

UNIVERSITY OF KWAZULU-NATAL

**AN INVESTIGATION OF CONSUMERS' PERCEPTIONS
OF IN-HOUSE FOOD BRANDS IN DURBAN'S
MAJOR FOOD RETAILERS**

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Preface

**An investigation of consumers' perceptions of in-house food brands in
Durban's major food retailers**

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DECLARATION

I declare that this thesis is my own work, except where use has been made of the scholarship of other authors, they have been duly acknowledged in the text. This research has not been submitted before, for any degree at any other University.

Stewart Peter Kaupa _____ Date _____

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A number of individuals have contributed to the development of this thesis. Firstly, I would like to thank God for giving me strength to work on this thesis when I thought I had none left.

I would like to thank my supervisor, Dr. Maxwell Phiri, who was always at the other end of all my e-mails. Without his invaluable guidance, suggestions, commentary, and encouragement, I would not have been able to complete this thesis on time.

I would also like to extend my words of thanks to my family and friends; they were always my pillars of strength. Thank you for your encouragement.

Stewart Peter Kaupa

Dedication

This work is dedicated to, my mother, Chrissie and in loving memory of Peter, my father
With much Love, Respect, and Admiration

Abstract

The term in-house brands refers to products that are sold to retail outlets where the store name appears on the packaging instead of the manufacturer's name or brand name (Brickman, 1988:24).

The introduction, presence and behaviour of such brands, has added a significant dimension to the marketing of food products. In-house food brands have been around in South African supermarkets for almost fifteen years and consumers long regarded such products as "cheap and nasty generic substitutes for the real thing rolled out by retailers during recessions and discarded once the economy picks up again; however, times have changed and so has the quality standards of such products. High quality in-house brands are now found in retail outlets some of them commanding premium prices.

Some market observers still attribute the growth and success of in-house food brands to hard economic times whilst others believe that this growth trend is here to stay and will continue to grow because in-house food brands now provide acceptable quality at reasonable prices. Consumers are giving less importance to manufacturer brands and retailers are becoming more proficient at managing their in-house brands.

In this study, research was conducted to investigate consumers' perceptions of in-house food brands in Durban's major food retailers. To evaluate how consumers perceive the prices, and quality of in-house food brands. To evaluate the influence of in-house brands positioning on consumers' purchasing decision, to determine market factors which are influencing consumers in respect of in-house brands, to investigate consumers' loyalty to such products as well as the categories which consumers prefer and finally to investigate if there is any relationship between consumers' disposable income and their loyalty to consume in-house brands.

The literature review assisted in placing this study into context and preparing for the collection of primary data to answer the research questions. Consumers around Durban's

Commerce and Business District participated in this study and responded to a questionnaire that focused on the consumers' perceptions regarding the areas mentioned above.

The findings from the analysis of data show that consumers are drawn to purchase in-house brands because of the low prices, the quality of in-house food brands has been raised to acceptable levels, in some cases retailers are offering premium quality in-house brands, favourable positioning of in-house brands has an influence on consumers' decision to purchase in-house brands, consumers no longer see in-house food brands as substitutes because the quality of such products is now very good, and finally, the study found that there is no relationship between consumers' income levels and their loyalty to in-house food brands.

The recommendations that were made to in-house brands retailers were that: in-house brands retailers should invest more in innovation, research and development, they must come up with attractive packages, they should compete with manufacturer brands on both quality and prices and not just on prices alone and they must increase product visibility through creative product positioning.

It was also recommended that future studies should be undertaken to study the factors that need to be taken into consideration before in-house food brands are introduced so as to avoid in-house brand failure.

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CHAPTER ONE

Introduction and orientation

1.1 Introduction

This chapter maps the intentions and process of this study. It gives impetus on the conceptualization of the problem statement and what investigations followed. With the assistance of appropriate methodology tools, data was collected and analyzed to determine if the objectives set were answered. Discussion around ethics and limitations followed with conclusion being drawn.

1.2 Preamble

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another producer. According to the American Marketing Association, a brand is defined as a name, term, sign, symbol, or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Keller, 2008:2). “Technically speaking then whenever a marketer creates a new name, logo, or symbol for a new product he/she has created a brand, something that has created a certain amount of awareness, reputation, and prominence in the market place.

The term in-house brands refers to products that are sold to retail outlets where the store name appears on the packaging instead of the manufacturer’s name or brand name (Brickman, 1988:23). Hence retailer’s branding is when a large distribution channel member, usually a retailer, buys products from the manufacturer in bulk with the retailer’s name already printed on the products by agreement.

This trend has become a common feature amongst food retailers in South Africa. Retailers such as Woolworths, Pick 'n Pay, Spar and others have all joined in the practice of introducing their own brands to compete with the well marketed and established manufacturer brands.

The presence and behaviour of in-house brands such as those introduced by Spar, Pick 'n Pay and Woolworth add a significant dimension to the marketing of in-house brands food products, (Furness, 2002:24). Retailers in almost all sectors in South Africa are introducing their own brands to compete with the well established manufacturer brands. Despite the fact that, in many industries, the in-house brands represent formidable competition to manufacturer brands most research continue to ignore the influence and impact of which these in-house brands are having on the market and how consumers perceive them and the marketing community focuses predominantly on manufacturer brands giving very little attention to in-house brands. This kind of marketing behaviour has made it rather difficult, if not impossible to obtain detailed information on how consumers perceive the in-house brands of food related products. This study is aimed at taking an in-depth and comprehensive investigation of how consumers perceive in-house brands in the food sector with regard to the quality, prices and their shelf positioning as far as shelf-space is concerned.

1.3 Background

The twentieth century was the century of the manufacturer brands, consumers moved from no-name products of inconsistent quality produced by local factories in the nineteenth century to branded products from global manufacturers led by Coca-cola, Unilever, Jack Daniels, Tiger Brands, Procter & Gamble and many more (Kumar & Shah, 2004:21). These manufacturer brands used emerging media- first; newspapers, billboards, and radio; later television and the internet to market their message effectively. The branded message to consumers was one of smart shopping – brands are trustworthy, delivering quality, consistency, and innovation at a fair price. Initially, consumers bought

manufacturer endorsed brands as symbols of quality, trust and affluence and these manufacturer brands reached consumers through distributors and retailers which were relatively small when compared with their largest suppliers and this allowed the large suppliers to have power and control over the retailers.

Sometime in the 1970s, the South African marketing landscape started to change as retailers started to develop national chains. Some retailers in the United Kingdom like Ahold, Carrefour, and Metro, even began to expand internationally and consolidation of retail industry was underway. Spurred by these pioneers, retailers of food stuff such as Aldi, Auchan, Costco, Makro and Wal-Mart took the lead in introducing their own brands onto the market and this was the birth of in-house brands (Kumar *et al.* 2005:32).

The introduction of these in-house brands has changed the balance of power between in-house brands and manufacturer brands. Ten years ago large food brand manufacturers would dwarf their retail customers in size. This is no longer the case, retailers have now seized the size advantage and the negotiating power that flow from it. The shift in the balance of power is not limited to food products only since South Africa's largest retailers also sell significant volumes of non food items of in-house brands.

Woolworths introduced their own branded goods five years ago and this range represents 9% of their product range boosting branded products such as Coco – Cola and Nescafe. This has helped their food market share move from 5% to 9% in five years (www.woolworths.co.za), but little is known about how consumers perceive these products, and questions may be asked as to what attracts consumers to such products, could it be their relatively lower prices? Is the quality of such products better when compared to manufacturer brands or is it because such brands are given a better shelf space in the shop?

1.4 Aim of study

This study is aimed at taking an in-depth and comprehensive investigation of how consumers perceive in-house brands in the food sector with regard to the quality, prices and their shelf positioning as far as shelf-space is concerned.

1.5 Value of study

This research is undertaken with the aim of contributing to the field of marketing.

This research will assist in the collection of marketing intelligence. Marketing intelligence is a form of business intelligence whereby data and information are analyzed and transformed for use in strategic planning and problem solving. (Rosnow & Rosenthal, 2000: 45).

Knowledge gained from this study should assist in helping management make wiser decisions when planning, introducing and managing in-house brands of food related products. Marketers and advertisers are interested in consumer perceptions and opinions, so as to appeal to them and ultimately encourage purchases. Thus, the knowledge of what consumers think and what appeals to them should constantly be researched. Findings from this study should help management of in-house brands as well as those retailers who are contemplating of introducing in-house brands, to become more aware of how consumers perceive in-house brands and what attributes are more appealing to them, this will assist the retailers to better understand the marketing problems related to product loyalty, price setting as well as quality monitoring of their brands.

Results from this study will assist to equip in-house brands marketers with knowledge which will enable them to better provide sufficient customer service through the understanding of customer needs and changes enabling the appropriate adjustments of business strategies-product mix, which will influence consumers' purchasing behaviour through the employment of the appropriate marketing strategies.

With no formal or very few studies/research having been done on this subject matter focusing on the South African perspective, the purpose of this study is to explore consumers' perceptions of in-house food brands and deepen the understanding of consumer behaviour and so as to provide in-house brands retailers with meaningful insights with regard to the product attributes attracting consumers in the food sector to purchase in-house brands.

1.6 Problem statement

Good product attributes, of in-house brands of food related products, such as price, quality and positioning can lead to greater consumer loyalty.

1.7 Objectives of the study

- To evaluate how consumers perceive the prices of in-house brands of food related products.
- To evaluate how consumers perceive the quality of in-house brands of food related products
- To evaluate the role which positioning of in-house brands of food related products plays on the purchasing decision.
- To determine the factors influencing consumer behaviour in respect of in-house brands of food related products.
- To investigate consumers' loyalty to in-house brands of food related products.
- To investigate which categories of in-house brands of food related products consumers prefer to purchase.

- To investigate if there is any relationship between disposable income of consumers and their loyalty to in-house brands of food related products.

1.8 Research questions

The study of the objectives stated above will be conducted by posing critical questions stated below to the consumers.

- When compared to the manufacturer brands are the prices of in-house food brands lower?
- How do consumers rate the quality of in-house food brands?
- Does the shelf positioning of in-house food brands have any influence on the purchasing decision of consumers?
- What market factors are influencing consumers to purchase in-house food brands?
- Do consumers prefer to purchase in-house food brands over manufacturer brands?
- What is the preferred in-house food brand category by consumers?
- Does disposable income of consumers play any significant role in the decision to purchase in-house food brands?

1.9 Hypotheses

Hypothesis (H1)

Availability of disposable income (Economic class) has a significant relationship to consumers' loyalty to in-house brands of food related products.

The null hypothesis (Ho)

Availability of disposable income (Economic class) has no significant relationship to consumers' loyalty to in-house brands of food related products.

Hypothesis two

Hypothesis (H1)

Good quality of in-house food related brands is an important attribute that is preferred by consumers.

The null hypothesis (Ho)

Good quality of in-house food related brands does not have any effect on consumer preferences of in-house brand' preferences.

Hypothesis three

Hypothesis (H1)

Favourable positioning of in-house brands of food related products impacts on the purchasing decision of consumers.

The null hypothesis (Ho)

Favourable positioning of in-house brands of food related products has no impact on the purchasing decision of consumers.

Hypothesis four

Hypothesis (H1)

Low prices of in-house brands of food related products are an important incentive to consumers' purchasing behaviour.

The null hypothesis (Ho)

Low prices of in-house brands of food related products are not an important incentive to consumers' purchasing behaviour.

1.10 Research Methodology

Scientific research is one of society's most important functions. According to Mouton and Marais (1993:89) social sciences research is a collaborative human activity in which social reality is studied objectively with the aim of gaining a valid understanding of it.

1.10.1 Research strategy

Empirical research is conducted to answer or enlighten research questions. The strategic choice of research design should come up with an approach that answers the research problem in the best possible way and within the given constraints. Survey strategy is a popular and commonly used deductive approach in business research. It is popular since it is a highly economical manner of collecting large amounts of data.

By using the survey strategy, the researcher has more control over the research process (Saunders, 2003:305). Surveys are useful in determining the characteristics of a large population of interest based on a smaller sample from that population.

1.10.2 Population and sample definition

It is not always possible to study the entire population so a study of a subset or sample of the population is used where results and findings are inferred to the entire population. The population refers to the set of individual units which the research question asks to find out about. A sample is representative when it allows the results of the sample to be generalized to the population. The two main types of sampling, stratified sampling and simple random sampling, depend on whether or not the selection involves randomization.

1.10.3 Sampling Method

Sampling methods can be classified into those that yield probability samples and non probability samples. ‘In a random sample each person in the entire population has an equal probability of being chosen for the sample and every person has the same chance of becoming the actual sample, (Bailey, 1982: 91), however for this research a stratified sampling method was preferred over simple random sampling, since the overall methodology chosen for the research was quantitative research methodology.

1.10.4 Questionnaire design and data collection

Questionnaire surveys are one of the mostly used tools by individuals and organizations to collect data. Before choosing the questionnaire as the preferred technique, the advantages and disadvantages of using a questionnaire were considered.

1.10.5 Questionnaire design

Consumers around Durban CBD will be asked fill in a set of structured questionnaire which will also contain a limited number (3) open ended questions. The questionnaire will be coded and the responses will be analysed using the SPSS software.

The questionnaire will be attractive, and simple to complete.

1.10.6 Measurement, reliability and validity

According to Peil (1995:8), “measurements are considered reliable if the results are consistent and if the same people are asked the same questions again they will give the same answers.” They are valid if they represent the true position whereby the observer reports correctly what happened, and when the strength of attitudes are accurately recorded.

1.11 Ethical considerations

It is the moral obligation of the researcher to find answers to the questions honestly and accurately. Ethical responsibility starts with the problem formulation. This should be a value that is carried throughout the study and a conscious effort to constantly question the ethics of any aspect of the study should be one of the foundational pillars of the study (Cooper & Schindler, 2003:167).

1.12 Limitations of study

The study will involve an investigation of consumers' perceptions of in-house food brands in Durban's major food retailers.

Due to a lack of financial resources, this study will be limited to the Durban's CBD area and a small sample size (110) of conveniently selected participants will be used. Thus, the findings of this study cannot be generalized to the greater population. However through this study, a better understanding of the research problem will be gained. It will also form the basis on which future research can be carried out, including research involving different cities and provinces

Secondly, selection bias may affect reported results, since a convenience sample was chosen rather than a true random sample.

Third, the limited number of respondents is another concern. Study findings should be verified with a larger sample to increase generalizability.

1.13 Research layout

Chapter one: Introduction and orientation

This is the introductory chapter and provides the motivation for the study. It introduced the research problem and objectives as well as the background of this research and the framework within which it has been conducted. The chapter has outlined the aims of the study and the research methods which have been used to carry out the research and the limitations of the study.

Chapter Two: Literature Review.

This chapter reviews the conceptual framework and research within the area of in-house brands. This will provide the insight into what research has already been covered on this topic and how it relates to this study. The literature survey aids in developing the research and identifies the gaps in the literature that this study will begin to address. It also offers an over view of the empirical evidence and literature review conducted to establish the need and synergies between the literature available.

Chapter Three: Research Methodology.

This chapter provides an account of the methodology used, including research design, data collection methods, measurement design and the reliability and validity of the study. This chapter will also indicate the limitations of the chosen research method.

Chapter four: Data Analysis

This chapter presents the analysis of data collected from respondents through the questionnaire. The chapter also presents findings of the study, including a discussion and interpretation of the findings.

Chapter five: Recommendations and Conclusions

This chapter presents the research findings to answer the research questions and objectives. The chapter goes further to present conclusions of the study. Implications of the findings, limitations of the study, suggestions and recommendations for future research are discussed.

1.14 Conclusion

This chapter has outlined the background of the study, the study aims, the value of the study, the research hypotheses, the research problem and objectives as well as the anticipated limitations of the study. Finally, it outlined the chapters that follow. The study now proceeds to provide an overview of the relevance to the area of research.

Chapter two will provide an overview of the literature relative to the area of the research. It will review the conceptual framework and research within the area of in-house brands. This will provide insight into what research has already been covered on this topic and how it relates to this study.

CHAPTER TWO

Literature review

2.1 Introduction

In-house food brands have taken the South African food market by storm, as it is now a common practice for food retailers to introduce their own brands particularly for the frequently purchased food products. Accordingly, in-house food brands have become increasingly prevalent and a widely recognized threat to manufacturer brands. The entry of in-house brands into the South African food market has changed the balance of powers as they have threatened the market position and share of the dominant manufacturer food brands players. In house food brands have evolved into strong brands in their own right and in many cases are challenging the once dominant manufacturer brands.

2.2 Reasons for retailers introducing in-house brands

In-house brands have enjoyed increased attention in recent years and this has seen their market share increasing. From a strategic perspective, three sets of players are affected by in-house brands entry and interact to create its net impact: the retailer, the manufacturer and the consumer. In-house brands are the only brands that require taking full responsibility by the retailer from product introduction, product sourcing and warehousing, advertising and promotions (Dhar & Hoch, 1997: 220). In contrast to the shared risks and returns for national brands, the retailers play a critical role in the success of in-house brands.

The introduction of in-house brands changes the retailer–national brand manufacturer interaction from one of cooperation to one of competition for consumers' disposable income.

Retailers introduce in-house brands for various reasons, among them being:

2.2.1 To strengthen the bargaining position

In-house brands enable retailers to strengthen their bargaining position vis-à-vis national brands manufacturers (Narasimhan & Wilcox, 1998: 570). The introduction of in-house brands increases the channel power of the retailer which in turn changes the nature of the retailer-manufacturer interaction (Hoch & Banerji, 1993:60). This allows in-house brands to negotiate lower wholesale prices on national brands (Mills, 1995:518). This kind of marketing strategy have allowed in-house brand retailers to strategically position in-house brands in the product space that strengthen their bargaining position when negotiating supply terms with manufacturers of national brands (Scott-Morton & Zettelmeyer, 2001).

2.2.2 Category expansion

Food retailers are motivated to introduce in-house brands because of the need to attain a category expansion. If the in-house brands are more attractive than the best incumbent brand for certain shoppers, then the in-house brand introduction increases category value and thus expands category sales (Mason, 1990: 65). Competitive reactions of incumbent brand, in this case, would include price reductions and higher promotional activity which in turn stimulate primary demand for in-house brands.

2.2.3 Profit generation

Retailers introduce in-house brands because they want to generate profits. This is possible because of its high unit margins and potentially high volume.

In-house brands typically carry higher retailer margins than manufacturer brands, even after accounting for direct product costs (Ailawadi & Harlam, 2002:50).

A retailer may introduce in-house brands in order to exploit untapped segments or steal value conscious consumers away from the national brands (Connor & Everett, 1992:162).

2.2.4 Increased store traffic and store revenue

The presence and availability of in-house brands make shopping easier for consumers and this increases store image and store loyalty by improving store differentiation vis-à-vis other retailers (Hoch & Lodish, 2003:230). Hence, retailers may introduce in-house brands with the aim of attracting more shoppers and increasing store loyalty.

However, Walters and Scott, (1988:60), argues that it is unlikely that the introduction of in-house brand in any one category would significantly increase store traffic, given at best modest store switching effects reported in past literatures on the subject, hence retailers should not expect the introduction of in-house brands in a single category to influence store performance.

It is in a retailer's interest not only to introduce in-house brands but also to help it achieve high market share. A retailer can theoretically favour in-house brands against national brands, because it has the power to get the marketing mix (price, shelf space, position, and promotion) of not only the in-house brands but also those of national brands (Mela, Gupta & Lehmann, 1997:254).

2.3 Consumer acceptance of in-house brands quality

The transformation of in-house brands of food related products has not gone unnoticed by consumers. The improvement in in-house brands has made these products an acceptable purchase alternative for large groups of consumers. A study conducted by Nielsen (2005) argues that two out of three consumers around the world believe that supermarkets' own brands are a good alternative to manufacturer brands, but does this apply to the South African market scenario when it comes to the quality of in house food products? How do consumers perceive the price of these products and how loyal are the consumers to in-house brands of food related products.

