Other considerations**

Besides previous considerations, this study also bears in mind that respondents could feel overwhelmed, forced or pressured when being approached to fill in a questionnaire. During the sampling process, only human subjects are chosen who participated out of their own free will and have been fully informed regarding the procedures of the research project and any potential risks.

The following section explains the process of how the findings of the experiment are collected.

### **5.7 DATA COLLECTION**

This paragraph explains the exact process and methods of how data is collected. As already explained in paragraph 5.3.4, this experimental study collects data with the use of two online pre-tests and an online structured questionnaire. Data analysis is always quantitative in a conclusive research design and statistics are needed to measure the relationship between negative UGC and brand perception. Besides, the perceived respondent anonymity is generally high, which means that a questionnaire is the easiest and most efficient way to quickly obtain a high number of sensitive information from respondents in a short time (Malhotra and Birks, 2007, p. 276). The experiment ought to discover brand perceptions towards a wine brand, and ensuring

the privacy of respondents is therefore essential given the sensitive nature of alcohol consumption. The main disadvantage of using an online questionnaire is that the researcher is not always physically present when respondents are experiencing difficulties. To avoid this problem as much as possible, introductory paragraphs are presented before every important part in the questionnaire, which offer the respondent detailed explanations and instructions to every question. Second of all, some respondent types might not have access to the Internet or digital means (Malhotra and Birks, 2007, p. 275). Lastly, respondents might not be able or willing to provide the desired information or are not consciously aware of their motives (Malhotra and Birks, 2007, p. 266).

For both the pre-tests and main questionnaire, statistical data was collected via the online survey software Qualtrics. Below paragraphs describe the data collection of the first pretest, second pretest and the main questionnaire, followed by an overview of all three questionnaires. Please note that at this point of the dissertation, the pre-tests have already been conducted, whose the results have already been presented in this chapter. The results of the main questionnaire are described in following chapter, which means that only the data collection is discussed in this paragraph and conclusions of the questionnaire's results will not be made yet.

### **5.7.1 Pre-test one**

Data for pre-test one has been collected on Sunday January 17<sup>th</sup> and Monday January 18<sup>th</sup> 2016. A link to the questionnaire of the pre-test was spread online to people with knowledge of South African wines, since brand knowledge needed to be measured of five South African luxury wine brands. From the results of the pre-test it can be concluded that the questionnaire took approximately 3 minutes. The data of in total 20 respondents have been collected.

### **5.7.2 Pre-test two**

On Friday January 22<sup>nd</sup> and Saturday 23<sup>rd</sup> 2016, data for pre-test two was collected. The questionnaire was spread via the social medium Facebook, since Facebook users were required to test the treatment. From the results of this pre-test it can be concluded



that the questionnaire took approximately 2 minutes. The data of in total 35 respondents have been collected.

### **5.7.3 Main questionnaire**

The data collection for the main questionnaire took place between Thursday January 28<sup>th</sup> 2016 and February 26<sup>th</sup> 2016. An invitation to participate in the study accompanied with a URL link to the questionnaire was sent to respondents during the sampling procedure. There is also a tablet available during the sampling, so consumers who had enough time could directly fill in the questionnaire during the sampling. The duration of the main questionnaire has been tested with five respondents and the average time measured was equal to ten minutes. Respondents are informed in the introduction paragraph of the questionnaire that the questionnaire should take no longer than 10 minutes to complete. It is also stated in this paragraph that responses are treated with the highest confidentiality. As described in paragraph 5.4.4, the aim is to gain at least 200 valid respondents for the main questionnaire, where at least 100 respondents are brand loyal to Meerlust and the other 100 respondents are non-loyal to Meerlust.

### **5.7.4 Overview pre-tests and questionnaire**

Based on previous paragraphs, an overview is provided of the data collection process for all three questionnaires, summarised in below table.

Table 7: Overview of data collection

	<i>Pre-test one</i>	<i>Pre-test two</i>	<i>Main questionnaire</i>
<b>Period of data collection</b>	17 and 18 of January 2016	22 and 23 of January 2016	28 of January to 26 of February 2016
<b>Distribution of questionnaire</b>	- URL link spread online to people with knowledge of South African wines	- URL link spread via Facebook users via Facebook	- Invitation and URL link spread online to sampled Meerlust customers - Experiment also conducted on location via tablet
<b>Duration of questionnaire</b>	Average: 3 minutes	Average: 2 minutes	Tested average: 9 minutes
<b>Sampling size</b>	20 respondents	35 respondents	At least 200 respondents - 100 brand loyal - 100 non-loyal

Finally, the statistical programme and tests used to test the hypotheses are discussed.

## 5.8 DATA ANALYSIS

In order to perform the data analysis, this study makes use of Aaker's four-dimensional model of CBBE (1996) and the love-hate theory of Grégoire and Fisher (2005). Based on these theories, the associated tests and statistical programme for every hypothesis are explained in the following sections. Before the hypotheses could be tested in the inferential analysis, however, some descriptive statistics were provided. The following paragraph discusses first the types of tests used in the descriptive statistics section in the results chapter, and then discusses the paired sample t-test used to test the hypotheses.

### 5.8.1 Descriptive statistics

The descriptive statistics used in the results section was dependent on the type of data generated in the questionnaire. For the majority of the socio-demographic questions, nominal scales were used and therefore percentages were reported. Each percentage was calculated based on the number of times the occurrence appeared (frequency),

divided by the number of respondents who answered the question (n). The statistics that divide brand loyal customers from non-loyal customers follow after the analysis of the socio-demographic statistics. In order to present an overview of how many respondents from the overall sampled population is brand loyal and non-loyal to Meerlust, the mean response of the questions related to brand loyalty is calculated first for each participant. On a scale of 1 (strongly agree / very high brand perception) to 5 (strongly disagree / very low brand perception), participants who score an average of maximum 2 (agree) are considered brand loyal. Respondents with a mean score higher than 2 are non-loyal customers of the luxury wine brand. The distinction of both customer types will be used in the inferential analysis, where hypothesis six to ten measure the impact of negative UGC on CBBE among brand loyal and non-loyal customers.

After an analysis of the socio-demographic statistics is given and an analysis has been done on the distinction of brand loyal and non-loyal customers, the descriptive statistics of each CBBE dimension are presented. The mean and standard deviation of each CBBE dimension before and after the experimental treatment are described first. The mean is measured by summing up all values, divided by the number of questions related to the dimension. The score of the mean value is interpreted within a range from 1 (strongly agree) to 5 (strongly disagree). With knowledge of the mean value, comparisons can be made between the brand perception before and after the treatment. It can be found that some answers occur more frequently than others. The standard deviation therefore indicates the diversity of the given responses and estimates the variability within a population.

### **5.8.2 Inferential statistics**

Hypothesis one to five measured the impact of negative UGC on each dimension of CBBE, as well as CBBE overall. This was done through an experimental design where respondents CBBE was measured before and after treatment with negative UGC. Consequently, the statistical test used to test these hypotheses was a paired sample t-test. A paired sample t-test is the standard practice in experimental research designs and looks for statistical significance between the means of two groups and statistically tests if a hypothesis is supported or rejected (Kolb, 2008 p. 257). In this experiment,

the t-test measures the same group twice: the brand perception before and after the experimental treatment. The relevant statistics to report include the p-value (to reject the null hypothesis or not), and its associated test statistic (t-value) and means. In results of the paired sample t-test, it is assumed that the data follows a normal distribution. Another assumption is that the variances of the sampled population are equal. Besides, the two samples compared in this study (brand loyal and non-loyal Meerlust customers) are independent, meaning that there is no relationship between both sampling groups.

In hypotheses six to ten, the four CBBE dimensions are used to measure the different impact on CBBE of brand loyal and non-loyal customers. Consequently, the impact of negative UGC had to first be calculated, which is done by subtracting the mean of CBBE after negative UGC, with the mean of CBBE before UGC. This was done separately for loyal versus non-loyal customers. Finally, paired sample t-tests were used to test the hypotheses as two measures (and not groups) were compared. Paired sample t-tests were thus used to compare the impact of UGC on CBBE of loyal customers, to the impact on non-loyal customers.

The specific conclusions that can be drawn from this study's methodology are provided in the following section.

## **5.9 CONCLUSION**

The aim of the methodology is to gain insight into the link between UGC and CBBE and to examine the relationship between the perception of brand loyal and non-loyal consumers towards customers of Meerlust before and after UGC consumption. This means that the frequency of brand loyal and non-loyal customers' attitude patterns towards Meerlust need to be measured separately, in order to compare the difference in brand perception for both customer types. This study follows a conclusive research design that uses quantitative research techniques. Besides, this study ought to research the cause-and-effect relationship between these costumers' attitudes towards Meerlust before and after reading negative UGC on a social medium. Therefore, a causal research design is applied to this study. Causal research examines the validity of causal relationships, which aims to determine the nature of

the relationship between independent causal variables and the variables that established the effect of the marketing phenomenon (Malhotra and Birks, 2007, p. 79).

In order to measure the causal relationship between CBBE and UGC, Aaker's four dimensions of CBBE (1996) are used to measure brand perception prior to the cause (production of UGC) and the effect (the brand perception after reading negative UGC). All four CBBE dimensions must determine CBBE, however, the development of each dimension is also measured before and after absorbing negative UGC. This way it can be measured which dimension is mostly affected and therefore the biggest cause of possible CBBE damage.

An experimental research is the most appropriate method to apply to this study. Experimentation measures the effects of manipulation, where independent variables are manipulated that cause the marketing research problem (Shukla, 2008, p. 47). In this study, the production of UGC is the cause of the research problem and thus are manipulated by creating a fictive post on a social media platform. Only one single group of test units is exposed to this treatment which will be self-selected, since this group needs to be at least 18 years and older, know the brand Meerlust and must be regularly active on social media. It is important that the brand perception of the same Meerlust customers is measured before and after the treatment. A one-group pretest–posttest pre-experimentation is therefore the most appropriate research method for this study, since it measures one single group of test units twice and the dependent variable is taken in one single measurement (Malhotra and Birks, 2007, p. 313). The pre-treatment and post-treatment measure is the same in this study, which consists of the same questionnaire measuring brand perception.

This pre-experimental research is executed with the use of a structured online questionnaire, which is carried out and self-completed by customers of Meerlust. The online questionnaire needs to maximise the generation of insights into both loyal and non-loyal Meerlust consumers and questions are asked related to each dimension of CBBE (Aaker, 1996). The same questions are asked before and after being introduced to the treatment, so CBBE of Meerlust can be measured, based on individual brand perceptions. The goal of this structured questionnaire was to quantify data, to allow for statistical analysis. It is therefore targeted to sample at least 200 valid participants

for the online study, where at least 100 must consist of brand loyal Meerlust customers and the other 100 are customers who are not loyal to Meerlust.

Because this study compares the degree of brand loyalty to brand perception after negative UGC, this target population of this study consists of two types of customers: brand loyal customers and non-loyal wine consumers. Brand loyal customers of Meerlust are at least 18 years old, are regularly active on social media and consist of both males and females. These customers are brand loyal, which means that they have high knowledge of wine and Meerlust, they frequently purchase Meerlust and also feel committed to Meerlust. These customers are sampled in liquor stores, wine sections in supermarkets and the UCT Wine Society is approached with the question if Meerlust consumers want to participate in the research. Meerlust customers who are not loyal to Meerlust are also 18 years or older, both male and female and are active on social media. Since these customers do not feel a commitment to Meerlust, they likely have low brand knowledge of Meerlust and purchase different wines over time. These customers are sampled in liquor stores or wine sections of a supermarket and also UCT's Wine Society plays a part in the sampling process, where also students are asked for participation in the study.

The determination whether a customer is brand loyal or not is decided in the data analysis of the data. Questions related to brand loyalty are asked in the questionnaire, based on Aaker's theory, which provides a clear and scientific measurement for brand loyalty. In order to make sure that both target population groups are equally represented in the questionnaire, mid-term measurements are done during data collection. The collected data regarding brand loyalty gains insight into how many questioned respondents are brand loyal and how many are non-loyal.

This study is conducted with ethical considerations. Because the treatment in the study involved an alcohol product, it was important that only persons who are at least 18 years and older were approached in the sampling process. Approached subjects were also asked for their age first before being asked if they knew the brand Meerlust. The link to the questionnaire also starts with the question if the respondent is at least 18 years or older. If not, the questionnaire was ended.

Another ethical issue was the fictive post, which expresses negative UGC about Meerlust that never happened. Therefore, a disclaimer was added into the questionnaire, explaining that the depicted social media content is entirely fictitious and the results will be used for scientific research purposes only.

Based on the two research objectives, next chapter describes the findings of the experiment, which are presented with an analysis of descriptive and inferential statistics.

## **CHAPTER VI: RESULTS**

### **6.1 INTRODUCTION**

Previous chapter introduced this study's methodology, including the research design, research method. This described the use of an experimental design, where data of the online questionnaire must provide answers to the research question. The previous chapter also described the target population, which consists of brand loyal and non-loyal customers of the wine brand Meerlust, who are 18 years and older and active on Facebook. This target group is sampled in liquor stores and wine sections in supermarkets. Also UCT students are approached and especially UCT's wine society was important in the sampling process, since these students are likely aware of the brand Meerlust. The target is to get at least 200 respondents, where one half exists of brand loyal Meerlust customers and the other half is not brand loyal. Additionally, a non-probability sampling technique is used for both subgroups, where brand loyal customers are found via convenience and snowball sampling and non-loyal customers are selected via convenience and quota sampling.

This chapter focuses on the findings from the quantitative data analysis. First, the final fieldwork and sample size are introduced, followed by an analysis of the descriptive statistics, including the selection of brand loyal and non-loyal customers, a discussion of the socio-demographic statistics and also an analysis of each dimension's mean value and standard deviation. Once these descriptive statistics are presented, the chapter introduces an inferential analysis, which tests the ten hypotheses of this study and eventually measures the overall impact of negative UGC on CBBE, where also brand loyal and non-loyal customers are compared and the strongest and weakest CBBE dimension after negative UGC is presented.

### **6.2 FIELDWORK AND FINAL SAMPLE SIZE**

Before presenting the results of the study, a discussion of the fieldwork and sample size of the online questionnaire follows first.



### **6.2.1 Fieldwork**

During the convenience sampling for brand loyal Meerlust customers, the UCT Wine Society was approached. With the help of Augusta Babeta Jean Wicht, the online questionnaire has been internally shared within the wine club. Besides, consumers in liquor stores were approached by the researcher of this study, with the question if they know Meerlust and are at least 18 years and older. Occasionally, it also occurred that a consumer purchased or seemed interested in purchasing a Meerlust bottle. These consumers got special attention in the sampling process, since the chances are higher that this person is brand loyal. Lastly, managers of (online) wine shops and members of online wine clubs were sampled in person and by e-mail. These persons have high wine brand knowledge and are likely aware or even brand loyal to Meerlust. Consequently, the snowball sampling technique was applied, since all the participants in the study were asked if they could forward the questionnaire link to acquaintances who they think might have consumed Meerlust in the past.

During the convenience sampling for non-loyal customers, respondents have been selected in the UCT Wine Society as well, but also students attending UCT. Since the degree of brand loyalty is analysed during the data collection, it is not clear in advance if a consumer is loyal to Meerlust or not. Therefore, respondents were also sampled in liquor stores and wine sections of supermarkets, in particular the Norman Goodfellows liquor store and the wine section of Pick n Pay, both located in Gardens Centre, Cape Town. Next paragraph analyses the total sample size of the conducted online questionnaire.

### **6.2.2 Sample size**

The total number of respondents to complete the online questionnaire was  $n=297$ . Following data preparation, 70 sample units' responses were deemed incomplete (less than 75% complete) and were excluded from the final dataset. Of these respondents, 76.4% ( $n=227$ ) fully participated in the study. Of these sampled respondents, 32.2% ( $n=73$ ) indicated to be younger than 18 years old and/or not to know Meerlust. As described in the sampling frame (see 5.4.2), respondents must be above the legal age of alcohol consumption and are required to once have consumed

Meerlust, respondents who did not meet these criteria were not considered as valid responses in the data collection. A final sample size of  $n=154$  was ultimately realised.

Following section provides an analysis of the descriptive statistics of the online questionnaire's findings.

### **6.3 DESCRIPTIVE STATISTICS**

In this section, various descriptive statistics are presented. Descriptive statistics are used to describe and summarise the collected qualitative data and include the output values such as the mean, median, mode, standard deviation, minimum, maximum or quartiles (Malhotra and Birks, 2007, p. 538). In this section, the findings of the degree of brand loyalty are discussed first, which determines how many respondents of the total sample size can be considered brand loyal and non-loyal. Thereafter, the socio-demographic statistics are introduced, including gender and age. Then, the descriptive statistics of each CBBE dimension are analysed before and after the experimental treatment. In this analysis, the mean and standard deviation of every statement measuring each CBBE dimension are given, to analyse the biggest influence of each dimension's development. Conclusions about the impact on CBBE are not taken in this section, since inferential statistics are needed to measure the significant impact, which will be analysed in section 6.4.

#### **6.3.1 Analysis of the selection of brand loyal and non-loyal customers**

This paragraph provides an overview how many respondents from the overall sampled population is brand loyal and non-loyal to Meerlust. As concluded in the literature study, a customer can be considered brand loyal to Meerlust when a deep commitment is held towards the brand. The degree of this commitment is decided based on the findings of the collected data related to brand loyalty (paragraph 5.5.4). The questions related to brand loyalty, asked before exposure to the treatment, determines if a consumer can be considered as brand loyal. On a scale of 1 (Strongly agree) to 5 (Strongly disagree), respondents have indicated to what extent the statements apply to them or not. Respondents who mostly agree to the statements are brand loyal, which means that the person has an average response not higher than 2 (= Agree).

All customers with an average score higher than 2 are labelled as non-loyal. The following statements were presented in the questionnaire that measure the degree of brand loyalty:

“I feel proud to be a drinker of Meerlust.”

“I feel I can trust Meerlust.”

“Meerlust always fulfils what it promises.”

“If I want to drink my favourite type of wine, I would only choose Meerlust.”

“Overall, I am satisfied with Meerlust.”

“I will repurchase my favourite wine of Meerlust again in the future.”

“I would definitely recommend Meerlust to a friend or associate.”

The average score of each respondent has been calculated. The sum of all respondents with an average score between 1 and 2 (brand loyal) and respondents with an average score between 2 and 5 (non-loyal) is illustrated in below table.

Table 8: Total respondents divided in brand loyal and non-loyal Meerlust customers

	Average score		Total
	Brand loyal	Non-loyal	
	1-2	2-5	
Number of respondents	58	96	154
% of respondents	37.7	62.3	100

Above statistics have been calculated, by measuring the mean value for each participant and eventually sum up all respondents of both customer types. The outcome of this analysis can be found in appendix C. Out of the total sampling size (n=154), the majority was non-loyal to Meerlust, which are 96 respondents (62.3%). 58 respondents of the total are brand loyal, since their average response of the question related to brand loyalty was between the score of 1 to 2.

### 6.3.2 Socio-demographic statistics

Before analysing the statistics for every CBBE dimension, a discussion on the socio-demographic statistics of the sampled respondents follows first. Below table presents the socio-demographic statistics, which include gender and age.

