The role of race in market segmentation and buyer behaviour in South Africa.

By

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A dissertation submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration
in the Graduate School of Business & Leadership
at the University of KwaZulu-Natal

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November 2012
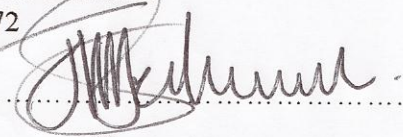
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Acknowledgements

I wish to express my sincere appreciation and gratitude to the following individuals, without whose assistance, this study would not have been possible:

- Dr. Maxwell Phiri (Research Supervisor)
- Gordon Hooper (Bateleur Khanya Research Solutions)
- Heather Eyre (List Perfect- for providing the database of marketing professionals who were the respondents in this study).
- Respondents of this study (Marketing professionals in South Africa)

ABSTRACT

The market segmentation process is continuously evolving in reacting to the socio economic changes of the market. This is also true in South Africa in light of the socio economic changes that followed the 1994 democratic elections. The aim of this study was to determine the role of race in market segmentation and, the relationship it has with the buyer behaviour in South Africa.

The study targeted a population of 800 respondents, marketing professionals in South Africa, and received responses from 99 respondents. The list of the marketing professionals was sourced from a database company called Listperfect, as there was no alternative contact database that could be sourced from the industry associations. The conclusions of the study were made on the data received from the 99 respondents as well as the outcomes of the literature survey.

The study revealed that the role of the race variable is declining with regard to market segmentation for consumer or buyer behaviour. The respondents also indicated that they perceive the decline to continue into the future (next 10 years). There is also a significant perception that the race variable has to be used in conjunction with other market segmentation variables to yield beneficial results for marketers. Furthermore, the respondents indicated a need for new segmentation variables that will be used in the future to replace the race variable.

The main recommendation of the study is for further investigation with a representative sample of the South African marketing fraternity in order to validate the findings from this study. Moreover, there is a need to increase the body of knowledge in this subject matter to aid marketers in updating their segmentation practices.

Chapter 1
Introduction to the Research

1.1 Introduction

The South African socio economic conditions have evolved at a phenomenal rate post the 1994 democratic elections. Prior to 1991 close to 80 % of the population, particularly black people were systematically excluded from participating in the formal economy of the country (Wilson, 2006). Moreover, the South African society was divided according to race.

This socio economic backdrop also had an effect on how business was conducted in the country. The overall objective of this study is to explore the role of race as a variable used in the market segmentation process in the South African context. This marketing discipline or practice was also influenced by the socio-economic arrangements of the country prior to 1994 and beyond.

Marketing orientated managers think of segmenting as an aggregating process, clustering people with similar needs into a market segment. A market segment is a relatively homogeneous group of customers who will respond to a marketing mix in a similar way (Perreault, 1996, p. 92). Race is one of the variables that has been used in clustering people into these homogenous groups. The key question for this study is to explore if the clustering of people into racial profiles provides an effective clustering process with regard to consumer/buyer behaviour.

1.2 Motivation for the Study

This study is critical especially given the recent literature and discussions about the "Black Diamonds", a consumer segment that is mainly composed by black people who enter the middle class in this developing country (Grobler, 2007). There has been on-going debate as to whether it is important to refer to this segment according to its racial profile or not.

The literature survey also indicates that, market segmentation as a discipline, is continuously evolving. There is a quest to find more accurate ways of clustering the market to give marketers a greater understanding of how they can serve their markets or customers better.

This is driven largely by the competitive market conditions and thus the firms that understand their customer's needs are bound to serve them better r than those who do not understand them.

Therefore, this study will contribute to the growing need to improve the segmentation process for marketers with particular emphasis on understanding the use of the race variable in the segmentation process. It is hoped the study will also give some predictive data as to whether the marketing professionals view this variable as being significant in future market segmentation processes or not.

1.3 Focus of the Study

The focus of this study will be on the evolution of the segmentation process given the South African socio economic conditions that have been evolving over time. Literature on both the race concept as well as the segmentation process was explored to provide the conceptual departure point that was to assist us in answering the critical questions of this study.

Most importantly, the study focused on the practical views of the marketing practitioners in South Africa. Their account of the use of the race variable in the segmentation process was measured to provide some answers to critical questions that are related to the main objective of the study. This quantitative account is used to measure the significance of this variable in the market segmentation process with particular reference to consumer or buyer behaviour.

1.4 Problem Statement

In order for the market segmentation to be valid, it needs to be both true to the real world and practically useful. In 2003, Burgess raised a very important observation regarding the declining importance of using race as a variable in market segmentation in South Africa (Burgess, 2003, p. 162). This observation suggests that, race based segmentation in South Africa is declining in its validity as it will not be true to the real world as well as practically useful.

In 2006, nine years following the political changes in the country, the UCT Unilever Institute of Strategic Marketing published a research finding that purports that there is a new and

lucrative market segment in South Africa (Grobler, 2007). The report, named this segment as the "Black Diamonds", which soon became the next best thing in marketing "lingo" and seemingly providing direction to many a marketer (Grobler, 2007). It is safe to say the key variable or the characteristic used in segmenting this market was 'race' or racial profiling. This would have caused some confusion or created a dilemma for most marketing professionals in the country.

Furthermore, Martins also stated that, segmentation by race is necessary since a number of cultural differences, such as home language, prevail among the four races in South Africa and must be taken into account in marketing strategy decisions (Martins, 2007, p. 168). This might be adding to the management dilemma for most marketing professionals as some scholars view race as a declining variable in importance with regard to market segmentation. Martin (2007) based his argument on the cultural as well as the home language differences. Does this suggest that buyer behaviour will also differ based on cultural and home language differences?

In ideal situations, market segments are defined on the segment's willingness to purchase the products in response to variations in the marketing mix (Blem, 1985, p. 30). Therefore, the segmentation variables should be linked very closely to how the consumers will behave regarding their purchase decisions. From this premise, we can safely deduce that the segmentation process has to be done with consumer behaviour in mind in order to be relevant.

When segmenting the market by using the characteristics of the market e.g. age, income and location, an attempt has to be made to determine how these characteristics will influence buying behaviour (Blem, 1985, p. 31). Our decisive exploration in using race as a variable, should then be whether the consumers race will influence their buying behaviour. It thus follows from this exploration that, we need to understand the influence of the apartheid system on how the market was eventually segmented.

Apartheid was built on a number of key legislations. In 1923, the Native (Urban Areas) Act laid down the principles for future segregation, stating that black people should remain in urban areas only if they were providing for the needs of the white people (Orrell, 1994). The Population Registration Act of 1950 classified people as white, black, coloured or Indian. This was followed by The Group Areas Act of 1950, which set out certain areas for each group to live in. These legislative frameworks created geographical segmentations based on racial grouping. Therefore, there was a direct correlation of racial group and the geographic area they resided in. This essentially influenced some aspects of the marketing mix especially place or distribution.

In 1994, most of the apartheid legislative framework was removed from the statute books of the country. Eventually any group of any race could choose where they wanted to stay depending on their ability to afford. Therefore, the correlation of racial grouping and residential area declined. Burgees (2003, p. 162), also notes that many alleged purchase and consumption preferences associated with race are nothing more than stereotypical artefacts of the apartheid era. This suggests that the racial segmentation is questionable in its validity as a variable that can be used to characterise or suggest certain buyer behaviour in this age and beyond.

Similarly, the field of consumer behaviour requires a great deal of insight into the consumption habits of selected market segments (Schiffman, 1983, p. 14). The selection of the market segments is done by using characteristics such as race. The dilemma or the problem is whether race is essentially the valid variable that we can use in selecting these segments. Should we not use other characteristics if this variable is declining in its importance or leading to some management dilemma?

In 2000, Muzi Khuzwayo indicated that in some instances it is true that some physical differences do have an impact on the marketing of some products especially when people of different races are compared (Burgess, 2003). A relevant example in this instance will be hair products. This theory should not apply holistically to all products and to define buyer behaviour in its entirety. Therefore, the challenge of whether the use of race as a market

segmentation variable still requires some tests to see its relevancy in a society that has undergone significant changes since 1994.

Therefore, can we deduce that racially segmented markets will exhibit common consumption habits within the different market segments? Marketing professional can indicate if this variable is still effective in segmenting the market in order to derive some accurate segmentation variables relevant to the South African market today and beyond. It is also important to explore the marketing practices with regard to variables used in segmenting the South African market especially in light of buyer behaviour.

1.5 Objectives

The primary objective of the study is to measure the significance and role of race as a marketing segmentation variable in South Africa today and its influence on consumer behaviour. In order to address this primary objective, other factors had to be examined in order to achieve the primary objective set for the study.

Firstly, the study investigated if race influences buying behaviour among South Africans. This is investigation is to determine if there is any relationship between race and uyer behaviour. It is important to ascertain of a person's race influences their consumption or buyer behaviour.

Secondly, the study examined if marketing professionals regard race as an important variable in the segmentation process. The marketing professionals are critical in choosing the variables they use in the market segmentation process. Therefore, it is important to understand the weighting or the significance they put on the race variable when considering the variables used for the segmentation decision making.

Thirdly, the study investigated the perception of the marketing professionals regarding the the importance of the race variable and its use currently. The main objective in this investigation is to ascertain if the marketing professionals perceive that the race variable has been loosing its significance over time following the change in the socio political landscape in South Africa. This is based on the premise that the socio political changes, in South Africa, had an

effect and influence on the use of the race variable in the segmentation process following the changes that happened in 1994.

Fourthly, the study examined if marketing professionals foresee the declining importance of the race variable in future market segmentation exercises. This forward-looking examination is to explore the views of the marketing professionals as to the changes they foresee in the future, if any, with regard to the race variable being used in the market segmentation process.

Lastly, this study measures the extent with which the race variable is used together with other variables to segment the South African market. There is a belief that the race variable cannot be the definitive variable used in the segmentation process. Therefore, the study measured the degree of agreement, by the marketing professionals, that the race variable has to be used in conjunction with other variables to extract the real value of the segmentation process.

At the core of the above objectives, it becomes evident that there is a need to investigate the relationship between the race variable and its influence on consumer behaviour. Moreover, these objectives reveal that the subjects of this study are the marketing professionals in South Africa who are involved in decision making with regard to the market segmentation process.

1.6 Research Questions

Given the above objectives, it became imperative that the questions framed should contribute to achieving the set objectives. Therefore, the following questions were developed to address the objectives set in the above section.

1. To what extent do marketing professionals think that the race variable can assist organisations in understanding the consumer or buyer behaviour?
2. To what extent do marketing professionals use the race variable in the market segmentation process?
3. Is the use of the race variable in the segmentation process declining, 17 years following the first democratic elections in South Africa that led to socio economic changes in the market?
4. Do marketing professionals envisage that the significance of the race variable will decline in the next 10 years?

5. Is the race variable dependent on other segmentation variables to produce a meaningful segmentation of the market?

The answers to these questions, by the target study unit or marketing professionals, managed to give data to achieve the objectives set for this study.

1.7 Summary

Because of the socio economic changes that happened in South Africa, post the 1994 elections, it became important to examine the market segmentation process and the role of race classification in the process. It should be noted that the era before 1994, the legislation of the country segmented the nation into different race groups. As a result marketing professional followed this segmentation of the market as it had some structural implications that could not be ignored by the marketing professionals.

There has been great debates regarding the issue of race in South Africa and this affects the marketing processes especially the segmentation process. The management dilemma that followed these changes indicates the need to investigate the role of race as a variable used in the market segmentation process with regard to consumer behaviour.

The marketing professionals operating in South Africa are key to understanding the status of the segmentation process, regarding the use of the race variable, and predicting the role of this variable in the future. The next chapter is a survey of the literature that relates to the objectives of this study. This chapter surveys the literature that may answer the critical questions explored earlier in this chapter.

Chapter 2
Literature Survey

2.1 Introduction

The previous chapter outlined the overall purpose of this study as well as explored the key research question, for this study. The main purpose of this chapter is to present the survey of the literature that relates to the core question of this study. The survey was conducted with the overall aim of answering the research questions outlined in the previous chapter. At the close of this chapter, key questions that could not be answered by the literature will be taken into the field for further investigation to ensure that the objectives of the study are met.

The main objective of the study is to measure or determine the role played by the race variable in the market segmentation process in South Africa. According to Bloomberg (2005, p. 130), this type of study is a descriptive study as it explores and describes the current reality as observed or measured in the field. On the another hand, this can be viewed as an empirical study based on a pragmatic observation of the literature and gathering data of the current day manager's experiences about this subject matter.

The literature is organised and presented in a way that reflects the key concepts that are found in the research questions in the previous chapter. These concepts are examined from their early development to their maturity over an extended time. Therefore, the concepts will be explored chronologically as suggested by Mouton (2001, p. 92) to demonstrate the evolution of the concepts from early development stages to maturity or acceptance of the concepts in some instances.

2.2 Market Segmentation Concept

The main objective of this study is to understand the role of race in the market segmentation process within the South African context. According to this objective, the market segmentation process is the pivotal concept in this study. Therefore, it is important to further explain the concept of market segmentation.

Market segmentation is the process by which a market is divided into distinct subsets of customers with similar needs and characteristics that lead them to respond in similar ways to

a particular product, service and marketing program offering (Mullins. J, 2005, p. 182). This definition indicates that the distinct subsets of the market have to exhibit similar needs and characteristics. Moreover, the customers in these subsets should respond in a similar way to a particular product or marketing program so that the offerings can be made according to the needs or behaviour of the customers.

It is essential that we trace the development of this concept from its origin. According to Tynan (Tynan, 1987), the market segmentation concept has been attributed to Wendell R. Smith, in a paper, which was first published in 1956. In this paper, Smith comments that segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements. Thus, it can be deduced that there was a realisation that consumer or user requirements are important in the marketing process. This places the users or the customers at the centre of everything that businesses do.

In the 1950's, Lester Wunderman, the famed direct marketer, stated that, "the chant of the industrial revolution was that of the manufacturer who said, 'this is what I make, won't you please buy it'. The call of the Information Age is the consumer asking, 'this is what I want, and won't you please make it'." (Kotler, 2003, p. 19). This period marked the emergence of the marketing concept. Central to the marketing concept is the ability of the firm to effectively create, deliver and communicate superior customer value to its chosen target market better than the competitors (Kotler, 2003). Therefore, it was critical for the firms to understand the consumers in order to make products and services that will meet their needs.

Unlike the production era, where firms produced goods and the consumers or buyers would buy the goods produced, in this new era, marketers or firms put the customers at the heart of everything that they do. Before producing goods or services, marketers determine the needs and find ways to satisfy those needs by producing relevant products or services for their chosen target markets. In this way, the marketers or firms are confident that their goods or services are indeed required or will meet the identified need of the customers or buyers.

According to Kotler, the aim of marketing is to know and understand the consumer so that the product or service fits him and sells itself (Kotler, 2003, p. 9). This will result in a customer who is ready to make a purchase. There is also a realisation that marketers cannot satisfy everyone in the market as consumers have varying needs and wants. As a result, marketers have to divide the market up by identifying and profiling distinct groups of buyers who might prefer or require varying product and services mixes (Kotler, 2003, p. 9). This process is known as market segmentation, which enables marketers to eventually identify their target markets.

The above indicates that marketers came to a realisation that they need to focus their efforts given the world of limited resources. Therefore, it is important to identify the target market that you can satisfy to a greater degree than to try to satisfy everyone in the given market. It is also essential to note that there is also competition in the market that is trying to serve or sell goods to the same market.

One of the fundamental aspects of this concept is that, market segmentation rests upon the recognition of a differentiated demand for products and or services, while the use as a marketing tool depends upon the identification of the most appropriate variable or variables with which to subdivide total demand into economically viable segments (Tynan, 1987, p. 302). Therefore, the selection of the most appropriate variable is very important with regard to the application or practice of the concept.

The critical process of finding the appropriate variables to be used also indicates that the end aim of the process is to find economically viable segments. Therefore, we need to acknowledge the fact that the aim of the entire process is to find lucrative market segments that will assist the firms in attaining their economic objectives. Most importantly, a segmentation model, which is based on the relevant variables, has to be relevant and practical. Korostoff indicates that a worn out segmentation model is even more dangerous than a high mileage timing belt in a vehicle as it will lead to vague marketing messages, unidentified positioning, and "me too" products or propositions that do not meet any of the customer group needs with excellence (Korostoff, 1999, p. 56).

The above indicates that the segmentation model has to be practical and relevant. Most importantly, the model has to be recent and relevant to the ever-changing socio economic situation. If the model is out of date then there is a danger for the firm with regard to its ability to compete and essentially meet its customers' needs as expected by the customers. Therefore, a re-look or re-evaluation of the segmentation model is essential at regular intervals.

Kotler, one of the renowned advocates of the marketing concept, states that market segments can be identified by examining demographic, psychographic and behavioural differences among buyers (Kotler, 2003, p. 9). This indicates that there is an array of variables that can be used to segment the market. Therefore, the application of the segmentation concept may vary because of the variables chosen to segment the market. These variables are ways in which marketers are trying to find similarities within a set of the market. Therefore, this base can be used economically to segment the market with the quest of finding the ideal target market.