Jan-Benedict and Steenkamp (2005) argues that, in the past, in-house brands were primarily targeted to the poor and today while the poor still buy in-house brands more often than other consumers, one observes that even wealthy consumers are purchasing in-house brands. Increasingly it is considered smart shopping to purchase in-house brand products of supposedly comparable quality for a much lower price, rather than being ripped off by high-priced manufacturer brands.

Another important trend relates to the emphasis on quality of in-house brands. Stambaugh (1993:220) argues that for in-house brand retailers of food related products to be successful on the market they must develop high quality in-house brands, not just low priced brands and this is the line which Woolworths Food is pursuing with its premium products. Without a combination of low price and high quality, in-house brands cannot be successful. In-house brand marketing landscape is changing as more retailers are indicating a growing enthusiasm for premium, high quality store brands intended to compete directly with leading manufacturer brands on quality and image, not just on price (Hoeffler & Keller, 2003:435), but then the question in this case is how do consumers perceive the quality of such products. These efforts seem to have had an impact on consumers' perceptions of in-house brands.

2.4 Transformation of in-house brands

Kumar and Shah (2004:325) argues that traditionally the image that in-house brands evoked was of white packages with the words No-Name brand, embossed black typeface on them, found somewhere at the bottom of the shelves. Such in-house brands were a cheap and mostly substitutes for the real thing, but times have changed and so is the market landscape. While low quality in-house brands products still exist there is no denying that in-house brands have made great strides in quality attracting consumers from all economic groups to their shelves and not content with their success, in-house brand retailers keep on raising their quality aspirations in an effort to meet their customers' satisfaction (Huddleston *et al.* 2004:364). A very profound example in this

regard would be Woolworths Foods –selling the highest end, highest quality and most expensive food products under their In-house brand name but how have the consumers reacted to this and how do consumers perceive such food brands.?

One of the obvious challenges in managing in-house food brands is the many changes in the market environment in recent years. Undoubtedly, the market environment will continue to evolve and change, often in very significant ways. Shifts in consumer behaviour, competitive strategies, government regulations, and other aspects of the marketing environment can profoundly affect the fortunes of in-house food brands and the way consumers perceive them. Besides these external factors, the firm itself may engage in a variety of activities and changes in a strategic focus or direction that may necessitate minor or major adjustments in a way that its brands are being marketed (Brown & Dacin, 1997:71). Effective in-house brand management thus requires proactive strategies designed to at least maintain – if not actually enhance customer base in in-house brand equity in the face of all these different forces.

Any marketing action a retailer takes can change consumer in-house brand awareness or brand image and hence their perception and attitude towards that particular brand (Ambler *et al.*, 2002:20). These changes in consumer knowledge will have an indirect effect on the success of future marketing activities and will eventually determine whether a brand survives or not. Thus from the perspective customer-based in-house brand equity, this study intends to establish how different marketing mix being employed by in-house food brands retailers such as Pick ‘n Pay, Woolworths and Spar may help or hurt subsequent marketing decisions, for example the frequent use of temporary price decreases as sales promotions may create or strengthen a discount association to the in-house brand with potentially adverse implications on customer loyalty and responses to future changes or non-price –oriented marketing communications efforts (Ailawadi *et al.*, 2001:57). Unfortunately, marketers may have a particularly difficult time trying to anticipate future customer responses, if the new knowledge structures that will influence future consumer responses do not exist until the short term marketing actions actually

occur, how can retailers then realistically stimulate future consumer responses to permit accurate predictions.

2.5 Consumer perception

Perception is the process by which physical sensation such as sight, sound and smells are collected, organized and interpreted. The eventual interpretation of a stimulus allows a person to assign meaning to it. A perceptual map is a widely used marketing tool that evaluates the relative standing of competing brands along relevant dimensions. A retailer's marketing stimuli have important sensory qualities (Aggarwal, 2004:96). Consumers often rely on colours, odours, taste, and even a feel of a product when forming evaluations about them. Many stimuli around consumers, especially those that marketers use, compete for consumers' attention and the majority is not noticed or accurately comprehended (Solomon, 2002:78). Therefore, a company needs to continuously monitor what stimuli are being noticed and comprehended by consumers as they impact on consumers' buying behaviour.

Perceptions of certain products, service and in-house brands would influence consumer buying behavior. In-house food brands retailers such as Pick 'n Pay, Spar and Woolworths try to communicate with consumers by creating relationship between their products or services and desired attributes (De Wulf *et al*, 2005:227). Successful in-house brand retailers need to study their target consumers' wants, perceptions, attitudes, and shopping behavior. Perceptions have influence over consumer's behavior; in fact, perceptions can also influence people's attitudes.

Attitude is a person's enduring favourable or unfavourable evaluation, emotional feelings and actions or tendencies towards an object, service or product. Consumers have attitudes towards almost everything and it places them into a frame of mind to like or dislike the service or product. Their attitudes thus, influence their feelings of satisfaction or dissatisfaction (Ambler, 2002:19). Many successful brands have an international image,

but this is not a necessity for success. A brand may be sold world wide and show all the characteristics of a global brand, but that does not necessarily make it a brand that is perceived as global by consumers in all countries. A number of studies have shown that consumers do not care whether a brand is domestic or imported, local or global, manufacturer brand or in-house brand, as long as the brand offers good value for money. It may well be that part of the success of in-house food brand is its integration into the local culture; consumers must be able to identify themselves with the in-house brand. It is the consumer who makes a brand successful by buying it and being loyal to it. Most often the need for a global brand is in the mind of the producer, and not in the mind of the consumer.

2.6 In-house brand awareness

Because consumers can not buy an in-house brand unless they are aware of it, brand awareness is a general communication goal for all promotion strategies. By creating in-house brand awareness, the retailer hopes that whenever the category need arises, the brand will be activated from the memory for inclusion in the consideration set of choice alternatives for decision (Unnava & Burnkrant, 1991:28). Advertising probably has the greatest influence on in-house food brand awareness, although publicity, personal selling, in store displays, flyers and sales promotion also can increase awareness.

In store sales personnel can generate brand awareness by bringing certain in-house brands to consumers' attention. Various sales promotion strategies, such as colourful price discount signs and end-of aisle displays, a large stack of in-house brand packages at the end of the supermarket aisle, draw consumers' attention to in-house brands. Also shelf position and brand placement within the store can influence in-house brand awareness. The level of consumers' brand awareness necessary to induce purchases varies depending on where and when they make their purchase decisions for that product category or form (Biehal & Sheinin, 1998:101). Many in-house brand choices about food products and personal care products are made in the store. Consumers do not need to recall a brand name; they need only to be able to quickly recognize familiar brands, often based on

package cues, which then activate their relevant brand knowledge in memory (Keller & Aaker, 1992:47). Thus, an implication is to show the in-house food brand packages in the advertising so consumers can more easily recognize the brand in the store

In other decision situations, a higher level of brand awareness is necessary to influence in-house brand choice, if the purchase decisions is made at home or in another environment where few in-house brand related cues are available, the brand must be recalled from the memory to enter the consideration set, (Ambler *et al.* 2002:19). Unless consumers are able to recall the in-house brand name, that is, activate it from the memory, the brand is likely not to be considered or purchased. Retailers of less familiar in-house brands have a more difficult task and may have to spend heavily to create awareness of their in-house brands (Ambler, 2004). The essence of an in-house brand is that it is a name in the memory of consumers. It is a perceptual map of positive and negative associations, a symbolic language, and a network of associations. Brands create meaning and identification. A brand's value must fit the mental mapping of consumers (Gurhan-Canli & Batra, 2004:202). The brand owner has the responsibility to control the meaning the brand has for consumers. A universal function of a brand for consumers is quality assurance hence in-house brand retailers need to assure their consumers of this, otherwise it will be a failure.

2.7 In-house brand identification and label information

In-house brand identification and label information on the packages as well on the products provide additional stimuli for consideration by consumers. In many cases in-house brand identification simplifies purchase for consumers and makes the loyalty development process possible. Label information includes use instruction, contents, list of ingredients, or raw materials, warnings for use and care for the product and the like. For some food products this information can strongly influence in-house brand purchases. Health conscious consumers often consult package information to determine the nutritional value, sugar content, and calories in a serving of products such as cereals (Peter & Olson, 2005).

Information such as nutrition, health, recipe, even environmental issues such as organic products, can be made available to consumers to develop a sense of interaction and social responsibility between the organization and consumers respectively (Carpenter, 1994:342). However it is important to ensure that the information provided on the product is useful to consumers, otherwise it will merely clutter the product and add to the frustration level of consumers when they will have to wade through irrelevant information. Thus the quality of information placed on the product becomes important. The quality of information is determined by the degree to which consumers can use the information to enhance their purchase decision, predict their satisfaction from subsequent consumption and encourage a sense of trustworthiness among consumers towards the in house brand in question. For the success of in-house brands it is important to ensure that the information provided is relevant and up to date ((Peter & Olson, 2005). Providing such information will contribute towards the consumer making a satisfied purchase decision and enhancing their satisfaction with in-house brand retailers.

2.8 Cognitive process in consumer decision making

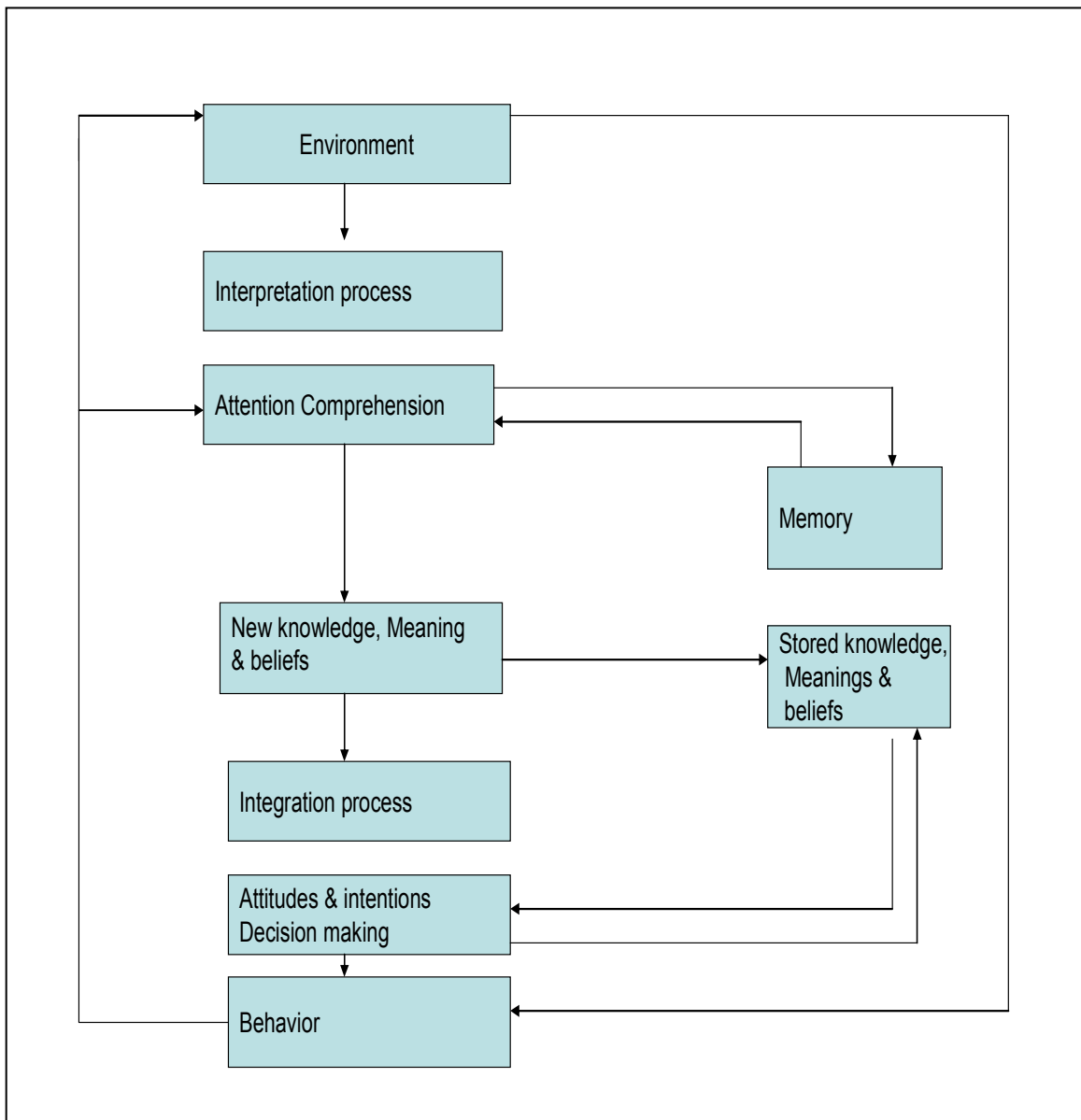
Before purchasing a product, whether an in-house brand or a manufacturer brand, consumers must interpret or make sense of information in the environment around them. In the process they create new knowledge, meaning and beliefs about the environment and their places in it. Interpretation process requires exposure to information and involves two related cognitive processes; attention and comprehension (Folkes, 2004:397). Attention governs how consumers select which information to interpret and which information to ignore. Comprehension refers to how to determine the subjective meanings of information and thus create personal knowledge and beliefs.

Integration process concerns how consumers combine different types of knowledge to form overall evaluations of products, and behaviors in order to make choices among alternative behaviors, such as purchase (Dunne & Narasimhan, 1999:47). Consumers combine knowledge and affective feelings about a product or a brand to form an overall evaluation or a brand attitude, consumers also engage in integration processes when they

combine knowledge with affective responses to choose a behavior. When consumers choose between different purchase behaviors, they form an intention or plan to buy. It is very important for the in-house food brands retailers to familiarize themselves with this decision making process so that when they are introducing or placing their brands on the shelves they have better understanding of how consumers will react to their products.

Product knowledge and involvement concerns the various types of knowledge, meanings and beliefs about products that are stored in consumers' memories, for example, consumers may have product knowledge about the characteristics or the attributes of in-house brands of food products, the outcomes of using a brand or the ability of the brand to satisfy important goals and values. Product knowledge that is activated from memory has the potential to influence interpretation and integration processes (Rook & Fisher 1995: 313). For example, consumers need a certain amount of knowledge about nutrition to interpret and understand the many health claims made by in-house food brands retailers.

Fig. 2.1 **Model of consumer decision making**



Consumer Behavior & Marketing Strategy: (Peter & Olson, 2005)

2.8.1 Marketing implication

The model of consumer decision making plays a major role in assisting retailers to understand how consumers interpret their marketing strategies. For example, marketers might have a sale to move an in-house brand that is overstocked, but consumers might interpret the price decrease as an indication that product quality has dropped. Retailers marketing in-house food brands should familiarize themselves with knowledge, meanings and beliefs that consumers have for their products, brands, stores and so on.

The integration process involved in forming brand attitudes and purchase intentions is critical to understanding consumer behavior. In-house brands retailers need to know what types of product knowledge are used in integration processes and what knowledge is ignored (Durgee & Stuart, 1987: 18). Because of the limited capacity of the cognitive system, retailers should expect consumers to consciously integrate relatively small amounts of knowledge when choosing brands to buy or stores to patronize.

Activation of product knowledge has much implication for retailers, for instance, the choice of a brand name, such as Pick 'n Pay's; "*PnP no name Turkeys*" can be highly important to the success of the product because of the various memories that are attached to it.

2.9 In-store decision making

Despite all their efforts to pre-sell, marketers increasingly recognize that when it comes to in-house brands, many purchases are strongly influenced by the store environment. For most of the women purchasers in-store displays are one of the major information sources they use to decide what brand of the product to buy (Cobb & Hoyer, 2000:390). This influence is even stronger when shopping for food – it is estimated that about two out of three shoppers make their brand purchasing decision whilst inside the shop. Marketers are scrambling to engineer purchasing environments in order to increase the

likelihood of being in contact with consumers at the exact time they make a decision (Gould *et al*, 2000:45).

2.10 Spontaneous shopping

When a shopper is prompted to buy something in a store, one of the two different processes may be at work. Unplanned buying may occur when a person is unfamiliar with a store's layout or perhaps when under some time pressure; or a person may be reminded to buy something by seeing it on a store shelf. About one third of unplanned buying has been attributed to the recognition of new needs while within the store. This has been the main reason driving positioning product efforts amongst the in-house brand retailers. In contrast, impulse buying occurs when a person experiences a sudden urge that he/she cannot resist.

The tendency to buy spontaneously is most likely to result in a purchase when the consumer believes acting on impulse is appropriate such as purchasing a gift for a sick friend or picking up a tab for a meal (Rook & Fisher, 1995:310). Having recognized this, retailers place most of their own brands at convenient places where consumers can not miss them. Shoppers can be categorized in terms of how much advance planning they do. Planners tend to know what products and specific brands they will buy beforehand. Partial planners know they need certain products but do not decide on specific brands until they are in the store, where as impulse purchasers do no advance planning whatever (Cobb & Hoyer, 1986:404).

In-house brand retailers tend to mostly target the partial planners and impulse purchasers by placing their own brands in visible places on the shelf and by allocating a large amount of space to their in-house brands.

Many supermarkets, among them, Spar, and Pick 'n Pay, have installed wider aisles to encourage browsing, and the widest tend to contain products with the highest profit margin, low mark-up items that are purchased regularly tend to be staked high in narrower aisles to allow shopping carts to speed through (Wahl, 1989:130).

2.11 The salesperson

One of the most important in-store factors for in-house brands is the salesperson (Cialdini, 1988). The influence of a salesperson can be understood in terms of exchange theory which stresses that every interaction involves an exchange of value. Each person gives value to the other and expects to receive something in return (Baggozi, 1975:79). There is a variety of resources a salesperson may offer to customers; for example he/she might offer expertise about the product to make the shopper's choice easier.

Researchers have found that commercial friendships are similar to other friendships in that they can involve affection, intimacy, social support, loyalty, and reciprocal gift giving and they also work to support marketing objectives such as satisfaction, loyalty and positive word of mouth (Price & Arnould, 1999:38). Effective salespersons usually know their customers' traits and preferences better than do ineffective salespersons because this knowledge allows them to adapt to their approach to meet the needs of a specific customer (Leong *et al.* 1989:72). The ability to be adaptable is especially vital when customers and salespeople differ in terms of their interaction style. Consumers for example vary in the degree of assertiveness they bring to interaction.

2.12 Consumer - Product relationship

In-house brand retailers need to understand the cognitive and affective aspects of consumer-product relationships (Russell, 1983). If retailers of in-house food brands can understand the consumer - product relationship, they may be able to segment the market in terms of consumers' intrinsic self relevance (Wallendorf, & Anderson, 1987:130). Some consumers may have positive means-end knowledge about product category, whereas others may have favorable beliefs and feelings for a brand. Still other consumers may have favourable means-end knowledge about both the product category and the brand.

Researches conducted in the past have identified four market segments with different levels of intrinsic self relevance for a product category and brand (Cushing & Douglas, 1985:306).

Brand loyalists have strong affective ties to one favorite brand that they regularly buy. In addition they perceive that the product category in general provides personal relevant consequences. Their intrinsic self-relevance includes positive means –end knowledge about both the brand and the product category and leads them to experience high levels of involvement during decision making. They strive to buy the best brand for their needs.

Routine brand buyers have low intrinsic self relevance for the product category, but they do have a favorite brand that they buy regularly and have little brand switching. For the most part, their intrinsic self relevance with a brand is not based on knowledge about the means-end consequences of product attributes. Instead these consumers are interested in other types of consequences associated with regular brand purchases, for example the easiness to find the product on the shelf, such beliefs can lead to consistent purchase (Peter & Olson, 2005:406). These consumers are not so interested in getting the best brand; a satisfactory one will do. These are the consumers that in-house food brand retailers should target so as to win their loyalty.

Information seekers have positive means-end knowledge about the product category, but no particular brand stands out as superior. These consumers use a lot of information to find a good brand. Overtime they tend to buy a variety of brands in the product category. By providing up to date information on the packages of in-house brands retailers can win the hearts of these consumers and increase their market share (Garber *et al.* 2000).