Table 9: Socio-demographic statistics

Demographics Variables	<i>Brand loyal</i> Sample n	<i>Brand loyal</i> Sample %	<i>Non-loyal</i> Sample n	<i>Non-loyal</i> Sample %	TOTAL n
<b>GENDER</b>					
Male	28	48.3	52	54.2	80
Female	30	51.7	44	45.8	74
<b>AGE</b>					
18-25	12	20.7	20	20.8	32
26-39	23	39.6	30	31.4	53
40-59	16	27.6	32	33.3	48
60-75	7	12.1	13	13.5	20
75+	0	0.0	1	1.0	1
<b>TOTAL</b>	<b>58</b>	<b>100</b>	<b>96</b>	<b>100</b>	

When examining the variable of gender, findings indicate that out of 154 respondents, n=80 (51.9%) were male and n=74 (48.1%) were female. Of the brand loyal respondents, the majority of the respondents were female n=30 (51.7%) versus n=28 (48.3%) is male. n=52 (54.2%) of the non-loyal customers are male, and n=44 (45.8%) are female.

The age category between 26 and 39 years old was found to have the highest percentage of participants, which consists of 53 respondents (34.4%). n=32 of them were between 18 and 25 years of age (20.8%) and n=48 (31.2%) were between the age of 40 and 59. n=20 (13.0%) were between 60 and 75 and 0.65% of the total

sample is 75 years and older, which consists of only one person. Double as many non-loyal respondents were between the age of 40 to 59 compared to brand loyal customers (n=32 versus n=16 respondents). Most non-loyal responses are between the age of 40 to 59, followed by 26 to 39. The person who is 75 years or older is non-loyal to Meerlust. Most brand loyal responses were between the age of 26 to 39.

In order to measure the brand value perceptions that are needed to determine consumer-based brand equity, every CBBE dimension of CBBE is analysed first. Next paragraphs outline the descriptive findings before and after the experimental treatment, by describing the mean and standard deviation of each CBBE dimension. The mean is measured by summing up all values, divided by the number of questions related to the dimension. When a series of means are examined, it can be found that some answers occur more frequently than others (Kolb, 2008 p. 189). Therefore, the standard deviation is measured, which indicates the diversity of the given responses and thus estimates the variability within a population. For example, the score of two respondents can be 1 and 5 for two statements, which means that the mean is 3. But if two other respondents respond with 2 and 4, the mean is still 3, but the responses are less deviated (Kolb, 2008 p. 189).

During this data analysis, the following scoring scale is interpreted:

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

As described in Table 6, found in paragraph 5.5.5, a low score between 1 and 5 indicates that the sampled population have a positive perception towards the brand, since the statements have positive value. A high score means low perception.

The descriptive statistics regarding brand awareness are analysed first. The analysis of brand associations, perceived quality and brand loyalty follows after.

### **6.3.3 Descriptive statistics: Brand awareness**

Brand awareness is the strength of a brand's presence in the consumers' mind and occurs when consumers are able to identify a specific brand within the product category (Aaker, 1996). In order to make a final purchase, consumers make considerations which brand they prefer most. It is therefore important for brands to be identified while these considerations are being made. This brand identification can be divided in six ways: (1) Brand Recognition, (2) Brand Recall, (3) Top-of-mind, (4) Brand Dominance, (5) Brand Knowledge and (6) Brand Opinion (Aaker, 1996). In paragraph 3.3.1 of this dissertation, all these levels of brand awareness are discussed. The outcome of this study clarifies which level of brand awareness is affected the most and the least by negative UGC, where each question in the questionnaire is related to a level. Table 10 gives an overview of the standard deviation and the average brand perception, related to brand awareness, prior and post to the experimental treatment. This table does not only verify how the mean and standard deviation of each level of brand awareness is developed during negative UGC consumption, but also measures which level of brand awareness has the highest mean and standard deviation.

Table 10: Descriptive statistics - Brand awareness

	Before experimental treatment				After experimental treatment				Impact
	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	$\Delta$ Mean $\bar{x}$
S1: When presented with a list of wine brands, I would choose for Meerlust.	1	5	2.73	0.89	1	5	3.33	0.96	-0.6
S2: When I think about which wine to purchase, Meerlust definitely comes to mind.	1	5	2.35	1.01	1	5	3.01	1.01	-0.66
S3: When I think about which wine to purchase, Meerlust definitely comes to mind <u>first</u> .	1	5	3.32	1.09	1	5	3.73	0.93	-0.41
S4: When I think about which wine to purchase, <u>only</u> Meerlust comes to mind.	1	5	3.93	1.05	1	5	4.01	0.99	-0.08
S5: I know where Meerlust stands for.	1	5	2.55	0.99	1	5	2.95	1.04	-0.4
S6: When talking with others about wines, I would definitely express a positive opinion about Meerlust.	1	5	2.43	0.98	1	5	2.84	1.06	-0.41
<b>Mean (<math>\bar{x}</math>)</b>	1	5	2.89	1.00	1	5	3.31	1.00	<b>-0.43</b>

Note: S<sub>[No]</sub> = statement + number (e.g. S1 = statement one, S2 = statement two),  $\Delta$  = difference,  $\bar{x}$  = mean,  $\sigma$  = standard deviation.

The mean response of all statements regarding brand awareness decreased with 0.42 after the treatment, on a scale of 1 (high perception) to 5 (low perception). The impact on brand awareness is therefore small. Hence, the mean value before the treatment is 2.89, which is high, since it indicates that the brand awareness of respondents was already neutral before being exposed to negative UGC. The mean value after consumption of the treatment is 3.31, which means that respondents more likely disagree than agree with the statements. Statement 3 (S3), regarding the presence of Meerlust in the decision making process, decreased the most (-0.66). However, consumers who only think of Meerlust in the decision making process (S4) would still only consider Meerlust in the decision making process, since the mean value only

decreased with -0.08. As explained in paragraph 5.5.1, the statistics regarding brand awareness also indicate how consumers identify the brand: brand recognition (S1), brand recall (S2), top-of-mind (S3), brand dominance (S4), brand knowledge (S5), and brand opinion (S6). From the results can be concluded that respondents identify Meerlust the most by brand recall and the least by brand dominance before the treatment. This means that Meerlust customers most likely consider multiple luxury wine brands in the purchasing process besides Meerlust. Brand recall is also the most impacted level of brand awareness, with a score of -0.66.

The findings of the collected data regarding brand awareness show that the standard deviation before the treatment is exactly the same as after the treatment: 1.00. This means that there is a normal variation in responses. There is little difference in the standard deviation between the statements, since the score before and after the treatment are both between 0.90 and 1.10.

Next paragraph focuses on the descriptive statistics regarding brand associations.

#### **6.3.4 Descriptive statistics: Brand associations**

Brand associations are impressions and images held in customers' memory that form the basis of how consumers evaluate the brand in relation to the price they have paid for a brand's product or service (Aaker, 1996). Brand associations can be measured from three perspectives (Aaker, 1996): Brand-as-product (value), Brand-as-person (brand personality) and brand-as-organisation (organisational associations). Every perspective is relevant in measuring CBBE, since the decision whether or not to purchase a specific brand strongly depends on the way a brand is perceived. This study therefore makes use of all three perspectives. Every question in the questionnaire related to brand associations is linked to one of the three perspectives. In paragraph 5.3.4.3 of this study is described which question relates to which perspective.

The findings of these questions conclude which perspective is mostly affected by negative UGC and the average response of all answers related to brand associations



gives insight into the development of the established brand associations when consumers are exposed to negative UGC. The average response and standard deviation of every question item is given in Table 11, as well as the average score of all questions.

Table 11: Descriptive statistics - Brand associations

	Before experimental treatment				After experimental treatment				Impact $\Delta$ Mean $\bar{x}$
	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	
S1: Meerlust has all characteristics I'm looking for in a wine.	1	5	2.34	0.84	1	5	2.89	1.01	-0.55
S2: I associate Meerlust with luxury.	1	5	2.24	1.05	1	5	2.86	0.98	-0.62
S3: Meerlust provides good value for money.	1	5	2.38	0.96	1	5	3.18	1.15	-0.8
S4: Meerlust symbolises my personal style, lifestyle and taste.	1	5	2.69	0.96	1	5	3.23	0.96	-0.54
S5: I feel I can impress my friends with a bottle Meerlust.	1	5	2.35	0.99	1	5	3.04	1.08	-0.69
S6: Generally, I have a positive attitude towards Meerlust.	1	5	2.12	0.73	1	5	2.92	1.04	-0.8
S7: Generally, I am more positive about Meerlust than other wine brands.	1	5	2.56	0.90	1	5	3.26	1.04	-0.7
<b>Mean (<math>\bar{x}</math>)</b>	1	5	2.38	0.92	1	5	3.05	1.04	<b>-0.67</b>

*Note:* S[No] = statement + number (e.g. S1 = statement one, S2 = statement two),  $\Delta$  = difference,  $\bar{x}$  = mean,  $\sigma$  = standard deviation.

The findings presented in Table 11 show that negative UGC impacts the established brand associations of Meerlust drinkers. The mean response changed from 2.38 to 3.05 after exposure to the experimental treatment, which results in a decrease of 0.67. Generally, the sample likely agreed with the statements before the treatment, but are undecided to what extent they agree after the experimental treatment. The impact cannot be allocated to one specific CBBE dimension, since the calculated impact,

shown in the grey column of Table 11, does not strongly differ between all statements. The brand-as-product perspective (statement 3) and brand-as-organisation both equally impacted the most, since the mean value of statement 3 (-0.8) and statement 6 (-0.8) had the strongest decrease. After the treatment, consumers do not believe any longer Meerlust is good value for money and the positive attitude towards Meerlust is not strong anymore. The results in Table 11 also show that the highest perception before the treatment is statement 6 (2.12). The mean results show that statement 1 (S1) and statement 2 (S2) have the highest perception after the treatment, with a score of 2.89 and 2.86.

Even though the difference in variation is not high, responses were more corresponding before the treatment (0.92) than after the treatment (1.04). Only statement 4 (S4) had a lower variance after the experimental treatment, which states if respondents associate Meerlust with luxury.

Next paragraph focuses on the descriptive statistics regarding perceived quality.

### **6.3.5 Descriptive statistics: Perceived quality**

The consumer's judgement of the overall quality or superiority of a product or service has strong impact on CBBE. The better a brand's quality is perceived, the higher the brand value and the stronger the competitive advantage (Yoo, Donthu and Lee, 2000). The importance for brands to deliver high quality is therefore high and essential in increasing CBBE. In the questionnaire, respondents were asked to what extent they appreciate intrinsic and extrinsic factors of Meerlust. It is also measured if the perception of quality depends on Meerlust's high technical expertise, location of vineyard in Stellenbosch, strong history, higher price and advertisements. Table 12 illustrates the findings related to the mean value and standard deviation of how the respondents perceive the overall quality of Meerlust. These findings are discussed below this table.

Table 12: Descriptive statistics - Perceived quality

	Before experimental treatment				After experimental treatment				Impact
	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	$\Delta$ Mean $\bar{x}$
S1: I am satisfied with the overall quality of Meerlust.	1	5	1.86	0.60	1	5	2.68	1.01	-0.82
S2: I believe Meerlust is of high quality, because it has strong <u>intrinsic</u> factors (such as: age, harvest, grape selection, alcohol content, taste, aroma and colour).	1	5	1.97	0.72	1	5	2.73	1.01	-0.76
S3: I believe Meerlust is of high quality, because it has strong <u>extrinsic</u> factors (such as design of bottle, wine label and packaging).	1	5	2.38	1.00	1	5	2.93	0.97	-0.55
S4: It is noticeable in taste that Meerlust has been produced with care and high technical expertise.	1	5	2.01	0.66	1	5	2.79	0.95	-0.78
S5: The fact that Meerlust is produced in a good region in S-A, makes me believe that the brand is of high quality.	1	5	2.40	1.00	1	5	2.89	1.00	-0.49
S6: Because Meerlust has a strong and traditional wine history, makes me believe the brand if of high quality.	1	5	2.14	0.82	1	5	2.77	0.96	-0.63
S7: The fact that Meerlust is likely more expensive than any mass-produced economy wine brand, makes me believe that the brand is of high quality.	1	5	2.37	0.98	1	5	2.94	1.05	-0.57
S8: The advertisements of Meerlust make me believe that the brand is of high quality.	1	5	2.68	0.94	1	5	3.16	0.94	-0.48
<b>Mean (<math>\bar{x}</math>)</b>	1	5	2.23	0.84	1	5	2.86	0.99	<b>-0.63</b>

Note: S<sub>[No]</sub> = statement + number (e.g. S1 = statement one, S2 = statement two),  $\Delta$  = difference,  $\bar{x}$  = mean,  $\sigma$  = standard deviation.

In Table 12 is shown that the experimental treatment negatively impacts every statement of perceived quality. Statement 8 (S8), regarding the influence of advertisements on the quality perception, has the highest mean before (2.68) and after (3.16) the treatment, but the lowest impact of all statements (-0.48). When it comes to the highest impact, statement 1 (S1) and statement 4 (S4) experienced the largest decrease in mean value, which means that the high quality perception of Meerlust in general and the high quality perception of Meerlust's production process in particular damaged the most.

From the standard deviation calculations in Table 12 can be concluded that answers occurred more frequently before the treatment (0.84) than after the treatment (0.99). The responses before the treatment varied mostly for statement 3 (S3) and statement 5 (S5) and statement 7 (S7). The standard deviation of all statements after the treatment hardly deviates, with the lowest score of 0.94 (S8) and the highest score is 1.05 (S7).

Next paragraph focuses on the descriptive statistics of brand loyalty.

### **6.3.6 Descriptive statistics: Brand loyalty**

The level of brand loyalty was measured by seven questions, which are all linked to whether a person would trust, recommend and repurchase Meerlust. In the table below, the mean response and standard deviation is given of the overall scale and each question item related to brand loyalty. The difference between the brand perception of brand loyal and non-loyal Meerlust customers before and after exposure to the treatment must finally determine which type of customer is mostly affected by negative UGC. Below the table, the statistics are interpreted per questioned statement in the questionnaire.

Table 13: Descriptive statistics - Brand loyalty

	Before experimental treatment				After experimental treatment				Impact $\Delta$ Mean $\bar{x}$
	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	Min value	Max value	Mean $\bar{x}$	Standard deviation $\sigma$	
S1: I feel proud to be a drinker of Meerlust.	1	5	2.22	0.78	1	5	3.03	1.06	-0.81
S2: I feel I can trust Meerlust.	1	5	1.96	0.71	1	5	3.06	1.17	-1.1
S3: Meerlust always fulfils what it promises.	1	5	2.13	0.78	1	5	3.11	1.07	-0.98
S4: If I want to drink my favourite type of wine, I would only choose Meerlust.	1	5	3.38	1.12	1	5	3.65	1.03	-0.27
S5: Overall, I am satisfied with Meerlust.	1	4	1.93	0.64	1	5	2.81	1.07	-0.88
S6: I will repurchase my favourite wine of Meerlust again in the future.	1	5	2.01	0.75	1	5	2.86	1.11	-0.85
S7: I would definitely recommend Meerlust to a friend or associate.	1	5	1.89	0.78	1	5	2.97	1.15	-1.08
<b>Mean (<math>\bar{x}</math>)</b>	1	4.86	2.22	0.79	1	5	3.07	1.09	<b>-0.85</b>

Note: S<sub>[No]</sub> = statement + number (e.g. S1 = statement one, S2 = statement two),  $\Delta$  = difference,  $\bar{x}$  = mean,  $\sigma$  = standard deviation.

The mean response of all statements regarding brand loyalty is 2.22 before the treatment and 3.07 after the treatment. This means that all questioned Meerlust drinkers first likely agreed to the brand loyalty statements, but neither agreed nor disagreed after seeing the experimental treatment. The brand perception regarding brand loyalty therefore decreased with -0.85 on a scale of 1 (high perception) to 5 (high perception). The mean value of statement 2 (S2) and statement 7 (S7) decreased the most and this means that consumers' trust in Meerlust damaged the most, as well as the intention to recommend Meerlust to friends or acquaintances after seeing the treatment. However, most Meerlust drinkers still choose for Meerlust (S4), since the mean value decreased with only -0.27.

From the collected data regarding brand loyalty before the experiment, there is little difference in the standard deviation of every statement. Most responses deviate between 0.70 and 0.80. Only statement 4 (S4) has a high standard deviation, which states that consumers would choose for Meerlust since it is their favourite type of wine. The standard deviation is higher after the treatment, indicating more variation (of spread) in the responses. Thus, an increase of the standard deviation means that there is a higher variation in responses than before, thus the responses are further away from the mean value and opinions are less corresponding after the treatment. It is remarkable that the standard deviation of statement 4 is the highest of all statements before the treatment, but is the lowest after the treatment.

In conclusion, both the mean value and standard deviation are increasing after the treatment, which means that the brand loyalty of Meerlust customers decreased after the treatment, but there is also more deviation in the responses.

Now the descriptive statistics of all four CBBE dimensions are separately analysed, the results regarding the overall impact of negative UGC on CBBE is presented next.

#### **6.4 INFERENCE STATISTICS**

In this section, the hypotheses are tested, which are outlined in section 5.8 of this dissertation. In an inferential statistical analysis, conclusions and inferences are drawn from the population, and the ten hypotheses proposed in this study are either supported or rejected by the collected data. With inferential statistics, statistical tests can be performed that determine if responses from a sample can be used to draw conclusions about a population (Kolb, 2008, p. 257). A hypothesis can be tested by conducting a paired two-sample t-test for each dimension of CBBE before and after exposure to the treatment.

The t-test statistic is a standardised value. When this value is in the “rejection area”, it can statistically be assumed that there is 95% certainty that the difference between the mean values before and after UGC, which measures the final impact, is not equal to zero. Therefore, a null hypothesis is needed, which is in contrast with other hypotheses and assumed to be true until evidence indicates otherwise. Data must

determine if the ten composed hypotheses of this study are distinguished on the basis of data. The null hypothesis in this study is formulated as:  $H_0: \text{Mean before} - \text{Mean after} = 0$ . Thus, the null hypothesis indicates that negative UGC neither positively nor negatively impacts the CBBE of luxury wine brands. Based on the t-statistic it can be decided if the measured means of the data set is different from  $H_0$ . If there is no difference with  $H_0$ , it means that the measured hypothesis has no significant impact and can be rejected in the confidence level of 95%, since it cannot be assumed with 95% certainty that a significant impact occurred on CBBE after the treatment. When it can be concluded with at least 95% certainty that there is a difference in means with  $H_0$ , then it proves that the treatment has had significant impact. The t-statistic is measured with the p-value, which measures the probability of the t-statistic. A p-value determines whether the association between two variables is statistically significant. A p-value lower than .05 means there is very low probability that a relationship occurred between two variables, which means that there is a significant relationship. If the impact is outside the “rejection area”, it means that statistically there is no impact after the experiment.

In following paragraphs, the sample t-test for every dimension is presented, which eventually determine if UGC increases or decreases and thus what negative UGC does to CBBE. Then, the mean values before and after UGC exposure are given, where the reliability of the outcome, measured in the t-test, determines if the collected data has significant impact and thus can be used to draw conclusions in Chapter VII. Also the Variance and Standard deviation are given, since these values are needed for the outcome of the t-test. In the presented results, the final mean value is based on the 5-point Likert scale, where the value of 1 is ‘strongly agree’ and the value of 5 is ‘strongly disagree’. Thus, the higher the score, the lower CBBE is established. The given p-value and sample t-test of each dimension are collected from the given data and calculated by the statistical software StatPlus and Microsoft Excel.