Given the availability of various variables that can be employed in the process, we need a robust rationale or basis for selecting the correct variables that will deliver the desired results. Therefore, we cannot employ or utilise all variables as these might create challenges and even make the segmentation process complex. The complexity can also indicate that the objectives of the segmentation process are not clearly defined. Thus, we need a clear plan or strategy for the segmentation exercise.

According to Schiffman, the first step in developing a segmentation strategy is to select the most appropriate base on which to segment the market (Schiffman, 1997, p. 48). There are eight major categories of consumer characteristics that have been the most popular bases for market segmentation (Schiffman, 1997, p. 48). These include geographic factors, demographic factors, psychological characteristics, socio-cultural variables, use-related characteristics, use-situation factors, benefits sought and hybrid segmentation forms. The hybrid segmentation forms are a combination of the different bases, where these factors,

characteristics or variables are used together or parallel to each other to develop different segments of the market.

Marketers commonly segment the markets by combining several segmentation variables rather than relying on a single segmentation base. The most commonly used segmentation approaches that can be used together are, psychographic/demographic profiles, geodemographics and values lifestyles (Schiffman, 1997, pp. 65- 68). These combinations or approaches enable marketers to choose the most important variables and combine them to come up with a set of descriptors that can be used to understand the consumer or buyer behaviour.

It is evident that there is an array of variables that can be used effectively to understand the buyers or the consumers. What is important for marketers is to establish the variables that will enable them to gather insights relevant to their strategies or to the overall purpose of the segmentation process. We can discuss the other variables in detail but we need to stay on course with regard to the objectives of this review. Therefore, we shall not discuss the other variables with much detail.

The socio-cultural basis for segmentation is of particular importance in relation to the purpose of this research or in relation to the problem statement. Schiffman, states that consumer markets have been successfully subdivided into segments based on stage in the family life cycle, social class, core cultural values, sub-cultural memberships, and cross-cultural affiliations (Schiffman, 1997, p. 59). These groupings could also be based on or described by a set of specific observable and or visible characteristics like race, religion, ethnicity or age. These characteristics are used in as relative indicators that can be linked to socio cultural basis for segmentation.

According to Schoenwald, long ago, a few people in marketing and research began to see that the traditional segmentations (demographic, behavioural, regional, etc.) were not providing the depth of understanding needed to paint a well-defined picture of the primary target audiences (Schoenwald, 2001). This realisation was driven by the socio economic changes

that were blurring class lines and an increasing saturation of product categories that led to fewer physical differences between brands. Thus, the marketers wanted to tap into the emotional elements of the consumers or buyers. Therefore, there was a growing need to evolve the segmentation bases to get the relevant information that will assist in giving more insights about the targeted segments as well as to access the emotional elements that will make their brands more competitive.

This led to the addition of more tools to measure the new variables that can be added to the repertoire of techniques, which were available to marketers who were seeking more understanding of the market place. The psychographic segmentation base then was developed to measure attitudes, needs, self-image and lifestyles (Schoenwald, 2001). This became one of the evolutions that were based on new experiences or learning's and further developments in the segmentation concept and or practices. Thus, the marketers started looking at other disciplines within the social sciences in order to understand or to differentiate the market segments.

Moreover, the borrowing of these techniques from other disciplines provided a relevant link in terms of understanding consumer behaviour. It is clear that sociology and psychology were the arenas where the understanding of human behaviour has been studied to a greater degree. These efforts to understand consumer behaviour is essentially the attempts of finding distinct variables that can be employed to provide economically viable ways of dividing the market in a way that will fit their varying needs in a very competitive environment. In other words, this was a quest to understand consumer or buyer behaviour.

Furthermore, the hybrid segmentation, particularly the psychographic demographic profile, can be useful in closely related tasks of creating customer profiles (for product and services marketers) and creating audiences profiles (for mass or special interest media to attract advertisers) (Schiffman, 1997, p. 64). Therefore, it is clear that the segmentation process or the choice of variables has to be preceded by the objectives of the exercise. When creating customer profiles, the aim is to understand the customers with the view of selecting the attractive target market. The customer profiles will then be driven by the objectives of

creating an optimal marketing mix in which you communicate to the target market efficiently and effectively.

It is important to note that there is an array of variables or basis that can be used to segment the market. The choice of these basis is largely driven by the industry in which the firm operates in as well as the objectives set by marketers when engaging in the segmentation process. This study focused only the variables that will assist us in trying to understand the management dilemma and equally answering the research problem stated at the beginning of this paper.

There has been a great degree of consensus and a growing body of knowledge in the market segmentation process development. Firstly, there was a realisation that, customers are different. Given the growing competitive markets, the firms and marketers embraced the marketing concept that had the market segmentation process as one of the ways in which marketers can understand the broader market and service them or sell goods that fit their needs.

Moreover, the marketers started using or borrowing techniques from other social science disciplines in order to complement their efforts of trying to understand their consumers better. Exposed to these different techniques, marketers also realised that the combination of different variables was yielding better results in terms of segmenting or categorizing the markets better. Thus, the hybrid models of segmenting the markets were used together with the traditional methods that were used in the early days of this concept development.

It is also essential for us to delve deeper into the concept of race. This variable is embedded in both the socio cultural as well as demographic characteristics. Identification according to racial cluster or grouping is used as one of the observations in the basic demographic characteristics that are descriptive in nature. This is then linked to the concepts of culture, subculture or subgroups that are deemed to display a distinct behavioural pattern or lifestyle characteristic (Schiffman, 1997, p. 59).

2.3 The Race Concept

Race or ethnicity is one of the variables used in the demographic segmentation stages or process. Using demographic variables to identify the market segments is based on the premise that people have distinguishable characteristics, which can also be grouped according to their similarities. Therefore, it can be deduced that these groupings will exhibit common needs that may be different from the needs of other groups. Consequently, many products and services are created to meet the needs of the individual demographic segment and similarly the entire marketing mix can be designed accordingly because of the segmentation.

It is therefore imperative that we investigate the concept of race from its origins and how it has been used to effectively categorise markets or consumers. Some academics have raised some interesting observations about race. According to Eden (2011), race and racial ideologies have been culturally constructed by humans. This point is made to further elaborate on the notion of race as a cultural construct. This essentially means that the concept of race is a resultant of the culture within the society. It is a learned phenomenon, which was created from the experiences and knowledge that people had at a given time or evolved continuously. Therefore, it can be deduced from this statement that, the concept of race was created by the society because of the observed physical characteristics.

According to Smedley (2007, p. 1), the position taken by many anthropologists, both biological and social, including many other scholars in the social sciences is that race is a cultural construct. Smedley further assets that race should be analysed as a social/cultural reality that exists in a realm independent of biological or genetic variations. This purports that the race variable does not have a biological or genetic significance in terms of differentiating people of different races.

Moreover, what is widely observed or known of the race concept, is the devastating effects of race and racism on the behaviour of individuals and groups (Smedley, 2007). These observations suggest that the race concept evolved or developed into racism. For several hundred years of racism, there was both physical and psychological oppression that characterised the lives and the environments of the people who were seen as members of the lower status of race (Smedley, 2007). It is also known that these effects have appeared and

continue to affect the people who were the victims of racism. This further suggests that the differences that originated from the practice of racism have lingered longer and continued to affect the victims of the concept or the race and racism practices.

Another view expressed by Levin on the race concept, is that if any word is used widely and with comprehension, then it must be presumed to express some coherent idea (Levin, 2002, p. 21). In his conclusion, Levin states that conventional racial categories will play a diminishing role in biological anthropology, but given mankind's present constitution they will not be completely idle (2002, p. 40). Levin's discussion is based on the argument of ancestry or descent, which plays an ever-increasing role in the society in categorising or expressing distinctions amongst people of different descent. The fundamental point in this argument is that we cannot ignore the concept of race and we can only accept the development or decline in acceptance and utilisation of this concept. Since there are distinctions found in humankind, there will be a replacement or a development of another concept along these distinctions that cannot be ignored.

It should be noted that these concept developments had an influence on the society as a whole. Furthermore, the impact is seen in the way marketers implement the segmentation of the market in different markets. Race became a significant descriptor of the differences among human beings that it was also used as one of the significant variable that differentiates groups of people.

It is also noted that there are some disagreements regarding this premise or use of race, and mainly because of the connotations related to the negative effects based on racial differences. The negative effects where some race groups perceived themselves as superior to the others are the source of debate and disagreement on whether the concept of race, as a differentiator of human beings, should still be used in the society. Moreover, there is evidence of the concept's development coinciding with the negative implications of slavery and racism. In this case the race concept took a different meaning with negative implications to certain groups of people.

Research by the historians in America revealed that the ideas and beliefs of the 19th and 20th century, about race, did not actually exist in the 17th century (Smedley, 2007). Race developed and originated as a folk idea and ideology about human differences in the 19th century. Therefore, Smedley (2007)asserts the fact that race was a social invention that originated in the 18th and 19th century. This can be viewed as a belief system that was developed by society as a result of the observed physical differences between people of different races at a given era and thus influenced by the social environment.

Therefore, the social developments that took place in the 19th and 20th century were instrumental in the development of the race concept and how it was viewed and interpreted. It is also true that the diversity among these societies were already present in the time of this concept development. The 19th and 20th century is the interesting time when Europeans were exploring other continents and marks the colonial period. Thus, the concept would have gathered momentum in this era to make sense of the differences among communities. Moreover, it developed into a class system when the conqueror took over the land of the colonial states.

The concept is still evolving given the major events that happened recently. According to Mittelman (Mittelman, 2009), major events in our times are testimony to the salience of race at a transnational level: violent protests by migrants in the USA and the media focus on the heritage of U.S. President Barack Obama and the use of the word "apartheid" as a metaphor for world inequality are but some of the events that asserts the use of the race concept in our days. Mittelman concludes that there is an indication that similarities and differences in coding racial variance have taken a new form expressed by states and societies (Mittelman, 2009). Therefore, the concept of race has continued to evolve and take different forms in categorising different communities or societies.

Given the continuous evolution of the concept, the analysis may arrive at a deduction that this evolution has also affected the market segmentation practice. If the race concept is evolving, therefore, the application of the concept in the segmentation process should evolve in line with the changes that happened at a race concept level. If we follow Mittelman's (2009) deduction that there are indications that the similarities and differences in coding racial

variances have taken a new form that is expressed by states and societies, then this will essentially show indications of the evolution in the market segmentation process.

Moreover, another observation of the social construction of the race and racism ideologies is that the construction, origin, imposition and or negotiation of racial ideologies were an ongoing process that took years to develop and continues to the present day (Eden, 2011, p. 175). Therefore, the continuous evolution of the race concept, ideology was a social construction that spans for decades as well as centuries. Since there was bound to be convergence on the acceptance and believability of this concept or ideology, we can accept that there will be a widespread believe and reliance on the ideology as a valid differentiator of communities or people in the world (Eden, 2011, p. 176).

In 1998, Matt Cartmill's article stated that, the human differences that had geographical correlates, inherited amongst human beings, do not provide factual and intellectual support to the race concept for racial classification or social hierarchies (Lieberman, 2003). Liberman, also states that "if races are defined as geographical delimited conspecific populations characterised by distinctive regional phenotypes, then human races do not exist now and have not existed for centuries" (Lieberman, 2003). This deduction means that there are no scientific or biological facts that suggest the existence of the race concept. However, we need to be aware that the race concept or ideology, even being a social construct, is widely accepted and has been observed and practiced in one form or the other.

Further evidence in support of the above argument is that the 1970 has witnessed a sudden and widespread abandonment of racial classification textbook presentations of human biology (Lieberman, 2003, p. 110). Therefore, the scientific or biological view of the race reality purports that there is no biological basis for the definition or the classification of human beings into different races. In concluding the arguments on the existence of race, Liberman (2003, p. 112), states that there are three sources of data sets that indicate that the paradigm of race has approached the point where its survival is in doubt, and even those who use the concept have serious doubts about its utility. This is a general view that is held by the anthropologists in America. The reality of the South African landscape in the 1970's suggest

otherwise, but on the other hand that is the period where the student uprising and the struggle against apartheid was at its active stage with reference to the June 16th 1976 strikes.

2.4 Race in the South African Context

The objective of this study is to measure the role of race in the South African context particularly with regard to market segmentation. Seekings (2008, p. 1) states that the South Africans continue to inhabit social worlds that are largely defined by race, and bear many negative views of other racial groups. The above section has indicated the institutionalised system that evolved the race concept into a socio-political as well as economic way of life or order in South Africa. The system created the superiority of the 'white' race group, which was superior to other racial groupings.

A further observations indicates that there has been very little racial integration evident by looking at residential areas. Largely this is due to a deep-rooted and enduring consciousness of race in this society (Seekings, 2008). We also note that this consciousness was also based on and supported by legislation and its different institutions. Thus, the development of the race concept in this society has created some deep rooted implications that affected the way of doing business in the country, particularly with regard to market segmentation.

Apartheid, which was a system of racial segregation, was built on a number of key legislations. In 1923, the Native (Urban Areas) Act laid down the principles for future segregation, stating that black people should remain in urban areas only if they were providing for the needs of the white people (Orrell, 1994). The Population Registration Act of 1950 classified people as white, black, coloured or Indian. This was followed by Group Areas Act of 1950, which set out certain areas for each group to live in (Orrell, 1994). These legislative frameworks created geographical segmentations based on racial grouping. Therefore, there was direct correlation between racial groupings as well as the areas they resided in. Most importantly, the segregation could also be seen as inculcating the class system or hierarchy relationship between the different racial groupings.

According to Seekings, the systematic racial classification of the apartheid projects was based on three broad objectives. The first objrctive was ideological and this aimed to maintain the racial purity by preventing the mixing or dilution of 'white blood' (Seekings, 2008, p. 3). The system promulgated the idea of no inter-racial sex and thus there were no inter-racial marriages. This was further supported by residential segregation based on race. The idea of the purity of the 'white blood' suggested a system where the white race was seen as superior to the other racial groups in the country. Similarly, this was an effort for the white race to maintain a position of superiority.

The second objective was to ensure and protect the privileged economic position of the white minority in the country. The government developed policies that reserved land ownership for the white minority and reservation of better-paid occupations for the white people (Seekings, 2008). To support these policies, the government also invested resources on the education of the white people to ensure economic superiority over the other racial groups. Economic superiority can be seen as a point related to the effort to maintain the position of superiority in all aspects of the society as per the previous objective stated above.

The third objective was politically inclined to ensure that the minority, white people, would stay in power and govern the majority. This political dominance was essential to allow the white minority to make government and economic policies that will ensure the racial divide and the economic superiority of the white people in the country. Thus the Apartheid state sought to restrict the political rights of the black people and created the 'Bantustans' or homelands (Seekings, 2008). The system transformed the society and the educational discrimination ensured advantages of class for white children such that racial discrimination in the labour market became unnecessary. A well designed system that developed a racial difference to benefit only one sector of the broader society in this country.

Therefore, this system created an understanding of race as a socio cultural phenomenon and or construction that was not based on biological grounds and thus shaped cultural change that interacted complexly with the growth of the modern state and a capitalist economy (Seekings, 2008, p. 22). This conclusion indicates how the race concept has been developed to influence the state and the economic activities within the state. A greater impact of the race ideology or

concept was used to benefit the white race over the other races in the country. Thus, the race concept was not only constructed socially, but was also supported with institutional structures that ensured its sustainable application for a very long time to come.

Comparatively, if one investigates the concept and the practices in Brazil, a country that is usually used comparatively with South Africa, the results are different. According to Seekings, Brazil exhibits the opposite results of what can be observed in South Africa by having race as a limited cultural and even social phenomenon (Seekings, 2008, p. 22). Therefore, the Apartheid system backed by the legislative framework has achieved different results as opposed to Brazil where the system was never implemented.

As a result, Seekings concludes that in South Africa, the society is very clear on racial identities and view others in racial terms or through racial lenses (2008, p. 22). This conclusion has implications in relation to the management dilemma or our research problem that we are investigating. By implication, the managers in South Africa are also part of this society that views other people in racial terms. It also seems like the race concept or the racial categorisation of people in South Africa has moved beyond just the classification on how people look, but is also displayed in the economics or the distribution of wealth which essentially has an impact on spending power or buyer behaviour.

It becomes essential to try to gather more evidence of the Apartheid effects post the 1994 democratic elections. Seeking's conclusion in 2008 indicates that there is limited evidence available post the apartheid era to check if the legacy established by the apartheid system still stands true in the current day (Seekings, 2008). This observation was made 14 years post the democratic elections. Essentially the policy implementations that followed the 1994 landmark did not have any significant changes in the South African socio-economic landscape. Therefore, we need more research or a measure that will track changes in the South African society in the current day.

In 2007 McKinney (2007, p. 215), found out that 'race' was viewed as a taboo topic and an important self-identifier within the first year undergraduate students at a historically 'white'

and Afrikaans university in South Africa. This is a clear indication of the discourse that has affected the language and the way people identify themselves in the current day. Therefore, it is safe to deduce that the effects of the Apartheid system have left a legacy in the language and the way people identify themselves. This is the overall context that suggests that the impact of the Apartheid regime had lasting effects and even generational effects in the students of 2007. This supports the same observation made by Seekings in 2008.