Brand switchers have a low self relevance for both the brand and the product category. They do not seek that the brand or product category provides important consequences, and they have no interest in buying the best. They have special relationship with either the product category or specific brands. Some consumers tends to respond to

environmental factors such as price deals or other short term promotions that act as situational sources of involvement.

In the short run, retailers of in-house brands should know that it is difficult to modify consumers' intrinsic self relevance for a product or a brand. Over longer periods, though, consumers' means –end knowledge can be influenced by various marketing strategies, including advertising (Grant, 1987:121). The outcome of this process is not completely predictable because many factors besides marketing strategy can modify consumers' means-end knowledge. For example, consumers' direct experience of using a product or an in-house brand will have a strong impact on their means – end knowledge. If the actual product experience doesn't measure up to the image created by advertising, consumers are not likely to form the desired means –end meaning.

2.13 Selective exposure to information

According to Peter and Olson, (2005:110), as the amount of marketing information in the environment increases, consumers become more adept at avoiding exposure, some consumers intentionally avoid reading product test reports or talking with salespeople, or consumers do not maintain accidental exposure to marketing information as some people automatically throw away junk mail unopened. Such behaviors result in selective exposure to marketing information.

Because of the crucial importance of exposure, in-house brand retailers should develop specific strategies to enhance the probability that consumers will be exposed to their information and products. There are three ways to achieve this: facilitate intentional exposure, maximize accidental exposure, and maintain exposure.

In cases where consumers' exposure to marketing information is the result of intentional search, in-house brand retailers should facilitate intentional exposure by making sure appropriate marketing information is available when and where consumers want it, for example increase the amount of quality information in the flyers which retailers place in and around the store. Consumers' search for information should be made as easy as

possible, this requires that retailers anticipate consumers' need for information and devise strategies to meet them.

Retailers should try to place their information in environment settings that maximize accidental exposure to the appropriate target groups of consumers.

The importance of in-house brands, in frequently purchased consumer food products has been clearly established over the past decade. Hoch & Benerjee, (1993:57) attribute the growth of in-house brands of food related products to the fact that retailers advertise the national brands which attract consumers to the store and then to in-house brands which typically have lower variable cost and therefore potentially higher margins to the price sensitive segment. In other words, in-house brand retailers use the good quality manufacturer brands to attract customers and then compete profitably in the price sensitive segment.

In-house brands enable retailers to get better deals from manufacturers in the form of lower wholesaler prices on the national brands (Mills, 1995:509). According to Mills, it can therefore be argued that, all other factors being equal, in-house brands should have a deeper market penetration than the national brands and they should have a bigger market share than the national brands, however this does not seem to be the case with most of them as manufacturer brands still have a leading role on the market. It is commonly believed that when the economy picks up, consumers go back to buying manufacturer brands, however, a study conducted by Kumar has shown that in-house brand sales, especially in the food sector, are growing faster than the manufacturer brands and have achieved much higher levels of penetration compared with similar figures during recession, such discoveries triggers a need to critically study and determine the factors influencing consumer behaviour in respect of in-house brands of food related products.

2.14 Product attributes

Product and product attributes are major stimuli that influence consumer affect cognition and behavior. Consumers may evaluate these attributes in terms of their own values, beliefs, and past experience. Marketing and other information also influences whether purchase and use or consumption of the product is likely to be rewarding. For example the product attributes of a newly introduced in-house food brand from Pick 'n Pay may include new taste, aroma, packaging size and color, and new ingredients, by investigating and trying these attributes a consumer may end up liking the product or not, however it is unlikely that many consumers would purchase this new in-house brand basing on these product attributes alone (Peter & Olson, 2005:89).

The price of the product would likely be important, the retailer selling the product and the retailer' image might be considered. In fact; for many purchases, the image of in-house brand created through the nonproduct variables of price, promotion, and distribution channels may be the most critical determinants of purchase by some consumers

2.15 Product positioning

The most frequently used positioning strategy by in-house brands retailers is positioning by attribute; associating a product with an attribute, a product feature or a customer feature. In-house brands retailers often position their new products with respect to an attribute that their competitors, manufacturer brands, have ignored. The price/ quality attribute dimension is commonly used for positioning products as well as stores (Schumann *et al.*, 1991:220). In many product categories, in-house brands offer more in terms of service, features and performance. Products can have multiple positioning strategies although increasing the number involves difficulties and risks.

In most positioning strategies used by in-house brands retailers an explicit or implicit frame of reference is the competition, often the major purpose of this type of positioning

is to convince consumers that an in-house food brand, such as Pick 'n Pay's choice –Pink Salmon, Pick 'n Pay's no name Frozen Self Basting Turkey, Fresh Whole Bird, Tomato Pizza Bases, Assorted Cold Meats is better than the market leader or another well accepted brand on important attributes (Lipman, 1991:174). Positioning with respect to a competitor is commonly done in advertisements in which a competitor is named and compared.

2.16 Brand loyalty

Retailers use in-house brands to increase business as well as to win the loyalty of their customers. In-house brands give a way to differentiate themselves from the competition. In-house brands supplement a retailer's image and strengthen its relationship with consumers.

In some cases, in-house food brands are no longer category killer, but are comparable to national brands (De Wulf *et al.*, 2005:227).

Consumers can purchase manufacturer brands products anywhere but they can only buy their in-house brands at their retailers, by doing so in-house brand loyalty is likely to result in increased profit percentage of merchandise from the retailer (Ailawadi, 2001:55). Retailers have shifted from basing their in-house brand strategy on price without adequate attention to quality, to paying more attention to in-house brand quality. Quality in-house brands have become a device for retailers to generate a store differentiation and store loyalty (Corstjens & Lal, 2000:287). The defining moment for in-house food brands in establishing loyalty is the retailers' ability through its in-house brands to fulfill promises to its consumer base.

The continued fulfillment of promises usually result in a long-term profitable relationship between the retailer and the consumer and it is related to the utilitarian benefits offered by the brand (Carpenter, 2003).

From a marketing strategy viewpoint, understanding the pattern of consumers' in-house brand purchases is crucial. In today's hypercompetitive marketplace, retaining customers is crucial for survival and far more profitable than constantly fighting to attract new customers. However, because of factors such as the abundance of choices available in most product categories, the availability of information about them, the similarity of many offerings, the demand for value, and the lack of time to always find a particular brand, there is evidence that loyalty to particular brands is decreasing in many product categories (Schrive, 1997:22).

For consumers to be in-house brand loyal, they must not only purchase the same brand repeatedly but also have a cognitive commitment to do so. The in-house brand must have sufficient meaning for them that they must purchase it, not because of convenience or deals but because the brand represents important benefits or values to them. Brand loyalty is an intrinsic commitment to repeatedly purchase a particular brand. It is differentiated from repeat purchase behavior because the latter focuses only on the behavior action without concern for the reason for the habitual response.

Variety seeking is a cognitive commitment to purchase different brands because of factors such as the stimulation involved in trying different brands, curiosity, novelty, or overcoming boredom with the same old thing (Trijp, *et al.*, 1996:286). It is the antithesis of brand loyalty in that consumers' purchase behavior differs and cognitive commitment to purchase is opposite to that of brand loyalty purchases unlike derived seeking behavior which results from external cues in the environment, for example, a store being out of stock of a particular brand, or the availability of a deal for a different brand.

2.17 Consumer satisfaction

According to Park and Mathew, (Chia, 2003:209), there are two principal interpretations of satisfaction. Firstly, it is a process. Secondly, as an outcome from which satisfaction should be viewed as a judgment, based on the cumulative experience made with a certain product, brand or service rather than a transaction on a specific phenomenon.

Ultimately customer satisfaction can be seen as the consumer's fulfillment response. The dynamics of interaction between the consumer and the in-house brand retailer is influenced by the particular need and expectations of the consumer utilizing the product range of in-house brand retailers. Therefore, in-house brand retailers need to gain an insight into what their consumers' values, needs and expectations of in-house food brands are and to relate them towards developing marketing strategies that would enhance consumer satisfaction (Aggarwal, 2005:246). The growth in in-house brands by retailers as an extension to the traditional business practices and strategies of offering manufacturer brands requires these retailers to fully understand how consumers firstly view the process of shopping in- house brands and how this process can be improved upon to provide consumer satisfaction. Secondly, ensure that the outcome of the shopping experience is one of fulfillment of their needs and expectations.

2.18 Stimulate category need

Before any in-house brand purchase is done, consumers must first recognize or feel a need for the product category or the product form. Only consumers, who have recognised the self relevance of the product and have formed a general intention to purchase it, are in the market, for the product (Peter & Olson, 2005). Consumers' attitude to buy a manufacturer brand or an in-house brand is based on their attitudes towards buying and their social beliefs about what others want them to buy. An attitude in turn is based on consumers' beliefs about the consequences of buying the brand.

Thus, to stimulate a category need, in-house brand retailers need to create beliefs about the positive consequences of buying and using the product category or form. When consumers in the target market already recognize a category need then retailers can concentrate promotional strategies on other goals. However, at any given time relatively few consumers are likely to have a general intention to buy an in-house brand product. Marketers usually use advertising to stimulate a category need among additional consumers, although publicity and personal selling also can influence category need to

some extent (Dunne & Narassihma, 1999:47). These strategies should be designed to convince consumers that the product category or form of in-house brands is associated with important end goals and values. Essentially stimulating product need involves creating positive means-end chains at the level of the product category or product form.

2.19 In house brand attitude

Each promotion strategy can influence consumers' in-house brand attitude, but the specific communication objective depends on consumers' current attitudes towards in-house brands. More specifically, for a new or unfamiliar in-house brand, the goal might be to create a brand attitude. For an already popular brand such as those of Woolworths Food, retailers might be content to maintain existing favorable brand attitudes. For in-house brands with neutral or slightly unfavorable attitudes, retailers may wish to increase the existing attitude. In each case, the general promotion strategy will be to create more beliefs about the favorable consequences of salient brand attributes (Brown & Carpenter, 2000:379).

Today's world is a world of consumer – led brands. Consumers are surrounded by them – in the supermarket, at the service station, in shopping malls, in homes, on TVs. There is an easy familiarity to consumers, a kind of ready-made acceptability, even when these brands are brand new. The colours are attractive, the packs feel right in consumers' hands, and the fragrances beckon. In the world of consumer led brands there are not too many shocks or surprises, consumer led brands have gone beyond the mere understanding of consumers' need to co-opt their collective consciousness into the very design and substances and atmosphere of the brand itself. With consumers' help, the in-house brands have expunged all traces of their own corporately derived awkwardness, moderated their idiosyncrasies and smoothed out their quaint bumps and imperfections that they engage consumers in their marketing (Edwards & Day, 2005:242). In-house brands are created in such a way that make consumers to want them and retailers take the most direct route possible to achieve this. These brands are created in such a way that they appeal to consumers with their features, personality, and values. In-house brands are

created with qualities that will increase their voltage and eventually assume market leadership – that is challenge the status quo; difference – stand for something unique; affinity – being rationally strong and emotionally warm and fame – dominating by sheer salience (Besenko & Dube, 2005:127). However despite all these quality features and attributes, in-house brands are still vulnerable on the market and lagging behind the well marketed and promoted manufacturer brands.

2.20 Symptoms of malaise of consumer-led in house brands

According to Edwards (2005:21), the failure of in-house brands on the market can be attributed to malaise such as:

2.20.1 An increased similarity between in-house brands and manufacturer brands

In-house brands that canvass and act on consumer opinion must at some point confront a sobering reality, in any one category, at any one time; consumers will articulate the same desires, needs, preferences and whims to another retailer or manufacturer. Therefore, the more literally and from the consumer's point of view, satisfactorily the brand translate these desires into reality, the greater the danger that it will fall into line with other brands in the same sector or the same niche of the same sector, thereby offering nothing new or special apart from the price difference. This is one potential flaw in the Terry Leahy school of argument; if the in-house brands indeed simply follow the consumer and there are reasons for supposing that things are quite that basic then the competitive advantage lasts only as long as the rivals - manufacturer brands choose to do so. The consumer's voice is there for any manufacturer who will listen as it will send the same message as it did with the first one. Consumers are not interested in preserving the difference between manufacturer brands and in-house brands; they are interested in getting what they want. At category level, therefore, in-house brands collectively satisfy consumer desires and exhibit values and associations that please them.

At the level of any single in-house brand, however, success derived from following consumers is bought at the price of convergence, unless the in-house brands have the courage to filter consumer opinion through their own, necessarily strong culture and create solutions that are far more imaginative and challenging than those offered by its competitors the manufacturer brands (Agrawal, 2004:96). In terms of everything that makes an in-house brand a brand – product performance, range, distribution, usership base, value and associations, these in-house brands are very evenly matched to their manufacturer brands counterparts. Similarity abounds; differences are few and slight.

Edwards (2005:24) argues that the overlap in product offer is matched by the overlap in user base and most of the consumers that buy in-house brands will also most probably buy manufacturer brands as well. Competitive brands do of course keep a constant eye on each other and can not allow a breakthrough to go unchallenged. But these brands and, and others like them would tend to be drawn together even if blind to one another's activities for they dance to the same tune and it is that of the consumers. From the consumers, in turn, the in-house brands are getting the similar answers, and it is leading to similar solutions on the shelf.

For any in-house brand to survive and thrive in this context it needs to foster true, emotional brand loyalty with consumers. To achieve that it will need to find, at the very minimum, less literal, more inspiring ways to turn their desires into in-house brand reality.

2.20.2 An inconsistent in-house brand image and offer

Edwards (2005:28), argues that following the consumer might seem like a sound advice in principle but it can lead to a merry old dance in practice. Consumers don't live their lives in a straight line; they are human, so they are fickle. Consumers know what they did yesterday, but they can not tell what they are going to do tomorrow. For marketers the constantly moving target makes for a life of finely balanced decisions. For in-house-brands retailers to ignore consumer trends completely is to become eventually a blind

brand, out of touch with real people in the real world. On the other hand, to react to every wish and whim is like negotiating a choppy sea in a small boat; the brand is tossed about with abandon and it is an uncomfortable and a dangerous ride.

The distinction to keep in mind, of course, is that between tactics and strategy, with change at the former level acceptable only insofar as it contributes to stability at the later. Keller (1998:469) argues that being consistent in managing brand equity requires numerous tactical shifts and changes in order to maintain the strategic thrust and direction of the brand. What can make consumer – led in-house brands flaky, however, is their propensity to allow the attitudinal and behavioral volatility of consumers to exert undue influence and pressure directly at the strategic level. This may result in the tendency for previously clearly defined in-house brands simply to blur their strategic edges in the pursuit of fickle consumer obsessions.

The result is that the very fundamentals of good in-house branding become reversed. In-house brands are meant to be consistent within themselves and different from manufacturer brands their competitors. Consumer-led in-house brands gradually become inconsistent within themselves and similar to their competitors. It is not something consumers give too much thought to, apart from the odd critical aside but for retailers it is a worrying sign of the erosion of saliency and brand fame.

2.20.3 A lack of real innovation and surprise

Consumer led in-house brands of food related products, by definition, have blunted their power to surprise. Retailers' tendency to ask for consumers' opinion before they offer the products, reflects both a genuine desire to please their consumers and an understandable fear of making mistakes, disqualifies them from knocking consumers' socks off. By communing so earnestly with consumers about what they want from the brand or the sector they tether creativity to limits of the average person's imagination (Brown, 1997:74). Many in-house brands do dare to think differently, on paper at least, but often they do not dare to act before they ask and as a result they frequently find their

inventiveness rebuffed by consumer groups, in the gatherings of instant opinion, where the herd instinct is never far away, innovation that challenges rarely makes it beyond the stage of initial shock. In-house brand retailers of food related products should know that innovation implies risks hence they should try to minimize it by checking with consumers as they go. It is not an unreasonable thing to do in order to win a little extra certainty, however there is a downside to this kind of innovation practice. It brings no surprises to the consumers, and in so doing something perhaps more valuable is lost in the process. Surprises, even challenging surprises, are a powerful factor in consumers' sense of feeling alive, a glimpse back to the vivid emotional clarity of childhood and a contributor to a capacity for zest that consumers never lose.

2.20.4 An increasing gulf between in-house brand offer and brand capability

Consumers know a great deal about themselves but they do not know a great deal about the retailer, even if they think they do. Consumers do not understand the limits of its capability, the strength of its financial resources, the elasticity of its management structure or the depth of its roots. In sum, consumers do not really understand what the retailer can do now, could credibly do in the future or just as crucially, what its culture inclines it to do. But consumers are consulted on these issues nonetheless. The classic example is the involvement of consumers in decisions about brand extension. That is where brand owners learn that consumers “want” the brand to move into a proposed new territory or conversely that it cannot move there. Either, verdict can lead companies to pursue a misguided strategy, but the former is more dangerous if the company ends up venturing into a territory that lies outside its sphere of expertise. Sometimes there is a tendency of sitting down with consumers, discussing the brand as though it were a blank piece of paper, in so doing it is easy to forget that behind it is a living organization with that amalgam of values, proclivities, tradition and accident called culture. In the outside world, this culture might be poorly perceived and little prized, but inside the organization it might be a different story (Keller & Aaker, 1998:367). As companies become larger and more dispersed, culture becomes a vitally important force in keeping people together and motivated. In this context, few things are more divisive than the pronouncements of

marketing teams that the qualities the company cares most deeply are not valued by consumers.

2.20.5 Something hollow at the heart of the in-house brand

The in-house brand by identifying with the consumers, loses sight of itself, of what it stands for, of what it is good at, and what it believes in, in so doing it ends up sacrificing authenticity, specialness, distinction, cohesion and pride. It joins the ranks of other characterless consumer led – brands vying for the attention of an increasingly uninterested public. In-house brands of food related products, where competition is so stiff and aggressive, can not thrive forever with hollowness at the core. They need to be good at something that is good for consumers. They need to strive for an appetite for leading rather than following, need to have a view on how to make the consumer condition just a little better and work towards making that happen (Steenkamp *et al* 2003:57). This can be called purpose or conviction, or belief but regardless of whatever name is given to it, for any retailer of in-house brand to survive in an increasingly hostile marketing environment it needs to be there.

2.21 Store image

Consumers develop store image perceptions based on advertising, merchandise in store, opinions of friends and relatives, and shopping experiences. Store image often influences brand image (Bottomley & Doyle, 1996:370). Consumers will perceive identical products differently in Spar or Woolworths and in Pick 'n Pay. This is well illustrated by a study which was conducted in the United States of America whereby four identical products were given to consumers to be evaluated. Each sample was labeled with a more and less prestigious store name. Even though prices were identical, consumers rated samples higher in a prestigious store than those in a less prestigious one.

A positive store image produces a positive brand image and perception; even though products and prices can be identical consumers would rate the products from different retailers differently. In-house brand retailers have a particular stake in establishing a positive store image, as their image is directly tied to brand perception and has an influence on sales results (Biehal & Sheinin, 1998:108). This triggers a need to investigate if consumers take a critical analysis of the in-house brands of food related products that they purchase or if they only consider the name of the retailer they are patronize.

With so many in-house brand retailers competing for customers, a question may be asked as to how do consumers pick up one retailer over another, is the decision based on price, or quality of the products. As with products one can easily see that retail outlets have personalities. Some retailers have a very clearly defined image, either good or bad. Others tend to blend into the crowd. They may not have anything distinctive about them and may be overlooked for this reason. This personality or store image is composed of many different factors. Store features coupled with such consumer characteristics as shopping orientation, help to predict which shopping outlets people will prefer (Carpenter, 2003).

Some of the important dimensions of a store's profile are location, merchandise suitability and the knowledge and congeniality of the sales staff (Zimmer & Golden, 1988:277). Consumers often evaluate store using a general evaluation and this overall feeling may have more to do with intangibles such as interior design and aspects such as return policies or credit availability. As a result some stores are likely to consistently be in consumers' evoked sets whereas others will never be considered.