The p-value only measures the statistical significance, thus whether an effect exists, but not the substantive significance, that measures the size of an effect. Based on the results of the t-test, the Cohen's *d* value of every hypothesis is therefore calculated. The Cohen's *d* value reports the effect sizes of statistical t-tests of significance, which further supports or even contradicts the hypotheses testing and measures if there is

statistical difference between statements (Thalheimer and Cook, 2002). Thus, the effect size defines the final size of the experimental effect, which is important to determine the magnitude of an experimental treatment from one experiment to another (Thalheimer and Cook, 2002). The values of  $d$  for small, medium, and large effects, are interpreted as .20, .50, and .80 (Rice and Harris, 2005). Cohen suggests that if the mean difference is lower than 0.2 and does not differ by 0.2 standard deviations or more, than the difference can be considered as insignificant, even if it is statistically significant (Cohen, 1977).

Cohen's  $d$  is measured by the difference between two means (brand perception after minus brand perception before the experimental treatment) divided by the standard deviation of the two conditions (pooled variation). Below Figure illustrates the formula.

$$d = \frac{\bar{x}_a - \bar{x}_b}{\sigma_{\text{pooled}}}$$

*Note:*  $d$  = Cohen's  $d$  effect size,  $\bar{x}_a$  = mean after,  $\bar{x}_b$  = mean before,  $\sigma$  = standard deviation.

In the inferential analysis of every hypothesis, the outcome of the  $d$  value is based on the calculation of above equation. Since calculating the size effects is only relevant when comparing two different samples, Cohen's  $d$  value will only be calculated for H1 to H4 and H5 to H9, because H5 and H10 are related to CBBE, and there is no standard deviation, since the calculation of CBBE is subtracted from the outcome of each CBBE dimension.

In the inferential analysis if this study, hypothesis one to five regarding the impact of negative UGC on CBBE is tested first. Thereafter, this effect is compared amongst brand loyal versus non-loyal customers, based on hypothesis six to ten.



### 6.4.1 Overall effect of negative UGC on CBBE

In this paragraph, hypothesis one to five is compared to determine if negative UGC has impact on each dimension and overall CBBE. The following hypotheses measure this impact, which are outlined in section 5.8:

*H1: Negative UGC negatively impacts the brand awareness of a luxury wine amongst wine drinkers*

*H2: Negative UGC negatively impacts brand associations of a luxury wine amongst wine drinkers*

*H3: Negative UGC negatively impacts the perceived quality of a luxury wine amongst wine drinkers*

*H4: Negative UGC negatively impacts the brand loyalty of a luxury wine amongst wine drinkers*

*H5: Negative UGC negatively impacts the CBBE of a luxury wine brand amongst wine drinkers*

Each hypothesis was tested at a 5% level of significance (i.e. p-value should be lower than 0.05). First, a table of the paired sample t-test is presented, which also include the means before and after UGC. Then, the associated p-value and test statistic are calculated.

#### 6.4.1.1 **H1: Negative UGC negatively impacts the brand awareness of a luxury wine amongst wine drinkers**

In Table 14, the paired sample t-test of the results regarding brand awareness are presented. An interpretation of these results is given below this table.

Table 14: Paired sample t-test brand awareness

	<i>All respondents</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	2.88420	3.31169
<b>Variance</b>	0.56947	0.55872
<b>Standard deviation (<math>\sigma</math>)</b>	0.75463	0.74747
<b>Sample size (<math>n</math>)</b>	154	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-0.4274891774480518	
<b>t-Stat</b>	6.24721	
<b>p-value (one-tail)</b>	1.97266E-9	
<b>p-value (two-tail)</b>	3.94532E-9	
<b>Cohen's <i>d</i></b>	(2.8842 - 3.31169)/0.751059 = 0.569183	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Above table shows that the results of CBBE dimension brand awareness have significant impact (p-value < 0.05), which means that hypothesis H<sub>1</sub> is supported by the collected data and can be used to draw conclusions. The brand perception after negative UGC decreases with a score of 0.43, since the brand perception changed from 2.88 to 3.31 after the treatment.

In Table 14 is shown that the value of Cohen's *d* is 0.569183. With in mind the interpretation of the *d* value explained in the introductory context of this section (small ( $d \leq 0.2$ ), medium ( $d \approx 0.5$ ), and large ( $d \geq 0.8$ ), it can be concluded that the effect size is medium. This means that the difference in the substantive significance of the effect that the experimental treatment had on the brand awareness of the sample, is medium. Since the effect size is higher than 0.2, hypothesis one, regarding the impact of negative UGC on brand awareness, is considered as significant.

Next paragraph presents the results regarding the impact on brand associations.

**6.4.1.2 H2: Negative UGC negatively impacts brand associations of a luxury wine amongst wine drinkers**

In Table 15, the paired sample t-test of the results regarding brand associations are presented. An interpretation of these results is given below this table.

Table 15: Paired sample t-test brand associations

	<i>All respondents</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	2.38404	3.05473
<b>Variance</b>	0.45952	0.72568
<b>Standard deviation (<math>\sigma</math>)</b>	0.67788	0.85187
<b>Sample size (<math>n</math>)</b>	154	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-0.6706864564350661	
<b>t-Stat</b>	8.70551	
<b>p-value (one-tail)</b>	0.00000	
<b>p-value (two-tail)</b>	0.00000	
<b>Cohen's <i>d</i></b>	$(2.38404 - 3.05473)/0.769806 = 0.871245$	

*Note:* BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Due to a decrease of the brand perception before and after the experimental treatment, it can be concluded that the established brand associations are damaged, since the p-value < alpha 0.05. The mean value of all respondents before consumption of the experimental treatment is 2.38, which means that the sampled population likely agreed with most of the statements regarding brand associations. After seeing the fictive treatment, the brand perception decreased with -0.67 to an average brand perception of 3.05, where the respondents generally neither agree nor disagree with statements regarding brand associations.

With a Cohen's  $d$  of 0.87, the effect size is large, which means that the score of the average person in the experiment after the treatment (BP nUGC<sub>a</sub>) is 0.8 standard deviations above the score of the average person before the treatment (BP nUGC<sub>b</sub>). Besides statistical significance, measured by the  $p$  value, it can also be concluded that hypothesis two is substantively significant, since the score of the  $d$  value is higher than 0.2.

### 6.4.1.3 H3: Negative UGC negatively impacts the perceived quality of a luxury wine amongst wine drinkers

In Table 16, the paired sample t-test of the results regarding perceived quality are presented, followed by an interpretation of these results.

Table 16: Paired sample t-test perceived quality

	<i>All respondents</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	2.22321	2.85795
<b>Variance</b>	0.39644	0.59254
<b>Standard deviation (<math>\sigma</math>)</b>	0.62963	0.76977
<b>Sample size (<math>n</math>)</b>	154	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-0.6347402597402598	
<b>t-Stat</b>	8.81034	
<b>p-value (one-tail)</b>	0.00000	
<b>p-value (two-tail)</b>	0.00000	
<b>Cohen's <math>d</math></b>	$(2.22321 - 2.85795)/0.7032 = 0.902645$	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Besides brand awareness and brand associations, also the perception of Meerlust's overall quality has led to decrease of 0.63 after UGC exposure (from 2.22 to 2.68). It can also be concluded from Table 16 that the findings regarding perceived quality have significant impact, since the p-value is lower than 0.05.

The Cohen's *d* value of perceived quality is 0.9, thus the effect size is large. The difference in means is 0.9 standard deviations and would generally be considered as a large difference. With these results can be stated that hypothesis three is significant.

#### 6.4.1.4 **H4: Negative UGC negatively impacts the brand loyalty of a luxury wine amongst wine drinkers**

In Table 17, the paired sample t-test of the results regarding brand loyalty are presented. An interpretation of these results is given below this table.

Table 17: Paired sample t-test brand loyalty

	<i>All respondents</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	2.21707	3.06865
<b>Variance</b>	0.33433	0.88255
<b>Standard deviation (<math>\sigma</math>)</b>	0.57821	0.93944
<b>Sample size (<i>n</i>)</b>	154	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-0.851576994441559	
<b>t-Stat</b>	10.40343	
<b>p-value (one-tail)</b>	0.00000	
<b>p-value (two-tail)</b>	0.00000	
<b>Cohen's <i>d</i></b>	$(2.21707 - 3.06865)/0.780024 = 1.091736$	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Since the p-value is lower than 0.05, it can be concluded that there is statistically significant difference in the brand perception before and after negative UGC. Since the score after negative UGC is higher than before UGC, namely 3.07 versus 2.22 out of a scale from 1 (positive perception) to 5 (negative perception), it can be concluded that the sampled population of 154 respondents have a lower perception of Meerlust after consumption of negative UGC.

The Cohen's *d* score regarding brand loyalty is 1.09, thus the effect size is large. Results regarding hypothesis four, regarding the impact of negative UGC on brand loyalty, are therefore considered as significant.

Next paragraph measures how negative UGC impacts the CBBE.

#### **6.4.1.5 H5: Negative UGC negatively impacts the CBBE of a luxury wine brand amongst wine drinkers**

From the collected data can be concluded that negative UGC harms each of the four CBBE dimensions. It is also statistically tested that the p-value for every dimension is outside the rejection area of 95%. This means that all CBBE dimensions are statistically significant and that the degree of brand awareness, brand associations, perceived quality and brand loyalty damages after negative UGC.

Now the means and significance of all CBBE dimensions are presented and tested, the impact on CBBE can be measured. Table 18 presents the development of each CBBE dimension before and after negative UGC. The mean of the outcome of hypothesis one to four, related to the four CBBE dimensions, measures the overall impact on CBBE. Below this table, the findings are discussed. Lastly, an analysis is given of which CBBE dimension is affected the most and the least. Since the significance of all dimensions are tested in previous paragraphs, the mean value of these dimensions are considered significant as well.

Table 18: Impact negative UGC on CBBE

	All respondents (n = 154)		
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	Impact (nUGC <sub>b</sub> – nUGC <sub>a</sub> )
<b>H1:</b> Brand awareness	2.88420	3.31169	-0.4274891774480518
<b>H2:</b> Brand associations	2.38404	3.05473	-0.6706864564350661
<b>H3:</b> Perceived quality	2.22321	2.85795	-0.6347402597402598
<b>H4:</b> Brand loyalty	2.21707	3.06865	-0.851576994441559
<b>H5: CBBE</b>	2.42713	3.073255	-0.6461232220162342

Note: n = sample size, BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC, BL = brand loyal, NL = non-loyal.

As shown in Table 18, the findings indicate that all four CBBE dimensions are negatively impacted by negative UGC, which consequently result in CBBE damage as well, with a value of -0.64. The brand perception before the experimental treatment has a mean value of 2.43, which indicates that respondents likely agree with positive statements regarding CBBE. However, the brand perception decreased to 3.07, which means that respondents are generally undecided about whether or not they agree with the positive statements.

From the results in the third column titled ‘Impact (nUGC<sub>b</sub> – nUGC<sub>a</sub>)’, it is shown that brand loyalty is most strongly influenced by negative UGC, with a decrease of -0.85. The brand awareness of luxury wine drinkers has been impacted the least (0.43), which could be explained by the fact that consumers are still aware of Meerlust’s existence in the decision making process. This chapter also analysis the different development of CBBE dimensions between brand loyal and non-loyal customers, which is presented in next section.

In the following paragraph, a comparison is made between brand loyal and non-loyal customers.

#### **6.4.2 Effect of negative UGC on CBBE: Loyal vs. Non-loyal Customers**

Based on the importance for brand loyalty in the luxury wine market, brand loyalty is hypothesised to have an impact on the influence of CBBE in the luxury wine market. This paragraph tests the following five hypotheses:

*H<sub>6</sub>: Negative UGC has a greater impact on the brand awareness of a luxury wine, amongst loyal versus non-loyal wine drinkers*

*H<sub>7</sub>: Negative UGC has a greater impact on the brand associations of a luxury wine, amongst loyal versus non-loyal wine drinkers*

*H<sub>8</sub>: Negative UGC has a greater impact on the perceived quality of luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

*H<sub>9</sub>: Negative UGC has a greater impact on the brand loyalty of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

*H<sub>10</sub>: Negative UGC has a greater impact on the CBBE of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers*

Hypotheses six to nine compared the impact of negative CBBE on each CBBE dimension between loyal versus non-loyal customers, whereafter the overall impact on CBBE is measured in hypothesis ten. Each hypothesis was tested at a 5% level of significance (i.e. p-value should be lower than 0.05), where the results for brand loyal and non-loyal Meerlust customers are separately tested.

##### **6.4.2.1 H<sub>6</sub>: Negative UGC has a greater impact on the brand awareness of a luxury wine, amongst loyal versus non-loyal wine drinkers**

In Table 19, the paired sample t-test of the results regarding the brand awareness for brand loyal and non-loyal customers are presented.



Table 19: Paired sample t-test brand awareness of loyal vs. non-loyal customers

	<i>Brand loyal customers</i>		<i>Non-loyal customers</i>	
	BP nUGCb	BP nUGCa	BP nUGCb	BP nUGCa
<b>Mean (<math>\bar{x}</math>)</b>	2.31034	3.17241	3.23090	3.39583
<b>Variance</b>	0.47315	0.75630	0.31074	0.42705
<b>Standard deviation (<math>\sigma</math>)</b>	0.68786	0.86966	0.55744	0.65349
<b>Sample size (<math>n</math>)</b>	58		96	
<b>Impact (<math>\bar{x}</math> nUGCb - <math>\bar{x}</math> nUGCa)</b>	-0.8620689654999998		-0.1649305554999989	
<b>t-Stat</b>	5.84123		3.45774	
<b>p-value (one-tail)</b>	1.30698E-7		0.00041	
<b>p-value (two-tail)</b>	2.61396E-7		0.00082	
<b>Cohen's <math>d</math></b>	(2.31034 - 3.17241)/ 0.784047 = 1.099513		(3.2309 - 3.39583)/ 0.607367 = 0.271549	

Note: BP = brand perception, nUGCb = before negative UGC, nUGCa = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Table 19 given above shows that the p-value of both brand loyal and non-loyal customers is lower than 0.05, which means that all data is significant. Negative UGC has very little impact on the brand awareness of non-loyal customers of a brand, which reduces with 0.16. The degree of brand awareness also decreases among brand loyal customers with 0.86. The impact of negative UGC on the brand awareness is therefore stronger on brand loyal than non-loyal Meerlust customers.

In order to support H6 even more, Cohen's  $d$  value is measured in the results of the t-test: the  $d$  value for both brand loyal and non-loyal customers are above 0.2. It is however remarkable that the effect size of non-loyal customers are strongly lower than brand-loyal customers. For non-loyal customers, the score of the average person in the experiment after the treatment (BP nUGCa) is only 0.27 standard deviations above the score of the average person before the treatment (BP nUGCb).

**6.4.2.2 H7: Negative UGC has a greater impact on the brand associations of a luxury wine, amongst loyal versus non-loyal wine drinkers**

In Table 20, the paired sample t-test of the results regarding the brand associations for brand loyal and non-loyal customers are presented.

Table 20: Paired sample t-test brand associations of loyal vs. non-loyal customers

	<i>Brand loyal customers</i>		<i>Non-loyal customers</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	1.85961	2.96305	2.70089	3.11012
<b>Variance</b>	0.29752	0.91555	0.29219	0.61116
<b>Standard deviation (<math>\sigma</math>)</b>	0.54546	0.95684	0.54055	0.78177
<b>Sample size (<math>n</math>)</b>	58		96	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-1.103448275844828		-0.4092261905416672	
<b>t-Stat</b>	7.32950		5.67072	
<b>p-value (one-tail)</b>	4.49180E-10		7.63431E-8	
<b>p-value (two-tail)</b>	8.98359E-10		1.52686E-7	
<b>Cohen's <math>d</math></b>	(1.85961 - 2.96305)/ 0.778803 = 1.41684		(2.70089 - 3.11012)/ 0.672071 = 0.608909	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

Since the p-value < alpha 0.05, it can be assumed that the established brand associations are more damaged among brand loyal customers (-1.10) than non-loyal customers (-0.41), due to the consumption of negative UGC. The impact of negative UGC on the perceived brand associations is therefore stronger on brand loyal than non-loyal Meerlust customers.

Cohen's  $d$  value is extremely high for brand loyal customers (1.41), while the effect size for non-loyal customers is medium (0.61). Both values are high enough to conclude that hypothesis seven is considered significant.

**6.4.2.3 H8: Negative UGC has a greater impact on the perceived quality of luxury wine, amongst loyal versus non-loyal luxury wine drinkers**

In Table 21, the paired sample t-test of the results regarding the perceived quality for brand loyal and non-loyal customers are presented.

Table 21: Paired sample t-test perceived quality of loyal vs. non-loyal customers

	Brand loyal customers		Non-loyal customers	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	1.80172	2.83836	2.47786	2.86979
<b>Variance</b>	0.27908	0.81031	0.29704	0.46774
<b>Standard deviation (<math>\sigma</math>)</b>	0.52828	0.90017	0.54501	0.68391
<b>Sample size (<math>n</math>)</b>	58		96	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-1.0366379310344829		-0.3919270833333339	
<b>t-Stat</b>	7.01835		6.31357	
<b>p-value (one-tail)</b>	1.48281E-9		4.34237E-9	
<b>p-value (two-tail)</b>	2.96562E-9		8.68474E-9	
<b>Cohen's <math>d</math></b>	(1.80172 - 2.83836)/ 0.738033 = 1.404598		(2.47786 - 2.86979)/ 0.618372 = 0.633809	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

From the p-value can be concluded that the findings regarding perceived quality is within the 5% level of significance, which means that the findings for H6 are statistically significant. The brand perception differs strongly between both brand loyal and non-loyal customers: the perceived quality of brand loyal customer reduced with a score of 1.04, while the impact of non-loyal customers is only -0.39. The brand perception after UGC is almost consistent between both customer types (brand loyal: 2.84 and non-loyal: 2.87).

The effect size of brand loyal customers is high, with a score of 1.40. The Cohen's *d* value of non-loyal customers is 0.63, which means that the effect is medium. Results regarding hypothesis eight can be considered as significant.

**6.4.2.4 H9: Negative UGC has a greater impact on the brand loyalty of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers**

In Table 22, the paired sample t-test of the results regarding the brand loyalty for brand loyal and non-loyal customers are presented.

Table 22: Paired sample t-test brand loyalty of loyal vs. non-loyal customers

	<i>Brand loyal customers</i>		<i>Non-loyal customers</i>	
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>
<b>Mean (<math>\bar{x}</math>)</b>	1.64039	3.00000	2.56548	3.11012
<b>Variance</b>	0.09613	1.21303	0.15507	0.68893
<b>Standard deviation (<math>\sigma</math>)</b>	0.31004	1.10138	0.39378	0.83002
<b>Sample size (<i>n</i>)</b>	58		96	
<b>Impact (<math>\bar{x}</math> nUGC<sub>b</sub> - <math>\bar{x}</math> nUGC<sub>a</sub>)</b>	-1.359605911379311		-0.5446428571249999	
<b>t-Stat</b>	8.82329		6.99057	
<b>p-value (one-tail)</b>	1.50233E-12		1.88638E-10	
<b>p-value (two-tail)</b>	3.00465E-12		3.77276E-10	
<b>Cohen's <i>d</i></b>	(1.64039 - 3)/0.809062 = 1.680477		(2.56548 - 3.11012)/ 0.649614 = 0.838406	

Note: BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC,  $\bar{x}$  = mean,  $\sigma$  = standard deviation, t-Stat = test statistic.