The post-1994 context continues to exhibit the fact that race continued to be mobilised in different ways both to support and to oppose cultural constructions of local identity (Gaganakis, 2004). This essentially acknowledges that there has been a movement that wanted to de-construct the race concept especially the meaning attached to it with regard to apartheid. Similarly, there was a movement that wanted to retain the race identities going into the post-1994 era. Therefore, there was disagreement but the central theme of the race concept that was used to differentiate individuals still had long lasting effects and implications.

Gaganakis also concludes that given this context, there was also the emergence of other identities like socio-economic and class related factors that emerged as the most significant features of definition of self-amongst the respondents in her study (2004, p. 69). Therefore, it can be noted that the race concept was being questioned as the only identifier and was being replaced by other factors in the society. Essentially this could be an indication that there was a decline in the significant use of race as the main factor used for identity of self and an emergence of other factors in the socio economic space.

A striking and often surprising feature of the South African society is that, firstly, the 'de-racialization' of citizenship and public policy (with a minor exception to 'affirmative action' and 'black economic empowerment'), has removed the impetus to racial identities that many scholars emphasise when discussing the South African past. Secondly, the salience of race in South Africa stands in sharp contrast to other societies with which South Africa is often and usefully compared, e.g. Brazil (Seekings, 2008, p. 2). These features can be attributed to the legislative system that has cultivated the racial divisions for many years and thus its structural implications are still evident in the present day.

In the post-apartheid era, the South African society is characterised by a culturally diverse community that also exhibits economic inequalities (Seekings, 2008). Racial identities are very much entrenched and they are mirrored in the inequality in the distribution of wealth. This makes the racial identities real not only by the differences in the physical observation of the people but also in their way of life. Therefore, the inequalities created by this ideological system have left a legacy that reflects a well-designed system that ensured the division of the society along racial lines.

Going back to 2003, another study was done with white university students regarding the structure of racial attitudes and the predictors of policy opinion by the government in bringing racial transformation. In this study conducted by Durrheim, the findings suggested that the old-fashioned racist attitudes that were prevalent under the apartheid continued to exert force in the post-apartheid era (2003, p. 248). These attitudes were prevalent in the opposition to racial transformation in public policy. Another interesting fact is that the attitudes on the personal level measured by attitudes of the anti-intimacy were higher suggesting the stronger attitudes at a personal level, which also influenced the outlook on public policy (Durrheim, 2003). Therefore, personal views and attitudes of these students were opposed to the transformation, as they wanted to uphold the theories and beliefs they have about the race concept. These were the beliefs and attitudes built during the apartheid regime.

In summary, we have seen how the race concept has been developed to have certain meanings in the South African context. Most importantly, the institutional and political factors have contributed a lot in elevating the race concept and the behavioural issues associated with the concept. It is also important to note the changes that followed with the 1994 elections and the government's intentions and efforts in undoing the effects of the apartheid system. One major observation in this field is that there is on-going change and development with regard to the meaning of race and how it is perceived by the society. It is evident that the concept and the context are changing in what it represents although these indications show a very slow and steady movement.

In order to answer the critical questions of the research we are now going to focus on the market segmentation practices or implementation of the concept. It is essential to create a link of how the segmentation process and practice has been influenced by the environmental factors. The key question is to establish if the concept has changed or is the same with the practical experiences of the marketing practitioners.

2.5 Market Segmentation Implementation

In this section of the literature survey, we examine the literature that deals with the application or the implementation of the market segmentation concept. Secondly, the review will also cover the application of the segmentation process with regard to the race concept in the South African context. In addition to this review, we also explore literature of the same discourse in other countries where the race concept or variable has been used in segmenting the market. The above will be done to see if these practices and concepts have any effect to the consumer or buyer behaviour.

The basis for segmenting the market is to create clusters of homogenous market segments based on some characteristics that will define the groupings. The core challenge of the process is the selection of one or more segments to target with an appropriate marketing mix (Schiffman, 1997, p. 71). Therefore, it is essential that marketers have a set of criteria for an effective targeting of the market segments. Schiffman suggest that in order for the targeting to be effective, the market segment should be identifiable, sufficient or sizable, stable or growing and reachable (1997, p. 72). This criterion, as indicated by Schiffman, ensures that the segmentation process aids the business or the firms in attaining their set objectives.

Furthermore, the criteria for an effective targeting of the market segment have to be applied in a very competitive environment with greater consideration of the current consumer trends or consumer behaviour. Thus strategic business environment has to be understood when targeting a particular market segment. This business environment has to take into consideration all the market forces as well as the factors that will influence consumer behaviour.

The implementation of market segmentation approaches or techniques has to take into consideration that the marketing environment is filled with competition between products and services and the competition is becoming tough as there are more firms competing with similar products or to satisfy the consumer needs.. Each producer of goods and services attempts to obtain a share of the market potential by making consumers to believe that they have the answer to all their needs and desires (Van Eck, 2004). Therefore, the implementation of the market segmentation has to acknowledge the competitive environment as well as identifying the lucrative target market.

According to Perreault, market segmentation implementation is a two–step process of firstly naming the broad product markets and secondly segmenting these broad product markets in order to select target markets and develop suitable marketing mixes (Perreault, 2005, p. 65). This essentially means that marketers will have to start the segmentation process at a very broad level before focusing on the target segments. In other words, all potential buyers or consumers regardless of the base used to segment the market have to be included in the initial phase so as not to miss any opportunities.

We have established the rationale as well as the development of the market segmentation concept. It is also indicated that we need to explore the different conceptual debates regarding the implementation or the practice of the concept. A review of the segmentation research reveals that there are some discrepancies between academic developments and real-world practice (Yoram, 1978, p. 317). Yoram further indicates that academic segmentation research is more advanced and have applied and tested new analytical techniques as opposed to real-world segmentation studies (Yoram, 1978).

This observation is further substantiated by indicating that in the real world two prototypical research patterns have been followed with little creativity and design or analysis. These patterns are the *priori segmentation design,* and the *clustering-based segmentation design* (Yoram, 1978, p. 317). It is essential to understand the main definitions of these two patterns as outlined by Yoram (1978, p. 318).

1. In a *priori segmentation design*, management decides on a basis for segmentation such as product purchase, loyalty, customer type or any other factors. The results

show the segments estimated size and their demographic, socioeconomic, psychographic and other relevant characteristics.

2. In a *clustering-based segmentation design,* segments are determined on the basis of clustering of respondents or the market on a set of relevant variables. Benefit, need and attitude segmentation are examples of this type of approach and the size together with other characteristics of the segments are estimated.

Yoram (1978, p. 317) indicates that although the above were the prototypical designs, there has been several conceptual and methodological developments that have been proposed in the academic literature. There is also the need to understand the managerial needs for information in the segmentation process, which links, to the key or core objectives of the segmentation exercise. Therefore, the current business needs should be considered with relation to the academic methods and concepts that can assist the managers in solving such dilemmas.

It is also acknowledged in the literature that the selection of the variables as descriptors of the segments can be a complex exercise as indicated by Yoram (1978, p. 320). According to Yoram three major factors contribute to this complexity. Firstly, there are too many variables to consider. Secondly, there is often a questionable link between the basis for segmenting and the segment descriptors. Lastly, the question of action ability with relation to the ability to use the information as inputs to the design of the marketing strategy (Yoram, 1978, p. 321). Therefore, the practice is more complex mainly because of the choices to be made by management.

One other major consideration is the selection of descriptor variables for the segmentation model and the link to the actual consumer responses to marketing actions (Yoram, 1978). This then poses a direct question to understand if there is any link to the variables and the actual consumer or buyer behaviour. Therefore, the descriptor variable like race has to have a link to the actual consumer actions or behaviour as a reaction to the marketing actions performed by the firm. The key question then is, whether the race variable can be linked or can be a predictor of a distinguishable buyer or consumer behaviour that will be meaningful to the firm or to the marketing practitioners.

According to Cooil (2007, p. 10), the segmentation process is defined as dividing a market into distinct groups of customers, with different needs, characteristics or behaviour. Therefore, there is a greater acknowledgement and support to the fact that in some cases the behaviour of customers has to be distinct or at least be the same for selected groups of customers or different market segments. If the behaviour of the customers or buyers can indicate some uniformity, then the visible or identifiable characteristics of the buyer or customer groups can be used to describe or to identify the groups.

Generally, marketers will choose one set of variables as the "distinguished" base for the process and this will be followed by the multiple discriminant analysis, which is usually applied to see if the segment means differ on other background variables not utilised in the segmentation itself (Green, 1977). Therefore, the main base for the segmentation will be chosen as it might be closely related to the variable used. If we are segmenting the market for hair products or other beauty products that may be related to the skin colour of the customer, then we can use a priori segmentation by choosing the race as a variable that will yield results that will be related to whether the customers will use the products or not. Then this may not be the case in other generic consumer products or services that can be used by all racial groups regardless of their race.

According to Burgees (2003, p. 162), the racial segmentation done in South Africa is done based on stereotypical artefacts of the apartheid era. This purports that the segmentation based on racial groupings were a result of the apartheid system's way of classifying the South African population. It is also important to note that the apartheid regime produced a number of statutes that enforced this system, which eventually were associated to people's identities. Therefore, even marketers in the segmentation process collected this demographic information.

On another argument with regard to behavioural segmentation, Wells argues that the behavioural perspective model suggests that the most important determinant of behaviour is the environmental consequences it produces (Wells, 2010, p. 176). Within this model, there is

a distinction between two types of reinforcements, utilitarian reinforcement and informational reinforcement. The utilitarian reinforcement refers to the more practical nature of products/services, the economic or material consequences derived from acquiring, owning and using a product. On the other hand, the informational reinforcement is linked to the branding of a product and its differentiation from the other products (Wells, 2010, p. 179).

This behavioural view is critical in understanding the basis for categorising the buyer behaviour. A further suggestion from this model is to view these behavioural traits alongside the other demographic variables to establish the identifiers or the descriptors of buyers who behave in a certain way towards the products or service. (Wells, 2010). This is an acknowledgement of the use of psychological basis for segmenting the market along with other descriptive variables like race. The key message from this modelling is that race or any other demographic variable will be used as a secondary factor as it does not suggest, predict or determine the consumer behaviour.

Furthermore Wells asserts that this model, behavioural perspective, provides the marketers with variables that are measurable and available and these can be used effectively with demographic segmentation variables (2010, p. 178). This essentially suggest that the weighting or the significance placed on demographic variables is by no means greater than the behavioural perspective model basis when it comes to evaluating consumer behaviour especially in the fast moving consumer goods market, where the test was conducted. Therefore, in considering consumer behaviour, the primary weighting of the variables used will rest on the behavioural perspective model or basis for segmentation.

Moreover, Al-Salaimeh, purports that there is consensus that the segmentation along demographic variables, race being one of the demographic variable, is seen as too general and does not offer an opportunity to gain deeper insights into the behaviour of the particular market segment even in the home appliances market (2008, p. 454). This indicates the convergence as well as the practical acceptance in the implication of the segmentation and race concept application or implementation. This further asserts that the use of the demographic variables cannot be used in isolation from other variables when it comes to

determining the product development process with the aim of identifying the target market that will use a particular product.

2.6 Race and segmentation

The market segmentation implementation has been in development and we have thus seen evidence from the literature, which suggests that the race variable, or the demographic variables, have to be used in conjunction with other bases used in market segmentation. The behavioural perspective model also asserts the use of demographic variables only when the behavioural benefits of the products or services have been ascertained. This further suggest that the weighting or the significance of the demographic variables, namely race, is secondary in the segmentation process and is mostly used as a result of the priori segmentation process.

There is also empirical evidence that indicates that market researchers have been segmenting the market along racial lines in the American market. In this case, they also viewed the black, racial group, as a homogeneous market rather than a heterogeneous market (Johnson, 1989, p. 291). In this study Johnson also uncovers the reality of the changes that has happened in the socio economic environment and also present research results that shows that the black consumers are a heterogeneous group by also demonstrating that this particular group can be further segmented using other demographic variables (geography) as well as psychographic variables (Johnson, 1989, p. 303).

Dr Burgess, in his inaugural lecture as professor of business administration in marketing indicated his dissatisfaction with the so-called 'Black market' and 'White market' segments that dominated the 1980's marketing in South Africa. He further indicates that he was surprised that so little was being done to develop more accurate ways to measure consumer segments within this country of diversity (Burgess, 2003, p. 161). This indicates that following the 9 years of the political changes there was still no significant movements to find accurate ways of segmenting the market rather than using racial profiling. Therefore suggesting the eminent danger that is faced by marketers by having outdated segmentation models.

Furthermore, Burgees states that we need to think of race as a variable that continues to decline in importance as our society normalises. We must also concentrate on identifying reliable and fundamental behavioural motivations that recognises that individual's dignity and inalienable right to change and affiliate with whomever she or he wishes, without reference to prescribed or proscribed identities (Burgess, 2003, p. 162). This is a call for the movement to find new ways or accurate models and variables to be used in segmenting the South African market.

Burgess also states that correlation is not causation and thus many alleged purchases consumption preferences associated with race are nothing more than stereotypical artefacts of the Apartheid era (2003, p. 162). These were just used to justify and to validate the philosophy and the teachings about how the society ought to be and to behave given the institutional and the legislative prescriptions of the system. This observation was done in 2003 and the key issue is whether these practices exist after 17 years since the Apartheid system was abolished.

Moreover, in 2007, Martins also stated that, segmentation by race is necessary since a number of cultural differences, such as home language, prevail among the four races in South Africa and must be taken into account in marketing strategy decisions (Martins, 2007, p. 168). This might be adding to the management dilemma for most marketing professionals as some scholars view race as a declining variable in importance with regard to market segmentation. Martin has based this argument on the cultural as well as the home language differences. Does this suggest that buyer behaviour will also differ based on cultural and home language differences? What Martins alludes to is the fact that there is still some use or relevance to the use of this variable and thus cannot be discarded from the market segmentation process.

In complementing and improving the above assertion, van Wyk, suggests that in South Africa, one of the traditional means of segmentation in the past has been by population groups as Martins suggest, but this method can seldom be used alone (Van Wyk, 2004). In this study Van Wyk suggest that various means of segmenting personal income namely, the personal income by individuals, personal income by life stage or age and the level of

education, should be studied as they can significantly have an influence on purchasing behaviour (2004, p. 50). Therefore, the race variable can only be used in conjunction with other variables, as it will not provide significant information with regard to purchasing behaviour.

It would appear that there are still gaps in the literature with regard to segmentation and the use of the race variable particularly in the South African environment. We did not find any recent literature, which provides evidence of the measurement or the evaluation of the use of the race variable in segmenting the markets in South Africa with a focus on understanding consumer or buyer behaviour specifically.

Therefore, we have concluded that the critical research question of the significance of the race variable in segmenting the market remains unanswered especially as a variable that can be linked to consumer or buyer behaviour. There are some theoretical discussions on the concepts and there seems to be some convergence in the fact that the race concept is changing in its own meaning but we have not found any evidence that quantified the decline of the use of the race variable in the segmentation of the South African market.

2.7 Race, Consumer Behaviour and Segmentation

A significant piece of this study is to also ascertain the relationship of the race variable and consumer behaviour. The key question is to understand if consumers of a particular race will behave in a certain predictable way based on their racial profile. The above reviews of the different concepts have already included some discussion with regard to consumer behaviour. Therefore, the core piece of the research question, which will be discussed in this section, is to understand the use of the race variable in market segmentation practices for the sake of understanding consumer behaviour.

It is essential that we re-visit the definition of consumer behaviour to understand the concept in light of the other concepts introduced as per the research question. According to Schiffman, consumer behaviour is how consumers make decisions to spend their available resources on consumption related items (1997, p. 6). The behavioural studies concerned with

consumer behaviour is to evaluate what consumers buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it (Schiffman, 1997).

At the core of understanding consumer behaviour is the attitudes consumers have which to a large extent influence their decision making process. Schiffman notes that some consumers attitudes to how they behave are related at least in part, to certain groups, social events or causes (1997, p. 266). This purports that the group membership, in this case to a race group, can influence the attitudes, which can be expressed in a particular behaviour towards certain products or services.

Similarly, Schiffman also notes that certain social events or causes can influence the behaviour (1997, p. 267). Therefore, it can be deduced that the social events that were related to the political changes in South Africa could have altered or influenced consumers with regard to certain behaviours. At a pragmatic level, a good example will be the geographic location of certain groups of people. Some Black people will alter their buying behaviour when they are in the urban areas as opposed to the rural areas or townships given the amenities and services at their disposal.

Therefore, consumer behaviour can and is altered by certain social events that happen within a certain social grouping or ethnicity. The key question for this paper is to ascertain whether the political events post the 1994 elections in South Africa, have influenced the consumer behaviour to the extent that the role of race in market segmentation has declined. A perspective of marketers and especially market researchers is critical in answering this core question.

2.8 Research Questions

The above discussion of the literature survey indicates that we did not get to a conclusive answer or solve for the core research question. The core question of the research is to measure the role of the race variable when conducting market research for a better understanding or segmentation of consumer behaviour. Moreover, this is very specific with regard to the South African environment, at least in recent years or today.