2.22 In-house brand dominance

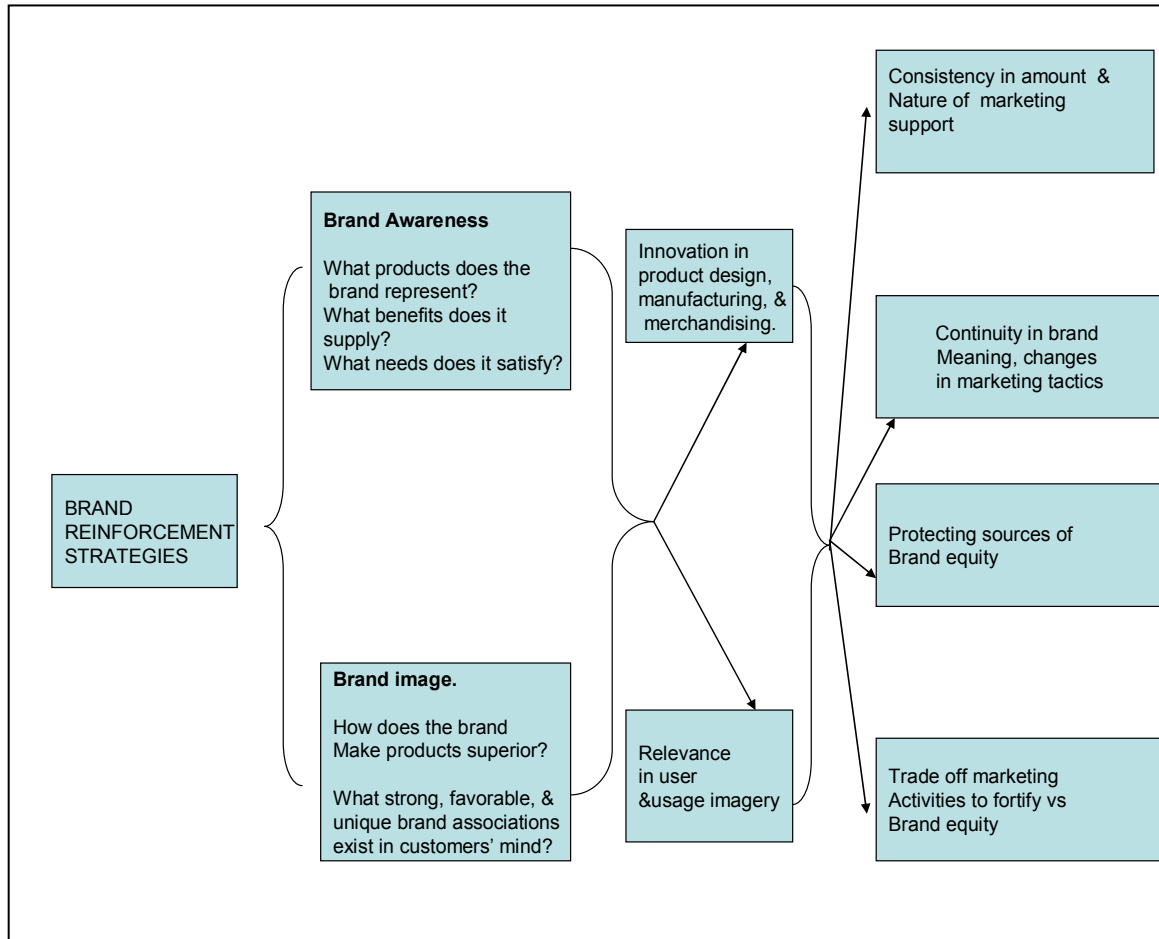
In-house brands have successfully identified regional segments in what were fragmented markets presumably governed by local tastes (Kumar *et al.* 2005).

In-house brands have been around for sometime now yet despite some significant exceptions, in-house brands were seen as poor cousins to the manufacturer brands, with a small share of the overall market that was considered unlikely to become significant. Manufacturers of branded products therefore have been taken aback by the unexpected and continued increase in in-house brands' market share in the last five –ten years and consumer attitudes towards in-house brands are already remarkably positive but then a question arises as to what marketing strategies are being used by these in-house brand retailers and how is the quality of these in-house brands when compared to the manufacturer brands.

2.23 Reinforcing in-house brands

Food retailers which are introducing their own brands onto the shelves should have policies in place that reinforce in house brand equity over time and make sure that consumers have knowledge structures that support brand equity for their brands and this can be done by marketing actions that consistently convey the meaning of the brand to consumers in terms of brand awareness and brand image (Keller, 2008:547). Without question, the most important consideration in reinforcing in-house brands is the consistency of the nature and amount of marketing support the in-house food brands receive. In-house brand consistency is critical to maintaining the strength and favorability of brand associations. In-house brands with shrinking research and development and marketing communication budgets run the risk of becoming technologically disadvantaged – even obsolete – as well as out of date, irrelevant, or forgotten.

Fig. 2.2 Brand reinforcement strategies



Adapted from: Keller (2008) **Strategic Brand Management**: Page 583

2.24 Consistence and change

Constancy does not mean that in-house brands retailers should avoid making any changes in the marketing programs. On the contrary, managing in-house brand equity with consistency may require making numerous tactical shifts and changes in order to maintain the strategic thrust and direction of the in-house brands (Keller, 2008:549). The tactics which are most effective for a particular in-house brand at any one time can certainly vary. Prices may move up or down, product features may be added, or dropped, advertising campaign may employ different creative strategies and brand extensions may be introduced or withdrawn and so on over time in order to create the same desired knowledge structures in consumers' minds. Nevertheless, despite these different types of changes in marketing programs, the strategic positioning of many in-house brands has remained remarkably consistent over time (Cathy *et al.*, 1995:34).

A contributing factor to their success is that despite these tactical changes, certain key elements of the marketing programs are always retained and in-house brand meaning has remained consistent over time. In fact many in-house brands have kept a key creative element in their marketing communication programs over the years, and as a result have effectively created some advertising equity. Most importantly, this activates and strengthens brand association that would be virtually impossible to create with new advertising from an awareness point of view, such efforts obviously make sense. At the same time, in-house brand retailers should make sure that the old advertisement elements have enduring meaning with older consumers and relevance to younger and new consumers. Retailers should examine the entire marketing program to determine which elements are making a strong contribution to the brand equity and therefore must be promoted and protected (Biehal & Sheinin, 1998:108). Although retailers are more likely to change the specific tactics and supporting marketing programs for the in-house brands than its basic positioning and strategic direction, retailers should change tactics only when it is clear that such tactics are no longer making the desired contributions to maintaining or strengthening in-house brand equity.

2.25 Improving brand image

Although changes in in-house brand awareness are probably the easiest means of creating new sources of in-house brand equity, more fundamental changes are often necessary so as to create a good perception of the brand. Retailers such as Pick 'n Pay, and Woolworths which have introduced in-house food brands on the market may need to create a new marketing program to improve the strength, favourability and uniqueness of brand associations making up the brand image.

As part of repositioning or recommitment to the existing positioning, in-house brand retailers may need to bolster any positive associations that have faded, neutralize any negative associations that have been created and create additional positive associations that will boost consumers' perceptions of in-house food brands (Dunne & Narasimhan, 1999:57). In some cases, repositioning the in-house brand requires a retailer to establish more compelling points of difference. This may mean simply reminding consumers of the virtues of a brand that they have begun to take for granted.

A study conducted by Moore *et al.* (2002:20), identified a potential source of nostalgic purchase behavior called intergenerational influence or the influence of a parent's purchase behavior and brand attitudes on a child's behavior and attitudes. This study found that intergenerational influences can function as a source of brand equity but are not felt uniformly by all mature brands, rather certain product categories and brands exhibit more of an intergenerational effect in which parent and child share the same brand preference.

In-house retailers need to reposition their brands in such a way as to establish a point of parity on some key image dimension. Common problems for in-house brand retailers of established, mature brands is to make them more contemporary by creating relevant usage situations, a more contemporary user profile or a more modern brand personality (Keller, 1998:465). In-house food brands that have been around for years may be seen as

trustworthy but also boring, uninteresting, and not likable (Broniarczyk, 1994:222) Updating an in-house brand may require some combination of new products, new advertising, new promotions, new packaging, and so forth. Often in-house brands retailers must change one or more brand elements to either convey new information or signal that the brand has taken on new meaning because the product or some other aspects of the marketing program has changed.

Brand name is typically the most important brand element, and it is often the most difficult to change in the case of in-house brands. Nevertheless, retailers can drop names or combine them into initials to reflect shifts in marketing strategy or to ease pronounceability and recall as it was the case with Pick 'n Pay, when they shifted from the No Name brands to Pick 'n Pay names on the packages. Shortened names or initials also can disguise potentially negative product associations and boost the brand perception from the consumers.

Positioning decisions require in-house retailers to specify the target market and the nature of the competition to set the competitive frame of reference. Market segments the firm currently serves with other products may represent potential growth targets for the brand (Carpenter *et al.*, 1994:340). Effectively targeting these other segments, however, typically requires some changes or variations in the marketing program, especially in advertising and other communications, and the decision whether to do so ultimately depends on a cost-benefit analysis.

2.26 Acquiring new customers

All firms face a trade off in their marketing efforts between attracting new customers and retaining existing ones. In mature markets, trial is generally less important than building loyalty and retaining existing customers. Nevertheless, some customers inevitably leave the brand franchise- even if from lonely natural causes. Consequently, in-house food brand retailers must proactively develop strategies to attract new customers, especially

younger ones, the marketing challenge in acquiring new customers, however, lies in making the in-house brands seem relevant to the vastly different generation cohort groups or lifestyle (Peter, 1989:24).

This challenge is exacerbated when the brand has strong personality or user image associations that tie the brand to one particular consumer group, that is when the in-house brands are vastly seen as of poor quality and hence for the poor. One approach to attracting a new market segment and satisfying current ones is to create separate advertising and communication programs, for example creating authentic and profiles campaign each directed to a different market segment. The authentic in this case will focus on an older segment, including existing customers, the profile campaign will be profiling younger users of the in –house brand to make the brand seem relevant and attractive to a younger audience (Aaker, 1991:87).

2.27 In-house brands are brands

Brands enhance the role which is played by consumers. Consumers want brands for the quality assurance and emotional satisfaction they provide (Elliot, 2004). Elliot argues that any product that is not a brand will inherently have limited market appeal. However, it also can be counter argued here that brands do not necessarily have to be manufacturer brands, for in-house brands are also brands and this is what has happened over the last decade on the South African market, as retailers became bigger and more sophisticated and their in-house brands became more ubiquitous and successful, providing the necessary mass for investments in branding activities. Retailers now position their in-house brands as brands in their own right. Their in store brands are increasingly imbued with emotion and imagery rather than only with the functional logic that dominated in-house brands a generation ago (Folkes & Matta, 2004:397).

Initiatives to create in-house brands are not limited to consumer packaged goods retailers only. A compelling example from the non consumer packaged goods and food products is South Africa's outdoor equipment leading retailer- Cape Union Mart with outlets in

South Africa, Botswana, and Namibia which has over eighty percent of the goods on their shelves as their own label. Cape Union Mart has developed an elaborate line of three in-house brands, catering to different market segments. Kumar argues that by providing compelling in-store experiences coupled with well priced in-house label premium quality merchandise, Cape Union Mart has been able to achieve a successful retail model over other retailers selling comparable manufacturer brands; however the question that now arises is; is this kind of success also found in the retailers of the in-house food products and how do consumers perceive such products (Kumar *et al.* 2005).

2.28 Premium price in –house brands

While most premium in-house brands are still somewhat less expensive than leading manufacture brands, there are indeed some premium in-house brands now that are more expensive than manufacturers' brands (Kumar & Shah, 2004:327). Rather than perceiving them as a poor cousin to manufacturer brands, many consumers especially the upper middle class will pay more for a better quality in-house brand than manufacturer brands. Premium-price in-house brands were pioneered in Europe, especially in the United Kingdom by retailers like Marks & Spencer, Sainsbury and Tesco. Sainsbury has a premium in-house brand range called "Taste the difference" that competes head-on with manufacturer brands and other retailers on quality, not on price.

This is also the case with Woolworths, which has established itself as a clothing, food and household goods retailer with an exclusive in-house brand focus attracting consumers from across all economic classes. Customers perceive Woolworths food as gourmet, restaurant –quality food, and therefore Woolworths is able to attract a premium price. Woolworths follows the same premium-price store brand strategy. It has a strong in-house brand strategy. It has a strong in-house brand focus, selling nearly all its foods and general merchandise products at premium prices under the Woolworths name. With this strategy, Woolworths caters to the high-income segment in South Africa.

In these categories, retailer in-house brands are able to extract a price premium over manufacturer brands because they can promise a real additional value. For example Tesco, in the United Kingdom, in its orange juice, promises freshly squeezed, which can not be easily replicated by the manufacturer brands because the later has a longer logistics cycle. To be a premium in-house retailer brand, the in-house brand must be able to price above some of the leading manufacturer brands in the category (Fournier, 1998:360). However, there will be niche and specialty brands that are priced above higher than the premium – price in-house brands in the category, because most retailers have a mass-market strategy. The point is that a premium-price in-house brand will sometimes be the highest priced product in the category, but more often there will be some manufacturer brands that will sell at an even higher premium.

Premium in-house brands play a role in building in-house loyalty, consumers who turn to trust in-house food brands have an influence on store patronage, since it affect consumer trust in the store, perceived value and store loyalty intention (Guenzi *et al.*, 2009:236).

2.29 Pros and cons of premium in-house brands

Though the in-house brands, in food related products phenomena is relatively new in South Africa and is only gaining momentum now, it is an old practice in some parts of the world. In-house brands have come a long way banishing the old image of cheap, low quality toilet paper or canned beans packed in black and white (Desai & Keller, 2002:89). Today most retailer brands compete on value for money, having upgraded quality, image and price, and in some cases in-house brands are more expensive, than some famous manufacturer brands with long histories, a practical example in this case would be Woolworths Foods where all their products are being offered at premium prices.

2.30 The benefits of premium in-house brands

When product development and launch costs are kept under control and the retailer is able to convince the customers on superior quality, premium in-house brands become highly profitable for retailers. The high prices, at which these products sell, compared with manufacturer brands, means that, theoretically, margins on these products for retailers should be very large. Relative to manufacturer brands, the in-house brand retailers do not have to spend similar amounts of money advertising the premium in-house brands, running retailer promotions or maintaining a sales force (Kumar & Shah, 2004:322). The premium in-house brands also help raise the image of the entire brand quality offering of the retailer.

2.31 The cost of premium in-house brands

As in-house brand retailers upgrade their brands to become more like brands, they start facing some of the same cost structures and risks that manufacturer brands do. For example, Saks Fifth Avenue launched three new in-house brands in 2004, but none did as well as expected. The poor job that Saks did of forecasting sales forced higher markdowns and lower margins. The costs of launching such a premium in-house brand for a retailer can be, as brand manufacturers are already aware, rather high (Gurhan & Batra, 2004:200). Unlike brand manufacturers, retailers have a more limited ability to recoup these new product investments because in-house brands sell only in a particular retailer's stores, even the most global of retailers tend to be restricted in one way or the other to a certain geographical area; in contrast large manufacturer brands sell at all retailers and all over the world.

2.32 Managing premium in-house brands

Many food retailers are now offering a top-end range of in-house brands, which are of equal or higher quality than the leading manufacturer brands. Irrespective of whether these premium in-house brands are premium priced compared with manufacturer brands, to support these premium in-house brands, retailers will need to focus on product enhancement and invest in marketing competence (Hoeffler & Keller, 2003: 430).

2.32.1 Product enhancement

In principle a premium in-house brand must offer high quality and represent unique products. Often, the premium in-house brand carries specialty products that contain unique ingredients that cannot be found elsewhere amongst the manufacturer brands. These premium in-house brands have distinctive packaging, a far cry from the brand generics or copycat packaging of the past. There is no attempt to confuse customers and make them think that these are manufacturer brands, as is the case with copycat in-house brands (Folkes & Matta, 2004:397). The strategy is to develop a unique positioning for the retailer. Developing unique products, flavors, and packaging requires retailers to partner with the best manufacturers available, and in-house brand manufacturers to invest co-development time and efforts in developing dedicated and unique products for retailers (Garber & Burke, 2000). In-house brand manufacturers will be motivated to do so only if their relationship with the retailers is either based on trust and commitment or protected by contractual guarantees. Therefore, retailers following a premium in-house brand strategy have to mature beyond simply outsourcing in-house production based on the lower prices.

2.32.2 Invest in marketing competence

There has been a great change in attitude among in-house brand retailers and how they view their in-house brands. Most leading in-house brands retailers now take an active role in the positioning and manufacturing specification of the product. It is no longer about just slapping their logo on whatever comes off the assembly line (Mela *et al*, 1997:255). They carefully invest in product development, market research, advertising and promotion, packaging design, and so on. In order to do so, leading in-house brands retailers have had to upgrade their marketing competence.

2.33 Building strong customer relationship

In-order for in-house food brands to be successful in-house brand retailers need to build a strong customer-in-house brand relationship and this will enable them to gain a competitive advantage.

Customer retention will enable in-house food retailers to increase the sales revenue by raising usage levels and increase the range of products bought from the supplier. Strong customer relationship will also result in building a close bond between the in-house brand and the current customers to maintaining the current customer base (Berry & Gresham, 1986:60).

Relationship retailing is particularly relevant in marketing because it has the potential to simultaneously increase sales to current customers while reducing the chances of losing these customers to competitors.

Increased customer retention as a result of increased loyalty will enable the retailer to increase the retailer-customer base which is particularly necessary in an era of low sales growth in food products due to stiff competition. The longer the customer remains loyal to the retail, the larger the profits earned from each individual customer (Rose, 1990:19).

2.34 Need to support the manufacturer brands

In house brand retailers need to create an environment within their stores where manufacturer brands are promoted and supported. Retailers cannot push in-house brands too much at the expense of manufacturer brands since manufacturer brands are the major customers builders. Reducing their presence may make the in-house brand retailers less attractive to its most profitable shoppers (Yavas & Babakus, 2009:132)

2.35 Retiring brands

Because of dramatic or adverse changes in the marketing environment, some in-house brands are just not worth saving. Their sources of brand equity may have essentially dried up, or even worse, damaging and difficult-to-change, new associations may have been created. At some point, the size of the franchise no matter how loyal, fails to justify the support of the brand (Keller, 1998:577). In the face of such adversity, decisive management actions are necessary to properly retire or milk the in-house brand. Several options are available for dealing with a fading brand. A first step in retrenching a fading brand is to reduce the number of its product types that is; package sizes, or variations. Such actions reduce the cost of supporting the brand and allow the brand to put its best foot forward (Alsop, 1989:73). Under these reduced levels of support, an in-house brand may more easily hit profit targets. If a sufficiently large and loyal enough customer base exists, eliminating market support can be a means to milk or harvest in-house brand profits from these cash cows. An orphan in-house brand is a once popular brand with diminishing equity that a parent company allows to decline by withdrawing marketing support. Typically these orphan in-house brands have a customer base too small to warrant advertising and promotional support.

Effective in-house brand management requires taking a long-term view of marketing decisions and recognizing that any changes in the supporting marketing program for a

brand may, by changing consumer knowledge, affect the success of future marketing programs as well as how consumers perceive such a brand (Heckler *et al.*, 1998:48). A long term view also dictates proactive strategies designed to maintain and enhance customer brand equity over time in the face of external changes in the marketing environment and internal changes in a firm's.

2.36 Conclusion

This chapter provided an analysis of the literature relating to in-house brands. It outlined and emphasized on how in-house brands have transformed over the years, and how consumers make their purchasing decisions. It also highlighted the strategies being used by in-house brand retailers to manage and expand the in-house brands. The following chapter will present the methodology used to conduct the research, including the research design and data collection method.

CHAPTER THREE

Research Methodology

3.1 Introduction

In this chapter the research method as well as the research methodology adopted is investigated, providing the basis for collecting and analyzing the data required for satisfying the objectives of the study presented in chapter one, section 1.5 and the research questions stated in section 1. 6, as well as the research hypotheses stated in section 1.7. The first section sets out the selection of the research method to be used in the study. A quantitative research method using a questionnaire was employed to collect data from the randomly and conveniently selected sample.