From above table can be concluded that negative UGC has stronger impact on brand loyal customers than on non-loyal customers. The degree of brand loyalty towards Meerlust's brand loyal customers has a score of 1.64 out of 5, which indicates that brand loyal customers generally agree with all the brand loyalty statements. However, the degree of brand loyalty also decreases to 3.00, where the average

response whether brand loyal customers generally respond that they do not agree nor disagree on questions related to brand committed towards Meerlust. For non-loyal Meerlust the impact is less, with a negative score of 0.55. Even though the impact of negative UGC on the brand loyalty of brand loyal customers is stronger than non-loyal customers, the brand perception of non-loyal customers is slightly lower than brand loyal customers.

With a Cohen's  $d$  of 1.68, the effect size of brand loyal customers is very large. Also the Cohen's  $d$  value of non-loyal customers is high: 0.83. Both results state that hypothesis nine is significantly proven and thus the results can be used to make representative conclusions and recommendations.

Now the inferential statistics of all CBBE dimensions are analysed for both brand loyal and non-loyal customers, the difference in impact on CBBE between brand loyal and non-loyal is measured in next section.

**6.4.2.5 H10: Negative UGC has a greater impact on the CBBE of a luxury wine, amongst loyal versus non-loyal luxury wine drinkers**

Now the means and significance of the perception of brand loyal and non-loyal are compared and tested for each CBBE dimension, the impact on CBBE is measured in this section. Table 23 presents the development of each CBBE dimension before and after negative UGC. The mean of the outcome of hypothesis six to nine measures the overall impact on CBBE, to make conclusions about hypothesis ten. The findings are discussed below the table. Lastly, an analysis is given of which CBBE dimension is affected the most and the least for brand loyal and non-loyal customers. Since the significance of all dimensions is tested in previous paragraphs, the mean values of all four dimensions are considered significant as well. In below table, the average impact of all respondents on each CBBE dimension is calculated by the following equation:

$$x = \frac{\text{Impact BL } (nUGC_b - nUGC_a) \times \text{total } n \text{ BL } (58) + \text{Impact NL } (nUGC_b - nUGC_a) \times \text{total } n \text{ NL } (96)}{\text{Total respondents } (n = 154)}$$

Since the number of sampled brand loyal customers is not equal to the sampled number of non-loyal customers, it is more difficult to measure the average impact ( $x$ ) of all respondents. This is measured by multiplying the impact of brand loyal customers (BL) to the total respondents ( $n = 58$ ) of brand loyal customers and to sum it up by the multiplication of the impact of non-loyal customers (NL) to the total respondents ( $n = 96$ ) of non-loyal customers. Lastly, the outcome of this equation is divided by the total respondents ( $n = 154$ ), to finally measure the average impact for each dimension. When comparing these results for H10 with the average impact measured for H5 in Table 19, shown in paragraph 6.4.1.5, it can be concluded that all measured mean values are ditto and therefore correctly calculated.

Table 23: Impact negative UGC on CBBE of brand loyal vs. non-loyal customers

	Brand loyal customers (n = 58)			Non-loyal customers (n = 96)			Total (n=154)
	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	Impact (nUGC <sub>b</sub> – nUGC <sub>a</sub> )	BP nUGC <sub>b</sub>	BP nUGC <sub>a</sub>	Impact (nUGC <sub>b</sub> – nUGC <sub>a</sub> )	Impact BL*58 + impact NL*96 / 154
<b>H6:</b> Brand awareness	2.31	3.17	-0.86	3.23	3.40	-0.16	-0.43
<b>H7:</b> Brand associations	1.86	2.96	-1.10	2.70	3.11	-0.41	-0.67
<b>H8:</b> Perceived quality	1.80	2.84	-1.04	2.48	2.87	-0.39	-0.63
<b>H9:</b> Brand loyalty	1.64	3.00	-1.36	2.57	3.11	-0.54	-0.85
<b>H10: CBBE</b>	1.90	2.99	-1.09	2.74	3.12	-0.38	-0.65

Note: n = sample size, BP = brand perception, nUGC<sub>b</sub> = before negative UGC, nUGC<sub>a</sub> = after negative UGC, BL = brand loyal, NL = non-loyal.

Every CBBE dimension is negatively affected by negative UGC, which consequently means that negative UGC has negative impact on CBBE, with a mean score of -0.65. The mean value of the impact on brand loyal customers is more than the double (-1.09) than non-loyal customers (-0.38). The mean value of CBBE prior to the treatment strongly deviates between brand loyal (1.90) and non-loyal customers (2.99). However, the mean value of CBBE after the treatment is closer to each other.

Thus, the researched brand perceptions before the treatment are more similar after the experimental treatment, while the brand perception before the treatment was a lot higher for brand loyal customers compared to non-loyal customers. Even though negative UGC impacts brand loyal customers more, the measured brand perception of non-loyal customers is lower after the treatment.

Figure 7 provides an overview of the difference between the CBBE of brand-loyal and non-loyal customers before and after being exposed to the experimental treatment. This figure offers a clear illustration of the impact on both customer types: the CBBE development of brand loyal customers is decreasing more than non-loyal customers.

Figure 7: Impact nUGC on CBBE - comparing brand loyal and non-loyal customers

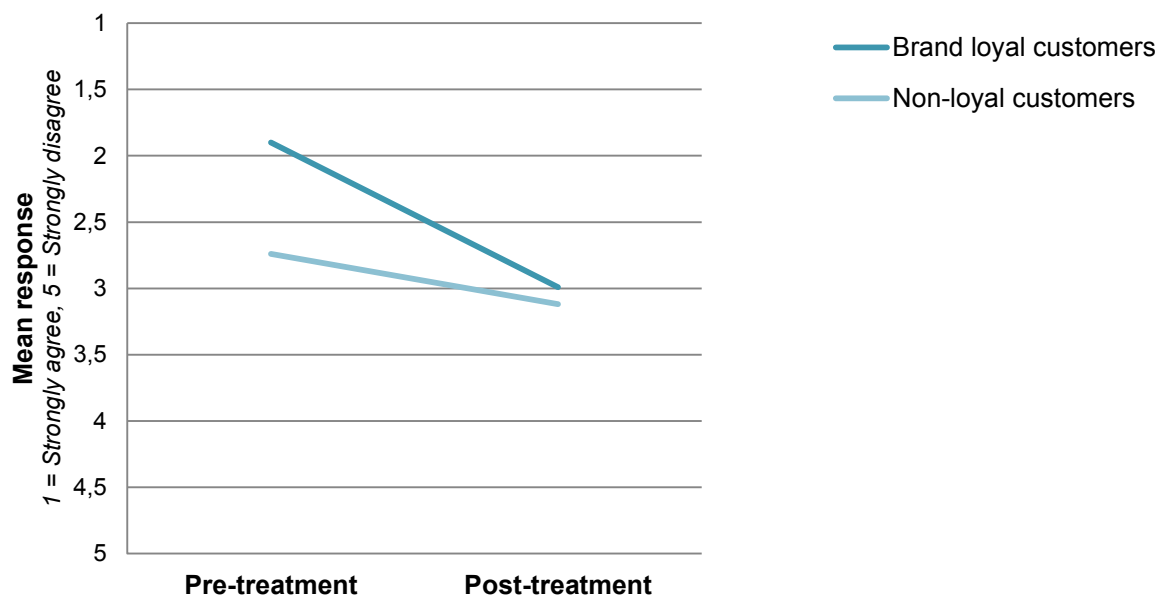


Figure 7 clearly shows a much steeper incline for brand loyal customers than non-loyal customers. This means that the impact of negative UGC is greater on brand loyal customers than non-loyal customers, since the mean response before and after the experimental treatment decreased more strongly for brand loyal customers (from 1.0 to 2.99) than non-loyal customers (from 2.74 to 3.12). Figure 7 also shows that the difference in brand perception between brand loyal and non-loyal customers is stronger before the treatment than after the treatment. The brand perception after the

treatment is still lower for non-loyal customers, but the mean score is closer to brand loyal customers than before the treatment.

Now CBBE has been measured for both brand loyal and non-loyal customers, next paragraph looks at which dimension has the strongest impact on negative UGC and deserves extra focus for managers.

### 6.4.3 Analysis of the development of all dimensions

Now the statistics of all CBBE dimensions are separately analysed, as well as the impact of negative UGC on CBBE, this paragraph analyses which CBBE dimension is mostly influenced by negative UGC. With these findings, the biggest cause of CBBE decrease or increase can be explained, and which dimension should receive most attention in the near future in order to minimise CBBE damage. In this paragraph, the differences between the brand perception of brand loyal and non-loyal customers for each CBBE dimension are shown in Figure 8 and Figure 9. An analysis follows below these figures.

Figure 8: Development CBBE dimensions - **brand loyal**

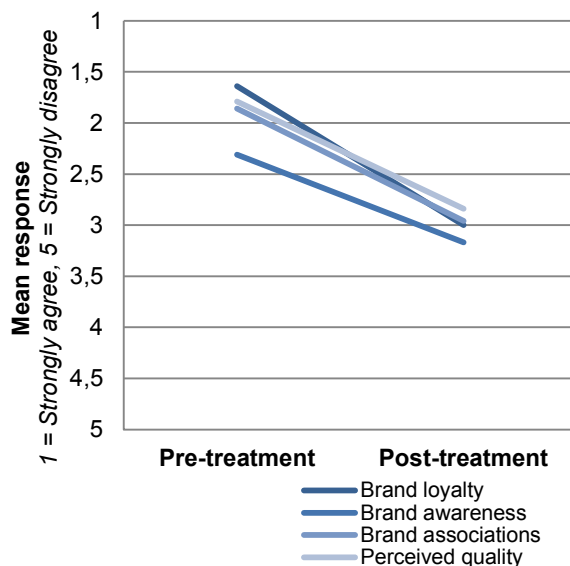
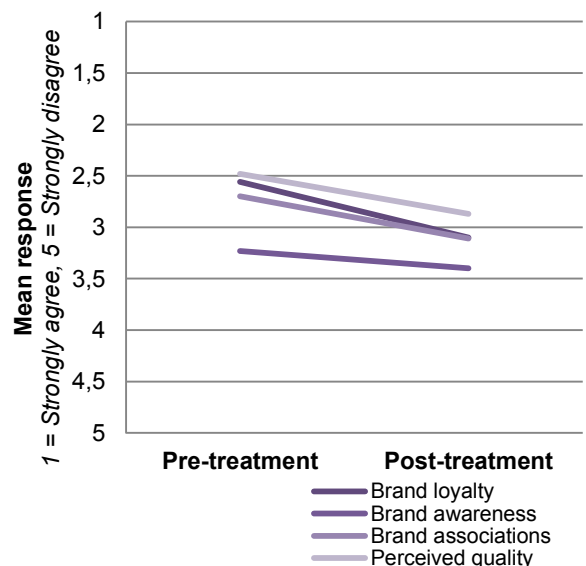


Figure 9: Development CBBE dimensions - **non-loyal**



The statistics related to each CBBE dimension have gained insight into the brand perception of brand loyal and non-loyal customers. Figure 8 and Figure 9 show that the impact of negative UGC on brand loyal customers is stronger than non-loyal



customers, since the blue lines of brand loyal customers has a stronger decrease than the purple lines of non-loyal customers. As already described in the analysis for H10, the brand perception of brand loyal customers was higher than non-loyal customers prior to the experiment, while the brand perception post to the treatment are more similar. The brand loyalty of both brand loyal and non-loyal customers experienced the strongest impact of all CBBE dimensions, since the darkest line in both Figure 8 and Figure 9 decreased the most. For both customer types, the degree of brand loyalty was the highest before the treatment, however, became the second lowest of all dimensions. Brand awareness is the weakest CBBE dimension for both, but also had the lowest score before the treatment and after the treatment for both brand loyal and non-loyal customers.

Now all the findings of the experiment are introduced in this paragraph, based on the ten hypotheses drafted for this study, the overall conclusions regarding the results are detailed in the following section.

## **6.5 CONCLUSION**

With the use of the findings of the experiment, an analysis was conducted to better understand the impact of negative UGC on CBBE. An online questionnaire was spread to brand loyal and non-loyal Meerlust customers, which was eventually filled in by the final sample size of  $n=154$ . Out of this sampling size ( $n=154$ ), the majority was non-loyal to Meerlust, which are 96 respondents (62.3%). 58 respondents of the total were brand loyal, since their average response of the question related to brand loyalty was between the score of 1 to 2. Of the 154 respondents,  $n=80$  (51.9%) were male and  $n=74$  (48.1%) were female. From the t-tests can be concluded that all ten hypotheses have significant impact, since the  $p$  value of all hypotheses are proven to be below 0.05 and all scores of Cohen's  $d$  test are above 0.20. This means that the statistics can be used for taking overall conclusions in the next chapter. From the calculated means of the collected data it is concluded that negative UGC does decrease CBBE: where the average respondent first agreed with positive statements regarding each CBBE dimension (score of 2.43 on a scale of 1: high brand perception, to 5: low brand perception), the same respondents indicated to neither agree nor disagree with the same statements after seeing negative UGC (3.07).

After comparing the mean value of brand loyal and non-loyal customers after the experimental treatment, all CBBE dimensions and eventually the overall CBBE experience damage. The mean impact of brand loyal and non-loyal customers, it can be concluded that the negative impact of negative UGC on brand loyal customers is almost three times greater (-1.09) than non-loyal customers (-0.38). The brand perception towards Meerlust of loyal customers was much higher than non-loyal customers prior to the treatment, but the brand perception after negative UGC is much closer to one another (2.00 for brand loyal customers 3.13 for non-loyal customers). The CBBE dimension brand loyalty is mostly impacted by negative UGC for both customer types (total impact is -0.85) and brand awareness had the least impact of all four CBBE dimensions (total impact is -0.43).

## **CHAPTER VII: DISCUSSION AND RECOMMENDATIONS**

### **7.1 INTRODUCTION**

The previous chapter presented the findings of how brand loyal and non-loyal customers of Meerlust respond to negative UGC, which measured the impact of negative UGC on CBBE. Few studies had examined the impact of negative UGC on CBBE in the luxury market, and in particular the luxury wine market. The results chapter showed that negative UGC had a greater impact on brand loyal customers. This means that these customers; are unlikely to think of Meerlust when thinking about which wine to purchase next (brand awareness), are unlikely to have positive associations with Meerlust (brand associations) or the number of positive associations decreased, are unlikely to be convinced that Meerlust is establishing high quality wines (perceived quality), and are unlikely to trust the brand again (brand loyalty). Finally, they are also unlikely to recommend Meerlust to acquaintances anymore (brand loyalty). Of the dimensions of CBBE, brand loyalty was worst affected and had the greatest decrease.

The findings described above have consequences on how wine brands should react to negative UGC. This final chapter discusses the interpretations of the study's findings as well as the managerial implications, and suggestions for future research. In this chapter, an overview of this study is offered first. The two sections thereafter provide conclusions regarding the overall research question, but addressing each objective in turn. Then, this chapter proposes several managerial implications that originated from the main conclusions. Following this, some possible limitations of the study are described. Thereafter, future research options are discussed. In the final paragraph of this final chapter, the final conclusions are provided.

### **7.2 OVERVIEW OF THE STUDY**

Before the discussions and recommendations of this study will be presented, a brief summary of the previous chapters will be given first.

From Chapter II it can be concluded that people's perception towards a brand change due to the production of UGC. The production of negative UGC could eventually make the difference if a consumer would still (re)purchase a brand, which could have big consequences for CBBE (Christodoulides *et al.*, 2012; Christodoulides *et al.*, 2010). In general, consumers trust negative UGC more than positive UGC, since the latter provides more valuable information in the decision-making process and are trustworthier. (Bambauer-Sachse and Mangold, 2011). Additionally, brand managers cannot have influence in the production and valence of this content (Tirunillai and Tellis, 2011). Especially when dissatisfied consumers intentionally produce bad experiences via negative UGC to harm a company's reputation, a brand's CBBE could be strongly damaged (Grégoire, Tripp and Legoux, 2009). Negative UGC that even gets viral could strongly damage the reputation of a brand (Grégoire and Tripp, 2011; Botha & Reyneke, 2013; Vanden Bergh, Lee, Quilliam and Hove, 2011). A brand in a social media crisis could change the general perception of many consumers have towards a brand, which can result in reputation dilution (Grégoire, Salle and Tripp, 2014).

In Chapter III, CBBE was described and how negative online UGC can be harmful for building brand equity. Since consumers intentionally hunt for and rely on user's experiences online, negative UGC has strong impact in the purchasing decision of consumers and therefore the relationship between negative UGC and CBBE is strong (Mangold and Faulds, 2009; Bambauer-Sachse and Mangold, 2011). In order to measure the impact of UGC on CBBE, this study will make use of Aaker's four-dimensional model of CBBE. The purpose of this study is to explore whether the relationship between brand awareness, brand associations, perceived quality and brand loyalty lasts and holds after negative brand-related UGC. The CBBE dimension 'brand loyalty' will play an important role in this study, because brand loyal customers are generally motivated to create UGC but are mostly affected by negative UGC in a negative way (Grégoire and Tripp, 2011), while content created by non-loyal customers is more powerful, because of the lack of brand knowledge and thus interest in knowing previous user brand experiences before making a purchase (Godes and Mayzlin, 2009). Only few studies have researched the effect before of negative UGC on luxury wine brands in particular. Only Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009) measured the influence of negative UGC on CBBE. However,

none of the studies has used brand loyal customers in measuring CBBE, nor used Aaker's four-dimensional model of CBBE in measuring the impact of UGC on brand equity. However, using this model for measuring CBBE is still recommended (Ng and Rao Hill, 2009).

Following the focus on CBBE, Chapter IV explains why the South African luxury wine market is particularly relevant for measuring both negative UGC and CBBE. Firstly, little research has been done on the luxury wine market, and few studies have specifically focused on the impact of negative UGC on CBBE in the wine market. Secondly, CBBE is important in both the luxury market and the wine market, because brands in both markets strive to be perceived as unique, authentic and exclusive, but high CBBE is also essential to stand out of competition and to become recognisable. Thirdly, luxury wine brands are generally not active on social media to maintain the reputation of luxury, while consumers are motivated to communicate on social media about luxury goods to express their symbolic values (Jin, 2012). Also, the global market for luxury goods has grown intensively the past years, while there is little empirical knowledge about luxury brands, but also about the wine market (Berthon *et al.*, 2009).