The literature survey did not reveal any conclusive evidence that answered the critical questions of the study fully. Firstly, the study ought to measure the extent which marketing professionals think that the race variable can assist organisations in understanding the consumer or buyer behaviour. The survey indicated that there are still disagreements with regard to the role of the race variable. Most importantly, academics are asking the questions for further research in light of the socio political changes that happened in South Africa and in the world.

Secondly, to what extent do marketing professionals use the race variable in the design of the market segmentation process? This question is very specific to get responses of marketing professionals. Therefore, the literature survey, could not provide us with any information that could address this specific question.

Thirdly, is the use of the race variable in the segmentation process declining, 17 years following the first democratic elections in South Africa that led to socio economic changes in the market? Burgess (2003) indicates that there is a view that the role of the race variable is declining as a significant element of the segmentation process. This is indicated by the growing view that the definition of market segment according to a "black" and "white" market is declining as it is seen as the old way that was promulgated by the apartheid regime. Although there is a view from the literature, this could not be quantified as a general view from the marketing professionals

Fourthly, do marketing professionals envisage that the significance of the race variable will decline in the next 10 years? This question by nature measures the attitudes and or perception of marketers with regard to the role of the race variable in the future. This survey could not obtain any information that purports the marketer's views of the future regarding this variable. Thus, this critical question has not been answered.

Lastly, is the race variable dependent on other segmentation variables to produce a meaningful segmentation of the market? The literature on the market segmentation concept

indicates that this is an ever-evolving study. There is also a realisation that variables can be used together to complement as well as to assist marketers in refining the definition or the composition of the different marketing segments. The most important fact is to have the correct mix of variables working together to achieve the desired segmentation objective. This is mostly guided by the purpose or aim of the segmentation process.

2.9 Conclusion

This chapter outlined the different concept developments that are central to the research question. Moreover, the development of these concepts, market segmentation, consumer behaviour and race were examined in light of the South African context, from the apartheid era to the changes that followed 1994. Most importantly, the review attempted to ascertain if the literature could assist in answering the key questions of the study.

The results of the survey indicate that most of the key questions were not answered. Some were answered partially and thus the overall results of the survey are that these questions will have to be answered in order to deliver on the objectives of the study.

The following chapter focusses on the research methodology that provides the framework for the answering of these critical questions.

Chapter 3
Research Methodology

3.1 Introduction

In the previous chapter, it was noted that there was no conclusive empirical evidence that answered the core question of this study. Following this literature survey, a few critical questions regarding the study was partially answered. The main aim of this study is to ascertain the role of race in the market segmentation process in South Africa with regard to consumer behaviour.

Therefore, this study used the quantitative research method for this descriptive study. The main purpose of this study is to explore and measure the extent and use of the race variable in the market segmentation process. The questionnaire was used to collect the data within a set target population, which was selected according to their experience, as the study was very specific in the objectives to measure this within this population.

A set number of respondents were targeted with a response as well as completion rate of 12% that contributed to the data collected. A reliability and validity pre testing of the questionnaire was done to ensure that the tool does what it was intended to do as well as give us the reliable data from the study.

Most importantly, the methodology was tested in line with the main objectives of this study to make sure that this methodology will assist in gathering the relevant data that will answer the core question of the study.

3.2 Aim and Objectives of the Study

The primary aim of this study is to determine or evaluate the significant role of the race variable in the market segmentation process regarding buyer behaviour. It is also important to note that this study is limited within the South African environment today. Moreover, the study focused on the marketing practitioners who are directly involved or influence the segmentation process in their respective organisations.

In order to achieve the above objective or aim, the scientific method was seen as the most appropriate research method that can achieve the overall objectives of the study. According to Leedy, the scientific method is a means whereby insight into the unknown is sought by firstly identifying a problem, then formulating a hypothesis that if confirmed, search for literature that can resolve the problem, then collect data relevant to the hypothesis and lastly analyse the data and interpret it to see if there is support for the hypothesis or not (2005, p. 33).

According to the objective of the study that is derived from the problem statement, this study tries to answer the question of who, when, where and how a certain group of professionals behave towards a certain concept in conducting market segmentation. According to Blumberg (2005, p. 10) , this is a descriptive study. This is also viewed as a study where certain variables or a number of variables will be observed to provide some insights (Blumberg, 2005). This is the base and the methodology followed in this study and thus explains the fact that a hypothesis has not been developed for this study as the main purpose is descriptive.

The key objective of the study is to measure the use of the race variable in the segmentation process. In achieving the above objective, the study must also critically evaluate opinions, theories and concepts that can be found in the presented problem. Therefore, we have used the literature review to explore academic discourse in this field of study to see if other researchers might have answered the research question. The literature review provided us with the background and theory discussion but could not deliver solid answers that are also specific to the research question, about the use of the race variable in the segmentation process in the South African environment today. Therefore, it is safe to deduce that there has not been a study similar to this one in the South African environment.

In a quantitative study, and observation study is characterised by a particular focus on aspects of behaviour or variables, and these variables are quantified in a particular fashion to assist in answering the core question of the study (Leedy, 2005, p. 180). The occurrence of the behaviour is then counted to determine its overall frequency among the respondents and in some occasions rated for accuracy, intensity, maturity or some other dimension (Leedy, 2005, p. 180). Therefore, the measured behaviour can be rated and the significance can be determined in this rating process.

As per the research problem statement, the core purpose is to determine the significance or the intensity of the use of the race variable in the market segmentation process. Therefore, this quantitative study methodology was employed in gathering the data that helped us to answer the core questions of this research. Moreover, Leedy indicates that objectivity is critical in this form of study (Leedy, 2005). Thus, a hypothesis was not included in this study to enable the measurement of behaviour independent of any bias.

There is also a realisation that due to limitations of time and resources, this study will not be an observation of the entire population as guided by the problem statement. We have used inductive generalisations in which we generalise from a sample of the population to the target population (Mouton, 2001, p. 118). Therefore, the collection of the data will be on a sample size that will be significant as well as representative of the target population. Most importantly, the sample will be selected according to the guidance or target given in the objectives of the study.

3.3 Data Collection Strategies

Gal (2011, p. 185) indicates that researchers and practitioners alike frequently rely on surveys to gain insights into consumer's attitudes, preferences and beliefs. The purpose of this study is to measure attitudes, beliefs and preferences of the marketing professionals when conducting a market segmentation exercise. Given this overall, aim of the study we need to ensure that our data collection strategies were both efficient as well an effective.

The key question to answer is what is it that we need to measure to answer the research question. According to the problem statement, the main aim of this study is to measure the use of the race variable in the market segmentation process especially with regard to consumer behaviour. The marketing practitioners in South Africa are the unit of study. We need to get their views or answers with regard to the market segmentation process.

A list of 800 potential respondents was sourced for this study. The Marketing Association of South Africa was contacted to obtain the total population size with regard to marketing

practitioners in South Africa. Unfortunately, the association could not verify nor supply the data required. The 800 potential respondents was the data that was received from a database company called Listperfect. Questionnaires were sent to all potential respondents on the database provided. The goal was to include sufficient numbers of participants so that we can achieve a statistically significant result.

The questionnaires or the instrument was sent by e-mail to the 800 participants. The e-mail was sent with a covering letter as well as a link directing participants to a website where the questionnaire was hosted. Bateleur Khanya Research Company in Johannesburg hosted the questionnaire. They hosted as well as administered the collection of data. The system is built to ensure that only unique responses are captured through the system . The system ensured that an ip address of the respondent is identified and prevented to participate again on the same questionnaire. This ensured that respondents can only participate once in this survey.

This data collection strategy, proved to be cost effective as well as efficient since all participants on the list had access to both e-mail as well as internet. Moreover, the method was less intrusive as the participants were allowed the freedom to submit their responses without any monitoring at their own convenience.

3.4 Sampling Technique and Description of the Sample

We are also aware of the limitations in getting the views of the entire marketing fraternity in South Africa. If we did not have the limitations of time and resources, we could embark on this extensive exercise or a census. According to Blumberg, we need to collect the data from a sample, because of the lower costs (2005, p. 202). Other benefits sited by Blumberg are greater accuracy of the results, greater speed of data collection and availability of the population elements (2005, pp. 203-204). Following this guidance, we collected the data from the sample.

In order to have a good sample we had to make sure that we have a sample that is representative of the characteristics exhibited by the population that is supposed to represent (Blumberg, 2005, p. 205). Therefore, the departure point for selecting the sample or sampling

design is to determine the unit of measure as given above with regard to the problem statement. This is then followed by the definition of the relevant population. At this stage, the sampling frame has to be determined (Blumberg, 2005, p. 211). This determination is the collating of the list of the entire population members. For the purpose of this study, a database company called "List Perfect" was contacted to assist with a list or database of the population of all the marketing professionals they have on their database. We were able to get a list of 800 members of the population.

Given the above approach, it is clear that we followed the purposive sampling techniques, where a non-probability sample conforms to a certain criteria (Blumberg, 2005, p. 222). For the purposes of this study, we need to collect answers or data from a select group of professionals. Anyone who is not part of this group will not have an input nor find the questions relevant. Therefore, the sample has to be people who are marketing practitioners in order to be able to answers the key questions.

If 800 was the true reflection of the population size, we would then need only 260 respondents according to the table for determining sample size from a given population published by Krejcie (1970, p. 608). However, the data collection couldn't be obtained from the 260 responses that are required by the guide provided by Krejcie and others. Only 99 uniques responses we received. Therefore, the results will be based on the 99 respondents and a caveat will be added that we cannot deem this a statistically significant sample, as we have not reached the proposed number of 260 respondents.

3.5 Research Design and Methods

3.5.1 Description and Purpose

Leedy provides a very meaningful description of a survey research, as a research that involves acquiring information about one or more groups of people about their characteristics, opinions, attitudes or previous experiences (Leedy, 2005, p. 183). The data is collected through asking the people a set of questions and then tabulating their responses or answers. Following the research problem statement, this study focuses on a certain group of

people and it measures their characteristics, opinions, attitudes and experiences with regard to the use of the race variable in market segmentation process.

A questionnaire-based form of collecting data is often used in this form of study. As indicated in the above sections, we opted to send the questionnaires by email and hosted the responses on a web-based platform. Leedy indicates that one major challenge about this form of data collection is the return rate which then tends to skew the responses and might not necessarily be representative as originally intended in the selection of the sample (2005, p. 185).

The major benefit of the methodology followed is that it was cost effective, efficient as well as worked well given the time and resource constraints. In order to collect valuable data, the instrument used has to suite the method of data collection as well as deliver the responses required to answer and achieve the main objectives of the study.

3.5.2 Construction of the Instrument

According to Leedy, most questionnaires used in the survey research use rating scales and checklists to collect the quantitative data required (2005, p. 186). The design and the construction of the research instrument or questionnaire used both the checklist as well as the rating scale.

A checklist is a list of behaviours, characteristics or other entities that a researcher is investigating (Leedy, 2005, p. 185). In this, there are a number of pre-determined characteristics, which we required of the participants, to assist us in gathering the relevant data and validating the respondents. Most importantly, a checklist was used to screen the respondents and making sure that they are in the marketing profession. Most importantly, they are in a managerial position or a position where they are involved with the market segmentation process. Thus, the checklist was used to screen the respondents.

Another tool used is the rating scales. According to Leedy, these are most useful when a behaviour, attitude or another phenomenon of interest is evaluated on a continuum to measure its intensity (2005, p. 185). This method can simply measure or quantify people's behaviours and or attitudes. In this case, we did not only want to measure the extremes. Therefore when

developing the scale we allowed for a neutral position. Therefore, in most questions we provided a 5-point rating scale on particular questions relating to be behaviours and beliefs.

3.5.3 Recruitment of Study Participants

The recruitment of the participants on the survey was done through e-mail. The e-mails were sent directly to the recipients and a covering letter stating the purpose of the study, the ethical clearance as well as the option of participants to participate on the study was included on the e-mail. Leedy indicates that the use of the internet as a tool for collecting data is becoming a convenient and cost effective method of collecting data (2005, p. 197).

The list of participants obtained from List Perfect was used as it also provided e-mail addresses of the participants that we targeted. In order to eliminate sampling bias, Blumberg indicates that, probability sampling in which a random selection of the elements is selected will reduce the bias to a greater degree (2005, p. 220). Therefore, the list was chosen according to the profession of the respondents or the people on the database. Furthermore, List Perfect gave us a random list of the participants. It is important to note that List Perfect was only prepared to supply us with a list of 800 people from their database.

The return rate as well as the completion rate of the survey was 12.37% of the total e-mails sent out to potential participants. Therefore, that data received and evaluated is based on 99 respondents. There is no additional information that could substantiate the reasons for the response rate.

3.5.4 Pretesting and Validation

Following the design of the questionnaire, it was tested firstly for the smooth operation of the web-hosted survey. This first test looked at the technical back end of the systems to handle the questionnaire and to make sure that the questionnaire is well presented to the target respondents. This allowed all the technical glitches to be resolved before starting with the actual collection of data.

The second most important test is to test the questionnaire for its validity. This is to test the questionnaire against the content validity, which is a measure to test whether the

questionnaire appears to others to be measuring what it says it does. A few respondents were sent the link as a test to input their data as well as to indicate if they understood the questionnaire as well as being able to supply the required responses. The questionnaire proved to provide the data that is required in answering the key questions as well as the objectives of the study.

The third test of the questionnaire was with regard to the reliability. In this test, we need to measure that the instrument supplies us with a consistent result to a degree that it will be reliable (Blumberg, 2005, p. 385). Given that most of the questionnaire consisted of a rating scale and checklist, therefore the responses could only be consistent with the choices provided. The standard used in all the rating scales was a five point scale rating mechanism. Therefore, the tool was giving us the responses, which were consistent with the measures of variability that were given.

According to Blumberg, one of the measures used to improve reliability is to standardise the conditions under which the measurement occurs (2005, p. 388). Since the target respondents were people of a certain profession, marketing professionals, this can be seen as a measure in which we tried to standardise the conditions under which the measurement occurs. Moreover, the first question on the questionnaire was to check if the respondents were in the marketing profession or involved with marketing in their organisation. This ensured that our respondents could be easily grouped into a controlled group that will provide a level of consistency on the results.

Overall, the pretesting of the questionnaire indicated that the instrument was providing reliable data as well as a level of the required validity. The instrument was providing data that was consistent with the intended measurements of this study. Most of the data that was explored with regard to the above measures will be presented thoroughly in the next chapter.

3.5.5 Administration of the Questionnaire

The questionnaire was administered or distributed by using electronic mail. The hosting and the collection of the data were hosted on a research webpage. Bateleur Khanya research assisted us by hosting the webpage for the research. Leedy indicates that this strategy can be used specifically where the respondents are familiar or comfortable using the computers

(2005, p. 197). Given the accessible or available population of this study, this administration strategy proved to be the most effective and efficient one.

Bateleur Khanya also assisted us with the capturing as well as organising the data that was collected on the webpage. The administration of the data was guarded to eliminate any duplicated entries. Is indicated earlier, the system was designed to allow only one ip address to participate once in the survey.

Following the arranging of the data captured from the webpage, then the data was to be analysed through a series of tests that assisted in getting the interpretation of the data as well as achieving the objectives of the study.

3.6 Analysis of the Data

In the next chapter, we will explore the presentation of the data, firstly by grouping the respondents according to the independent variables. This will explore the different groupings within the target population that exhibits some similarities. Most of these will be done with the demographic variables collected through the instrument. This will give us an understanding of the respondents in the survey. According to Leedy , these sort of statistics are descriptive, and will give us a description of what the data looks like in terms of their midpoints, how broadly they are spread and how closely the variables within the data are correlated with one another (2005, p. 253).

The second stage of the analysis will then compare the various groupings of the respondents with regard to their responses to critical questions in the survey. This analysis will indicate the observations as well as the deductions that can be drawn by way of correlation analysis. The method to be used in this form of analysis will be cross tabulations to test the responses against different sets of demographic data. This cross-tabulations will also test various scenarios, which will give us some discussion points, as well as some deductions that can be drawn from the study.

The above analysis is mainly the statistical test that will focus on how two or more variables are interrelated, thus determining the correlation (Leedy, 2005, p. 265). This measure will also indicate the direction of the relationship of the variables as well as the strength of the

relationship. Therefore, there will be a test of validity as well as reliability on the tested correlation relationship.

The presentation of the data will assess in detail the tests used in the data sets that will be presented. This will then give us some discussion points that will answer the core question of the study.

3.7 Summary

A Purposive sampling technique was employed to target a specific population or set of respondents for this study. Furthermore, the target respondents were pre-selected or verified by ensuring that they are in a marketing profession. This was done in two stages, firstly by the list provided by List Perfect, which list had to only include marketing professionals in South Africa. Secondly, all respondents were asked a screening question to determine if they were involved with marketing activities in their organisation or not. Given these stages, we were able to select the relevant target population for the study.

One of the limitations of the study was that we could not get access to the data relating to the total population of the marketing professionals in South Africa. Following the collection of the data, the arrangement of the data was conducted to determine the descriptive statistics, measuring the variances and the central tendencies of the data. This was then later cross-tabulated to produce the correlation coefficient. The measure of the relationship of the different variables assisted in producing some observation that can be discussed to extract some deeper meaning regarding the use of the race variable in the market segmentation process.