The second section deals with the steps followed in the survey research method. The steps followed for this research comprised of first defining the research method utilized, followed by a discussion of the method for obtaining the primary and secondary data, the research sample that was chosen and how it was chosen, measurement instrument of the research which is a questionnaire; and describing the method of data analysis and reporting of the data. Finally the ethical consideration that were taken with regards to the conducting of the study will be discussed

3.2 The research design

The research design is the strategy for a study and the plan, by which the strategy is to be carried out. It specifies the method and procedure for the collection, measurement and analysis of data.

The strategy deals with the way the research questions will be answered and contains clear objectives derived from the research questions. The sources of data are specified and explanations are given for choosing a specific strategy. Research strategy also deals with choosing research tactics like data collection methods and subsequent analysis. The characteristics of the problem, the initial level of knowledge, the properties of the variables and the purpose of the investigation determine the nature of the research. Possible strategies that can be used are experiments, surveys, case studies, grounded theories, actions research, and exploratory, descriptive and explanatory studies (Sekaran 2003:225). For this specific study a certain amount of background information is needed and therefore the research design that was chosen was a quantitative approach, data will be collected using a questionnaire.

3.2.1 Quantitative research method

Quantitative research method uses mathematical measures and statistical techniques to determine relationships and differences among large samples of target population (Shao, 2002:106). Highly structured, quantitative research method involves designing questions with a choice of specific responses so that responses can be measured and analysed mathematically, however such a method fails to tap into the emotional or subjective side of the consumer.

Logical positivism or quantitative research uses experimental methods and quantitative measures to test hypothetical generalization. It is important to recognize that systematic observation and testing can be accomplished by using a wide variety of methods. Many people think of a scientific inquiry in terms of laboratory experimentation, however, it is neither possible nor desirable to study all phenomena of interest under controlled laboratory conditions (Antonakis, 2005).

Quantitative research is an inquiry into an identical problem, based on testing a theory, measured with numbers, and analyzed using techniques. The goal of quantitative method is to determine whether the predictive generalization of a theory holds true. It is through gaining, analyzing and interpreting quantitative data that the researcher can remain

detached and objective. Often this is not possible with qualitative research where the researcher may actually be involved in the situation of the research (Hoepfl, 1997:12).

Empirical research is conducted to answer or enlighten research questions. Strategic choice of research design should come up with an approach that allows for answers to the research problem in the best possible way and within given constraints. This means the research design should be effective in producing wanted information within constraints put on the researcher.

3.3 Research sample and sample size

There are various compelling reasons to gain a sample for a research study. Firstly; it provides an economic advantage in taking a sample rather than a census, which could be massive. Secondly; sampling provides greater speed of data collection as it reduces the time between recognition of a need for information and the availability of that information. The basic idea of sampling is that by selecting some elements in a population, conclusions may be drawn about an entire population. A population element is the subject on which the measurement is being taken, the unit of study. The population of study is the total collection of elements about which some inferences can be made. The research population in this study is defined as all consumers of food products being offered by food retailers such as Pick 'n Pay, Woolworths, and Spar in Durban' Central Business District (CBD).

3.4 Research Method chosen for this study

The selection of a research approach influences the questions asked, the methods chosen, the statistical analysis used, the inferences made, and the ultimate goal of the research. When critically reviewing scientific research, the questions asked, and the answers given will differ depending upon whether the research is quantitative or qualitative.

This research adopted a quantitative research method because of the size of the population involved in it – a large population size. Using the SPSS software, the responses from the consumers will be statistically analysed and summarized into tables and graphs. Taking all the above mentioned factors into consideration, quantitative research method was chosen as the appropriate and suitable method for this research because the research is based on a large sample size with high level of statistical significance, and the data are generated in a rigorous and scientific manner. This will allow the researcher to provide the fundamental connection between empirical observation and the mathematical expression of the quantitative relationships.

3.4.1 Stratified sampling

A stratified sample is a probability sample that is forced to be more representative of a simple random sampling of mutually exclusive and exhaustive subsets, (Mc Daniel & Gates, 2005:378)

Since the research is dealing with a large population size, food consumers in the Durban's CBD, the research adopted a stratified sampling method as this will give more precise estimates since it is based on the idea of iterated expectations.

The stratification was aimed at reducing the standard error by providing some control over variance and this will enable the research to achieve greater statistical significance.

3.4.2 The population size and sample size

A sample is a number of people, objectives or events chosen from a larger 'population' on the basis of representing (being representative of) that population. This is an important facet of survey research (Lubbe & Klopper, 2005).

Data obtained from the three food retailers, namely Spar, Woolworths and Pick n Pay in the Durban's CBD showed that an estimated of 500,000 consumers visited the above mentioned food retailers in the one week period in which the questionnaire was

administered and the data collected. This formed the basis for the calculation of the sample size which was calculated using the sample size calculator (Mc Daniel & Gates, 2005:399).

$$n = \frac{N}{1 + N * e^2}$$

$$n = \frac{500000}{1 + (500000 * e^2)}$$

$$n = \frac{500000}{1 + (500000 * 0.0025^2)}$$

$$n = 399.68 \approx 400$$

Where N = Population size

e = The precision rate $\pm 5\%$ at confidence level 95% where $e = 0.05 = 5\%$,

n = sample size

From the calculations shown above, 400 consumers will be a true sample size from the estimated population of 500,000 consumers who purchased their food products from the three food retailers, namely: Spar, Pick 'n Pay and Woolworths, during the seven day period that this research was conducted.

From the calculation above, 400 consumers is a true sample size in a population of 500,000 consumers, however taking into consideration the financial constraints of the research, a simple stratified sampling of 1 to 4, that is taking one consumer out of every four consumers was adopted. A total of one hundred and ten (110) consumers participated in this research. Although the sample was reduced to 110 consumers, the sample was representative as important dimensions of the population were represented in the sample in their true population proportions.

A more efficient way of stratifying consumers was difficult since the information necessary to properly stratify the sample was not readily available as little was known

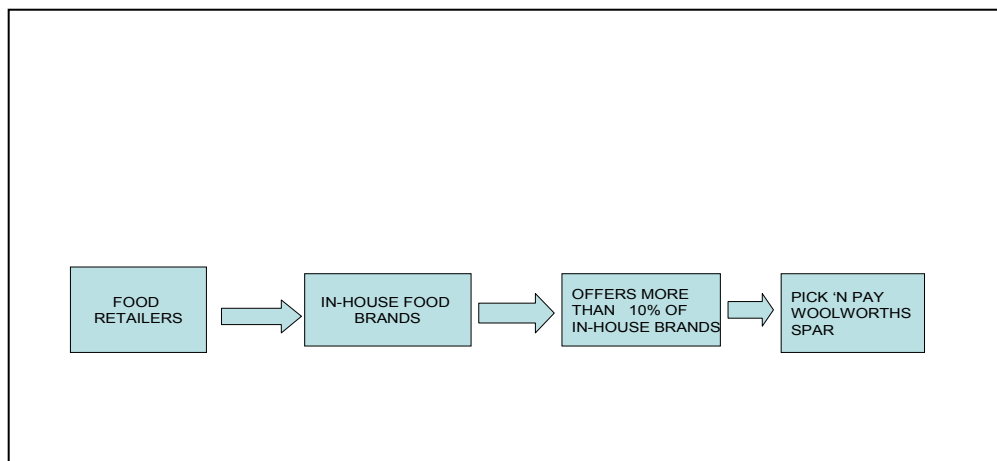
about the demographic characteristics of the consumers. This presented a problem for choosing the base for stratification that would yield significant differences between the strata in regard to the measurement of interest that could allow to properly stratify the sample to get the benefits of stratification.

3.4.3 The food retailers sample size

Stratified sampling is really feasible only when the relevant information is available, in other words, when the data are available that allow the ready identification of members of the population in terms of stratifying criterion. Including all the major food retailers operating in Durban's CBD in this research would be uneconomical and would entail a great deal of work requiring a huge financial budget. This problem was solved by applying a stratification method.

First, all the food retailers were taken as a population size, then only those food retailers which offer in-house food brands were selected, this was stratified more by selecting only those food retailers which carry 10% or more in-house brands (their own brands) in their food chain. Pick n Pay, Woolworths and Spar emerged as the leading food retailers offering more than 10% in-house food brands on their chains. A sample comprising of three food retailers, Pick n Pay, Woolworths and Spar was chosen for the research.

Fig 3.1: Stratification of Food Retailers



Stratified sample in this case ensured that the sample was distributed in the same way as the population sample in terms of the stratifying criterion.

Stratified sampling was appropriate in the selection of food retailers because it has the potential for greater statistical efficiency, as this produced a smaller sample error. A small stratified sample of three food retailers, as representing all the food retailers, contributed to a reduction of the sampling error to a certain target level. In this case a stratified sample was statistically more efficient because one source of variation was eliminated.

The research sample size, of three food retailers, exhibited a proportional representation of different food retailers carrying in-house food brands where consumers purchase their in-house food brands and this feature allowed the reliability and validity of the research results. Three major food retailers, namely Spar, Pick 'n Pay, and Woolworths, which carry most of the in-house food brands, more than 10%, were viewed as relevant to a wide range of attitudinal features that are relevant to the study of consumer's perceptions of the in-house food brands. Generating a simple random stratified sample or a systematic sample of three retail food chains, yielded such a representation, where the proportion of retailers from the food sector was the same as that of the in-house food brand population.

3.4.4 Advantages of stratified sampling

For a research of this nature, stratified sampling offers several advantages over random simple sampling; namely:

- A stratified sampling provided greater precision than a simple random sample of the same size.
- Because it provided greater precision, a stratified sample allowed the researcher to use a small sample, which reduced the costs of conducting this research taking into account the financial constraints of the researcher.

- A stratified sample guarded against an unrepresentative sample, example, taking only in-house branded meat from a sample of mixed food items or taking only black consumers as a sample from a mixed race population of consumers.
- A stratified sampling ensured that sufficient points to support a separate analysis of any subgroup of consumers were obtained.

The main disadvantage of a stratified sample was that it required more administrative effort than a simple random sample.

3.5 Data collection design

Data can be defined as facts collected by means of scientific research in using some form of measurement scale. Facts become data when expressed in some measured format. A person's view on a specific topic can be positive, neutral, or negative. When a person expresses his/her view as positive, the view becomes a fact. As it is expressed in a form of measurement, the fact becomes data. The way data is collected determines the classification of that data.

3.5.1 Secondary data

Cooper and Schindler (2001) define secondary data as studies made by others for their own purposes. Secondary data can be gained from primary, secondary and tertiary sources. Primary sources are secondary data that has been obtained from original works of research or raw data without the interpretation or pronouncement that represent an official opinion or position. Examples of such sources include laws, regulations, government data, economic and labour data, interviews and speeches. Information from above sources becomes the secondary literature supporting the original research.

Secondary sources represent interpretations of primary data. The data has been derived from a source, which in turn is procured elsewhere. Examples of secondary data sources

are textbooks, handbooks, magazines, and nearly all reference materials. Tertiary sources may be an interpretation of a secondary source but generally represented by indexes, bibliographies and other findings aids such as internet search engines.

Secondary data for this research was obtained from both secondary and tertiary sources such as journals, textbooks, the internet search engine, websites, and bibliographic databases.

3.5.2 Primary data

While secondary data are data that have been collected by others for their own purposes, primary data are concerned with the collection of original data for the research being undertaken. There are various research methods that can be utilized for the collection of data; observation, survey and experiments. This research has used the survey, which was done by administering a questionnaire to consumers, as an appropriate method to collect primary data. The questionnaire was deemed as an appropriate data collection instrument because it offers the most cost-effective and practical method of securing data from the target population.

3.6 Measuring instruments

Research design can be classified by the approach used to gather primary data. There are two alternatives; the first alternative is the observation method and secondly, the communication or interrogation method. In this research study the communication method has been utilized. The communication approach involves questioning or surveying people and recording their responses for analysis.

The great strength of questioning or conducting survey as a primary data technique is its versatility. Questioning respondents tends to be more efficient and economical. A survey that uses a questionnaire, telephone, mail, e-mail, or internet as a medium of

communication can expand geographic coverage at a fraction of the cost and time required by the observation method. However the disadvantage of using the questioning method is that quality and quantity of information secured depends on the ability and willingness of the respondents to cooperate. Personal interviews, telephones, mail, computer or a combination of all these can carry out the questioning. Administering a questionnaire and conducting a focus group have been chosen for this research study.

3.6.1 Likert scales

Likert scales were introduced by Likert (1903 - 1982) and can be used for multi dimensional attitudes. A Likert scale may comprise of four, five, six or seven point rating (Saunders *et al.*, 2003). This research uses Likert scale to measure consumers' in-house food brands usage frequency, behavior frequency, loyalty, price perceptions, and quality satisfaction ratings.

3.6.2 Questionnaire design

According to Sekaran (2003:236) a questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows precisely what is required and how to measure the variables of interest and when the large sample populations to be researched are in different geographical locations. For this study, a questionnaire was formulated for consumers, which was administered personally.

3.6.3 The advantages of using a questionnaire

According to Sarantakos *et al.*, (2005) a questionnaire as a measuring instrument has the following advantages:

- The low cost and ease of application of conducting surveys via questionnaires makes this a popular method.
- Questionnaires produce quick results.
- They can be completed anonymously at the convenience of the respondent.
- Surveys offer less bias for errors since the absence of the interviewer would allow the respondent to be honest and truly representative of themselves. This point is especially important when sensitive issues are researched, for example the prevalence of HIV/AIDS in the workplace.
- Questionnaires offer a well thought of, well prepared, truly representative and objective view of the issue, since the respondent has time beforehand to read and prepare the answers.
- Questionnaires serve as a uniform measure which is free of variation.
- They allow for a wide coverage of the research topic.
-

3.6.4 Disadvantages of a questionnaire

A questionnaire as a measuring instrument has the following disadvantages:

- In the absence of clear - cut criteria the validity of a questionnaire may be questioned.
- The unwillingness of the respondent to disclose personal information, such as income levels, may significantly influence the validity of the instrument.
- Respondents may interpret the questions differently.
- The problems being addressed in the questionnaire may not be of any interest to the respondent in which case he/she may not complete the questionnaire or may answer blindly.

- Lengthy questionnaires may be very time consuming.
- Due to the lack of supervision, the respondents may not complete the questionnaire or may provide a poor response.
- Designing a questionnaire demands much skill.

Despite the negative connotations attached to the use of the questionnaire, the questionnaire was chosen as the measuring instrument. The fact that there was no need for any respondent to give confidential answers allowed the respondents to provide honest answers. The questionnaire is furthermore very economical in terms of time and cost (Sarantakos *et al.*, 2005) and was therefore chosen as the measuring instrument in this empirical research.

Five basic demographic questions appear at the beginning of the questionnaire for the purpose of identifying gender, age group, employment status, levels of education and income.

The rating scales in the questionnaire used various categories. The question type varied from simple category scale of yes - no responses to multiple choice, single responses. Another category was the Likert scale where respondents expressed their levels of agreement or disagreement, favourable or unfavourable and satisfied or unsatisfied responses, regarding their perceptions of in-house food brands on a five point Likert scale. To ensure that the Likert scale was reliable thirty questions about in-house brands of food related products were posed, relating among other things, information on in-house brand packages, product quality of in-house brands, customer services, convenience, prices, product positioning, product loyalty, and product categories.

A limited number, two questions in total, of open-ended questions were posed regarding suggestions and recommendations. This will provide consumers with the opportunity to make their own recommendations or voice their concerns with regards to in-house food brands being offered on the market. Such information will also provide insight into the

overall perceptions of consumers regarding in-house food brands. It will also assist the retailers to improve their services and meet the needs and expectations of consumers.

According to Baliey, (1982:91) all survey questions should be put through a “debugging procedure” in which several quality control questions are asked, including the following:

- Is question one, which respondents can easily answer based on their experience?
- Are the questions simple enough, specific enough, and sufficiently well-defined that all of the respondents will interpret them in the same way?
- Does the question contain any words or phrases which could bias respondents to answer one way over another?
- Is it understandable to respondents exactly what types of answers are appropriate?
- Does the question focus on a single topic or does it contain multiple topics that should be broken up into multiple questions?

The key ‘word’ in questionnaire construction is ‘relevance’ the word relevance has three different facets:

- Relevance to the study’s goals
- Relevance of the questions to the goals of the study.
- Relevance of the questions to the individual respondents
-

3.6.5 Pilot study

In order to improve results and validity of the questionnaire, a pilot study is recommended. The reason is to test the questionnaire on a small number of respondents before committing more resources to the study and to verify the quality of the questions and their relevance. The researcher fixes any misalignment issues in the questionnaire to ensure that the questions mean the same thing to all respondents and that they do not have problems in answering questions. This is what Saunders *et al.*, (2000:305), defines as the assessment of the validity of the questions and the likely reliability of the data that the researcher will collect. It allows the researcher to better judge how long it will take a

respondent to complete. It is imperative that prior to utilizing the designed questionnaire to collect data, the researcher should first pilot it.

Piloting the questionnaire helps the researcher to find out the following elements that are critical in designing a questionnaire for a reliable study:

- How long it takes to complete the questionnaire for a reliable study.
- The clarity of instructions.
- Which if any, questions were unclear or ambiguous
- Which, if any, questions the respondent felt uneasy about answering?
- Any other comments.

3.6.6 Process of administering the questionnaire

Before the questionnaires were handed out to consumers, the purpose of the study and what would be expected from them was explained. Advice on the participation being voluntary was given. The consent form (See appendix A) was also explained and respondents were given an opportunity to raise questions and concerns. The respondents were asked to answer and complete the questionnaire as honestly as possible.

3.7 Validity

Validity involves the accuracy of measurement (Colosi, 1997). According to Gay (1992:89) validity can be divided into two types: external validity and internal validity. . The later means that the questionnaire must be able to measure what they are intended to measure.

3.7.1 Internal validity

External validity relates to the extent of the applicability of research findings to other contexts. The method applied in the selection of the three major food retailers as well as

the consumers, the stratified sampling, were viewed as relevant to a wide range of attitudinal features that are relevant to the study of consumers perceptions of the in-house food brands hence the findings from research can be applied beyond the Durban CBD. This validated this research internally.

Generating a simple random stratified sample of three retail food chains, yielded such a representation, where the proportion of retailers from the food sector was the same as that of the in-house food brand population.

3.7.2 External validity

Internal validity refers to the consistency of the effect of the questions contained in the questionnaire.

A thirty three structured comprehensive questionnaire was covering a wide range of in-house food brands elements was personally administered to the consumers. Important elements of in-house food brands such as price, quality, brand positioning, were adequately covered in it.

3.7.3 Measurement validity

Measurement reliability is primarily concerned with matters relating to the quality of the measures that were employed to tap the concepts in which the researcher was interested in rather than matters to do with a research design.

Stratified sample in this case ensured that the resulting sample was distributed in the same way as the population sample in terms of the stratifying criterion.

Stratified sampling was used as an appropriate measure in the selection of food retailers because it has the potential for greater statistical efficiency, as this produced a smaller sample error. A small stratified sample of three food retailers, as representing all the food retailers, reduced the sampling error to a certain target level. In this case stratified

sampling was statistically more efficient because one source of variation had been eliminated and in this case the research succeeded in achieving measurement validity.

3.8 Reliability

According to Babbie (1983:119), reliability refers to the likelihood that a given measurement procedure will yield the same description of a given phenomenon if that measurement were repeated. Validity refers to the extent to which a specific measurement provides data that relates to commonly accepted meanings of a particular concept. Rosnow & Rosenthal, (1996:67) go further in stating that measurements are subjective to random errors and systematic errors, which may affect reliability and validity. Reliability estimates the consistency of measurement, or simply the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects (Colosi, 1997:47).

A stratified sample that was used in this research guarded against an unrepresentative sample, in the population of consumers. A stratified sampling ensured that sufficient points to support a separate analysis of any subgroup of consumers are obtained and this allowed the results from this research to be deemed consistent.