Chapter V presented the methodology for this study. This study will follow a conclusive research design. Besides, this study ought to research the cause-and-effect relationship between these costumers' attitudes towards a luxury wine brand before and after reading negative UGC. Therefore, causal research will be applied to this study. An experimental research is the most appropriate method to apply to this study, since the production of UGC is the cause of the research problem and thus will be manipulated by creating a fictive post on a social media platform. The decision on which South African luxury wine brand to use in the treatment was based on a pretest. Five South African luxury wines were presented in the experiment and respondents were asked to indicate if they perceive each brand as luxury. Meerlust was the outcome of the pretest. It was also tested in a second pretest how respondents perceive the created treatment, before it was used for the final online questionnaire. Based on the given input, changes were made to the treatment, so the chances a respondent will believe and perceive the treatment as negative will be higher. Brand loyal and non-loyal customers can be sampled best by a combination of convenience,

quota and snowball technique and the aim is to have a sample size of at least 200 respondents.

Chapter VI discussed the findings of the experiment, where the results of the conducted descriptive statistical analysis were detailed. An online questionnaire was spread to 154 brand loyal and non-loyal Meerlust customers. The final sample from the dataset was found to be negatively impacted by negative UGC. Especially brand loyal customers are mostly influenced by negative UGC, since the development of the degree of brand awareness, brand associations, perceived quality and brand loyalty was decreasing more strongly than non-loyal customers. While it was found that brand loyalty is the most impacted dimension of CBBE, in general but also for both brand loyal and non-loyal customers.

Based on the findings described in previous chapter, conclusions are made in this chapter. With these conclusions in mind, managerial implementations and the limitation of this study are outlined, and future research is suggested. First, conclusions to the findings are made based to the composed research objectives in paragraph 1.3, and measured by the ten hypotheses explained in section 5.8 of this dissertation.

### **7.3 CONCLUSIONS REGARDING OBJECTIVES**

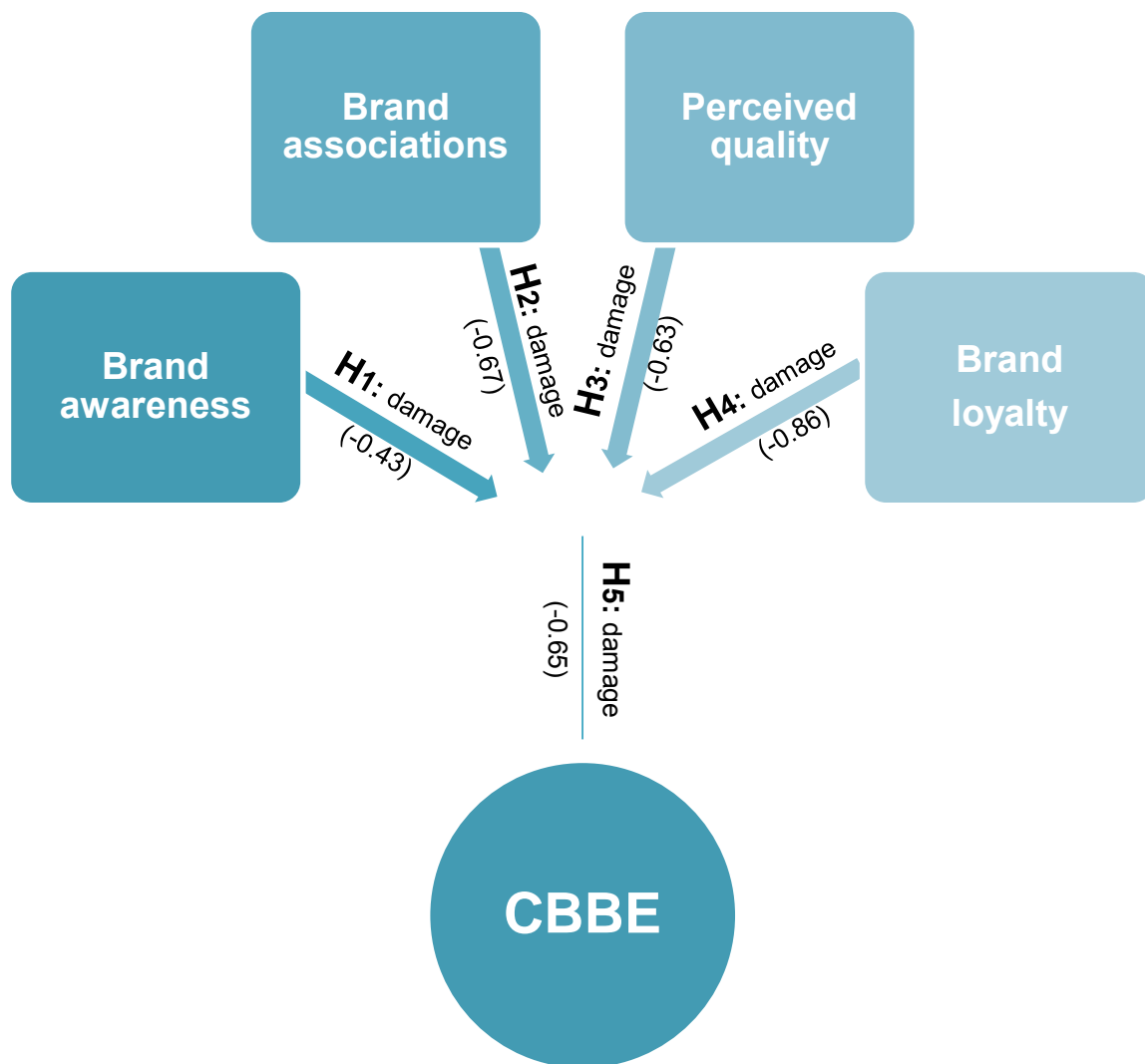
The research question of this study was measured through two research objectives. Objective one, which concerned the impact of negative UGC on CBBE and its dimensions, was tested with hypotheses one to five. Objective two, which differentiated between loyal and non-loyal wine drinkers, and compared the impact of negative UGC on these two groups, was measured with hypotheses six to ten. The following sections provide the overall conclusions with regard to these two objectives.

#### **7.3.1 Conclusion regarding research objective one**

The results of hypothesis one to five are needed to provide answers to research objective one, which are established with the use of the four-dimensional model of CBBE (Aaker, 1996). After analysing the results regarding these hypotheses, it is

proven that negative UGC has negative consequences for the CBBE of a South African luxury wine brand. The brand awareness, brand associations, perceived quality and brand loyalty of luxury wine drinkers damaged after paying attention to the experimental treatment, which eventually means that negative UGC harms CBBE as well. The conclusions of H1 to H5 are summarised in Figure 10, which are further explained below this table.

Figure 10: Conclusions of findings H1 to H5



Since the result of every hypothesis is negative, shown in Figure 10, it means that CBBE damage occurred (H<sub>5</sub>) and its dimensions decreased in each case. Since the outcome of negative UGC is uncontrollable (Tirunillai and Tellis, 2011) and the impact on CBBE is not easy to measure, managers of luxury wine brands should keep in mind that they cannot rely on each CBBE dimension when experiencing negative times on

social media. Especially since CBBE is very important in the wine market, and consumers are overwhelmed by too many choices in brands (Vrontis and Papasolomou, 2007), the risk that a consumer switches to another brand after negative UGC is high for wine brands. Despite of a possible positive brand perception that is developed over time, exposure to negative UGC arouses a consumer to prefer one brand with similar attributes and price to another (Nowak *et al.*, 2006). Consumers are sensitive for and easily affected by the consumption of negative UGC. Due to the production of negative UGC, consumers create long-lasting negative brand associations in memory, which results in a negative effect on consumer behaviour (Keller, 1993) and consumer's purchasing decisions are now in favour of competing brands.

The fact that negative UGC harms the brand awareness amongst luxury wine drinkers (H<sub>1</sub>), means that a luxury wine brand damaged by negative UGC is less presented in the consumers' mind when making a final purchase (Aaker, 1996; Rossiter and Percy, 1997, p. 113). From the results of the experiment can be concluded that respondents identify Meerlust the most by brand recall, which is also the most impacted level of brand awareness. The chance that a wine customer automatically associates a specific luxury wine brand in a purchasing decision is lower after reading negative UGC related to this wine brand (Rossiter and Percy, 1997, p. 113).

The fact that negative UGC also harms established brand associations (H<sub>2</sub>) means that negative impressions and images held in customers' memory results in a negative brand evaluation, which makes a purchase of a brand not a good value for money anymore (Rossiter and Percy, 1997; Edelman, 2010).

CBBE in the wine market is only effective when a wine brand can deliver high quality, since it is an essential condition for a wine brand to be acknowledged as luxury brand, and negative UGC related to the quality of a luxury wine makes the impact on CBBE even stronger. A decrease of the perceived quality (H<sub>3</sub>) after negative UGC results in an overall negative consumers' judgement of the overall quality of a product (Aaker, 1996). Since consumers are more driven to choose a brand with high-perceived quality (Yoo, Donthu and Lee, 2000), a brand is valued less when the perceived quality is damaged by negative UGC.



High quality wines provide a level of trust, which leads to customer brand loyalty, since it provides a level of commitment (Vrontis and Pappasolomou, 2007). Damage of brand loyalty due to negative UGC (H4) means that the established deeply held emotional commitment with a brand reduces, which leads to a preference towards another brand in the future (Yoo and Donthu, 2001).

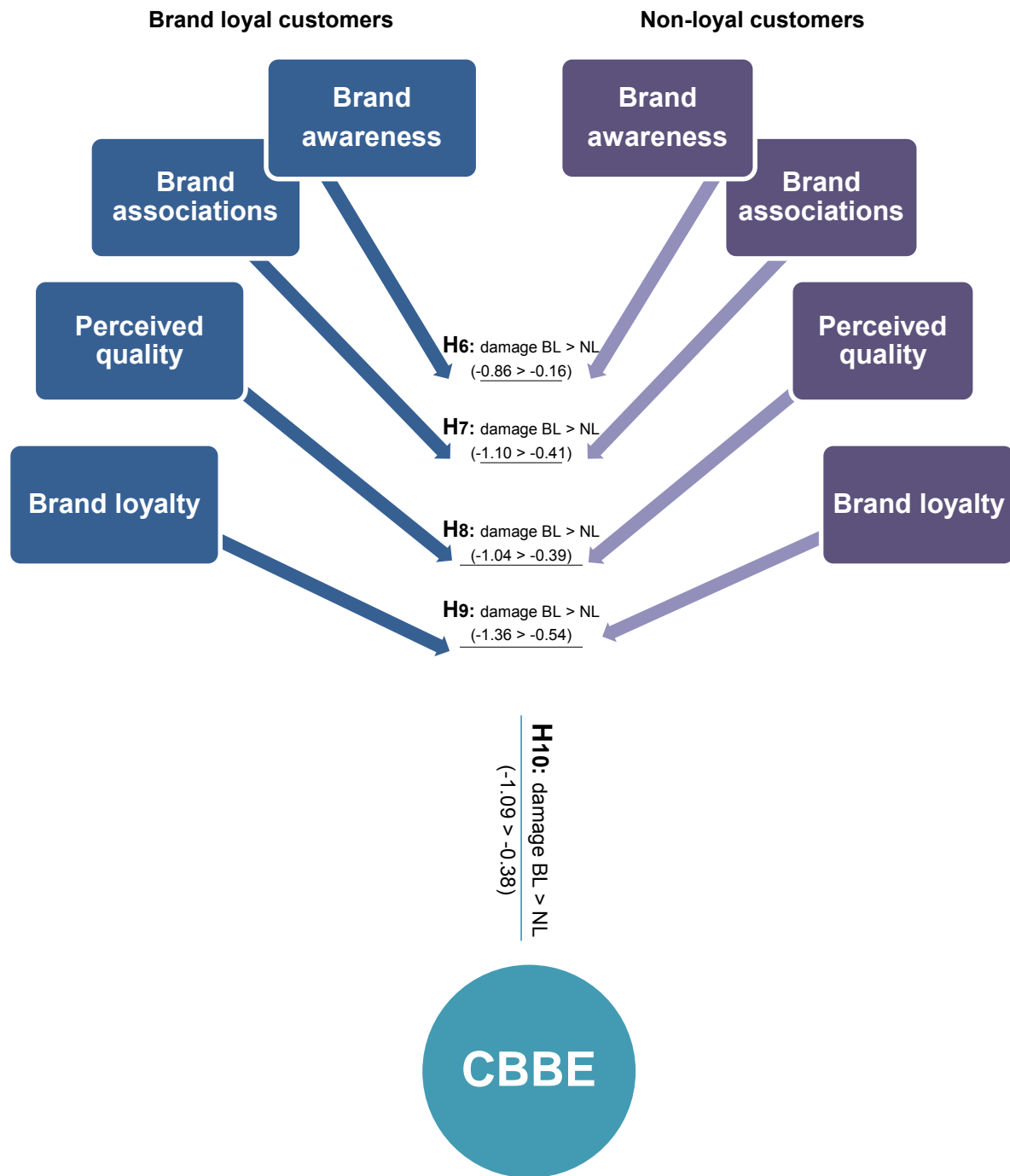
In following paragraph, the conclusions regarding the second research objective are discussed.

### **7.3.2 Conclusion regarding research objective two**

Brand loyal customers are generally committed to a specific wine brand (Vrontis and Pappasolomou, 2007). Besides, a consumer's loyalty to a brand drive the desire to create UGC (Boyle, 2007), and negative experiences of brand loyal customers might lead to intentionally writing negative UGC out of revenge (Grégoire and Tripp, 2011). This study therefore measured the differential influence of negative UGC among brand loyal and non-loyal customers. In order to draw conclusions of the differential impact of negative UGC on brand loyal customers, the 'love is blind versus love becomes hate' theory (Grégoire and Fisher, 2005) is used (see section 5.8). According this theory, the development of a brand loyal customer's commitment to a brand after negative experience could result in two effects: the 'love is blind' effect and the 'love becomes hate' effect. A consumer's relationship towards a brand could be so strong, that the consumer is either blind (love is blind effect) for negativity caused by the brand, or feels betrayed and seeks for revenge towards the brand (love becomes hate effect).

Figure 11 shows that brand loyal customers are more influenced than non-loyal customers, concluded from the comparisons of the results of both customer types.

Figure 11: Conclusions of findings H6 to H10



Note: BL > NL = impact on loyal customers is greater than on non-loyal customers

Hypothesis six to ten predicted that brand loyal customers are more impacted by negative UGC than non-loyal customers, and from the results presented in paragraph 6.4.2 can be concluded that the damage of negative UGC on CBBE is almost three times stronger for brand loyal customers than non-loyal customers (H<sub>10</sub>). When customers of a luxury wine brand are exposed to negative UGC, the 'love becomes

'hate' effect occurs (Grégoire and Fisher, 2005). Brand loyal customers have high brand expectations and brand failures create a stronger desire for retaliation for brand loyal customers than non-loyal customers (Grégoire and Fisher, 2005). Since both customer types experience a negative impact after negative UGC, a luxury wine brand cannot count on both in times of negative UGC. Brand loyal wine customers are not blind for negative UGC, despite of their previously strong emotional commitment towards the wine brand, and the broken trust is seen as an act of betrayal. This leads to a desire for revenge, which is expressed by online complains produced by UGC, which makes the impact of negative UGC on CBBE even stronger. Non-loyal customers most likely will not purchase or recommend the brand again and instead of complaining online, they spend their time looking for an alternative brand to satisfy their category need. Since they did not have a strong commitment with the brand prior to the experiment, they do not are hardly feel betrayed and therefore the need to take down a brand online.

Each CBBE dimension is more damaged among brand loyal customers than among non-loyal customers. Firstly, negative UGC has a greater impact on the brand awareness of a luxury wine (H<sub>6</sub>) on loyal customers than on non-loyal wine drinkers. This means that customers' trust turned into betrayal and the 'love becomes hate' effect occurred. Relatively, a luxury wine brand is less presented in the consumers' mind than before the experiment in the process of making a final purchase (Aaker, 1996; Rossiter and Percy, 1997, p. 113). The fact that negative UGC also harms the established brand associations (H<sub>7</sub>) of brand loyal customers more than non-loyal customers means that customers are not blind for negative impressions and images after negative brand experience (Aaker, 1996). Brand loyal customers feel betrayal towards the brand and create negative brand associations, instead of being blind or even support a brand more after negative UGC (Grégoire and Fisher, 2005). Brand loyal customers also believed a luxury wine brand is of lower quality after negative UGC (H<sub>8</sub>), which means that the perception of high quality prior to the treatment was not strong and convincing enough to keep the same perception after the treatment, and the 'love becomes hate' effect also happened to the CBBE dimension perceived quality. Out of all dimensions, brand loyalty was impacted the most by negative UGC (H<sub>9</sub>). Also, brand loyal customers are influenced more negatively than non-loyal customers. Thus, the 'love becomes hate' effect also applied to brand loyalty, where

the level of trust and commitment leads to a preference towards another brand in the future (Yoo and Donthu, 2001).

In conclusion, wine brand managers should keep in mind that brand loyal customers are not blind for negative UGC, but are more likely to purchase, recommend and trust another wine brand in the future. Thus, brand managers cannot count on their brand loyal customers in times of social media crisis and deserve extra attention when a brand is strongly targeted in a negative way. The risk also occurs that affected brand loyal customers experienced such a strong disappointment that they intentionally produce negative UGC online to feel justice for the betrayal the brand caused to them. Companies also cannot count on support from non-loyal customers in negatively valued online conversations on social media platforms, since the impact of negative UGC on non-loyal customers decreased as well. Not only is the CBBE of brand loyal customers more damaged than non-loyal customers, the results of the experiment also show that each dimension decreased more for brand loyal customers after the treatment. The 'love becomes hate' effect therefore happened to each CBBE dimension. With the conclusions presented in this section, all objectives of this study are achieved, since the outcome of this study determined that negative UGC influences the CBBE of luxury wine for its customers, and determined that the influence of negative UGC on the CBBE of a luxury wine is stronger for loyal customers as compared to non-loyal customers.

With these conclusions in mind, managerial implications are drafted in next section.

#### **7.4 MANAGERIAL IMPLICATIONS**

To remain a strong reputation of exclusivity, luxury wine brands are hardly present on social media (Jin, 2012). However, consumers could still produce negative content on social media platforms that could be harmful for a wine brand. The ability to reduce the damage from this content will be more difficult, because a wine without a social media profile cannot represent itself and defend or respond to negative comments online. Based on the conclusions explained in the section above, this section provides managerial implications for marketing managers to take note when their brand is negatively targeted online. Based on the managerial implications, companies can take

advantage of the use of social media, but especially can set up the right precautions when negative UGC is posted largely on Facebook, Twitter, YouTube, Instagram or Twitter.

#### **7.4.1 The power of UGC**

Since it can be concluded in this study that negative UGC does impact a brand's CBBE in a negative way, marketers should not underestimate the power of UGC. Not only is the amount of written brand-related UGC more prolific on social media platforms than content created by brands, consumers also influence each other's brand perception, since consumers value brand-related content created by consumers more than content created by the company (Grégoire, Tripp and Legoux, 2009). Also, negative UGC has more impact than positive UGC, since consumers intentionally search online for negative experiences, to exclude options in the purchasing process (Bambauer-Sachse and Mangold, 2011). Something that further complicates the situation, is that social media content is not always detectable, because not every brand-related post has been shared publicly or has been referred to a brand with a hashtag or a linked tag to the brand's profile. Especially when a brand is not active on social media, a Facebook user is not able to tag a brand, which makes the managerial response to negative UGC even more limited.