Chapter 4
Findings from the Survey

4.1 Introduction

The research problem statement suggests that race based segmentation in South Africa is declining in its validity as it will not be true to the real world as well as practically useful especially with regard to consumer behaviour. Therefore, the key research question is to determine the role of the race variable in market segmentation and consumer behaviour in the South African context.

The objectives of the study are to determine the following:

- Does race influence buyer behaviour among South Africans?
- Do marketing professionals regard race as an important variable in the segmentation process?
- Do marketing professionals perceive race as a variable that is becoming less important in the segmentation process currently?
- Do marketing professionals foresee the declining importance of the race variable in future market segmentation exercises?
- To what extent is the race variable used together with other variables to segment the South African market?

This chapter presents the analysis of the data collected from the target population by using the questionnaire that was discussed in the previous chapter. The first statistical test that is presented is with regard to the validity as well as the reliability of the questionnaire.

This will then be followed by the descriptive statistics with regard to the respondents. The final set of statistics will be the inferential statistics or tests done with the available data. A brief overview or observation about the data will be done, but the discussions of the results will be done in detail in the following chapter.

4.2 The sample/respondents

Following discussion with various industry bodies, there was no conclusive view with regard to the total population of the marketing professionals in South Africa. The marketing association of South Africa has only 100 Chartered Marketers in South Africa or registered as Chartered Marketers. Moreover, they have a programme aimed at the development and management of marketing practitioners. Thus, as a result they define marketing professionals or practitioners as people with a marketing qualification. The number of registered marketing practitioners is based on a set of criteria, which includes the following:

- Marketing qualification,
- 3 years' experience in marketing,
- A member in good standing (CMSA code of professional conduct),
- And registered as a marketing practitioner.

(Anon., 2012).

The question of defining a marketing professional will require a dedicated study, which will define professional membership, as well as marketing practitioners who are involved in marketing decision making. Therefore, this study could not use the criteria used by the marketing association. The list from Listperfect, which provided details of people who have a related marketing job title, was used to gather data.

In the previous chapter, we indicated that the total number of potential respondents as provided by the data sourced from Listperfect was 800. According to (Krejcie, 1970), this study then required 260 respondents as a sample for this total population. Eight hundred emails were sent out to the respondents on the database sourced. Following the data collection 99 respondents participated in the study by completing the survey online. Therefore, the completion rate and or return rate of the survey was 12.4% with regard to the total population of 800. This number of respondents translated to 38% of the target sample suggested by Krejcie (1970).

Furthermore, 85 of the respondents indicated that they are currently serving in a marketing function within their organisation, which is 91% of the respondents who participated in the study. Essentially the purposive sampling method ensured a 91% return rate based on the target population. This is answering to the objective of the study to measure the attitudes and

beliefs within the professionals who are active in the marketing profession or serving in the marketing profession. Nine respondents indicated that they were not in the marketing function and another six respondents did not respond to the question.

Another observation of the respondents is that, 78 of them occupy senior and executive management positions in their organisations. That equates to 78% of the respondents, as seen in Figure 1 below, serving in senior roles that can be assumed to influence the decision making process in the organisation. This fact further indicates that the respondents do not only serve in marketing positions, but 44% of them serve in senior management roles and 34% in executive positions. This further advocates the fact that these respondents influence the decision making process with regard to marketing processes or decisions.

Position in Company

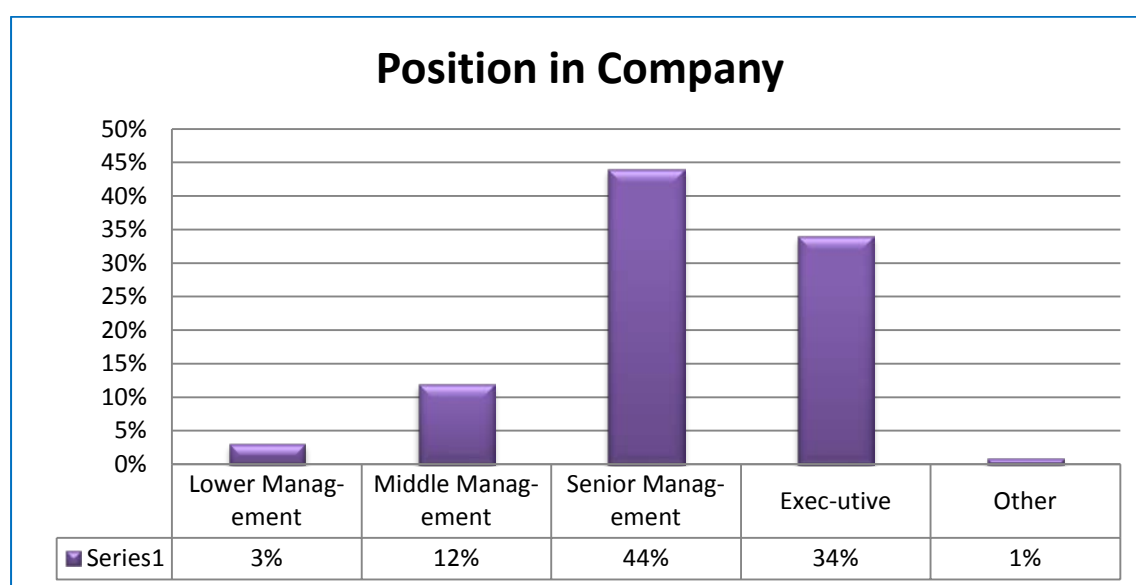|	Lower Management	Middle Management	Senior Management	Exec-utive	Other
Series1	3%	12%	44%	34%	1%

Figure 1- Position in Company

The above data was drawn from the initial screening questions on the questionnaire. The purpose of these questions was to establish that we are collecting the data from the correct target population.

4.3 Descriptive data

Our departure point for analysing the data was to extract the descriptive data or the frequency statistics that will give us information relating to the respondents of the survey. In this section, the demographic data of the respondents is presented to give an understanding of the respondents based on this demographic data.

The first observation of the respondents is the racial profile. It was important to capture this demographic data, as the test for correlation with the responses to the core question of this dissertation would give us an important observation worthy of discussion. Figure 2 below indicates the frequency distribution regarding the racial profile of the respondents.
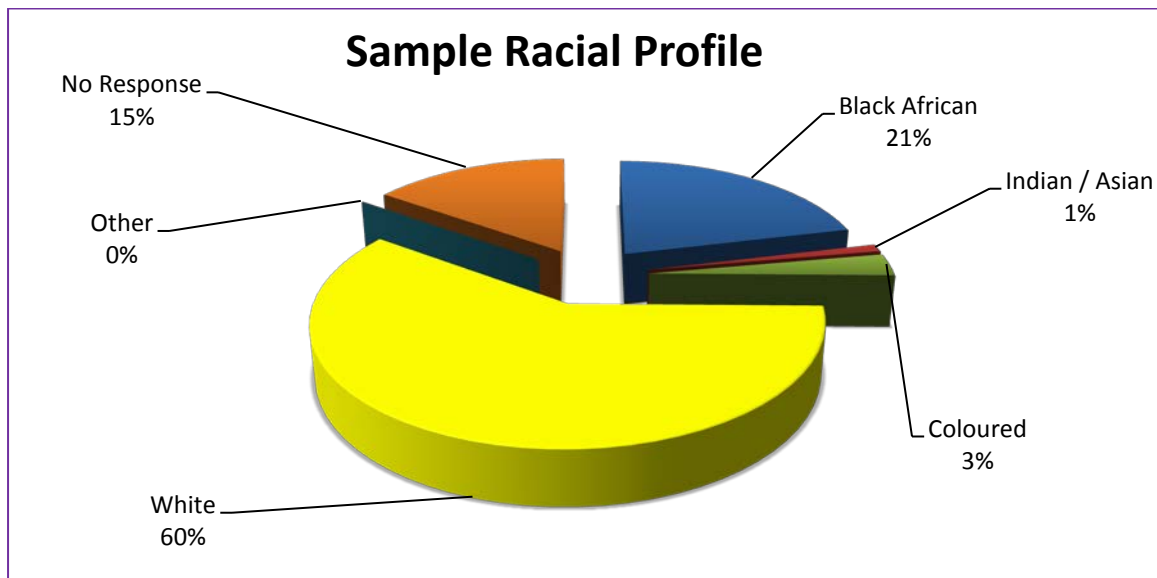

Figure 2- Respondents Racial Profile

From the presented data, we can see that the majority of the respondents are white. It is important to note that the targeted sample was representative of corporate South Africa and there, was no effort done to select the respondents according to their racial profile. The questionnaires were sent directly to the managers mostly in the field of marketing as per the database provided by List Perfect.

The other most important demographic data that was observed was the gender split among the respondents. Figure 3 below indicates that 61% of the respondents are male and 39% female.
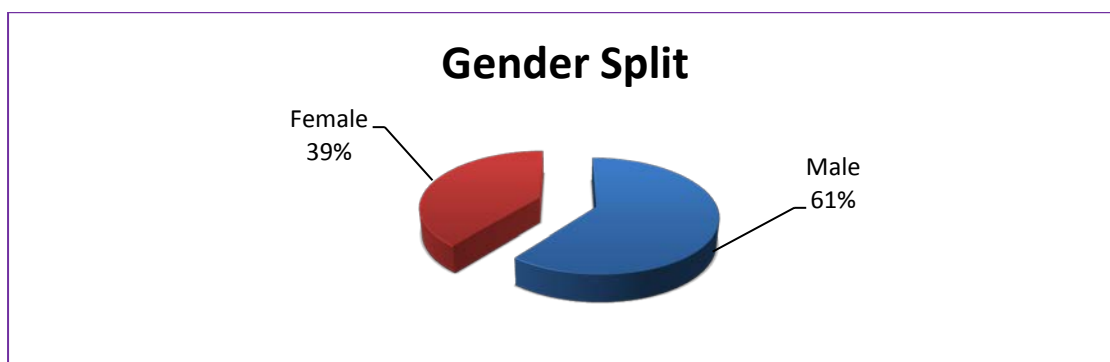

Figure 3- Gender Split

Ideally this gender distribution or split should be representative of the South African population as a whole if we were to infer the data to the entire South African population. According to statistics South Africa (Lehohla, 2010), the gender split of the South African population indicates that we have more females than males in the country as per Figure 4 below. Therefore the gender split of the sample cannot be representative of the South African population and thus it will be incorrect to infer the statistics on to the greater South African population with regard to this research. In terms of the purpose of this study, we have to note that the general picture of the gender split in South Africa is not relevant as the objectives of the study is not to survey the general population but a specific group of the population.

SOUTH AFRICA AT A GLANCE		
Male	23 868 700	48%
Female	25 451 800	52%
Population Total	49 320 500	

Figure 4- SA Population Statistics South Africa 2009

The age of the respondents were captured in the questionnaire. Some 39% of the respondents were 45 years and older, followed by 37% of the age group ranging from 35 to 45 years old. These two groups represent 76% of the respondents as indicated in Figure 5 below. This indicates an older or mature group which will influence the results of this survey. The influence of the age group will be discussed in the following chapter.

Age Distribution

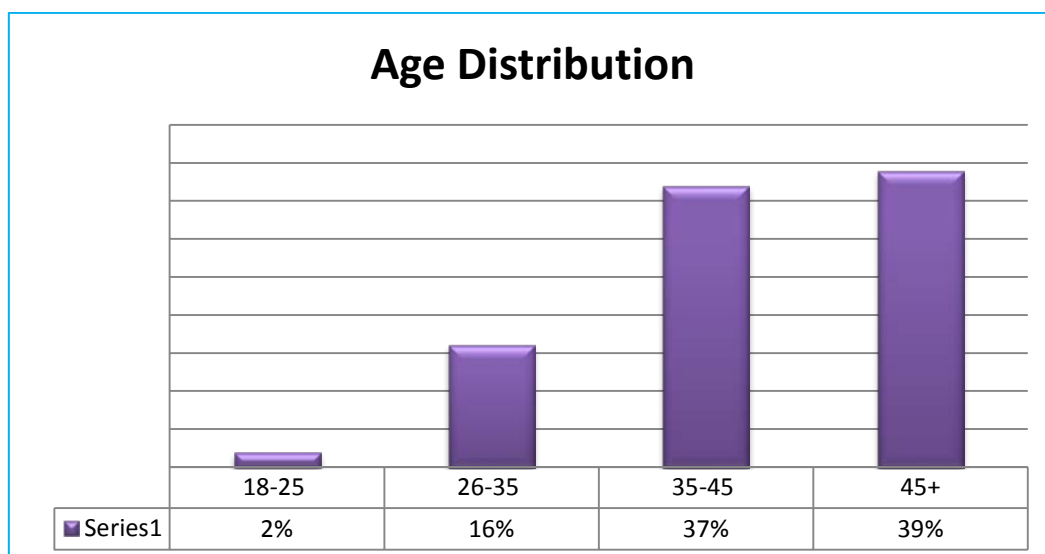|	18-25	26-35	35-45	45+
■ Series1	2%	16%	37%	39%

Figure 5- Distribution of Respondents by age

Given the above figures it is important to note that the older population in the sample would have experienced the socio economic environment that existed in South Africa before 1994.

This is based on the assumption that most of them would have grown up in this country and experienced the Apartheid regime is some form or the other.

The respondents were also asked to indicate the type of industry they work in. The aim of this question was to ascertain if the data collected will have an industry bias or not. According to Figure 5 below, one can note that 33% of the respondents indicated that they were in different industries as the ones stipulated in the questionnaire. It is also important to note that, retail, financial services and food and beverages industry were equally represented.
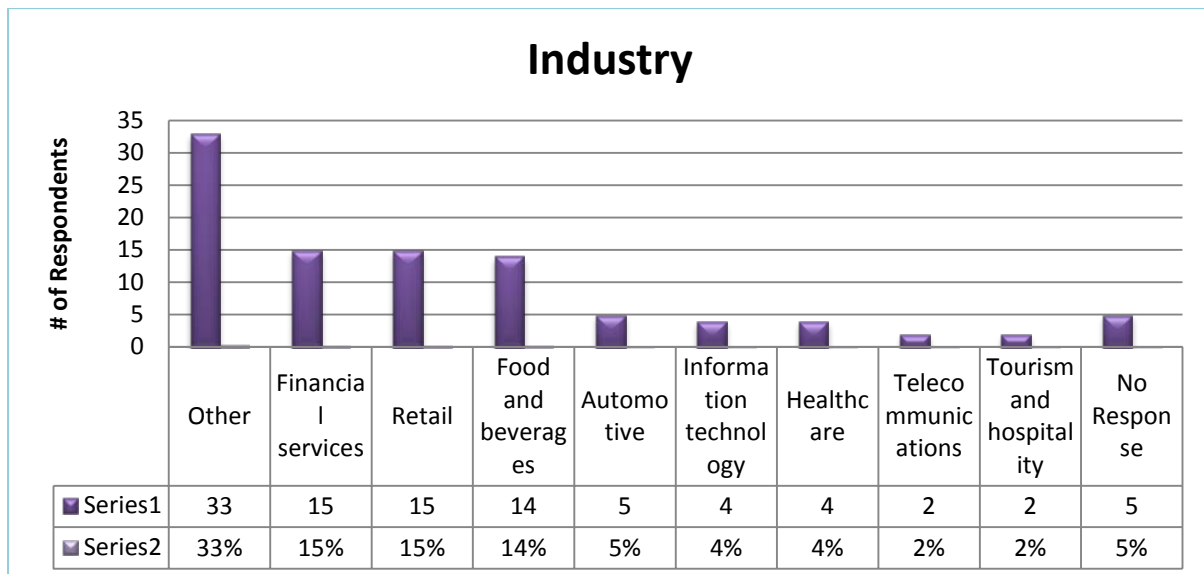

Industry

	Other	Financial services	Retail	Food and beverages	Automotive	Information technology	Healthcare	Telecommunications	Tourism and hospitality	No Response
Series1	33	15	15	14	5	4	4	2	2	5
Series2	33%	15%	15%	14%	5%	4%	4%	2%	2%	5%

Figure 6- Industry Categorization of the Respondents

4.4 Responses to the critical questions

The first critical question asked on the survey was to assess the belief and perception of the professionals regarding the importance of the segmentation process for producing sound marketing strategies. As indicated in the graph below (Figure 7), 76% of the respondents indicated that the segmentation process is important to enable sound marketing strategies.
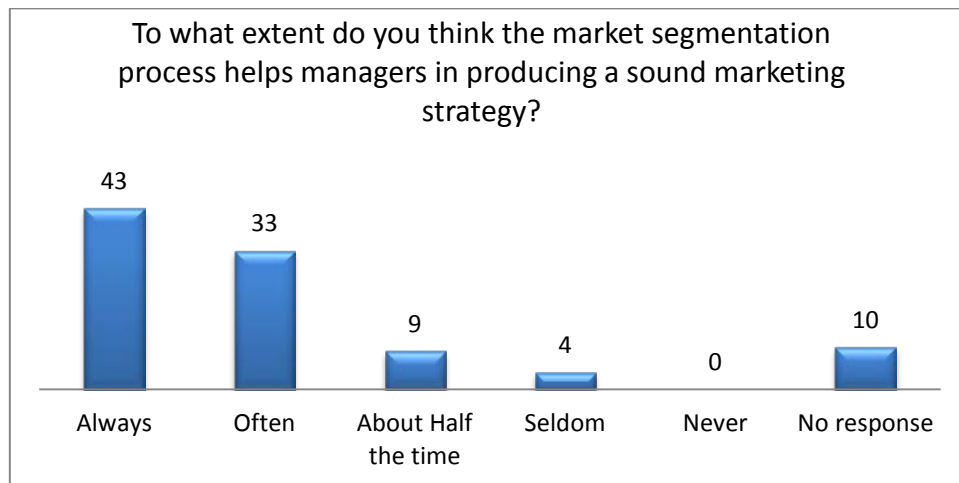
Figure 7- Importance of Market Segmentation in Strategy