A small stratified sample representing all the food retailers, reduced the sampling error to a certain target level making the measurements and results from this study statistically more efficient and consistent because one source of variation had been eliminated, in this case the research succeeded in achieving validity. With a small sample size that is statistically more efficient and consistent it is possible to repeat the research and achieve similar results-consistence.

3.9 Data quality and analysis

The data collected was reviewed, analysed and reported on. The data was reported in the form of descriptive analysis. The research questionnaires yielded nominal data with regards to the demographic questions. Interval data was gained through the Likert scales questions, as attitudes scales were utilized, which are interval in nature.

Data gained from the questionnaire was carefully coded for further analysis. The coded data was analysed by the SPSS software program available at the University of KwaZulu-Natal. This was done to yield descriptive statistics. Frequency tables were utilized to visually display data in the form of pie or bar graphs so that nominal data values and percentages will be more readily understood.

The SPSS computer software program was utilized to analyze quantitative data from the exploratory research. Recommendations and conclusions made will be based and substantiated on the results of the analysis of data.

3.10 Ethical considerations

Responsible research anticipates ethical dilemmas and attempts to adjust the research design to take this aspect into consideration. Ethical research requires integrity from the researcher.

Rosnow and Rosenthal (1996:89) state that in the day to day conduct of human subject research, certain dilemma may arise from concerns about the problem being investigated and the methodological procedures used to study them. Ethical questions arise because of competing values or interests related to perceived moral responsibilities. In general, researchers are obliged not to do physical or psychological harm to research participants and to do research in a way that is most likely to produce valid results. Ghauri and Gronhaug (2003:9), advocate that ethics are moral principles and values that influence the way a researcher conducts research activities. It is the moral obligation of the researchers

to find answers to their questions honestly and accurately. Ethical responsibility starts with the problem formulation. All social science researchers have an ethical obligation to protect the welfare of the people they study. Although survey studies tend to be relatively innocent compared to some alternative methodologies, there are three ethical principles that all survey studies should follow;

- Respondents should be informed that participation is voluntary and that they may omit answers to any particular question if they choose to do so. Steps to encourage participation such as a telephone call prior to the questionnaire being sent to obtain permission and to explain the nature and importance of the study to the industry in general should be considered. However, in the final analysis, people have every right to refuse to participate and should not be coerced.
- Adequate measures should be taken to protect the confidentiality of respondents. Although overall survey results may be presented publicly, no reference to individuals will be made and no association to any individual responses can be traced.
- Promises made to the survey respondents, if any, that a copy of the survey results will be sent to them should be kept.

According to Rosnow and Rosenthal (1996) questions about fair mindedness are a source of ethical conflict in science as well as in everyday life. Ethics and evaluation are intertwined in many ways.

This research has thus anticipated the ethical considerations and has undertaken to respect the rights to privacy of the respondents in the research. The privacy guarantee is important, not only to retain validity to the research, but also to protect the respondents. Confidentiality of survey answers is an important aspect of the respondents' right to privacy. Thus, to protect the respondents' right to privacy and confidentiality particularly, the research will restrict access to respondents' identification. Respondents will not be asked to reveal their contact details; respondents will thus be guaranteed confidentiality.

3.11 Limitations

The Hawthorne effect is an example of a social desirability tendency. Most people will try to “give answers that make themselves appear well adjusted, unprejudiced, rational, open minded and democratic” Mouton & Marias, (1993:89). In South Africa this effect could be quite prominent in the context of when individuals fill in a survey questionnaire, they would want to appear well adjusted and democratic given the past history of apartheid.

All survey studies have certain methodological limitations in common. Researchers cannot be expected to conduct a ‘perfect survey study, but at the same time the researcher is expected to have a thoroughly knowledge of the limitations of their work and make reasonable judgments about how to spend their limited time and resources (Kirk & Marshall, 1986:68).

Limitations within this study may affect the interpretation of the results in the following manner;

- To what extent was the sampling frame representative of the population, and what are the potential impacts of any errors or omissions?
- To what extent was the study subject to sampling error?
- What was the response rate?
- What, if anything, is known about the non respondents?
- Which questions are more sensitive to possible errors or bias than others?

This study was limited to Durban’ Central Business District and the surrounding area due to the resource constraint of funding and time.

3.12 Conclusion

This chapter focused on the research methodology used for collecting and analyzing data required for the research study. Primary and secondary research methods were discussed as well as the research strategy, research design, ethical considerations, data type, measurement scales, population sampling and questionnaire development.

The next chapter will focus on the presentation of data followed by a discussion on the findings.

CHAPTER FOUR

Data Analysis and Presentation of the Results

4.1 Introduction

The previous chapter set out the methodology that guided the empirical part of this study. This chapter will focus on the presentation of data followed by a discussion on the findings.

The statistical methods mentioned in the previous chapter were applied to the data collected. The responses that were received from the respondents were coded and thereafter analysed using the SPSS software programme. The results obtained were presented in the form of descriptive analyses. The presentation of the data will begin with the results obtained from the questions on the demographics of the respondents. This will be followed by the presentation of the data that had been elicited from the attitudes and perceptions of the respondents regarding the in-house brands of food related products.

4.2 Presentation and Discussion of the findings

4.2.1 Gender of respondents

Table 4.1 Frequency distribution according to gender of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	33	30.0	30.0	30.0
Female	77	70.0	70.0	100.0
Total	110	100.0	100.0	

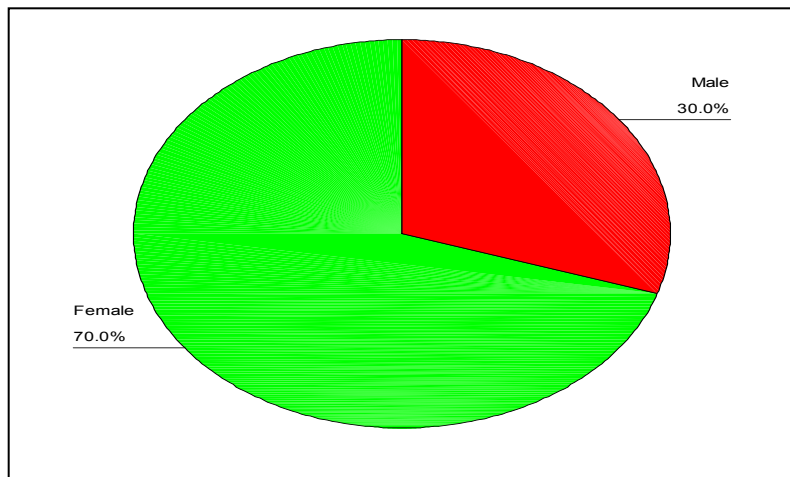


Figure 4.1 Pie chart representing the gender frequency distribution.

Table 4.1 indicates that 70% of the respondents were females, compared to only 30% of respondents who were males. These findings can be attributed to the fact that most of the household food shopping is done by female members of the households.

4.2.2 Age of respondents

Table 4.2: Frequency distribution according to age of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20-25	16	14.5	14.5	14.5
26-30	22	20.0	20.0	34.5
31-35	43	39.1	39.1	73.6
36-40	15	13.6	13.6	87.3
41 & above	10	9.1	9.1	96.4
Missing	4	3.6	3.6	100.0
Total	110	100.0	100.0	

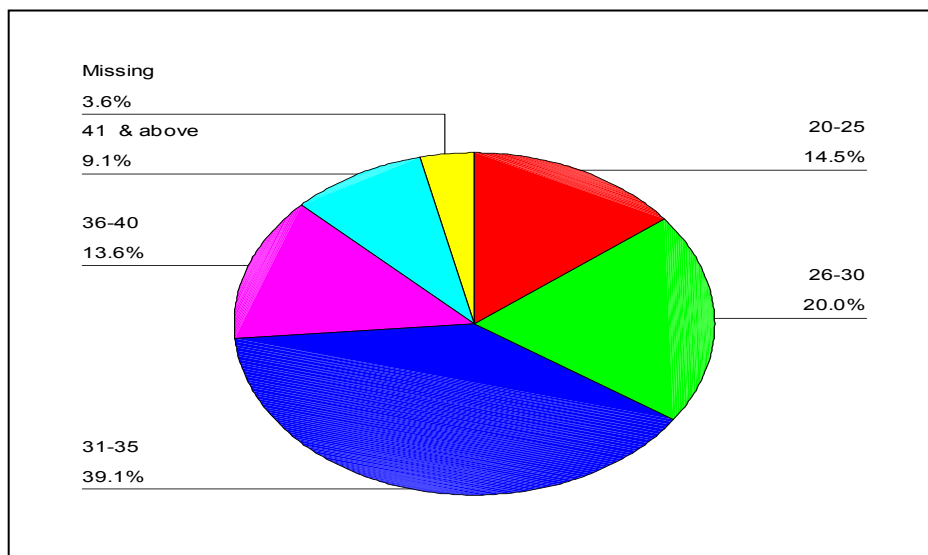


Figure 4.2 Pie graph of age distribution of respondents

The table above shows that 14.5% of the respondents are between the ages of 20 - 25 years, 20% are between 26 – 30 years, 39.1% are between the ages of 31 – 35 years, 13.6% are between the ages of 36 – 40 years and 9.1% are 41 years and above. While 3.6% did not respond. Thus, the majority of the respondents, 39.1%, are between the ages 31 – 35 years of age.

4.2.3 Employment status of respondents

Table 4.3 Frequency distribution according to employment status of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	25	22.7	22.7	22.7
No	83	75.5	75.5	98.2
Missing	2	1.8	1.8	100.0
Total	110	100.0	100.0	

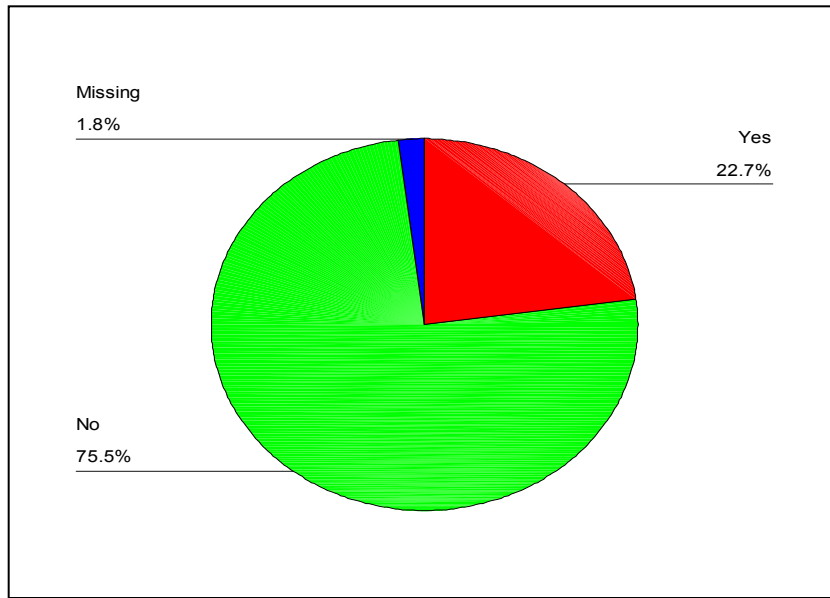


Figure 4.3 Pie chart of employment status of respondents.

On this question consumers were asked to indicate their employment status. The responses reveal that only 22.7% of the respondents are employed, and 75.5% are not employed, while 1.8% did not reveal their employment status. The high unemployment percentage can be attributed to the fact that some of respondents who are self employed or are running private businesses indicated as being unemployed since they are not working in the formal sector.

4.2.4 Income levels of respondents

Table 4.4 Frequency distribution according to income levels of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
R1- 50 000	15	13.6	13.6	13.6
R50 001- R100,000	15	13.6	13.6	27.3
R100,001- R150 000	14	12.7	12.7	40.0
R150 001- R200 000	3	2.7	2.7	42.7
R200 001 and above	4	3.6	3.6	46.4
Missing	59	53.6	53.6	100.0
Total	110	100.0	100.0	

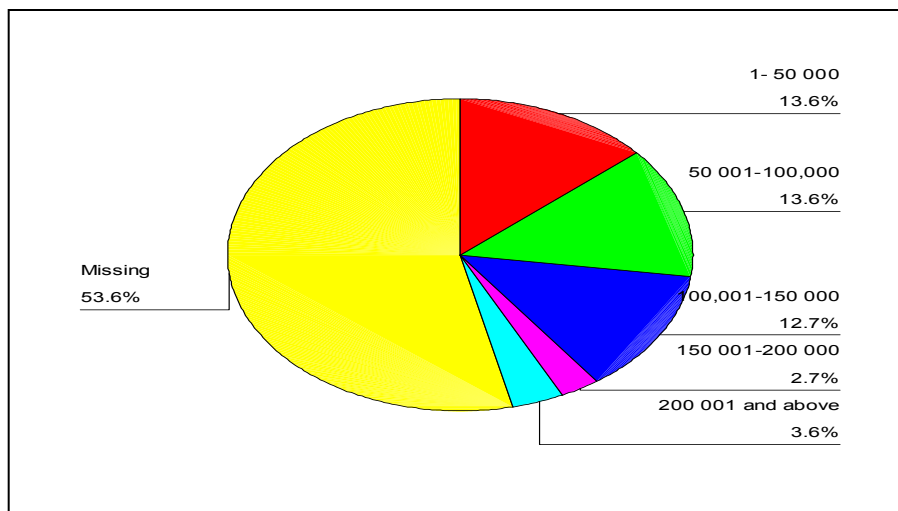


Figure 4.4 Pie graph of income distribution of respondents.

Respondents were asked to indicate their income levels. The responses from this question reveal that 13.6% had an annual income of between R1 – R50 000, 13.6% between R50 001 –R100 000, 12.7% had R150 001-200 000, 2.7% had R150 001-R200 000, 3.6% had R200 001 and above, 53.6% did not reveal their annual income. The high percentage of the missing variable can be attributed to the fact that either the members in this group are not employed in the formal sector and hence consider themselves as unemployed or due to the secrecy surrounding income levels among individuals.

4.2.5 Qualification of respondents

Table 4.5 Frequency distribution according to qualifications of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
High school	17	15.5	15.5	15.5
Undergraduate degree/diploma	72	65.5	65.5	80.9
Post graduate degree/diploma	15	13.6	13.6	94.5
Other	5	4.5	4.5	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

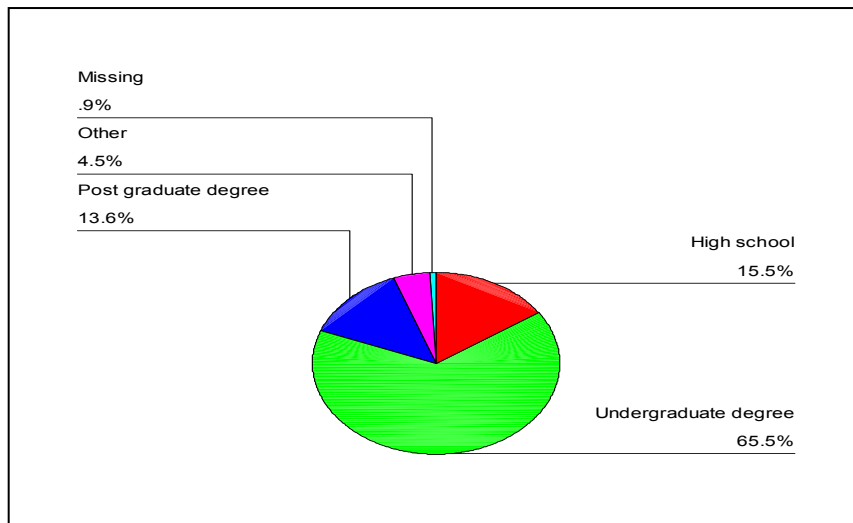


Figure 4.5 Pie graph of qualifications distribution of respondents.

The above table represents the education qualifications of the respondents. The majority of the respondents, 65.5% had undergraduate qualifications, followed by 15.5% of respondents who had high school qualifications. Not far behind were 13.6% of respondents who had post graduate qualifications. A small number of respondents had other qualifications, while 0.9% of the respondents did not reveal their qualifications levels.

SECTION B

4.2.6 Buying of in-house food brands

Table 4.6 consumers buying in-house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	101	91.8	91.8	91.8
No	9	8.2	8.2	100.0
Total	110	100.0	100.0	

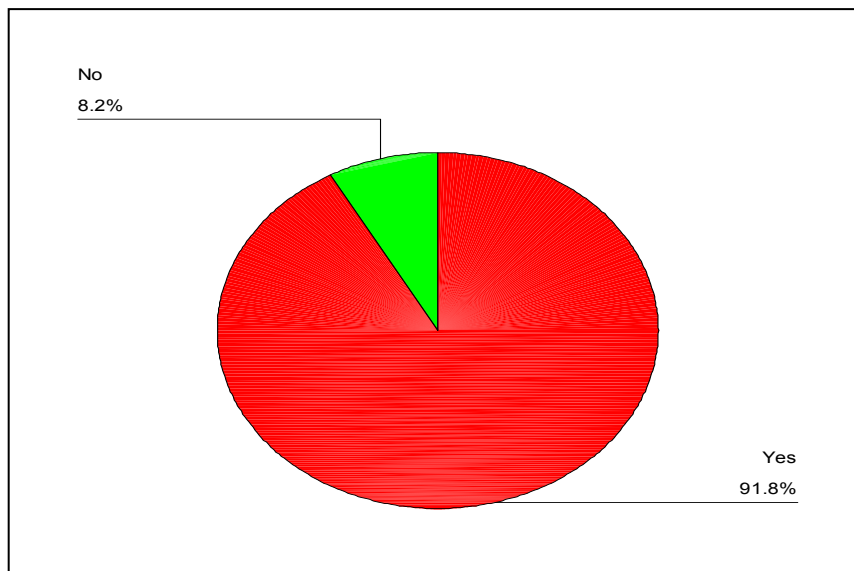


Figure 4.6: Pie graph of buying of in-house food brands distribution of respondents.

Respondents were asked to indicate whether they purchase in-house food brands or not. The responses from this question reveal that 91.8% of respondents purchase in-house food brands and 8.2% of the respondents indicated that they do not purchase in-house food brands.

4.2.7 Type of in-house food brands most preferred by consumers

Table 4.7 Frequency distribution of the most preferred in-house food brands of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Frozen foods	11	10.0	10.0	10.0
Tinned foods	10	9.1	9.1	19.1
Juice	3	2.7	2.7	21.8
Meat	7	6.4	6.4	28.2
Fruits	6	5.5	5.5	33.6
meat & fruits	6	5.5	5.5	39.1
Tinned food & Frozen foods	25	22.7	22.7	61.8
Meat & Tinned foods	28	25.5	25.5	87.3
Juice, Meat & Fruits	14	12.7	12.7	100.0
Total	110	100.0	100.0	

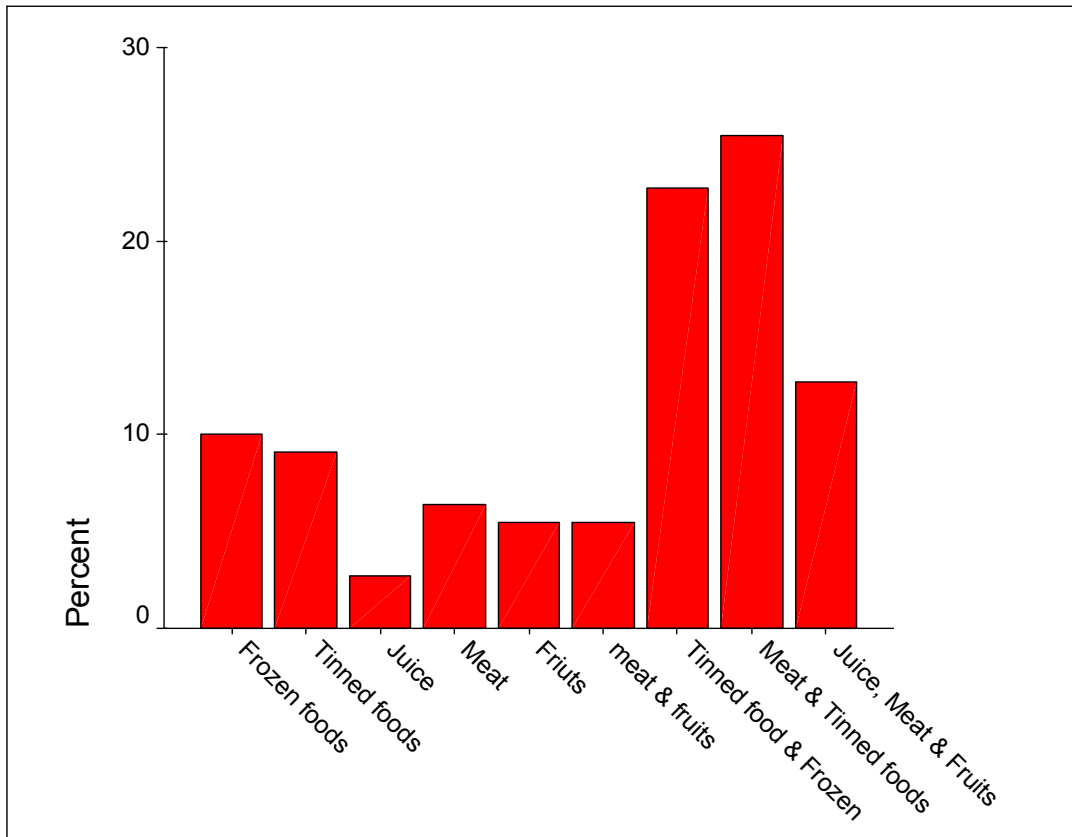


Figure 4.7 Bar graph of type of in-house food brands purchased on regular basis by respondents.