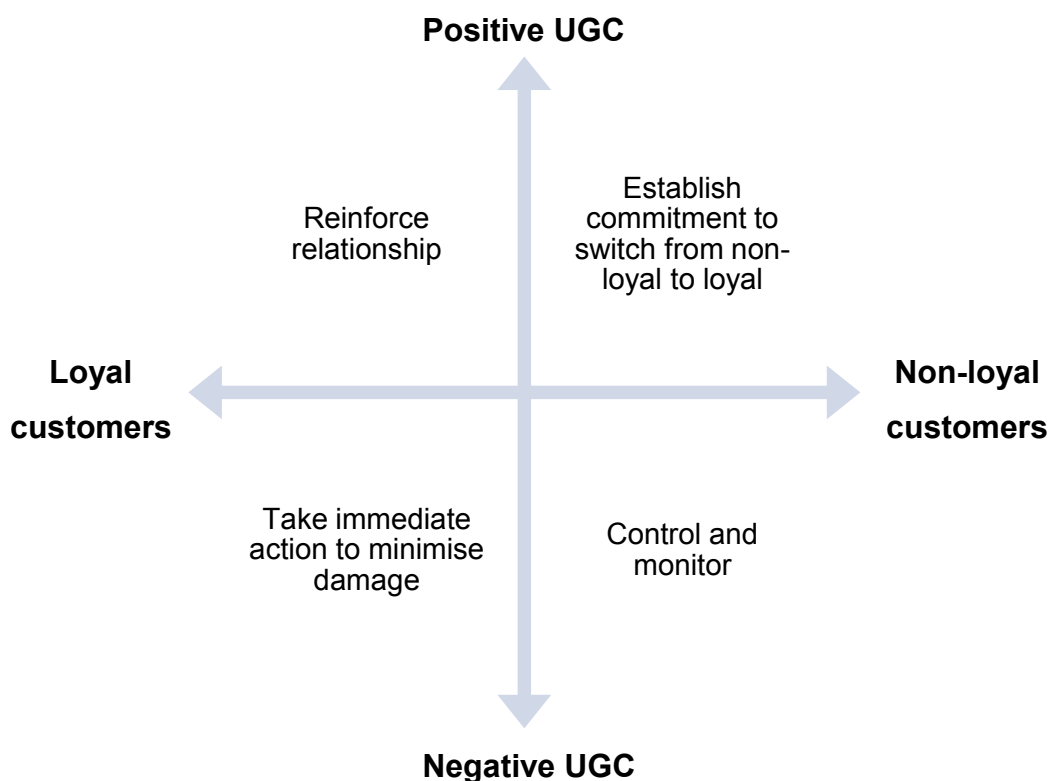
Considering the reach, accessibility and transparency of the Internet, managers should keep in mind that monitoring online brand-related interactions on social media is impossible. But where possible, brands should react to negative UGC with great speed and care. It is recommended to online marketing managers to firstly be present in every social media network, and secondly to always track and analyse negative UGC on social media, which can be found by the use of hashtags, posts on social fan pages, posts on the brand's official social media page, or even by the use of a search engine such as Google. Online marketers should know what is being said about their brand online and should try to anticipate the outcome.

Not only the valence (positive versus negative) of UGC is important, but also the frequency of negative posts, comments and shares. This is important, because managers can estimate the impact of the spread of negative UGC and might be able

to comment on these posts before it is exposed to a large group of social media users. Marketing managers should implement a social media strategy, which explains how to detect, analyse and respond to negatively valued content on social media and positively change consumers' brand perception.

Based on this study's findings, the following matrix was proposed to assist managers in their response to UGC. Distinction was made between the actions of loyal and non-loyal customers, as this study clearly shows the increased impact on brand loyal customers. These customers are also easier to track as they are likely to be present at company fan pages, the company website etc. A brief discussion of each proposed action follows below this matrix.

Figure 12: Action plan marketing managers



When UGC is generated regarding the brand, the marketing manager can use the above matrix to decide which action to take. Their response should be based on whether the UGC is positive or negative, and whether the UGC is likely to reach loyal customers. As marketing managers cannot possibly respond to all UGC, they can prioritise which type of content they can respond to, where negative UGC that is likely

to reach brand loyal customers should be priority number one, since brand loyal customers are mostly damaged by negative UGC. Managers should take immediate action to minimise the damage of negative UGC on brand loyal customers. Negative UGC created by brand loyal customers can for example be found on fan pages on Facebook and online communities such as wine forums. Thereafter, the other type of negative UGC reached by non-loyal customers should be actioned, even though it might not reach loyal customers: 1) because it has a negative impact on CBBE, and 2) it might later reach loyal customers. Third, companies should focus on reinforcing positive UGC with brand loyal customers to increase their likelihood of repurchasing. And finally, positive UGC should be capitalised on as much as possible in order to turn non-loyal customers into loyal ones.

Luxury wine brands can use this to assist in the development of an online brand management strategy as part of their larger social media strategy, with the aim to establish CBBE in times of social media crisis. Besides a social media strategy, supported with above action plan, managers should also set up an online branding strategy. This outlines the managerial efforts how to reduce the impact on CBBE (and each CBBE dimension) in times of negative publicity caused by UGC. This will be explained in paragraph 7.4.3. First, the importance of managers to be aware of the impact of negative UGC on CBBE at all times is explained first in next paragraph.

#### **7.4.2 Awareness risks negative UGC on CBBE**

Consumers feel less committed to a brand, are less aware of a brand, establish more negative associations and have a lower perception of the brand's quality after reading a negative post on Facebook. In the context of Aaker's (1996) framework, this study concludes that negative UGC has negative consequences for CBBE and could cause reputational damage. Since this study made use of the luxury wine brand Meerlust with generally high brand equity, it can be concluded that even strong brands experience CBBE damage due to negative UGC. Marketing managers should therefore know that high brand equity is not strong enough in times of social media crisis and should therefore not lean on the benefits. Also from the findings of this study, it is concluded that both brand loyal and non-loyal customers are impacted by negative UGC and therefore companies should be aware of the risks of negative UGC and not

underestimate the impact it has on CBBE. Since CBBE damage could turn a company into reputational crisis, the significant impact of negative UGC on CBBE should be taken seriously. This means that in times of social media crisis, companies should not lean on high brand loyalty, high brand awareness, positive brand associations and a strong quality, but instead should execute damage control on how to reduce the damage of each CBBE dimension. In following paragraph, the implications will be presented how companies can be prepared for CBBE decrease caused by negative UGC.

### **7.4.3 Creation of online brand strategy in reducing impact CBBE damage**

Besides understanding of how a brand is still perceived in times of social media crisis, managers should also know how to managerially act and react in any worst-case-scenario. A social media crisis can never be prevented by managerial efforts, since the traffic of UGC is uncontrollable and fully in the control of consumers. Still, companies should be aware of how to reduce the impact on CBBE as much as possible. Therefore, every brand should set up an online brand strategy, which provides guidelines of how CBBE damage can be diminished. All dimensions of CBBE should get special attention and the focus should be on the actions that will be taken to prevent every dimension to turn into dilution.

From the findings, it can be concluded that the CBBE dimension brand loyalty is mostly affected by negative UGC. Since this study is applied to the wine market, wine marketers should spend more time, effort and money in the development of maintaining a strong relationship with the brand loyal customers, for example by organising free wine tastings or by promoting the brand's wine club. Also, Meerlust's brand loyal customers are more impacted, which means that extra attention in the online brand strategy should be paid to how to redeem trust from brand loyal customers. Lastly, companies that experienced social media crisis in the past should develop a post-crisis report that analyses the final detriment incurred, so lessons can be learned and adaptations can be made to the social media crisis. Interesting in this report is which CBBE is mostly injured and thus is the biggest cause of the CBBE dilution.



The conclusions of this study, however, should be replicated in other contexts to make them more generalizable. This is one of the limitations of the study, further discussed in the following section.

## **7.5 LIMITATIONS OF THIS STUDY**

This study's findings are confined by several limitations. Firstly, the researcher has conducted this study within nine months, this study's final realised sample size of  $n=154$  is considered as being small. The time limitations have also limited the amount of collected data, where the actual target was to reach at least 200 respondents, equally divided in brand loyal and non-loyal customers. However, considering the sensitive information in the experimental questionnaire, namely the treatment of negative fictive content aimed at Meerlust, spreading the questionnaire had to be handled with care and attention. Despite the online questionnaire included a disclaimer, explaining that the content in the questionnaire was entirely fictitious, respondents could still misinterpret the treatment as a situation that actually happened. In the worst case, respondents could subsequently share this fictive image on social media, where the possibility occurs that Meerlust could run into a real social media crisis. This brought limitations to the amount of collected data, since a link to the online questionnaire has not been publicly shared via social media and online wine forums, in consultation with Meerlust marketing manager Eddie Turner. The fact that respondents have been sampled individually has caused a delay in the data collection in a short amount of time available.

Another limitation is that this study could only be compared with the study of Bambauer-Sachse and Mangold (2011) and Ng and Rao Hill (2009). These two studies are the only ones that measured the impact of negative UGC on CBBE. The advantage is that this study will fill many gaps in literature; however, it limited the depth of this research regarding UGC. This study could not rely on scientific outcomes of existing studies, since they do not exist. For example, Bambauer-Sachse and Mangold (2011) measured the impact of negative online reviews, which is an aspect of UGC, but no study has measured the impact of negative UGC that is unintentionally exposed to and consumed by social media users who had no intention or need to absorb the

information prior to the exposure to the content. Since this study has made many scientific distinctions, the depth in the concept of UGC could be seen as limited.

Following to this limitation, the outcome of this study is also fully based on the experimental treatment, in which a fictive post was created. With other words, the impact on CBBE completely depends on the valence, length, frequency, used social medium, social media experience and the person who shared the content. For example, consuming a long post without an image, on an unknown social media platform and shared by a person you hardly know would be differently perceived than a post of a good friend, who expresses its anger towards a brand, supported by an image and posted on a social media platform you use everyday. In conclusion, eWOM also depends on the content itself, the person you received the information from and on which social media platform it is posted. Besides, respondents were also asked to use their empathy during the questionnaire, since they needed to imagine the treatment was displayed on their own news feed and a friend published the post. This study made use of a pretest, in which respondents were asked to identify to what extent they believed the fictive post was real, and to what extent they negatively perceived it. However, it can be questioned to what extent the respondents were able to empathise the drafted situation or did not believe the post was real in the first place.

Lastly, the questionnaire of this study contains questions regarding the consumption of alcohol, which could be perceived as a sensitive subject. Therefore, the reliability of the respondents' answers could be questioned.

In the following chapter, the recommendations for future research will be presented.

## **7.6 FUTURE RESEARCH**

Although this study reached new ground in terms of conducting research on negative UGC and CBBE, future researchers may look into examining new subjects in respond to this study. In this section, opportunities for future studies will be provided. These recommendations are based on further extension or depth on this research topic.

In order to better understand the possible implementations to reduce the damage on CBBE in times of social media crisis, further research could examine how to conduct damage control related to four dimensions of CBBE, since it is recommended to involve Aaker's four dimensions of CBBE (1996) in research related to CBBE (Ng and Rao Hill (2009). As discussed in paragraph 7.4.3, managers are recommended to create an online branding strategy with the target to reduce the impact on CBBE as much as possible. In order to understand which actions should be taken to bring a brand that suffered from negative UGC out of CBBE decrease, it should be measured how brands could achieve this. Since the goal of this online branding strategy is not directly to increase CBBE, but how to get control over the CBBE damage the brand is experiencing, insight must be provided how companies must react in order to positively influence the development of every CBBE dimension in times of crisis. Research on how to conduct damage control related to the four dimensions of CBBE has not been studied before, and would therefore be an appropriate future study in the light of this dissertation.

Since the consumption of luxury brands has strong symbolic value (Berthon *et al.*, 2009), future studies could focus on how this symbolic value is impacted by negative UGC and if there is a link between the degree of symbolic value and CBBE decrease caused by negative UGC. People consume luxury goods to symbolise their high level of wealth, power and status (Berthon *et al.*, 2009) and the question arises how strong this symbolic value still would be if the consumer gets exposed to negative brand-related UGC. Are they still motivated to communicate about a brand on social media platforms? Does the brand still live up to a certain social image and social approval? The answers of these questions have impact whether or not a consumer would still: (1) be loyal to the brand, (2) be aware of the company's existence in the decision-making process, (3) establish positive associations towards the brand and (4) believe the brand is of high quality. With other words, does the symbolic value of consumers decrease after UGC exposure, and if yes, what does this mean for CBBE? Thus, does a negative development of the symbolic value towards a brand have consequences for CBBE?

Lastly, post studies focusing on CBBE in the luxury market and wine market are very limited (Berthon *et al.*, 2009), while the creation of CBBE is essential for wine brands

(Vrontis and Pappasolomou, 2007). Generally, luxury (wine) brands are intentionally hardly active on social media to remain an exclusive reputation (Jin, 2012). However, these brands could still suffer from negative UGC. As recommended to online marketers in paragraph 7.4, brands that are not represented on social media do not have the opportunity to defend or respond to negative comments online. Therefore, future marketing researchers are suggested to focus on the differential impact of the gain of not being active on social media and being perceived as luxury, and of the harm to not be able to represent a brand online and prevent incorrect or negative associations from being spread. By the power consumers received due to the production of UGC, it is essential for brands to be represented on social media platforms as well. Future research could therefore also focus on the perception of luxury before and after being present on social media platforms. With other words – to what extent do luxury brands keep their reputation of exclusivity, authenticity and uniqueness when it is decided to create an official brand profile on social media?

## **7.7 CONCLUSION**

This chapter interpreted the findings of this empirical study, using Aaker's four-dimensional model of CBBE (1996) and the 'love is blind versus love becomes hate' theory of Grégoire and Fisher (2005). The aim of this study was to gain better understanding of the impact of negative UGC in the South African wine market. Based on 154 questioned brand loyal and non-loyal Meerlust customers, conclusions have been drawn. Figure 11 described the main conclusion of this study: The production of negative UGC does have negative consequences for the CBBE of wine brands and this effect is more than twice stronger on brand loyal customers than on non-loyal customers. The 'love' brand loyal customers once felt for the brand has now turned into disappointment, resulting in not purchasing, recommending and trusting the brand any longer. For this reason, wine brand managers should not rely on their brand loyal customers in times of social media crisis, but need to receive priority in online content produced by companies, in order to save the strong relationship with brand loyal customers as much as possible. Also, non-loyal customers are less triggered to purchase a wine brand again after reading negative UGC, even if the impact is less than brand loyal customers. The CBBE dimension brand loyalty is mostly impacted by

negative UGC, which means that this dimension needs special attention in the online branding strategy.

Managerial implications were proposed to online marketers, which offer them understanding of the impact of negative UGC on CBBE and how to execute practices managerial practices to efficiently respond to the power of UGC. Managers are advised to be aware of the impact of UGC at all times, especially in a situation where a brand is not represented on social media. Besides, not all social media content is detectable, because posts can be shared only to friends, or friends-of-friends, which will not be reached by the brand. Companies should still be fulltime busy with detecting content created on social media, so estimation can be made at short notice of the impact of negative UGC and companies can express the right comments on these posts before it is exposed to a large group of social media users. Online brand managers should also set up an online branding strategy, which provides guidelines of how CBBE damage can be diminished. All dimensions of CBBE should play an important part in this branding strategy, since the development of each and the focus should be on the actions that will be taken to prevent every dimension to turn into dilution.

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## APPENDIX A: PRE-TEST ONE


### Questionnaire



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Dear Respondent,

The following questionnaire will only take **two** minutes to complete. Your answers will be strictly **confidential**. These findings will be used in an **academic study** and only **aggregate findings will be reported**. This questionnaire is **completely anonymous**. By completing this questionnaire, you as respondent: Implicitly give consent to take part in the research study; Are aware that participation is voluntary, and that you understand that you may withdraw at any point in time without any adverse consequences. If you have any queries, or if you would like to have **access to the findings**, please don't hesitate to contact Claire Wouters ([WTRCLA001@uct.ac.za](mailto:WTRCLA001@uct.ac.za)).

---

**In below graphic, five wine brands are given. Could you please indicate how well you know every brand? (1 = Low brand knowledge, 10 = High brand knowledge)**

	<i>Don't know this brand</i>	<i>Low brand knowledge</i>										<i>High brand knowledge</i>
		1	2	3	4	5	6	7	8	9	10	
<b>Meerlust</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Rust en Vrede</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Hamilton Russell</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Bouchard Finlayson</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>De Toren</b>	<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"/>	<input type="radio"/>	<input type="radio"/>

---

**In below graphic, five wine brands are given. Could you please indicate for every brand to what extent you perceive it as a luxury brand? (1 = Economy brand, 10 = Luxury brand)**

	<i>Don't know this brand</i>	<i>Economy brand</i>										<i>Luxury brand</i>
		1	2	3	4	5	6	7	8	9	10	
<b>Meerlust</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Rust en Vrede</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Hamilton Russell</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>Bouchard Finlayson</b>	<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"/>	<input type="radio"/>	<input type="radio"/>
<b>De Toren</b>	<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"/>	<input type="radio"/>	<input type="radio"/>

---

**Age:**

18-25

26-39

40-59

60-75

75+

**Gender:**

Male

Female

---

## Results

### Results: Brand knowledge of wine brands

#	Question	Don't know this brand	Low brand knowledge 1	2	3	4	5	6	7	8	9	High brand knowledge 10	Total Responses	Mean
1	Meerlust	0	1	0	1	3	2	0	5	6	1	1	20	7.40
2	Rust en Vrede	1	0	1	2	2	3	3	5	1	0	2	20	6.60
3	Hamilton Russell	7	2	0	2	1	1	1	3	2	0	1	20	4.50
4	Bouchard Finlayson	6	2	1	3	1	1	1	2	2	0	1	20	4.40
5	De Toren	9	5	1	1	0	1	0	3	0	0	0	20	2.80

Conclusion: Meerlust has highest brand knowledge (average is 7.40 out of 10).


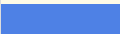


### Results: Perception of luxury

#	Question	Don't know this brand	Economy brand 1	2	3	4	5	6	7	8	9	Luxury brand 10	Total Responses	Mean
1	Meerlust	0	0	1	0	2	1	2	6	3	3	2	20	8.00
2	Rust en Vrede	1	0	1	0	2	3	5	5	2	1	0	20	6.75
3	Hamilton Russell	5	0	1	0	1	2	1	2	1	5	2	20	6.45
4	Bouchard Finlayson	7	0	1	0	1	1	1	2	2	4	1	20	5.65
5	De Toren	9	0	2	2	0	1	0	4	1	0	1	20	4.05

Conclusion: Meerlust is mostly perceived as luxury brand (average is 8.00 out of 10).

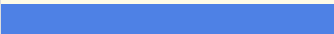



**Results: Age**

#	Answer		Response	%
1	18-25		0	0%
2	26-39		12	60%
3	40-59		5	25%
4	60-75		2	10%
5	75+		1	5%
	Total		20	100%

Conclusion: Most respondents were between 18 and 39 years old (60%).

**Results: Gender**

#	Answer		Response	%
1	Male		14	70%
2	Female		6	30%
	Total		20	100%

Conclusion: The majority of respondents were male (70%).