The second question measured their thoughts about the extent which the race variable is used in segmenting the market to establish the differing consumer needs. The respondents indicated that there is no total realiance on the variable as a predictor of consumer needs. On the other hand only 40% believed that often the race variable can determine consumer needs.
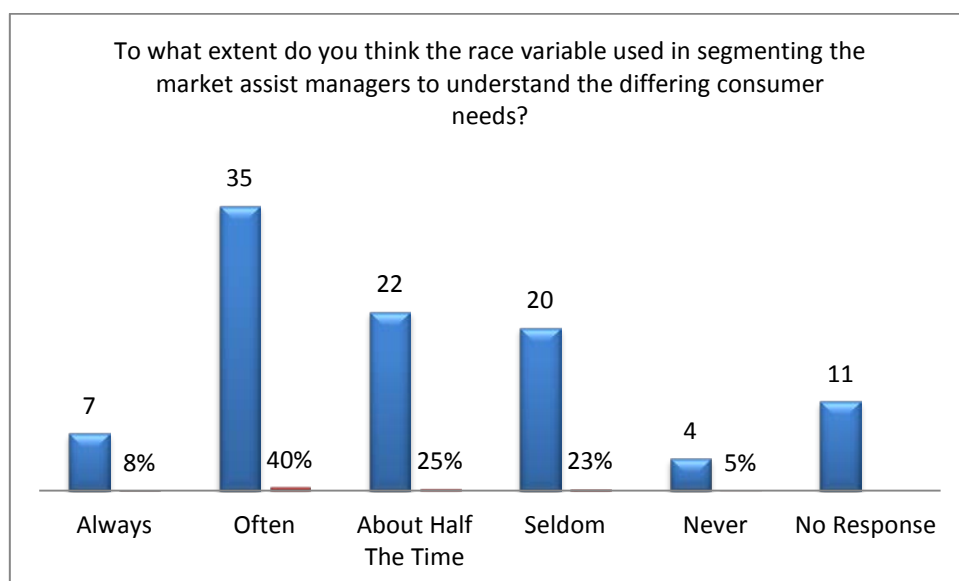

Figure 8- Segmentation and Consumer Needs

Since the above question measured the belief, we then asked the respondents to give an account or the extent to which the race variable is used to determine the consumer segments in their organization. Only 7% of the respondents indicated that race is used always to

determine the consumer segments. Some 57% confirm that this is done often or about half the time.
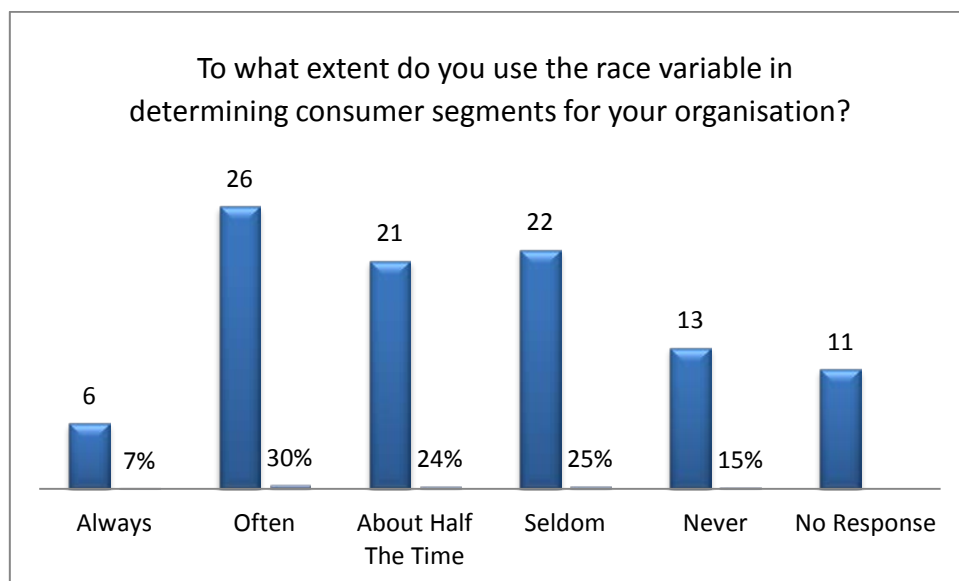

To what extent do you use the race variable in determining consumer segments for your organisation?

Always	Often	About Half The Time	Seldom	Never	No Response
6	26	21	22	13	11
7%	30%	24%	25%	15%	

Figure 9- The Use of Race in Determining Segmentation

Figure 9 above, indicates that we have more than half the respondents agreeing that the race variable is used sometimes, often or always in their organizations to determine consumer segments.

The aim of the question that followed the one above was to determine if there is a link to the use of the race variable in understanding consumer or buyer behaviour. Given the statistic indicated in Figure 10, it can be seen that there is no significant statistics that suggest a significant consensus on the responses given. 35% of the respondents seem to agree with the fact that the race variable can be a determinant of the consumer or buyer behaviour. In total 23% have seen this half the time and 31% have not seen this as a factor in determining or predicting a particular buyer/consumer behaviour.

To what extent do you think the race variable assists your organisation in understanding the consumer or buyer behaviour?

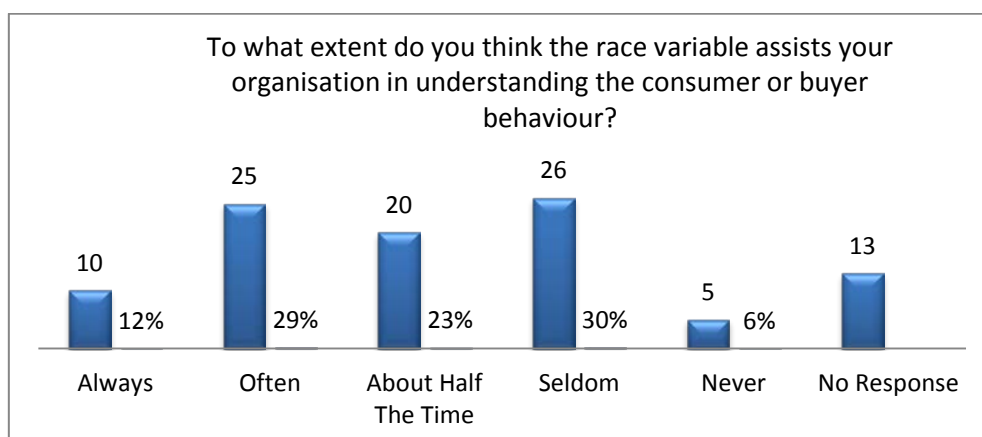| Always	Often	About Half The Time	Seldom	Never	No Response
10	25	20	26	5	13
12%	29%	23%	30%	6%	

Figure 10- Race and Consumer Behavior

Another question that is closely related to the above question was asked to measure the belief or the attitudes of the respondents regarding whether buyers or consumers of the same race profile will exhibit distinct behavioral patterns. None of the respondents indicated that this happens always, while 42% saw this often and 39% saw this half the time.
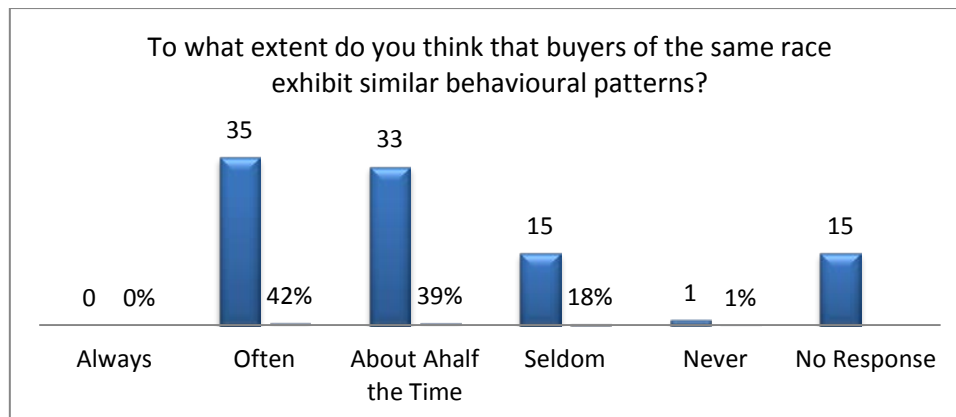

Figure 11- Role of Race in Consumer Behavior

The overall responses are skewed towards the belief that buyers of the same race exhibit similar behavioural patterns. The respondents indicated that this happened often and about half the time. Only 18% of the respondents indicated that this seldom happens with one respondent indicating that this never happens. Quite a number of respondents did not answer this question.

A professional viewpoint was sought regarding whether the race variable assists marketers in discovering insights about consumption habits or behavior of the different market segments. 40% of the respondents indicated that this occurrence happen often with 7 respondents indicating that this happens always. 33% indicated that they might use this half the time, while 20% saw this seldom. None of the respondents saw this as an occurrence that never happens.
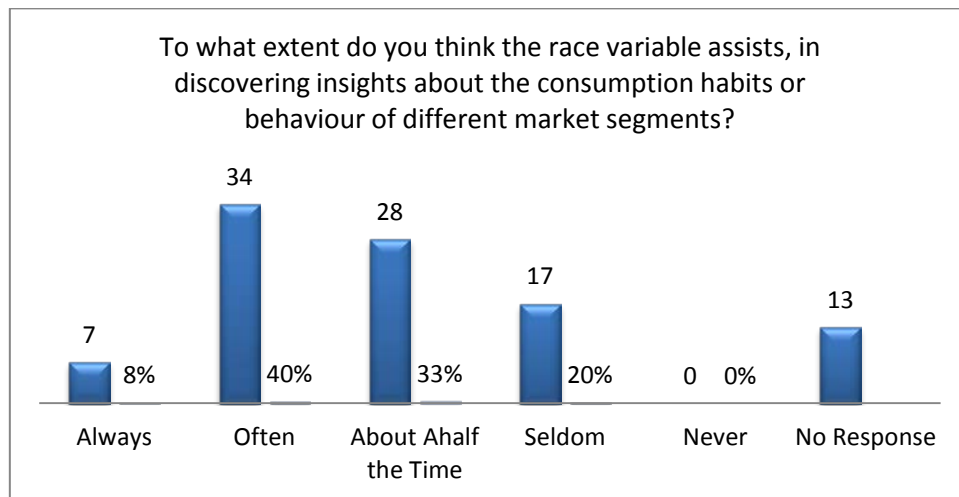
Figure 12- Role of Race and Insights Generation

Since there is some consensus that the race variable can assist in discovering the consumer insights, we also wanted to determine if this variable can or is used in isolation from the other variables used in the segmentation process.
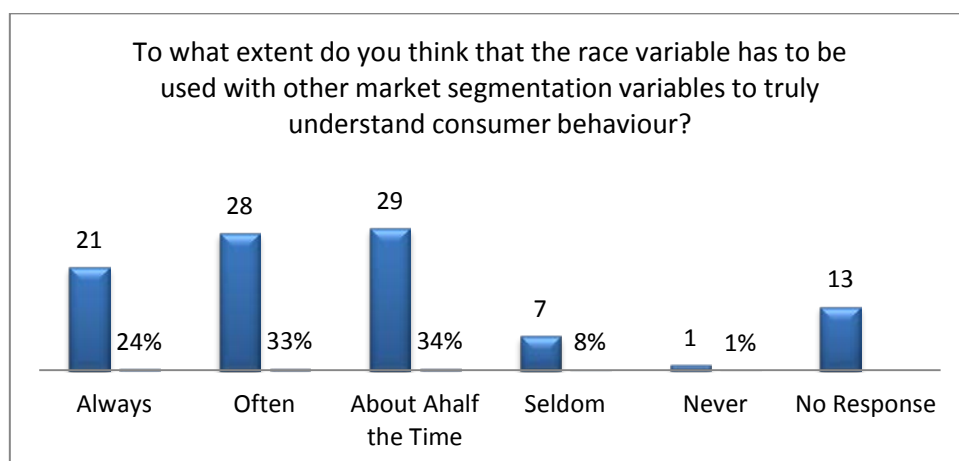
Figure 13- Race Variable Can Be Used With Other Variables

Figure 13 indicates that there is a positive skew towards the use of the race variable with other segmentation variables. Only one respondent indicated that they will use this variable in isolation, while 8% of the respondents indicated that they will use the variable in isolation in seldom occasions.

Most of the respondents are in management positions at senior levels and also with the majority in the age range above 35. Their account of what they have seen in the past 17 years in South Africa, will give us a good measure of whether the use of this variable is declining

or not. 65% of the respondents indicated that the use has been declining. Only 35% disagreed with this fact, while we still had 14 respondents who did not answer the question.

We also asked these professionals to give us their views or beliefs of whether they see the decline being carried forward into the future. 71 % of the respondents indicated that they believe that the use of this variable will decline in the next 10 years and only 29% did not agree to that. The number of respondents to this question also increased to 15.This indicates a positive skew to the belief that the use of this variable will decline in the future.

Moreover, the respondents were asked if they think that there are other effective variables that can replace the race variable since there is a belief that the use of the race variable will decline in the future. 76% of the respondents, slightly above the statistic that believed that the use of the race variable will decline in the future, indicated that there are other effective variables that can be used or replace the use of the race variable.

To what extent do marketing professionals believe that consumers or buyers should not be labeled according to race? A total of 25% of the respondents agreed wholly with this statement. Another 28% indicate that this happens often and 27% of the respondents were undecisive with regard to the statement. Despite the 16 respondents who did not complete this question, there is a general agreement from the respondents regarding the statement.
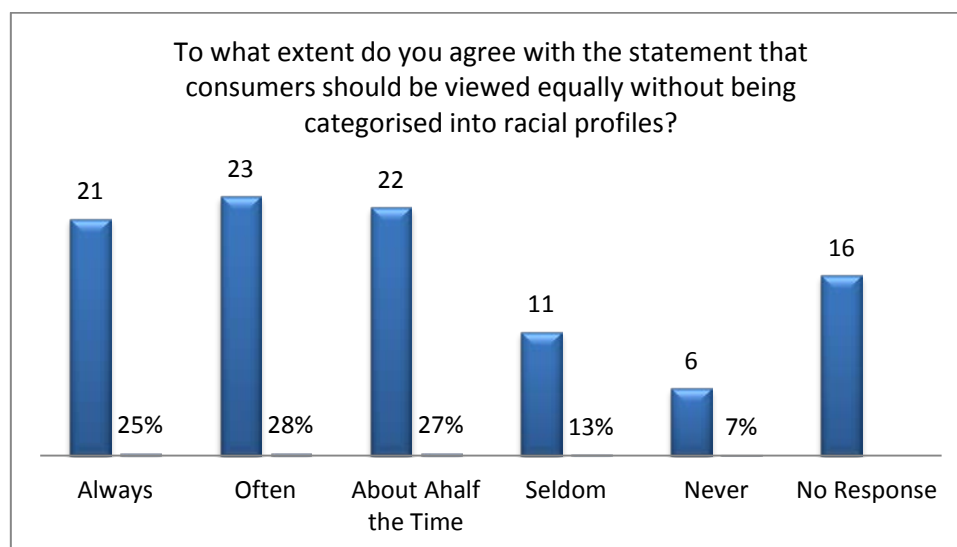

Figure 14- The Role of Race in Consumer Understanding

With specific mention of the marketing mix, the professionals were asked if they think that the race variable will still be important to assist managers in developing an effective marketing mix. Almost 38% of the respondents thought that the use of the race variable can assist in developing an effective marketing mix. 30% of the respondents believed that this will be half the time, 24% saw this seldom and only 3% thought that this will not assist ever. Fifteen respondents who did not answer the question.
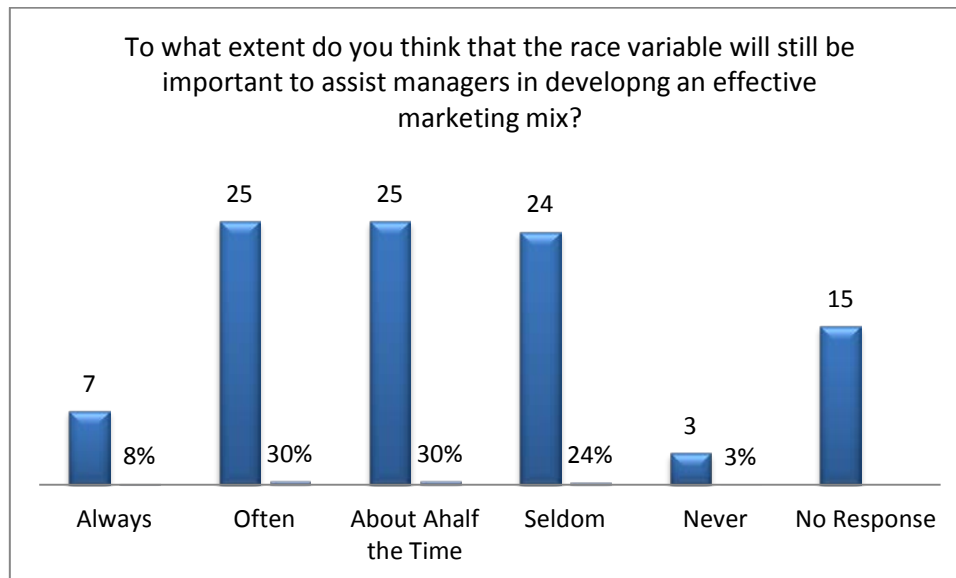
Figure 15- Role of Race in Marketing Mix

The above are all the observations that were captured and analysed with regard to the responses to the questions on the questionnaire. This chapter did not attempt to present the correlations or the cross tabulations of the different data sets as that will be done in the next chapter. The correlations and the cross tabulations will assist in developing some conclusions about the information collected.