When asked to indicate the type of in-house food brands consumers purchase on regular bases, responses from this question reveal that 10% of the consumers prefer purchasing frozen foods, 9.1% prefer purchasing tinned foods, 2.7% juices, 6.4% meat, 5.5% fruits, 5.5% both meat and fruits, 22.7% tinned foods and frozen foods, 25.5% meat and tinned foods, 12.7% juice, meat and fruits.

4.2.8. Main reason(s) for purchasing in-house food brands by consumers

Table 4.8 Frequency distribution according to purchasing reasons of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
They have good quality	20	18.2	18.2	18.2
Their prices are lower than manufacturer brands	44	40.0	40.0	58.2
They are easy to find in the shop	9	8.2	8.2	66.4
All of the above	36	32.7	32.7	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

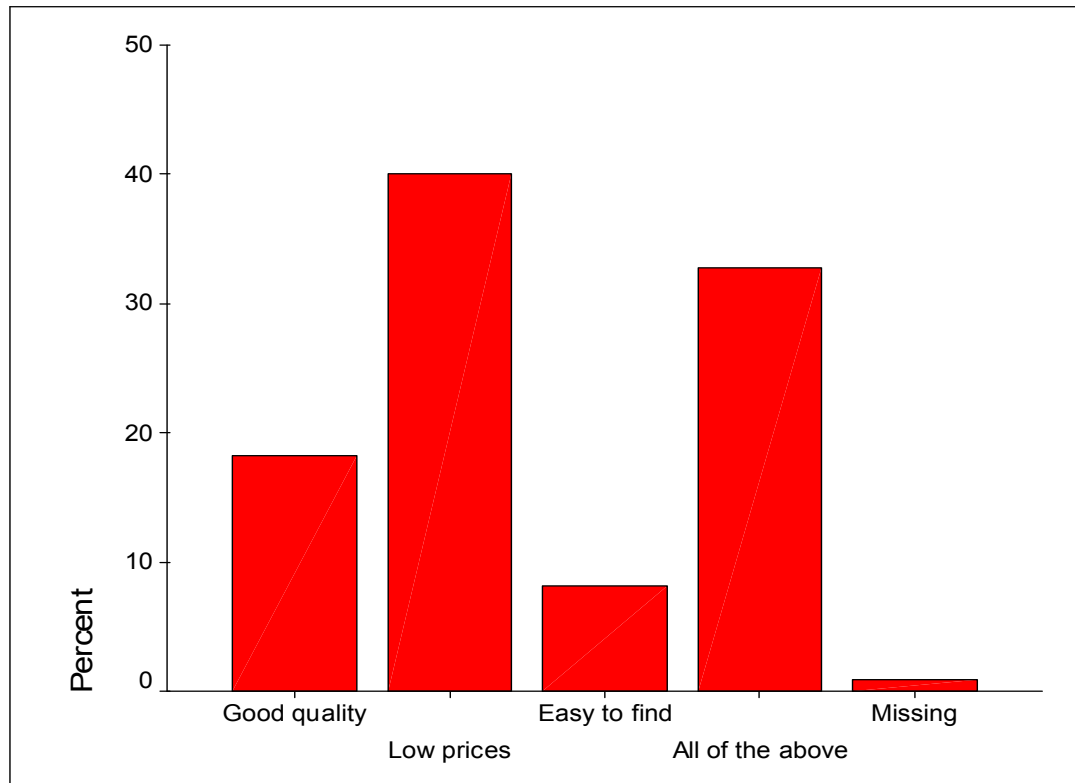


Figure 4.8 Bar graph of the main reasons for consumers purchasing in-house food brands.

Consumers were asked to indicate the reasons which drive them to purchase in-house brands of food related products. The responses from this question reveal that 18.2% of the respondents purchase in-house brands because they are of good quality, 40% purchase in-house brands because the prices are lower when compared to manufacturer brands, 8.2% purchase in-house brands because they are easy to find in the shop, 32% purchase in-house brands because they are of good quality, their prices are low, and they are easy to find in the shop. 0.9% did not reveal the reasons which drive them to purchase in-house food brands.

4.2.9 Buying in-house food brands products because they are on a special price offer

Table 4.9 Influence of special price offers of consumers

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	18	16.4	16.4	16.4
Disagree	17	15.5	15.5	31.8
Neutral	39	35.5	35.5	67.3
Agree	25	22.7	22.7	90.0
Strongly agree	11	10.0	10.0	100.0
Total	110	100.0	100.0	

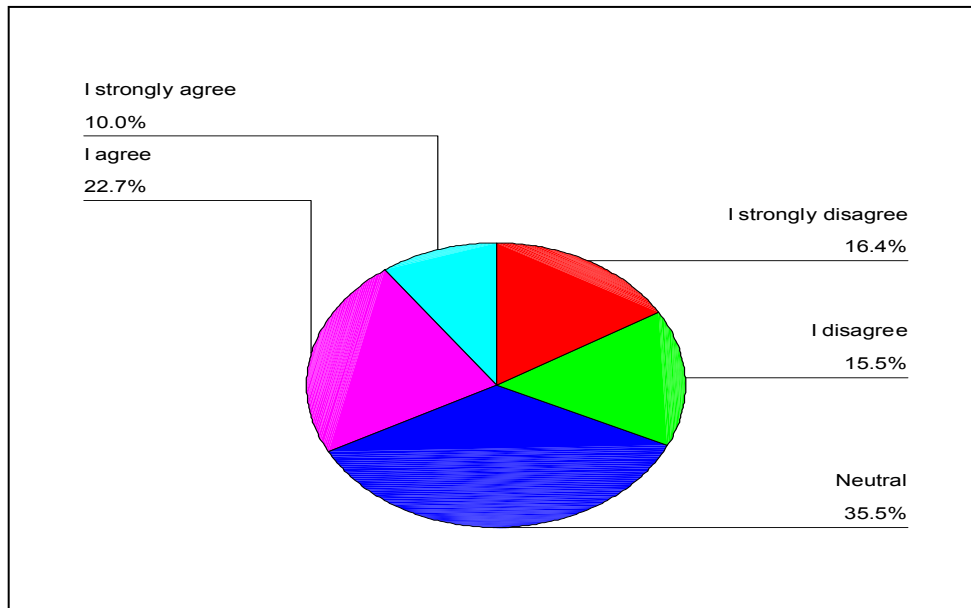


Fig: 4.9 Consumers being motivated to buy in-house brands due to price cuts

Responses from this question reveal that a combined total of 31.9% would not purchase in-house food brands because they are on a special price offer, and 32.7% of the respondents would purchase in-house brands because of the special price offer. 35.5% of the respondents were neutral on this question.

4.2.10 Favourite Manufacturer brands, and lower prices of in- house food brands

Table 4.10 Favourite in-house food brands and lower prices

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	10	9.1	9.1	9.1
Disagree	19	17.3	17.3	26.4
Neutral	37	33.6	33.6	60.0
Agree	32	29.1	29.1	89.1
Strongly agree	11	10.0	10.0	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

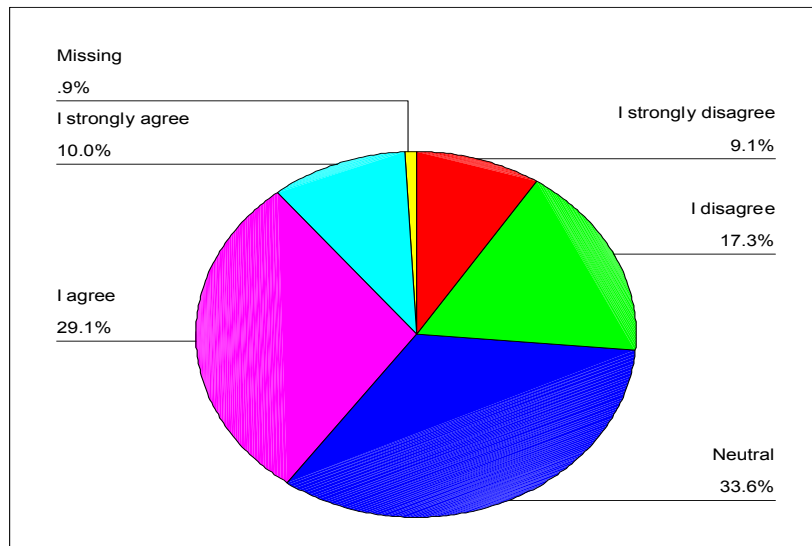


Figure 4.10 Favourite in-house food brands and lower prices

Results from this question reveal that a combined total of 26.4% (9.1% strongly disagreed, 17.3% disagreed,) does not have favourite food brands and a combined total of 39.1% of respondents (29.1% agreed, 10% strongly agreed) indicated that they have their favourite food brands and only buy in-house food brands because of their lower prices and 0.9% did not respond to this question.

4.2.11. Most appealing attributes of in-house food brands

Table 4.11 The main attributes of in-house food brands.

	Frequency	Percent	Valid Percent	Cumulative Percent
Prices	58	52.7	52.7	52.7
Quality	25	22.7	22.7	75.5
Freshness	22	20.0	20.0	95.5
In store services offered about the brands	4	3.6	3.6	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

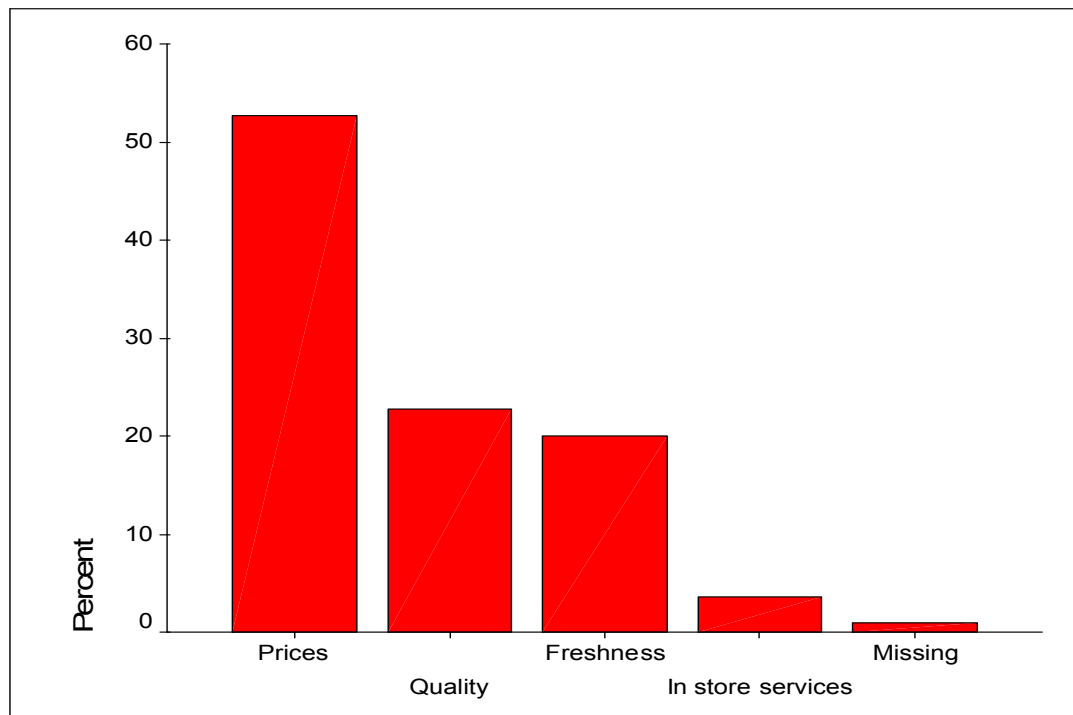


Figure 4.11: Bar graph of the main attributes of in-house food brands.

Results from this question reveal that 52.7% of the respondents are attracted to in-house food brands because they find their prices to be more appealing to them, 22.7% are attracted to the in-house brands because the quality of such products is good, 20% are attracted by the freshness of in-house brands, 3.6% of the respondents find the in-store services offered about in-house brands to be the most appealing. 0.9% did not respond on this question.

4.2.11 Main source of information about the in-house food brands

Table 4.12: Consumers main source of information about in-house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Radio	7	6.4	6.4	6.4
Newspapers	32	29.1	29.1	35.5
Television	41	37.3	37.3	72.7
In-store displays	26	23.6	23.6	96.4
Flyers	3	2.7	2.7	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

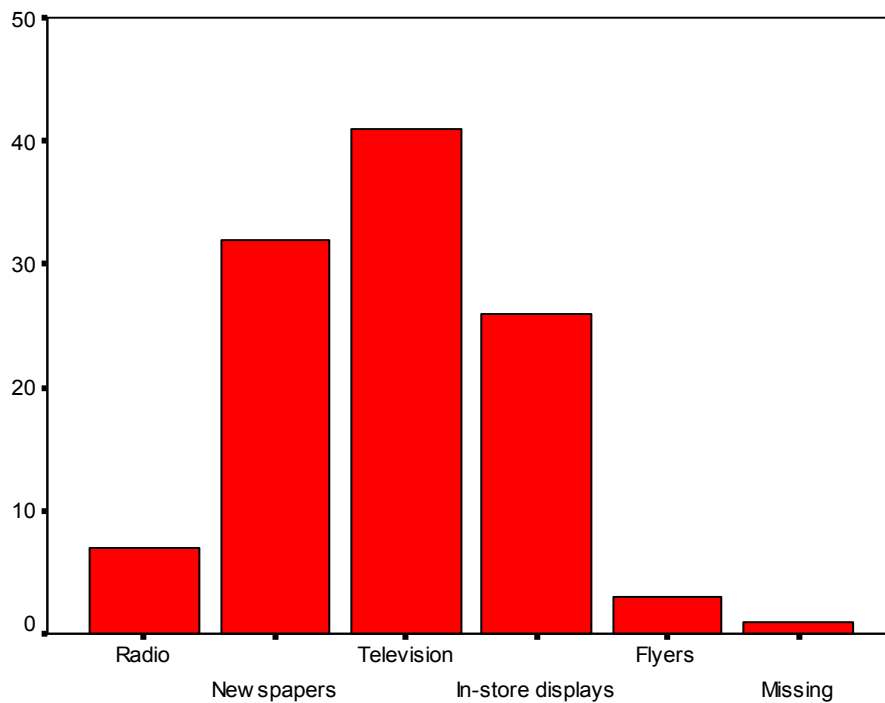


Figure 4.12: Bar graph of the main sources of information for consumers to know more about in-house food brands.

Results from respondents on their main source of information about in-house food brands reveal that 6.4% depend on radio as a source of information to get more information about in-house brands, 29.1% depend on newspapers as their source of information, 37.3% depend on television, 2.7% depend on flyers and 0.9% did not respond on this question.

4.2.13 Consumers were asked to indicate whether they find it easy to differentiate in-house food brands on the shelf from the manufacturer brands.

Table 4.13: Identification of in-house brands and manufacturer brands on the shelf

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	13	11.8	11.8	11.8
Disagree	10	9.1	9.1	20.9
Neutral	27	24.5	24.5	45.5
Agree	46	41.8	41.8	87.3
Strongly agree	14	12.7	12.7	100.0
Total	110	100.0	100.0	

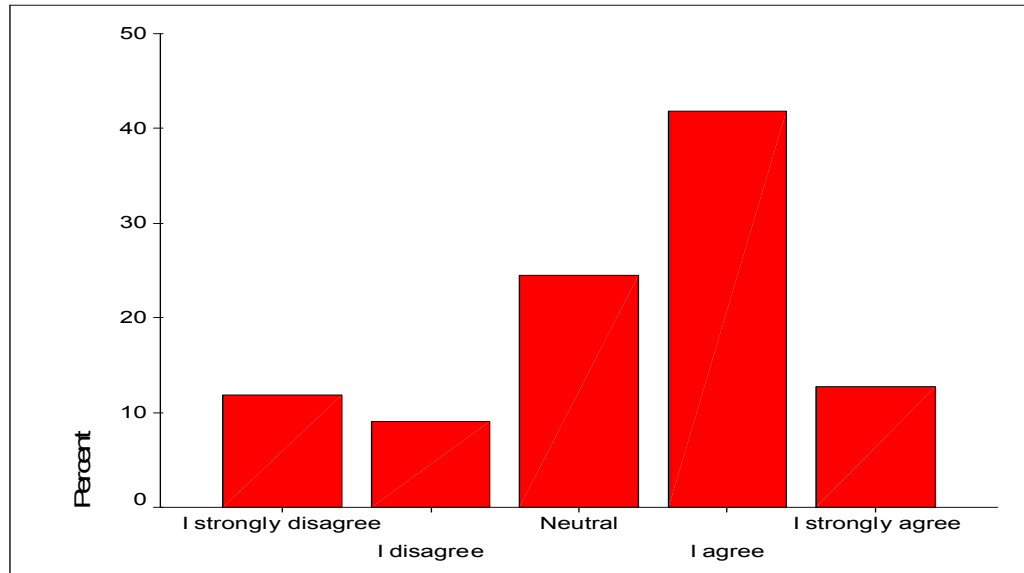


Figure 4.13: Bar graph of identification of in-house brands and manufacturer brands on the shelf.

Results from the respondents reveal that a combined total of 20.9% of respondents (11.8% strongly disagreed, 9.1% disagreed) find it difficult to differentiate in-house food brands from the manufacturer brands on the shelf, and a combined total of 54.5% of respondents (41.8% agreed, 12.7% strongly agreed), find it easy to differentiate in-house brands from manufacturer brands on the shelf, 24.5% were neutral.

4.2.14 Decision making place to buy in-house food brand

Table 4.14: The decision making place of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	At home	36	32.7	32.7	32.7
	In store	70	63.6	63.6	96.4
	Missing	4	3.6	3.6	100.0
	Total	110	100.0	100.0	

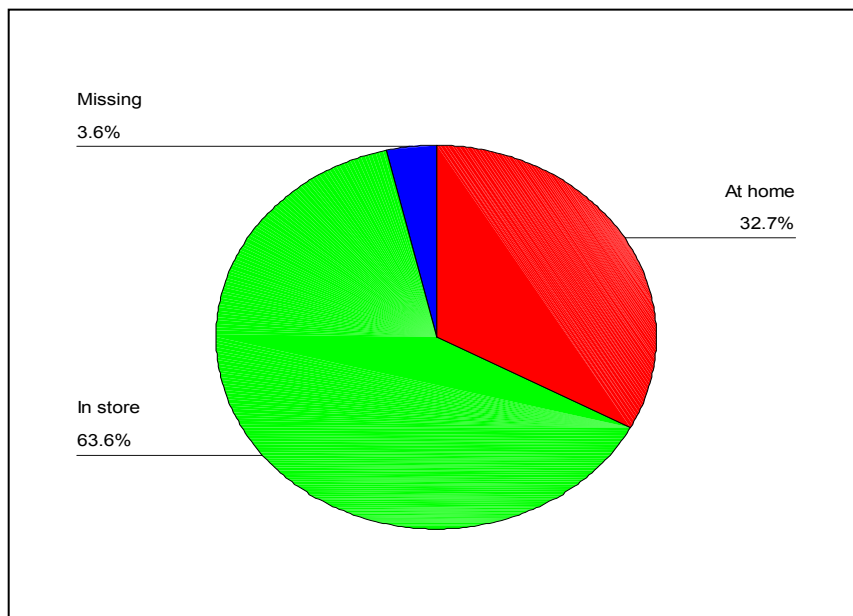


Figure 4.14: Pie graph of respondents on the decision making place.