## APPENDIX B: PRE-TEST TWO

### Treatment options

#### Option 1



Lekker! Was looking forward drinking the Meerlust Pinot Noir from 2013 after a long day of work, until I noticed this sharp piece of oak floating out of the bottle straight into my glass.... Seriously, Meerlust, are you trying to choke me or what?! Last time I bought from you. #notcool #meerlust #pinotnoir #dontbuythisplease #dangerous













Like Comment Share

71 people like this.

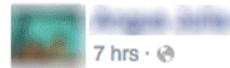
Top Comments ▾

7 shares

- Write a comment...  
-  **Robert Stevens** Oh really?!!! Can't believe this. Naaah, will obviously skip this brand in future as well, how scary!  
Like · Reply ·  7 · 4 hrs
-  **Brian Roberts** Hm, apparently Meerlust's manufacturing process is not as trust worthy as we thought... Thanks for sharing, will ignore this wine too from now on.  
Like · Reply ·  2 · 4 hrs · Edited
-  **Jonathan Thompson** That is so dangerous..  
Like · Reply · 1 hr
-  **Leanne De Vries** Wow, not nice at all! Imagine what would have happened if you accidentally had consumed it! Don't wanna know. Also never would have expected this from a high-class luxury wine.  
Like · Reply ·  2 · 56 mins
-  **Van Wely** That's so freaky!!! Thx for the warning, won't drink this any longer... So disappointed. Happy you're still alive though! :)  
Like · Reply · 2 mins

## Option 2

Tested treatment of pre-test 2. Final edits based on the results of pre-test 2 have already been made in this example.



7 hrs · 🌐


I feel like I've been duped by my favourite wine brand Meerlust with my last bottle of their Pinot Noir. Found out Meerlust cut costs by using their Merlot and Syrah grapes in the so-called "2015 Pinot Noir"! Paid R250 for this pretentious wine... Lekker 😞! Seriously Meerlust, is this your way of making a quick buck?! Lying to customers is NOT ok. So disappointed, last time I'm buying from you! #notcool #meerlust #pinotnoir2015 #dontbuythisplease #onebiglie #winefraud #frustrating #SABCnews




👍 Like    💬 Comment    ➦ Share


71 people like this.

7 shares


 **Robert Steyn** Oh really?? Can't believe this! Unfortunately there're rats born everyday.... Think I will skip this brand in the future as well.  
Like · Reply · 🍌 7 · 7 hrs

 **Wils Trueman** Are you sure about that? And haven't you ever noticed a taste difference?  
Like · Reply · 7 hrs

 **Robert Steyn** Yes - just was on SABC news. The Pinot Noir 2015 is in the market since only Dec 2015, usually I drink the Pinot 2014 or 2013.  
Like · Reply · 🍌 4 · 7 hrs

 **Wils Trueman** Insane. Guess the grape falls far from the tree 😞  
Like · Reply · 7 hrs

 **Rogier de Vries** Hm, so Meerlust is not as trustworthy as we thought! Thanks for sharing, will ignore this wine too from now on.  
Like · Reply · 🍌 2 · 4 hrs · Edited

 **Wils Trueman** I understand your frustration, but I would still like this wine. I mean it is Meerlust we are talking about.  
Like · Reply · 2 hrs

 **Wils Trueman** What a careless way of treating your customers  
Like · Reply · 🍌 1 · 1 hr

 **Robert Steyn** Wow, not nice at all!! Also never expected this from a high-class luxury wine. Won't drink this any longer.  
Like · Reply · 🍌 2 · 56 mins



Write a comment...



## Questionnaire – introduction treatment

Size of treatment is 4 times larger in original online questionnaire. Treatment width is aligned with paragraph above.



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Dear Respondent,

The following questionnaire will only take **two** minutes to complete. Your answers will be strictly **confidential**. These findings will be used in an **academic study** and only **aggregate findings will be reported**. This questionnaire is **completely anonymous**. By completing this questionnaire, you as respondent: Implicitly give consent to take part in the research study; Are aware that participation is voluntary, and that you understand that you may withdraw at any point in time without any adverse consequences. If you have any queries, or if you would like to have **access to the findings**, please don't hesitate to contact Claire Wouters ([WTRCLAU001@uct.ac.za](mailto:WTRCLAU001@uct.ac.za)).


**Please have a close look at the following post, published by a user on Facebook and commented by its friends or friends of friends. Take all the time you need to absorb the written content and imagine that you would see this post in your own Facebook news feed. When you are done, please click to the next page to answer the last questions of this questionnaire. Please note that you cannot see this image again after clicking 'Next'.**




Next



## Questionnaire – question 1



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Imagine that the post was about your favourite wine brand, which you regularly consume. Would you still purchase it? (1 = Not at all, 10 = Absolutely)

<i>Not at all</i>										<i>Absolutely</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	
<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"/>	<input type="radio"/>


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[Next](#)

## Questionnaire – question 2



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**While reading the post, did you believe the described situation was real?**


Yes

No


I had my doubts

[Next](#)

*If answer is "no"*



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Could you please explain why you didn't believe the described situation was real?

[Next](#)

*If answer is "I had my doubts"*



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Could you please explain why you had doubts about the described situation?

[Next](#)

### Questionnaire – question 3



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**While reading and looking at the post, did you believe the design of the Facebook post was real?**


Yes

No


I had my doubts

[Next](#)

*If answer is "no"*



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Could you please explain why you didn't believe the design of the Facebook post?

[Next](#)

*If answer is "I had my doubts"*



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Could you please explain why you had doubts about the design of the Facebook post?


[Next](#)

## Questionnaire – demographic information and disclaimer

### Demographic information



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**Age:**

18-25

26-39

40-59

60-75

75+

---

**Gender:**

Male

Female

---

### Disclaimer

**DISCLAIMER NOTE**

PLEASE NOTE THAT THE SOCIAL MEDIA CONTENT DEPICTED IN THIS QUESTIONNAIRE IS **ENTIRELY FICTITIOUS**. THIS MEANS THAT BRAND NAMES, BUSINESSES, PLACES, EVENTS AND INCIDENTS ARE USED IN A FICTITIOUS MANNER AND BEAR **NO** RESEMBLANCE TO THE ACTUAL BRAND. THIS CONTENT AND THE RESULTS THEREOF WILL BE USED FOR SCIENTIFIC RESEARCH PURPOSES AND NOTHING ELSE.

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## Results

### *Results: Brand perception favourite wine after exposure negatively valued content*

#	Answer		Response	%
1	Not at all 1		1	3%
2	2		2	6%
3	3		3	9%
4	4		1	3%
5	5		3	9%
6	6		7	20%
7	7		5	14%
8	8		8	23%
9	9		2	6%
10	Absolutely 10		3	9%
	Total		35	100%

Statistic	Value
Min Value	1
Max Value	10
Mean	6.34
Variance	5.58
Standard Deviation	2.36
Total Responses	35

Conclusion: Opinions are divided when it comes to whether or not a favourite wine brand would be bought again. The average (Mean) of all responses is 6.34, which means that these respondents are most likely not sure if they would repurchase.

### *Results: Veracity of wine situation described in Facebook post*

#	Answer		Response	%
1	Yes		17	49%
2	No		1	2%
3	I had my doubts		17	49%
	Total		35	100%

Conclusion: Only one person did not believe the fictive post. 17 people believed the post was real, 17 people had their doubts. The reasons are displayed below.

### *Reasons why respondents doubt about wine situation described in Facebook post*

Text Response
I cant imagine a brand would think It'd be able to get away with it
It's on facebook, i don't tend to believe everything i read there
I would have to do my own research
There was too much emotion in her explanation. Therefor it looked like it was more like an angry post instead of something she/he thought well out.
It's a very well established premium brand, find it hard to believe they would do this
A facebook comment is not that trustworthy
Nothing is proved
No official reference was given in the post...
I had the feeling it was written as an example case for a university college.
Because it is for research purposes
I do not know whether the brand is allowed to mix grapes for a special kind of wine (sometimes grapes are mixed, but it is still called "merlot" for example). Secondly, I do not know whether the news was true. Thirdly, the assumption responses made me immediatly doubtful. Last, but not least: I do not know the wine and even if I did, I would not be bothered when I thought the taste was on point.
I couldnt read the original source
I take everything on Social Media with a table spoon of salt
Because it was posted on Facebook.

**Results: Veracity of designed Facebook post**

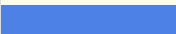



#	Answer	Response	%
1	Yes	34	97%
2	No	0	0%
3	I had my doubts	1	3%
	Total	35	100%

Conclusion: Most people believed the Facebook was real and no content or design was manipulated via Photoshop. Only one person had doubts about the veracity of the post, because the person feels that everything can be manipulated for marketing purposes.

**Reasons for doubt about wine situation described in Facebook post**



Text Response
Anything could be fabricated. Could be counter marketing by competition

### Results: Age

#	Answer		Response	%
1	18-25		13	37%
2	26-39		16	46%
3	40-59		5	14%
4	60-75		1	3%
5	75+		0	0%
	Total		35	100%

Conclusion: Most respondents were between 26 and 39 years old (46%). The age category 18-25 is the second biggest group with 13 respondents (37% of the total)

### Results: Gender

#	Answer		Response	%
1	Male		18	51%
2	Female		17	49%
	Total		35	100%

Conclusion: The gender in this pre-test is almost equally divided. 17 females (49%) and 18 males (51%) participated in the questionnaire.

## APPENDIX C: MAIN QUESTIONNAIRE

### Questions before questionnaire



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Are you 18 years or older?

- Yes  
 No

Have you ever consumed wine of the brand Meerlust?

- Yes  
 No

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## Questions prior to treatment



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Dear Respondent,

The following questionnaire will only take **ten** minutes to complete. Your answers will be strictly **confidential**. These findings will be used in an **academic study** and only **aggregate findings will be reported**. This questionnaire is **completely anonymous**. By completing this questionnaire, you as respondent: Implicitly give consent to take part in the research study; Are aware that participation is voluntary, and that you understand that you may withdraw at any point in time without any adverse consequences. If you have any queries, or if you would like to have **access to the findings**, please don't hesitate to contact Claire Wouters ([WTRCLA001@myuct.ac.za](mailto:WTRCLA001@myuct.ac.za)).

Please indicate to what extent you agree with the following statements.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
I feel proud to be a drinker of Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel I can trust Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meerlust always fulfils what it promises.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I want to drink my favourite type of wine, I would only choose Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall, I am satisfied with Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will repurchase my favourite wine of Meerlust again in the future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would definitely recommend Meerlust to a friend or associate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what extent you agree with the following statements.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
When presented with a list of wine brands, I would choose for Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I think about which wine to purchase, Meerlust definitely comes to mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I think about which wine to purchase, Meerlust definitely comes to mind <u>first</u> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I think about which wine to purchase, <u>only</u> Meerlust comes to mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know what Meerlust stands for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When talking with others about wines, I would definitely express a positive opinion about Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what extent you agree with the following statements.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Meerlust has all characteristics I'm looking for in a wine.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I associate Meerlust with luxury.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meerlust provides good value for money.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meerlust symbolises my personal style, lifestyle and taste.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel I can impress my friends with a bottle Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generally, I have a positive attitude towards the organisation (people, values, programs) behind Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generally, I am more positive about Meerlust than other wine brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate to what extent you agree with the following statements.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
I am satisfied with the overall quality of Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe Meerlust is of high quality, because it has strong <u>intrinsic</u> factors ( <i>such as: age, harvest, grape selection, alcohol content, taste, aroma and colour</i> ).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe Meerlust is of high quality, because it has strong <u>extrinsic</u> factors ( <i>such as design of bottle, wine label and packaging</i> ).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is noticeable in taste that Meerlust has been produced with care and high technical expertise.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The fact that Meerlust is produced in a good region in S-A, makes me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because Meerlust has a strong and traditional wine history, makes me believe the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The fact that Meerlust is likely more expensive than any mass-produced economy wine, makes me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The advertisements of Meerlust make me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Click on the link on the right to go to the next page >>>*

Next

## Experimental treatment



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Please have a close look at the following post, published on Facebook. Take all the time you need to absorb the written content and imagine that you would see this post in your own Facebook News Feed, written by your own Facebook friend. When you are done, please click to the next page to answer the last questions of this questionnaire.



Next



**Questions after treatment**  
**C-1: Questionnaire part 3a (Post-treatment)**

Meerlust has all characteristics I'm looking for in a wine.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I associate Meerlust with luxury.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meerlust provides good value for money.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meerlust symbolises my personal style, lifestyle and taste.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel I can impress my friends with a bottle Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generally, I have a positive attitude towards the organisation (people, values, programs) behind Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generally, I am more positive about Meerlust than other wine brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I am satisfied with the overall quality of Meerlust.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe Meerlust is of high quality, because it has strong <u>intrinsic</u> factors ( <i>such as: age, harvest, grape selection, alcohol content, taste, aroma and colour</i> ).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe Meerlust is of high quality, because it has strong <u>extrinsic</u> factors ( <i>such as design of bottle, wine label and packaging</i> ).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is noticeable in taste that Meerlust has been produced with care and high technical expertise.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The fact that Meerlust is produced in a good region in S-A, makes me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Because Meerlust has a strong and traditional wine history, makes me believe the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The fact that Meerlust is likely more expensive than any mass-produced economy wine, makes me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The advertisements of Meerlust make me believe that the brand is of high quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Next**



Please indicate to what extent you agree with the following statements.

Strongly agree      Agree      Neither agree  
nor disagree      Disagree      Strongly disagree

Please indicate to what extent you agree with the following statements.

Strongly agree      Agree      Neither agree  
nor disagree      Disagree      Strongly disagree

**Age:**  18-25  
 26-39  
 40-59  
 60-75  
 75+

**Gender:**  
 Male  
 Female

*Thank you for agreeing to take part in this questionnaire.*

**DISCLAIMER NOTE**

PLEASE NOTE THAT THE SOCIAL MEDIA CONTENT DEPICTED IN THIS QUESTIONNAIRE IS **ENTIRELY FICTITIOUS**. THIS MEANS THAT BRAND NAMES, BUSINESSES, PLACES, EVENTS AND INCIDENTS ARE USED IN A FICTITIOUS MANNER AND BEAR **NO** RESEMBLANCE TO THE ACTUAL BRAND. THIS CONTENT AND THE RESULTS THEREOF WILL BE USED FOR SCIENTIFIC RESEARCH PURPOSES AND NOTHING ELSE.

## Results

Results: Defining brand loyal and non-loyal Meerlust customers

		# sample size (n)	% sample size						
Brand loyal		58	37.7						
Non-loyal		96	62.3						
Total		154	100						
		Q1_1	Q1_2	Q1_3	Q1_4	Q1_5	Q1_6	Q1_7	Q1_AVERAGE
		I feel proud to be a drinker of Meerlust.	I feel I can trust Meerlust.	Meerlust always fulfils what it promises.	If I want to drink my favourite type of wine, I would only choose Meerlust.	Overall, I am satisfied with Meerlust.	I will repurchase my favourite wine of Meerlust again in the future.	I would definitely recommend Meerlust to a friend or associate.	
#	ResponseID								
1	R_PYZkvbETfGrT8l	1	1	1	1	1	1	1	1.00
2	R_24G9qkDUor105wK	1	1	1	1	1	1	1	1.00
3	R_7PMbzWIA6gcMm0V	1	1	1	1	1	1	1	1.00
4	R_3HjFr9BPpITCwT	1	1	1	1	1	1	1	1.00
5	R_3kuYD1YaPR6HsWn	1	2	1	1	1	1	1	1.14
6	R_2pY2jXDcD8MErSK	1	1	1	2	1	1	1	1.14
7	R_dIZMyi1EgllL33P	1	1	1	3	1	1	1	1.29
8	R_273hfzquLy2Eapg	1	1	1	3	1	1	1	1.29
9	R_3FXWnrKkegU5Mlj	1	1	1	2	1	2	1	1.29
10	R_3PIWlQhMFZyghzj	1	1	1	3	1	1	1	1.29
11	R_usoTbjZzOr8W0sV	1	2	1	2	1	1	1	1.29
12	R_2PuJ4ExtGVLMPn	1	1	1	3	1	1	1	1.29
13	R_CaDvcYyZLtOucdH	1	1	1	3	1	1	1	1.29
14	R_3rZ2jrHVfY7Y3AP	1	1	1	4	1	1	1	1.43
15	R_ebTNR8bv5GHcX3	2	2	2	1	1	1	1	1.43
16	R_2fkaFHMnPtdaEQg	1	1	1	4	1	1	1	1.43
17	R_1HnsAsWfmbheWBo	1	2	1	2	1	2	1	1.43
18	R_OAJT4snml9a0lcV	2	2	1	2	2	1	1	1.57
19	R_TpCVZ2evOtpmCZ	1	1	2	2	2	2	1	1.57
20	R_1Q5bMV1stqIG5hG	1	1	1	5	1	1	1	1.57
21	R_57LPZZEgS104XSh	1	1	2	3	2	1	1	1.57
22	R_3P5emUrUCpNO9HM	1	1	1	3	2	2	1	1.57
23	R_0wZkDrgpca9m2B	1	1	1	3	2	2	1	1.57
24	R_Y3nSZcqJ7luvX3z	2	1	2	2	2	1	1	1.57
25	R_2TGKAzYcZ7oEg8Z	2	2	1	1	2	2	1	1.57
26	R_31LzqZboramQ11W	2	2	1	1	2	2	1	1.57
27	R_2U5EJLFA5fRBH2	2	2	2	2	1	1	2	1.71
28	R_1gcDOAzpBpzOMWL	1	1	2	2	2	2	2	1.71
29	R_2fqTVKwkAwfYtg	2	1	2	3	2	1	1	1.71
30	R_3QES5kDGviM0vpN	1	1	2	5	1	1	1	1.71
31	R_2THqX80SfMyVi8	2	2	1	2	2	2	2	1.71
32	R_29tEx68i0oeVIDO	2	1	2	3	1	1	1	1.71
33	R_UaNI7LzP70Kuii1	1	1	1	3	2	2	2	1.71
34	R_oXAW3gnZcGea75L	1	1	3	4	1	1	1	1.71
35	R_YPwNwZ3ZiClafR	1	1	2	3	1	2	2	1.71
36	R_296LaxSGvNTgAtH	2	1	2	1	2	2	2	1.71
37	R_3qDuLzwbQEwptw9	2	2	1	3	2	2	1	1.86
38	R_2X65GgUeK7Qbwet	2	1	1	4	1	2	2	1.86
39	R_1ddcA8r7t0L2Apy	2	2	3	3	1	1	1	1.86
40	R_1r6xeETfIHbwGkP	3	3	2	2	1	1	1	1.86
41	R_3EmB7lojCdZ1SS	2	2	2	2	2	2	1	1.86
42	R_215r0DPI0r9HPmK	2	2	1	2	2	2	2	1.86
43	R_2ONeoTWl4rqI6nZ	1	1	1	3	2	3	2	1.86
44	R_Oq8ZGMvn44lbanL	2	3	2	2	1	2	1	1.86
45	R_b73JEnTcA7nZ5aZ	3	1	1	3	2	2	2	2.00
46	R_2c2injX9tKDvleQ	2	2	2	3	2	2	1	2.00
47	R_3qJq4bAdbpredcO	3	2	1	2	2	2	2	2.00
48	R_XTzOcglnMbHdKtH	2	2	2	4	1	2	1	2.00
49	R_30xIOawZraxv0ZH	3	2	2	4	1	1	1	2.00
50	R_2qxElpKcBeCDOEe	2	2	2	3	2	2	1	2.00
51	R_31Y00g9TUCDdqchl	1	2	1	2	2	3	3	2.00
52	R_3fpWqYiUIGeHaSE	3	1	2	5	1	1	1	2.00
53	R_2dsuq47dvzN1Yyi	2	2	2	4	2	1	1	2.00
54	R_dpdcxiDDVt1auh	2	2	2	4	2	1	1	2.00
55	R_XL0J1i1UYiXnl5j	2	2	2	2	2	2	2	2.00
56	R_3pl4FZnTmKm4o6s	1	1	3	3	2	3	1	2.00
57	R_8AER1S0UfCE8Cel	2	2	2	2	2	2	2	2.00
58	R_2TtJDxICG4dc2B2	2	2	2	3	2	2	1	2.00
1	R_1lRtU5bSF8N3Dm	2	2	2	3	2	2	2	2.14
2	R_3MDthQnDsRkK5YV	2	2	2	3	2	2	2	2.14
3	R_1FhKJhGZpdXsbfX	2	2	2	3	2	2	2	2.14
4	R_6Qk14SBY7xtSUUx	2	2	2	3	2	2	2	2.14