4.5 Inferential statistics

The following statistics focus on the cause and effect questions that can be asked with regard to the data collected. Most importantly, the focus will be on the different respondent's groupings to reveal any relationship that can be uncovered in relation to their responses or views expressed in the responses. Given the South African context, one would expect that we could draw some conclusions regarding the respondents as well as their experience, which will affect their responses. For example, we can deduce that the individuals who were in

support of the racial divisions in the country will favour race as a significant variable to be used in segmenting the market.

The first set of data is the analysis of the position in the company. The identified differences between the groups were expressed in a chi-square test. The critical value of 0.345 was computed in this test of the position in the company and the racial composition of the respondents. Another observation is the fact that the sample had a greater number of white people and indicated greater values on this race group when it came to senior and executive level positions. See figure 19 below.

	Total	POSITION IN COMPANY				
		Lower Management	Middle Management	Senior Management	Exec-utive	Other
Unweighted Base	99	3	12	44	34	1
		3%	12%	44%	34%	1%
Black African	21	1	3	11	6	0
	25%	100%	33%	27%	19%	0%
Indian / Asian	1	0	1	0	0	0
	1%	0%	11%	0%	0%	0%
Coloured	3	0	0	2	1	0
	4%	0%	0%	5%	3%	0%
White	59	0	5	28	24	1
	70%	0%	56%	68%	77%	100%
Other	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%
No Response	15	2	3	3	3	0
		13.33				
Chi Square		0.345				

Figure 14- Position in Company Table

The second test was based on the gender groupings to establish the significance or the influence of the gender split in the results of the study. This observation indicates that there is a 58% of male respondents in the study compared to females. The critical value of 0.167 suggests that we cannot reject the fact that the grouping composition will affect the results of the study.

	Total	GENDER	
		Male	Female
Unweighted Base	99	56	37
		57%	37%
Black African	21	16	4
	25%	31%	13%
Indian / Asian	1	1	0
	1%	2%	0%
Coloured	3	1	2
	4%	2%	6%
White	59	33	25
	70%	65%	81%
Other	0	0	0
	0%	0%	0%
No Response	15	5	6
		5.06	
Chi Square		0.167	

Figure 17- Gender Group Table

Lastly, the data analysis looked at the age distribution of the respondents, as this will have a direct or even indirect influence on the results of the study. The test revealed that given the fact that the age distribution was more skewed to respondents who were older than 35. Therefore, the test also revealed that the 0.136 value indicated that the age distribution had an effect on the responses.

	Total	AGE			
		18-25	26-35	35-45	45+
Unweighted Base	99	2	16	37	39
		2%	16%	37%	39%
Black African	21	0	3	13	5
	25%	0%	20%	39%	14%
Indian / Asian	1	0	0	1	0
	1%	0%	0%	3%	0%
Coloured	3	0	0	2	1
	4%	0%	0%	6%	3%
White	59	0	12	17	29
	70%	0%	80%	52%	83%
Other	0	0	0	0	0
	0%	0%	0%	0%	0%
No Response	15	2	1	4	4
		9.75			
Chi Square		0.136			

Figure 18- Age Group Table

4.6 Summary

The main purpose of this chapter was to present the findings of the survey and then to understand the sample that was surveyed as a target population. A response and completion rate of about 12% was achieved, which is lower than was imagined. Moreover, the data with regard to the overall number of the target population was not accessible. Access to 800 names supplied but List Perfect formed the sample. However, only 99 respondents participated and completed the survey.

The descriptive data presented in this chapter only focused on the demographic details of the respondents. We did not infer the statistics to the broader South African population, or marketing professionals, as we did not have the exact figures of the total size of the marketing professionals in South Africa. The validity of the questionnaire was presented in the previous chapter and the data collected indicated that the questionnaire did achieve the objectives of the study by collecting the data that is related to the critical question of the study.

The data or responses were presented in tables and mostly in graph format. The following chapter focuses on the detailed discussion of the data sets in light of the objectives set for this study.

Chapter 5
Discussion

5.1 Introduction

The previous chapter presented the statistics recorded from the study. The main purpose of this chapter is to discuss the different findings in light of the objectives set for this study. Each objective has been discussed in relation to the observations from the previous chapter as well as drawing some critical conclusions, which will eventually assist in answering the core question of this study.

The structure of this chapter was determined by the objectives set for this study. The discussions were organised according to the objectives and the deductions from these discussions will be used to ascertain the collective view of answering the research question or the management dilemma.

5.2 Role of Race in Buyer Behaviour

The first objective of the study was to measure the extent to which race influences buying behaviour among South Africans. An argument put forward by Wells (2010, p. 176) purports that the most important determinants of behaviour are the environmental consequences produced. In this argument, there are two types of factors that shapes behaviour, the practical nature of products/services and the economic results. On the other hand, the information received in the form of branding for differentiation also shapes the behaviour.

The above argument assumes that these are the most important factors that influence consumer behaviour. Therefore, there should be more emphasis on these environmental consequences as the important determinants of behaviour. Al-Salaimeh (2008) also supports this view by indicating that the demographic variables, one of them being race, can only provide general information and lack in providing deeper insights into the behaviour of a particular market.

A specific question in the study was to measure the perception of marketing professionals. The question sought to measure the extent to which marketers believe that the race variable

assists organisations in understanding the consumer or buyer behaviour. The highest response to this question was the belief that this seldom occurs. More than half ,55 respondents were skewed to believing that this is the case half the time, often and always (see Figure 22 below).
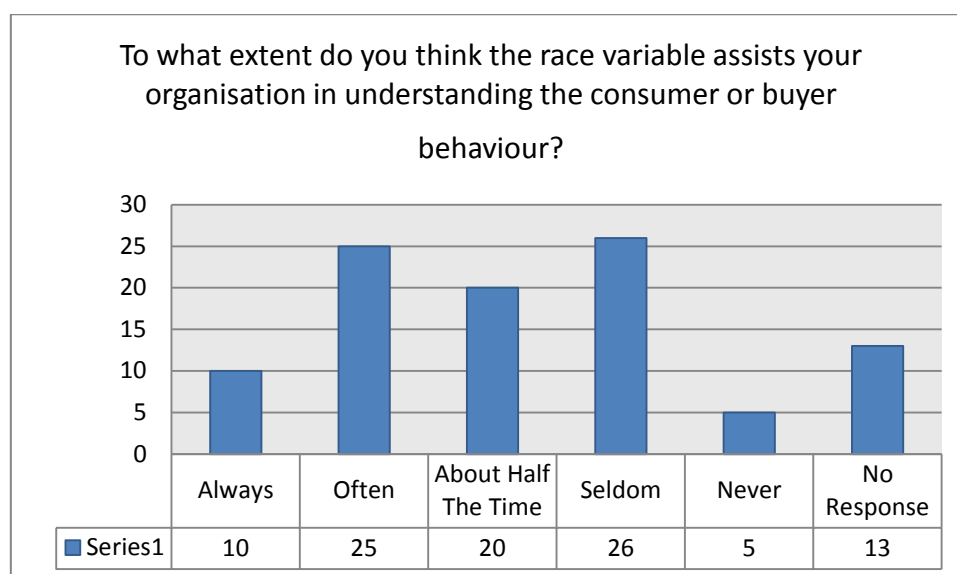
To what extent do you think the race variable assists your organisation in understanding the consumer or buyer behaviour?

	Always	Often	About Half The Time	Seldom	Never	No Response
Series1	10	25	20	26	5	13

Figure 19- Race and Buyer Behavior

The findings from both the literature and the survey indicate the absence of convergence with regard to the view of academics and the marketing professionals in South Africa. What is of importance to note is the context as indicated by Wells (2010), indicating that the overall environmental factors have an influence in buyer behaviour? We can apply the same theory in this case, by viewing the responses of the marketing professionals as influenced by the environmental factors or determinants.

The literature survey also discovered the gaps with regard to a body of work done in this discipline in the South African environment. Perhaps this dilemma has not been raised to a level of importance that the academic world as well as the marketing fraternity rallies to find some solutions or answers to these dilemmas.

Therefore, it can be safely deduced that there is a gap between the theory as well as the practice with regard to this question. Most importantly, this is brought about by the fact that the South African environment, apartheid legacy, still determines the behavioural response of the marketing professionals in their perception of the role of race in consumer behaviour. It is important to note that the marketing professionals are part of the South African society and cannot be viewed independently of the society the operate in.

5.3 Race a Significant Variable in the Segmentation Process

The second objective of this study was to investigate if marketing professionals regard race as a significant variable in the segmentation process. According to the theories on market segmentation, we have noted the view that there are differences between the body of knowledge and the practical implementation of the process (Yoram, 1978).

This objective is more focused on determining the views of the marketing professionals. The first question that addressed this objective was to measure the extent to which marketing professionals thought the race variable assisted them in discovering insights about the consumption habits of different market segments. The results indicated a skew towards the active use of the race variable in this regard although with differences to the frequency of use. There is more respondents who use this actively (often and always) than those using this half the time, indicating a neutral view, or seldom.
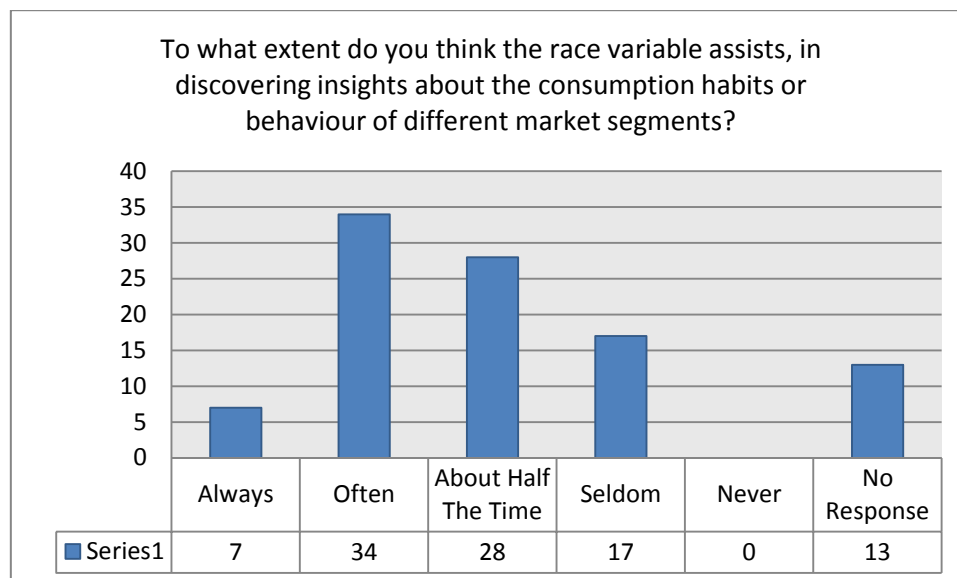

To what extent do you think the race variable assists, in discovering insights about the consumption habits or behaviour of different market segments?

	Always	Often	About Half The Time	Seldom	Never	No Response
Series1	7	34	28	17	0	13

Figure 20- Race Assist with Insights and Behavior.

Therefore, a significant number of the respondents indicate that they are of the view that the role of the race variable is significant in uncovering insight particularly with regard to consumer behaviour. This overall support of this view indicates that the race variable is held as an important variable in the segmentation process.

The second question that answered the role of race in the segmentation process, was to measure the extent, which the respondents thought the buyers, or consumers of the similar race group exhibited similar behavioural traits. The responses gravitated to the centre of the scale indicating the more neutral view with regard to this question (Figure 21).
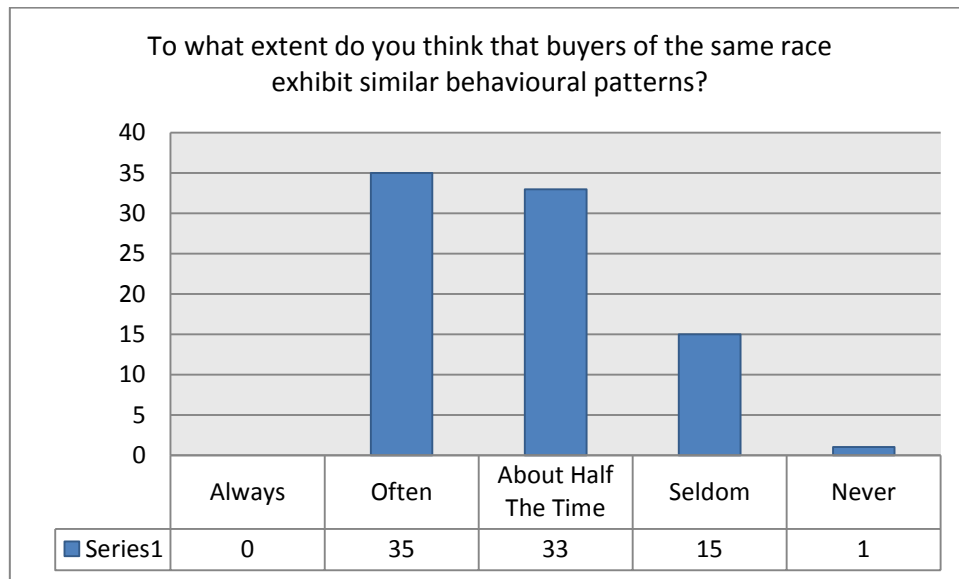
Figure 21- Does Race Predict Buyer Behavior

It is also worthy to note that the results from this question indicate that in practice the respondents think that often and about half the time, this race variable will provide some insights about buyer behaviour. Most importantly there are fewer responses on not using the variable at all and using it seldom. Therefore, it can be deduced that this is still a practice even though done often or half the time being significantly higher than those who do not regard this as an important variable.

The overall view of the respondent that were aimed at answering the above objective indicate that there is overall support for the importance of the race variable in the segmentation process. This importance, based on the value the respondents placed on the importance of the variable in uncovering insights. Moreover the overall acceptance (with minimal rejection) of the fact that people of different races exhibit different behavioural traits.

5.4 The Role of the Race Variable Declining

The third objective set out at the beginning of this study was to investigate if the marketing professionals perceive race as a variable that is becoming less important or critical in the segmentation process. The literature survey indicated that the role of race as a concept is evolving over time. For example, Mittelman (2009) concluded that there are indications that the similarities and differences in coding racial variance have taken a new form that is expressed by states and societies. Therefore, the race concept, as a differentiator has changed.

The key question that follows from this conclusion, is to measure the extent of this change in the South African context particularly, with regard to market segmentation. Seeking (2008) concluded that there was little evidence that the legacy left by the Apartheid regime had changed over time especially if the manifestation of such changes had to be in the socio-economic environment.

The survey revealed an significant (65% of respondents) view that the role of the race variable has declined in the 17 years following the 1994 democratic elections in South Africa (Figure 22).

	Total	POSITION IN COMPANY					GENDER		AGE			
		Lower Manag-ement	Middle Manag-ement	Senior Manag-ement	Exec-utive	Other	Male	Female	18-25	26-35	35-45	45+
Unweighted Base	99	3	12	44	34	1	56	37	2	16	37	39
		3%	12%	44%	34%	1%	57%	37%	2%	16%	37%	39%
Yes	55	1	5	27	20	1	35	19	0	7	24	23
	65%	100%	50%	66%	65%	100%	67%	59%	0%	47%	73%	64%
No	30	0	5	14	11	0	17	13	0	8	9	13
	35%	0%	50%	34%	35%	0%	33%	41%	0%	53%	27%	36%
No Response	14	2	2	3	3	0	4	5	2	1	4	3
		2.04					0.54		3.05			
Chi Square		0.728					0.461		0.217			
Do you think that this variable is declining in its significance, 17 years after the first democratic elections?												

Figure 152- Race a Declining Variable or not?

Looking at both the results of the survey and the literature deductions that are captured by Burgess (2003, p. 162) indicated that the alleged purchases and consumption preferences associated with race are nothing more than stereotypical artefacts of the apartheid era. Therefore, there is a realisation that the role of the race variable has changed over time, but the question that is not answered in its totality is how much change? Thus, we can conclude that the role of the race variable has declined in its significance although the decline has been gradual as indicated by Seekings (2008).