5	R_0p8TWqqCxD8rbJT	2	2	2	4	2	2	1	2.14
6	R_3f17JOU8rlh5CWU	2	2	2	3	2	2	2	2.14
7	R_1K0YbQxeNvG3akJ	2	2	2	2	2	1	2	2.14
8	R_b7olEglTQOBXRSp	3	2	2	1	2	2	3	2.14
9	R_1pJvT7zxyMadTTQ	2	3	2	5	1	1	1	2.14
10	R_AA6gu96JWNTkwFP	2	2	2	3	2	2	2	2.14
11	R_0B3gBYDE8B9P4sx	2	1	2	4	2	2	2	2.14
12	R_3lXX00iooL5oVkl	2	2	2	5	2	1	1	2.14
13	R_1mV33peztlRVFM1	2	1	2	3	3	2	2	2.14
14	R_3P6OcimJhfJAgY	3	2	2	4	2	1	1	2.14
15	R_2tx4S9tWVPPuBA7	2	2	2	3	2	2	2	2.14
16	R_3nc0h3ZzeL4W1oc	3	2	1	3	2	2	2	2.14
17	R_3ffoiQXJ7ALKOj	2	2	2	2	4	2	1	2.14
18	R_4TNwTxc2R0q08q5	2	2	2	4	2	2	2	2.29
19	R_1NdYsW94XV9pMKE	2	2	3	3	2	2	2	2.29
20	R_2st27WklzSmadN4	2	2	2	4	2	2	2	2.29
21	R_W6ZoG3jqtI6pUWJ	3	2	2	2	2	2	3	2.29
22	R_2V8e3uZDMNMyfHb	3	1	2	4	2	2	2	2.29
23	R_1mnl7iQnWToUPAW	2	2	2	4	2	2	2	2.29
24	R_pGErD3QEE6kEGid	2	2	2	4	2	2	2	2.29
25	R_yQ4kCgM8DPiwcm1	3	3	2	5	1	1	1	2.29
26	R_3Ny7XM9XO8oxkoX	2	3	2	4	2	1	2	2.29
27	R_2S83hR8b0W1c0BU	3	3	3	2	1	2	2	2.29
28	R_2c0dpPOUquLb5Bv	3	2	2	5	2	1	1	2.29
29	R_C9Ve3ZadTu6DDW1	2	3	3	2	2	2	2	2.29
30	R_1OTyxNEGM0H2Oqr	3	2	2	3	2	2	2	2.29
31	R_269znnPkqY5R9mL	2	2	2	3	2	2	3	2.29
32	R_3GpKWtcCef3UWp3	2	2	2	3	3	3	2	2.43
33	R_31Bj8Y0oosWbWs	3	1	3	5	2	2	2	2.43
34	R_1JWLYTy4W2Zw97	2	2	3	3	2	2	2	2.43
35	R_3Gp4KWZWyWPWU8l	3	2	2	4	2	2	2	2.43
36	R_2VgZ9u2zlsF7Ibd	2	2	2	5	2	2	2	2.43
37	R_DHP8uxq0qiY4fpD	2	2	3	3	2	3	2	2.43
38	R_6zokUAQ0l7awrN7	3	2	2	4	2	2	2	2.43
39	R_ux0CRHDS7S8sM1	2	2	3	3	2	3	2	2.43
40	R_1Te4M1YhhZTL0Gd	3	2	2	4	2	2	2	2.43
41	R_2wTDt5oxT2twWaQ	2	2	2	4	2	3	2	2.43
42	R_3nShcyMlvANA2wp	2	2	2	4	2	3	2	2.43
43	R_3G0Si5ukj995KwG	3	2	2	4	2	3	2	2.43
44	R_cNffcfJvggJFvXT	2	2	2	4	2	2	2	2.43
45	R_Qb5Mk5KQMhhsseJ	2	3	2	4	2	2	2	2.43
46	R_1n8yH24iGD0UNZY	3	2	3	3	2	2	2	2.43
47	R_2e8U0DON7Qua0dA	3	2	3	3	2	2	2	2.43
48	R_3no1oXITqJdPmxQ	3	2	2	4	2	2	3	2.57
49	R_2AX5zFKEZObfLLL	3	2	2	4	2	3	2	2.57
50	R_2QS2BaJA2bnaSHs	2	2	3	4	2	2	3	2.57
51	R_3G2r3qwZqcrWY5o	3	2	3	4	2	2	2	2.57
52	R_1CJW635MTne3L9k	3	2	2	4	2	2	3	2.57
53	R_129b7UJ2OrjSN2B	3	2	3	4	2	2	2	2.57
54	R_BRN8xAjJishdrjz	2	2	2	4	2	3	3	2.57
55	R_3fYH7doG5OsAEW	2	2	3	5	2	2	2	2.57
56	R_3qTZEWBtsplaes0	3	2	2	5	2	2	2	2.57
57	R_1g0dW92zNvwSumW	3	2	2	5	2	2	2	2.57
58	R_2wTzhxu1zw42kZR	3	1	3	5	2	2	2	2.57
59	R_pv0W8iOxMfbQgP7	2	3	3	4	2	2	2	2.57
60	R_3PNtokErQ6PASyF	3	2	3	4	2	2	2	2.57
61	R_279Yjx2U13VT4Ww	3	2	4	3	2	2	2	2.57
62	R_2fCdpqAlovBUI0k	3	3	2	3	2	3	3	2.57
63	R_2YLqdJR7LLeBEqFr	3	3	3	3	2	3	2	2.71
64	R_qKl1fclQsXCjNK1	2	2	3	4	2	3	3	2.71
65	R_1KmcuL8PIF4cT4g	3	3	2	3	2	3	3	2.71
66	R_2QMv9xPdnI8j7QM	3	1	3	5	2	4	1	2.71
67	R_21h48hRhrle5HT7	3	2	2	5	2	3	2	2.71
68	R_3ly9Yk6ILz6EAsx	2	2	2	4	3	3	3	2.71
69	R_31YG3dvupsLkEA4	3	2	2	5	3	2	2	2.71
70	R_PfmlqkmWHQ8AQVj	3	1	2	5	2	3	3	2.71
71	R_yxu3ieXt1HJQgqR	3	3	3	4	2	2	2	2.71
72	R_1cTvvhQkPMPjJMX	3	3	3	2	2	3	3	2.71
73	R_3RvGFpRBR05VWn9	3	2	3	4	2	3	3	2.71
74	R_3HHPH5rtN0B2MwG	3	3	2	5	2	2	2	2.71
75	R_1hLNM95YRrRTL0	3	2	3	5	2	2	2	2.71
76	R_1z53prTNKdOITnb	2	2	3	4	3	2	3	2.71
77	R_2ZNBKv66fwlpaFi	3	2	3	3	2	3	3	2.71
78	R_2aDLAN5arRbk4H4	3	3	3	4	2	2	3	2.86
79	R_1kG5cQjGmUdnG3n	2	2	3	4	2	4	3	2.86
80	R_bmFsu2RxOItFZip	3	3	2	4	3	2	3	2.86
81	R_1MKA2ARORF5JtmZ	3	3	3	5	2	2	2	2.86
82	R_1L0a8o2L6qyC9z3	3	2	3	4	4	2	2	2.86
83	R_wKMfrijLbvj31YGJ	2	3	3	4	2	3	3	2.86
84	R_1dsFjfqitr3Sacx	3	3	3	4	2	3	3	2.86
85	R_2VEECj8hpvc7qmQ	3	2	3	5	2	2	3	2.86
86	R_4ITxANvrE8QUUMU1	3	3	3	4	2	3	3	3.00
87	R_XMxo4dv6CLEj7QI	3	3	3	3	3	3	3	3.00
88	R_2ZCdcWGGuaLZnSe	3	3	3	4	3	3	2	3.00
89	R_2zlxVM1gkY1Wyd	3	3	3	4	3	3	2	3.00
90	R_1rfaSEwJYvmYHD	3	3	3	4	3	3	3	3.14
91	R_WfKABkUPhVHnH05	3	3	3	4	3	3	3	3.14
92	R_3kczyletqOlw5pk	3	3	3	4	3	3	4	3.29
93	R_3kfeXi6xin73Bn	2	3	4	5	3	3	3	3.29
94	R_2qt8ierLkqh109f	4	3	3	5	3	3	3	3.43
95	R_3HF8R3G2HzHSnwW	3	3	4	5	4	4	5	4.00
96	R_wSJyGg1mZ0hAWKI	5	5	5	5	4	5	3	4.57

*Results Q1: Brand perception brand awareness before treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	When presented with a list of wine brands, I would choose for Meerlust.	14	44	68	26	2	154	2.73
2	When I think about which wine to purchase, Meerlust definitely comes to mind.	30	66	37	16	5	154	2.35
3	When I think about which wine to purchase, Meerlust definitely comes to mind first.	9	26	48	49	22	154	3.32
4	When I think about which wine to purchase, only Meerlust comes to mind.	4	12	31	51	56	154	3.93
5	I know what Meerlust stands for.	17	69	39	24	5	154	2.55
6	When talking with others about wines, I would definitely express my opinion about Meerlust.	24	65	45	15	5	154	2.43

*Results Q2: Brand perception brand associations before treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	Meerlust has all characteristics I'm looking for in a wine.	20	76	47	8	3	154	2.34
2	I associate Meerlust with luxury.	38	68	26	17	5	154	2.24
3	Meerlust provides good value for money.	21	77	39	10	7	154	2.38
4	Meerlust symbolises my personal style, lifestyle and taste.	16	47	65	20	6	154	2.69
5	I feel I can impress my friends with a bottle Meerlust.	28	69	37	15	5	154	2.35
6	Generally, I have a positive attitude towards the organisation (people, values, programs) behind Meerlust.	28	84	39	2	1	154	2.12
7	Generally, I am more positive about Meerlust than other wine brands.	19	52	61	21	1	154	2.56

*Results Q3: Brand perception perceived quality before treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	I am satisfied with the overall quality of Meerlust.	36	107	9	1	1	154	1.86
2	I believe Meerlust is of high quality, because it has strong intrinsic factors (such as: age, harvest, grape selection, alcohol content, taste, aroma and colour).	37	89	25	2	1	154	1.97
3	I believe Meerlust is of high quality, because it has strong extrinsic factors (such as design of bottle, wine label and packaging).	29	63	41	17	4	154	2.38
4	It is noticeable in taste that Meerlust has been produced with care and high technical expertise.	29	98	25	1	1	154	2.01
5	The fact that Meerlust is produced in a good region in S-A, makes me believe that the brand is of high quality.	27	66	38	19	4	154	2.40
6	Because Meerlust has a strong and traditional wine history, makes me believe the brand is of high quality	29	86	30	7	2	154	2.14
7	The fact that Meerlust is likely more expensive than any mass-produced economy wine brand, makes me believe that the brand is of high quality.	24	76	32	17	5	154	2.37
8	The advertisements of Meerlust make me believe that the brand is of high quality.	15	47	73	11	8	154	2.68

*Results Q4: Brand perception brand loyalty before treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	I feel proud to be a drinker of Meerlust.	29	65	58	1	1	154	2.22
2	I feel I can trust Meerlust.	39	84	30	0	1	154	1.96
3	Meerlust always fulfils what it promises.	32	75	43	3	1	154	2.13
4	If I want to drink my favourite type of wine, I would only choose Meerlust.	10	23	44	52	25	154	3.38
5	Overall, I am satisfied with Meerlust.	33	103	14	4	0	154	1.93
6	I will repurchase my favourite wine of Meerlust again in the future.	37	84	29	3	1	154	2.01
7	I would definitely recommend Meerlust to a friend or associate.	52	70	30	1	1	154	1.89

*Results Q5: Brand perception brand awareness after treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	When presented with a list of wine brands, I would choose for Meerlust.	3	28	54	53	16	154	3.33
2	When I think about which wine to purchase, Meerlust definitely comes to mind.	4	54	45	39	12	154	3.01
3	When I think about which wine to purchase, Meerlust definitely comes to mind <u>first</u> .	1	14	44	61	34	154	3.73
4	When I think about which wine to purchase, <u>only</u> Meerlust comes to mind.	2	11	30	52	59	154	4.01
5	I know what Meerlust stands for.	9	50	45	40	10	154	2.95
6	When talking with others about wines, I would definitely express my opinion about Meerlust.	8	63	41	29	13	154	2.84



*Results Q6: Brand perception brand associations after treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	Meerlust has all characteristics I'm looking for in a wine.	6	58	48	31	11	154	2.89
2	I associate Meerlust with luxury.	4	65	41	36	8	154	2.86
3	Meerlust provides good value for money.	6	49	34	42	23	154	3.18
4	Meerlust symbolises my personal style, lifestyle and taste.	3	33	58	45	15	154	3.23
5	I feel I can impress my friends with a bottle Meerlust.	8	49	39	45	13	154	3.04
6	Generally, I have a positive attitude towards the people, values and programs (organisation) behind Meerlust.	5	60	46	28	15	154	2.92
7	Generally, I am more positive about Meerlust than other wine brands.	4	39	41	53	17	154	3.26





**Results Q7: Brand perception perceived quality after treatment**

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	I am satisfied with the overall quality of Meerlust.	8	78	33	26	9	154	2.68
2	I believe Meerlust is of high quality, because it has strong <u>intrinsic</u> factors (such as: age, harvest, grape selection, alcohol content, taste, aroma and colour).	11	63	46	25	9	154	2.73
3	I believe Meerlust is of high quality, because it has strong <u>extrinsic</u> factors (such as design of bottle, wine label and packaging).	8	47	54	38	7	154	2.93
4	It is noticeable in taste that Meerlust has been produced with care and high technical expertise.	6	64	48	29	7	154	2.79
5	The fact that Meerlust is produced in a good region in S-A, makes me believe that the brand is of high quality.	9	51	50	36	8	154	2.89
6	Because Meerlust has a strong and traditional wine history, makes me believe the brand is of high quality.	6	68	42	32	6	154	2.77
7	The fact that Meerlust is likely more expensive than any mass-produced economy wine brand, makes me believe that the brand is of high quality.	9	52	44	38	11	154	2.94
8	The advertisements of Meerlust make me believe that the brand is of high quality.	4	34	62	42	12	154	3.16



*Results Q8: Brand perception brand loyalty after treatment*

#	Question	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total Responses	Mean
1	I feel proud to be a drinker of Meerlust.	8	44	54	32	16	154	3.03
2	I feel I can trust Meerlust.	8	55	31	39	21	154	3.06
3	Meerlust always fulfils what it promises.	5	46	49	35	19	154	3.11
4	If I want to drink my favourite type of wine, I would only choose Meerlust	4	16	46	52	36	154	3.65
5	Overall, I am satisfied with Meerlust.	8	69	35	29	13	154	2.81
6	I will repurchase my favourite wine of Meerlust again in the future.	11	58	42	28	15	154	2.86
7	I would definitely recommend Meerlust to a friend or associate.	13	47	43	34	17	154	2.97

*Results: Age*

#	Answer		Response	%
1	18-25		32	21%
2	26-39		53	34%
3	40-59		48	31%
4	60-75		20	13%
5	75+		1	1%
	Total		154	100%

*Results: Gender*

#	Answer		Response	%
1	Male		80	52%
2	Female		74	48%
	Total		154	100%

**APPENDIX D: KFC CASE - OUTCOME SOCIAL MEDIA CRISIS**

**Viral Facebook post targeting KFC, published on May 9<sup>th</sup> 2015**



**Mfumo Bamuza** added 2 new photos.

Yesterday at 10:51 · 🌐

KFC Braamfontein comrades!!! This is how they wash your meat. On the ground!!!!!! Photocred goes to a south point (Clifton Heights) resident.  
#KnowWhatYouEat



Like · Share · 👍 135 💬 121 ➦ 2,566

## Examples of content creation, in response to the viral post



-  **Refilwe Paseka 'Reezy' Motsoeneng** Neve buying from here ever again!  
Like · 8 May at 15:13
-  **Celliwe MaMohlalifi Gabela-Bafazini** Wow, i don't trust KFC anymore, all of them.  
Like · 3 · 11 May at 10:58



-  **Quintine** @Qryptonik · Jun 25  
**@KFCSA** After the **KFC Braamfontein** scandal. I personally don't trust your brand. For all I know you use toilet water for your cuppaccino.
-  **Lowkey Makeda** @LuluGeez · May 9  
So KFC expects us to believe that they wash their Chickens before throwing them away...#**KFCBraamfontein**
-  **Young Today** @youngtodayblog · May 20  
**KFC Braamfontein** looks rather empty after that scandal. It's either that or people are simply broke
-  **Avril** @Avril\_Said · May 14  
well. Shan't be going to **KFC Braamfontein** ever again



**thatoball** After that KFC Braamfontein scandal, all KFC's have never been the same again shame.




-  **this is wat happens @kfc braamfontein joburg**  
van esir kats  
6 maanden geleden · 28.809 weergaven



Example of headlines in global newspapers, as result of the social media crisis

## KFC Branch busted washing chicken on the ground

Foto's: Hoender op grond afgespoel; KFC reageer 

KFC Workers Caught Hosing Down Raw Chicken On Cement Floor **OPPOSING VIEWS**  
Braamfontein KFC closed after Twitter chicken uproar **Sowetan**

**KFC SE 'ROU'**  
**HOENDER MAAK**  
**MENSE DIE**  
**HOENDERS IN** 

KFC 'chicken washing' video goes viral 

**KFC BRAAMFONTEIN REOPENS AFTER CHICKEN WASHING SCANDAL, VIDEO OF INCIDENT EMERGES** 

Watch KFC workers wash chicken on concrete floor behind fast food restaurant 

VIDEO: En KFC de Sudáfrica ¡lavan el pollo en el piso! 

Kfc, il video choc dei polli lavati a terra vicino alla spazzatura **il Giornale.it**

KFC Braamfontein wast de kippetjes gewoon buiten 

Vidéo : des poulets de KFC rincés à même le sol en Afrique du Sud

**Mail Online**  
KFC apologises after staff are filmed rinsing chicken meat with a hose on a concrete floor **AFTER** it had been coated with seasoning at South African outlet

Schokkend: Medewerkers KFC wassen kip op straat 



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