5.5 The Future of the Race Variable

As the fourth objective, the study ought to test if marketing professionals foresaw the role of the race variable as a declining factor in the segmentation process, when projecting into the future. The conclusion from the third objective indicated that the role of the race variable has changed or declined over time. The literature survey also purports that the evolution or the decline will still happen, as societies are redefining their identities over time according to states and social arrangements (Mittelman, 2009).

The respondent's response to this key question showed a significant (71%) support for the fact that the role of the race variable will decline in the future (see Figure 23). It has also been observed that this question received the most responses. This may be a suggestion that the respondents were comfortable to respond on this issue or found it relevant to their experiences.

	Total	POSITION IN COMPANY					GENDER		AGE			
		Lower Manag-ement	Middle Manag-ement	Senior Manag-ement	Exec-utive	Othe r	Male	Female	18-25	26-35	35-45	45+
Unweighted Base	99	3	12	44	34	1	56	37	2	16	37	39
		3%	12%	44%	34%	1%	57%	37%	2%	16%	37%	39%
Yes	60	1	6	28	23	1	38	20	0	7	25	27
	71%	100%	60%	68%	77%	100%	76%	63%	0%	47%	76%	77%
No	24	0	4	13	7	0	12	12	0	8	8	8
	29%	0%	40%	32%	23%	0%	24%	38%	0%	53%	24%	23%
No Response	15	2	2	3	4	0	6	5	2	1	4	4
		2.02					1.72		5.33			
Chi Square		0.732					0.19		0.07			
Do you believe that the significance of the race variable, in market segmentation will decline in the next ten years?												

Figure 163- Role of the Race Variable in the Future

Therefore, there is a certain degree of alignment in theoretical discourse as well as in practice that the role of race and its significance has been declining in the past few years. There is also an increased view that the role of the race variable will decline in the future.

Another observation that further substantiates the above conclusion was that 76% of the respondents indicated that they believe there are better variables that can be used as a replacement of the race variable. Thus, this suggests that there is an overall belief that the role

of the race variable has declined over time, will continue to decline and there are other alternatives that can replace this variable.

5.6 Race Variable Complemented with other Variables

The last objective set for this study was to investigate the extent, which the race variable is used together with other variable to segment the market. This objective purports that the role of the race variable has to be seen as part of the mix of variables available for the segmentation process. Therefore, the role of the race variable is seen as part of or as an ingredient that has to be used with other variables in order to derive value from the segmentation process.

The question that addressed this variable measured the extent to which respondents believed that the race variable has to be used as an ingredient variable rather than as an absolute variable in isolation of the others. The responses to this question revealed a significant gravitation to the use of race as a variable that has to be used with other variables. The gravity on the scale indicated a weighting towards the frequent use of this approach rather than the decreased use of this approach.

To what extent do you think that the race variable has to be used with other market segmentation variables to truly understand consumer behaviour?

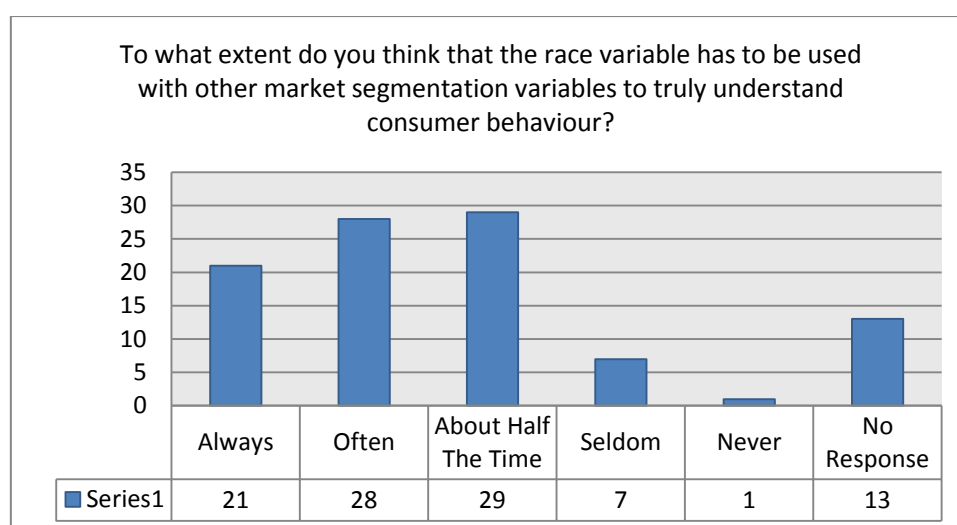|	Always	Often	About Half The Time	Seldom	Never	No Response
Series1	21	28	29	7	1	13

Figure 174- Race Variable an Ingredient Variable

The literature survey indicated that generally the marketers would choose one set of variables as the distinguished base for the process of segmentation and then follow up with multiple discriminant analysis (Green, 1977). Therefore, the observations from the survey are congruent with the body of knowledge built in this area of marketing practice.

5.7 The Role of Race in Market Segmentation

The overall view of the deductions coming out of the discussions above indicate that there is some congruency with regard to the literature on these concepts as well as the responses from the marketing professionals or practitioners. There is also a realisation of the non-convergence in parts with regard to theory and practice.

With regard to the congruency found in both literature and practice, the discussions indicated the alignment with regard to the role of the race variable that has declined, continues to decline and will decline further, going into the future. Therefore, there is a consensus view with regard to the second objective, the third and the fourth.

The outcomes on the first objective indicate some non-convergence with regard to the role of race as an influencer of buying behaviour. The academic view shows that the race cannot be the ultimate influencer with regard to buyer behaviour. There are environmental consequences at play that influences buyer behaviour, namely the nature of products/services and the economic results and on the other angle, the information received about the products or services (Wells, 2010). The discussion also raised another important question regarding the influence of the environmental consequences on the marketing professionals and how this can influence their perspectives.

The discussions on the fifth objective indicated the resounding support that the race variable has to be used together with other variable. The survey also revealed the fact that the respondents believed that there are other variables that can be used to replace the race variable. Given these points, it can be deduced that the role of the race variable, even with its continued decline over time, will still be significant and used in conjunction with other variables and replaced over time as its significance continues to decline.

The discussions above indicate that there is some agreement, between the literature and responses from the survey that the role of the race has been declining over time. Furthermore, there are disagreements between the literature and responses on the role of race currently, where the literature discounts the role of race while the respondents indicated the significant use of the variable. This suggest that the experiences of the respondents might still be

influenced by the South African history and socio economic conditions which has not changed much to suggest a change in segmentation practices.

Despite some of the new questions raised, there is a general agreement that the role of the race variable, even with its continued decline over time, will still be significant and used in conjunction with other variables and replaced over time as its significance continues to decline.

It is essential to assess the outcome of these discussions in light of the implication it would have to the existing body of knowledge on the subject matter as well as influencing future research in this field. Most importantly this conclusion should be tested against the overall objective of the study.

5.8 Has the Data Answered the Research Question?

The overall conclusion of the study is that the role of the race variable, even with its continued decline over time, will still be significant and used in conjunction with other variables and replaced over time as its significance continues to decline. This overall conclusion or answer to the research question is supported by the data from the survey as well as the literature survey conducted in chapter 2.

Firstly, the literature survey indicated that the role of the race variable should be limited as there are other environmental consequences that influence buyer behaviour (Wells, 2010). The data from the respondents suggested the opposite as the respondents were still putting emphasis on the significant role of the race variable. The discussion closed with a key question on the extent to which the South African socio-economic consequences of the previous regime could be influencing the perception of the respondents on this question.

The discussion on the second, third and fourth objectives yielded a congruency of both literature and data from the survey. There has been some significant consensus view that the role of race in current segmentation is still important. This was the view in addressing the second objective, which was to ascertain if marketing professionals regard race as an important variable in the segmentation process.

Furthermore, there has been a significant level of consensus in the data and the results of the literature survey in the perception that the role of the race variable is in decline, regarding the third objective. A similar sentiment, in addressing the fourth objective, is that the role of the race variable will continue to decline into the future. The discussion on the fifth objective provided a consensus that the race variable should be used in conjunction with other segmentation variable. Thus asserting the overall view that the role of the race variable continues to be in a decline state.

Thus, the literature review, in conjunction with the data collected in the survey from respondents assisted in answering the main research question through addressing the set objectives of the study.

5.9 Benefits of this Research

In the first chapter, it was indicated that the relevance of this study is supported by the recent discussions and studies that defined new marketing opportunities or segments in relation to their racial grouping. There has been a discussion in the broader marketing arena with regard to the "Black Diamonds" research that was conducted by the Unilever institute together with the University of Cape Town.

The results from this study, suggests that the role of race as a significant segmentation variable is in a declining state. Therefore, there is a need to find credible and new segmentation variables that will be relevant to the South African market and used now and into the future as the changes in the socio-economic conditions would necessitate that.

The various stakeholders identified in the ethical clearance would benefit from the overall findings of this study, as this will generate questions in this field in the quest to find solutions for the market today and perceive the solutions they need into the future.

5.10   Recommendations to Resolve the Business Problem

The management dilemma, indicated in the first chapter of this document states that, in order for market segmentation to be valid, it needs to be both true to the real world and practically useful. In 2003, Burgess raised a very important observation regarding the declining importance of using race as a variable in market segmentation in South Africa (Burgess,

2003, p. 162). Following these debates, it became imperative to investigate and validate these conclusions in an effort to search for solutions to this dilemma.

Moreover, the outcome of this research indicates that the role of the race variable still has a place and will be used in conjunction with other variables. Over time, the role of this variable will continue to decline and thus a search for the relevant and useful variables to replace this variable should be investigated.

5.11   Limitations of this Study

The first limitation of this study is the sampling of the respondents. The study managed to get 99 respondents out of the available population of 800 potential respondents. According to Krijcie (1970), 260 respondents could have been a significant sample for the given population. Thus, this study got 38% of the recommended sample. Given this sample, the conclusions from this study could not be generalised to the entire population of 800 respondents.

The second limitation of the study was with identifying and defining the target respondents. The list of potential respondents, from Listperfect, is based on everyone who might have a marketing related job description. On the other hand, the Marketing Association of South Africa defines a marketing professional or practitioner according to their qualifications as well as tenure in the marketing profession. This dilemma produced some challenges in ensuring a well-defined universe or total population. Thus the study was only based on the list attained from Listperfect.

The size and scope of the topic presented challenges in the essence that a number of concepts had to be reviewed and in most cases, the lack of any literature that has looked at all these concepts combined. In this case, race, market segmentation and consumer behaviour within the South African context was to be investigated. Thus, the absence of literature that looked at this exact combination of concepts made it a challenge to gain academic insights on the research question.

5.12   Recommendations to Overcome the Limitations

The following are the proposed solutions to overcoming the limitations encountered in this study.

- A definition of the target respondent to be more specific. Engage only respondents who are in marketing research. This will also require that we have access to a database that will mine the data to that level to ensure adherence to the specific requirements.
- In order to overcome the second limitation, the consensus view of the industry stakeholders could be beneficial in finding a defined population. Once the population is defined, the data regarding the population should be acceptable to the industry.
- To address the third limitation, experience and further studies in this field is necessary. There is a growing need of research publication in the market segmentation filed with specific attention to the realities in South Africa and even Africa. Most of the body of work available in this filed is based on American realities and context.

In addressing some of the limitations, futures studies should consider the following questions that were raised in this study:

- Socio-economic influences of South Africa to marketing professionals that influence how they conduct market segmentation,
- Characteristics of professionals involved in marketing decisions in South Africa, and
- Data availability, the granularity of the data available in South Africa regarding the different occupations. How do we determine the population of professionals who are not registered with the industry associations?

These are some of the considerations for further research that can solve the challenges experienced in this study.

5.13   Summary

The main objective of this study was to evaluate the role of race in market segmentation and buyer behaviour in South Africa. The literature review together with the data collected from the 99 respondents of the survey revealed some conclusions, which provided an answer to the overall research question.

The overall outcome of thi research suggested the following:

- The role of race as a market segmentation variable is declining,
- The role of race as a marketing segmentation variable will decline in the future,
- The race variable is used in conjunction with other variable in market segmentation.
- There is consensus that new segmentation variables will be sought to be employed in the future.

Therefore, the overall conclusion of this research is that, the role of the race variable, even with its continued decline over time, will still be significant and used in conjunction with other variables and replaced over time as its significance continues to decline.

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APPENDICES

1. **Ethical clearance certificate**

2. **Letter of informed consent**

3. **The research questionnaire**

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6 December 2011

Mr J M Ledwaba (202523772)
Graduate School of Business

Dear Mr Ledwaba

PROTOCOL REFERENCE NUMBER: HSS/1267/011M
PROJECT TITLE: The role of Race in Market Segmentation and Buyer Behaviour in South Africa.

In response to your application dated 30 November 2011, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.
PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

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

Yours faithfully

....
Professor Steven Collings (Chair)
Humanities & Social Science Research Ethics Committee

cc Supervisor – Dr Maxwell Phiri
cc Mrs Christel Haddon

UNIVERSITY OF KWAZULU NATAL
GRADUATE SCHOOL OF BUSINESS

MBA Research Project
Researcher: Mpho Ledwaba   082 908 8072
Supervisor: Dr Maxwell Phiri   033 – 260 5843
Research Office: Ms P Ximba   031 – 260 3587

Dear Participant,

I, Mpho Ledwaba, am an MBA student, at the Graduate School of Business, of the University of Kwazulu Natal. You are invited to participate in a research project titled: Is race a market segmentation variable that is losing significance in South Africa today with regard to consumer behaviour. The main aim of the study is to measure the significance and practice of racial profiling in market segmentation particularly in determining consumer behaviour segments across various industries.

Through your participation, I hope to understand the significance of this variable when segmenting the consumer markets and to understand buyer behaviour. The results will indicate the significance or the use of racial profiling in segmenting consumer markets in South Africa today.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. It is very important for us to learn your opinions.

Your survey responses will be treated with the outmost confidentiality and the data from this research will be reported only in the aggregate. Confidentiality and anonymity of the records identifying you as a participant will be maintained by the Graduate School of Business, UKZN. There will be no monetary gain from participating in this survey.

If you have any questions at any time about the survey, or the procedures, you may contact Mpho Ledwaba at 082 908 8072 or e-mail mpholedwaba@gmail.com.

This survey will take approximately 10 minutes of your valuable time.

Thank you very much for your time and support. Please start the survey now by clicking on the link below.

Sincerely

Mpho Ledwaba

Questionnaire

Kindly select the box that corresponds to your answer below. If you have no answer, you can leave the question unmarked.

Are you currently serving in a marketing function in your organisation?

☐ YES ☐ NO

Position:	☐ Lower Management ☐ Middle management ☐ Senior management ☐ Executive ☐ Other
Gander:	☐ Male ☐ Female
Population group:	☐ Black African ☐ Indian/Asian ☐ Coloured ☐ White ☐ Other
Age Group:	☐ 18 – 25 yrs ☐ 26 – 35yrs ☐ 35 – 45 yrs ☐ 45yrs and older
Industry:	☐ Food and beverages ☐ Financial services ☐ Retail ☐ Telecommunications ☐ Information technology ☐ Automotive ☐ Tourism and hospitality ☐ Healthcare ☐ Other ....

1. To what extent do you think the market segmentation process helps managers in producing a sound marketing strategy?

☐	☐	☐	☐	☐
Always	Often	About Half the time	Seldom	Never

2. To what extent do you think the race variable used in segmenting the market assist managers to understand the differing consumer needs?

☐	☐	☐	☐	☐
Always	Often	About Half the time	Seldom	Never

3. To what extent do you use the race variable in determining consumer segments for your organisation?

☐   ☐   ☐   ☐   ☐

Always   Often   About Half the time   Seldom   Never

4. To what extent do you think the race variable assists your organisation in understanding the consumer or buyer behaviour?

☐   ☐   ☐   ☐   ☐

Always   Often   About Half the time   Seldom   Never

5. To what extent do you think that buyers of the same race exhibit similar behavioural patterns?

☐   ☐   ☐   ☐   ☐

Always   Often   About Half the time   Seldom   Never

6. To what extent do you think that the race variable assists, in discovering insights about the consumption habits or behaviour of different market segments?

☐   ☐   ☐   ☐   ☐

Always   Often   About Half the time   Seldom   Never

7. To what extent do you think that the race variable has to be used with other market segmentation variables to truly understand consumer behaviour?

☐   ☐   ☐   ☐   ☐

Always   Often   About Half the time   Seldom   Never

8. Do you think that this variable is declining in its significance, 17 years after the first democratic elections?

☐   ☐

Yes   No

9. Do you believe that the significance of the race variable, in market segmentation will decline in the next ten years?

☐ ☐

Yes No

10. Do you think there are other effective variables that can replace the race variable?

☐ ☐

Yes No

11. To what extent do you agree with the statement that consumers should be viewed equally without being categorized into racial profiles?

☐ ☐ ☐ ☐ ☐

Always Often About Half the Seldom Never
time

12. To what extent do you think that the race variable will still be important to assist managers in developing an effective marketing mix?

☐ ☐ ☐ ☐ ☐

Always Often About Half the Seldom Never
time