Responses from respondents reveal that 32.7% make their decision to purchase in-house food brands at home, 63.6% make their decision whilst in the store while 3.6% were not sure as to whether this decision is made whilst in the store or at home.

4.2.15. The influence of sales personnel on the decision to buy in house food brands.

Table 4.15: The influence that sales personnel have on the decision to purchase in-house food brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	23	20.9	20.9	20.9
Disagree	28	25.5	25.5	46.4
Neutral	23	20.9	20.9	67.3
Agree	31	28.2	28.2	95.5
Strongly agree	4	3.6	3.6	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

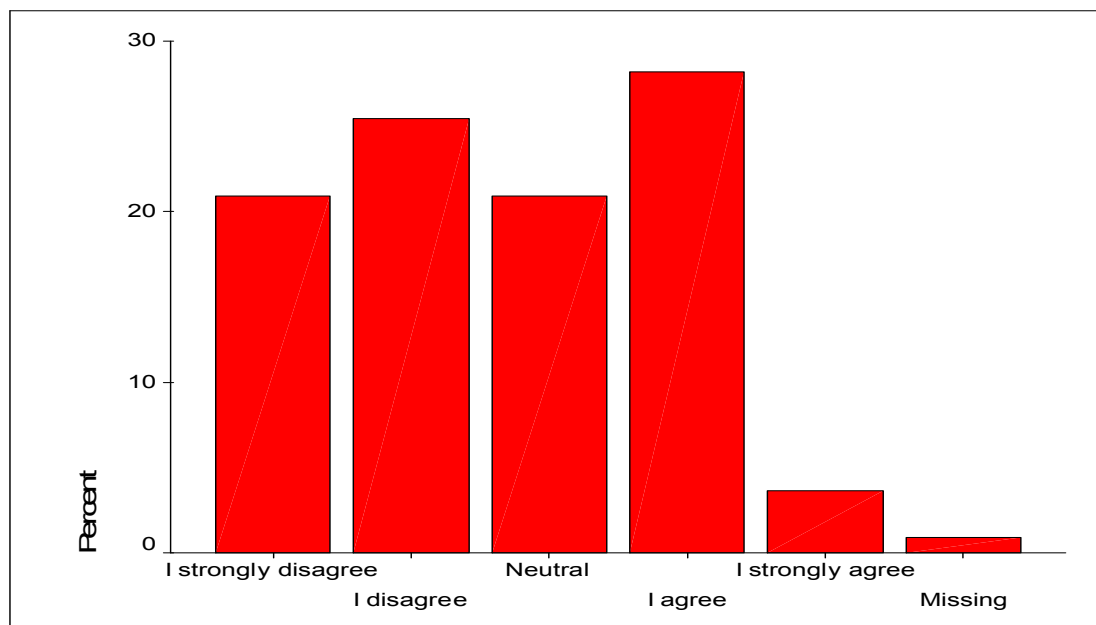


Figure 4.15: Bar graph of distribution of respondents regarding the influence that sales personnel have on the decision to purchase in-house food brands.

Responses from respondents reveal that a combined total of 46.4% of respondents (20.9% strongly disagreed, 25.5% disagreed) disagreed with the fact that sales personnel have any influence on their purchasing decisions, and a combined total of 31.8% of respondents (28.2% agreed, 3.9% strongly agreed) agreed to have been influenced by the sales personnel, 20.9% were rather neutral, and 0.9% did not respond on this topic.

4.2.16. Quality rating of in-house food brands

Table 4.16: In-house brand quality rating of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High quality	34	30.9	30.9	30.9
	Low quality	21	19.1	19.1	50.0
	Same as manufacturer brands	50	45.5	45.5	95.5
	Poor	3	2.7	2.7	98.2
	Missing	2	1.8	1.8	100.0
	Total	110	100.0	100.0	

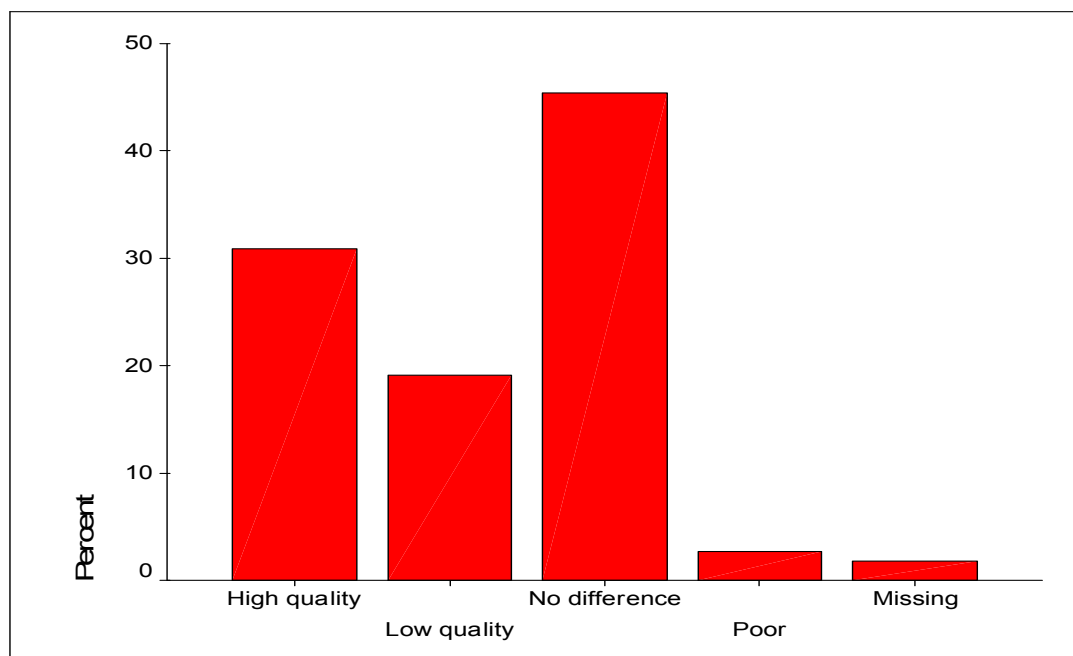


Figure 4.16: Bar graph of in-house brand quality rating of respondents.

On this topic consumers were asked to rate the quality of in-house brands when compared to those of manufacturer brands. The results from the respondents reveal that 30.9% rate the quality of in-house food brands to be high, 19.1% consider them to be of low quality, 45.5% consider the quality of in-house brands to be the same as those of manufacturer brands, and 2.7% consider them to be poor, while 1.8% did not respond to this question.

4.2.17. Consumers' quality satisfaction of in-house food brands

Table 4.17: Consumers satisfaction with in-house-brands quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	1.8	1.8	1.8
	Disagree	11	10.0	10.0	11.8
	Neutral	34	30.9	30.9	42.7
	Agree	59	53.6	53.6	96.4
	Strongly agree	3	2.7	2.7	99.1
	Missing	1	.9	.9	100.0
	Total	110	100.0	100.0	

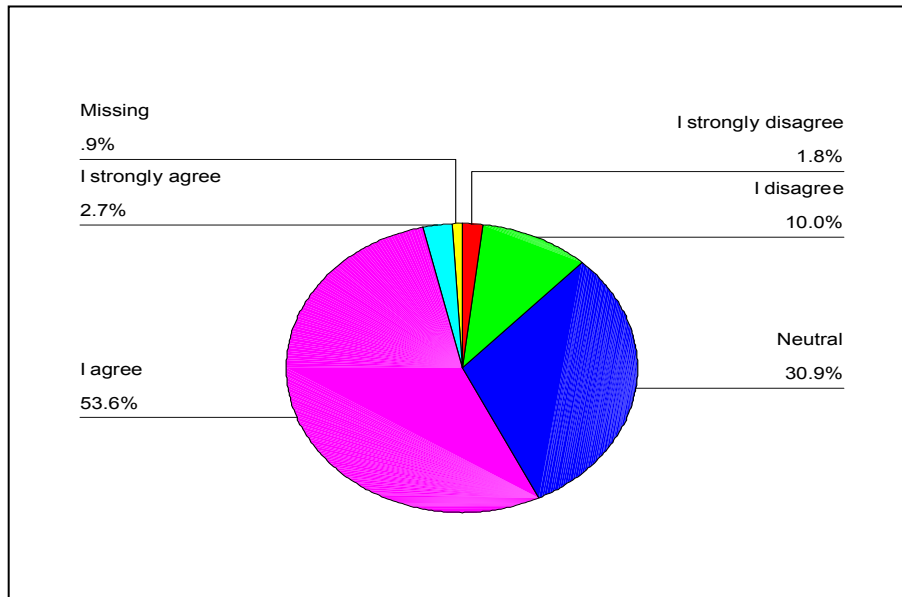


Fig.4.17: Pie chart of consumers satisfaction with in-house-brands quality

Consumers were asked to indicate their overall satisfaction with the quality of in-house food brands. Results from respondents reveal that a combined total of 11.8% of respondents (1.8% strongly disagreed, 10% disagreed) feel unsatisfied with the quality of in-house food brands and a combined total of 56.3% of respondents (53.6% agreed, 2.7% strongly agreed) feel satisfied with the quality of in-house food brands, 30% were neutral, 0.9% did not respond to this question.

4.2.18 Low prices of in house food brands as a good bargain with good quality

Table 4.18: Low prices of in-house brands as a good bargain with good quality

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	8	7.3	7.3	7.3
Disagree	10	9.1	9.1	16.4
Neutral	41	37.3	37.3	53.6
Agree	40	36.4	36.4	90.0
Strongly agree	11	10.0	10.0	100.0
Total	110	100.0	100.0	

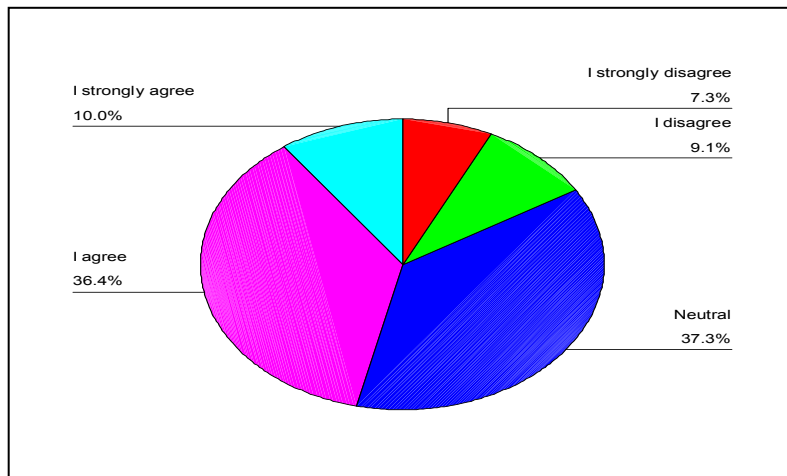


Fig.4.18: Pie chart showing Low prices as a good bargain with good quality

Results from respondents reveal that a combined total of 16.4% of respondents (7.3% strongly disagree, 9.1% disagree) disagreed with the fact that the low prices offer a good bargain with good quality, and a combined total of 46.4% of respondents (36.4% agreed, 10% strongly agreed) agreed with the fact that the low prices of in-house brands offer a good bargain with good quality, whilst 37.3% of the respondents were neutral on this topic.

4.2.19 Dissatisfaction of consumers with in-house food brands quality

Table 4.19: Consumers being unsatisfied with the quality of in-house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	53	48.2	48.2	48.2
No	53	48.2	48.2	96.4
Missing	4	3.6	3.6	100.0
Total	110	100.0	100.0	

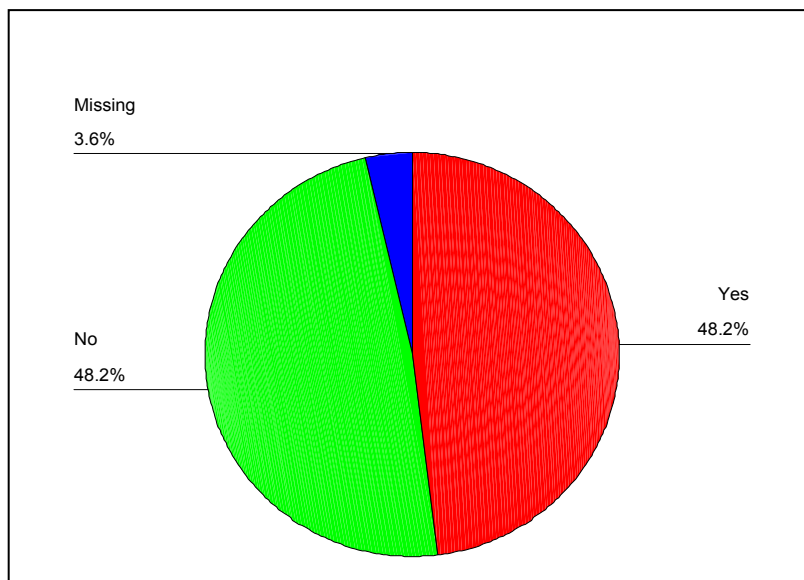


Fig.4.19: Pie chart showing Consumers being unsatisfied with the quality of in-house brands

Consumers were asked whether they once felt dissatisfied after consuming in-house food brands. Results from respondents reveal that consumers were equally divided on this topic. 48.2% indicating that they were once disappointed with the quality of in-house food brands and the other 48.2% indicating that they have never been disappointed by the quality of in-house food brands. 3.6% of the respondents did not respond to this question.

4.2.20 Trustworthiness of the information provided on the in-house food brands labels about the contents and quality of the product. Table 4.20

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	1.8	1.8	1.8
Disagree	21	19.1	19.1	20.9
Neutral	52	47.3	47.3	68.2
Agree	26	23.6	23.6	91.8
Strongly agree	9	8.2	8.2	100.0
Total	110	100.0	100.0	

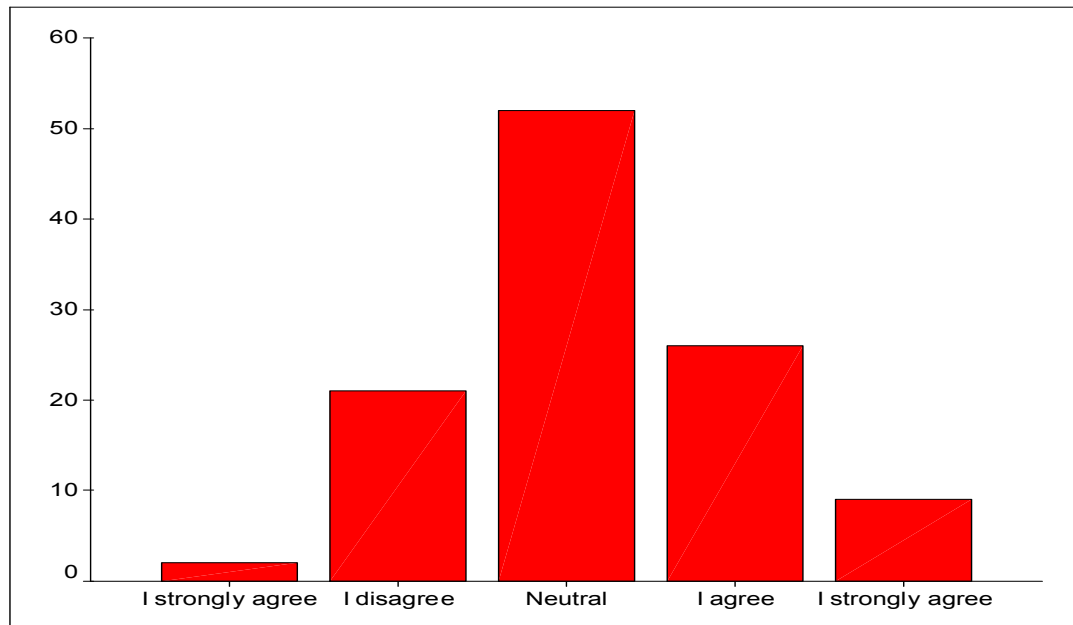


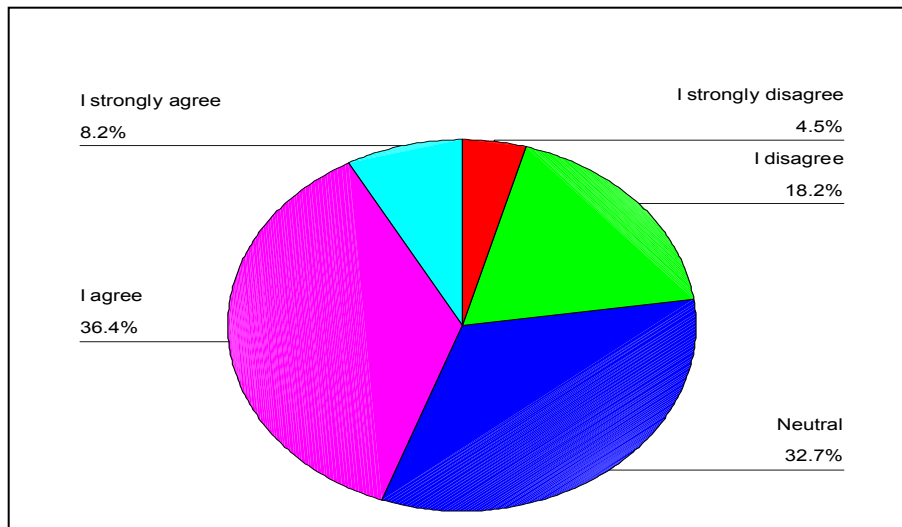
Figure 4.20: Bar graph of distribution of respondents regarding the trustworthiness of information on the labels of in-house brands.

From the table above it is noted that consumers' responses are generally mixed, however the largest portion 47.3% of respondents remained neutral on this topic, whilst a combined total of 20.9% of respondents disagreed with the fact that the information provided on the labels of in-house food brands is trustworthy. A combined total of 31.8% (23.6% agreed, and 8.2% strongly agreed) of respondents agreed to the fact that the information provided on the in-house food brand labels is trustworthy.

4.2.21 Quality maximisation from the money spent on in-house food brands by consumers

Table 4.21: Quality maximization on the money spent on in-house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	5	4.5	4.5	4.5
Disagree	20	18.2	18.2	22.7
Neutral	36	32.7	32.7	55.5
Agree	40	36.4	36.4	91.8
Strongly agree	9	8.2	8.2	100.0
Total	110	100.0	100.0	



Pie chart
Fig.4.21

From the table above it is noted that a combined total of 22.7% of respondents (4.5% strongly disagreed, 18.2% disagreed) disagreed with the fact that when purchasing in-house food brands, quality of products is maximized on the money spent. 32.7% of the respondents remained neutral on this question whilst a combined total of 44.6% of respondents (36.4% agreed, 8.2% strongly agreed) responded that they maximize on quality of the in-house brands when purchasing.

4.2.22 Taking a look at what is on offer among the in-house food brands before a final purchasing decision is made.

Table 4.22: Paying attention to in-house brands special offers

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	3.6	3.6	3.6
Disagree	20	18.2	18.2	21.8
Neutral	28	25.5	25.5	47.3
Agree	49	44.5	44.5	91.8
Strongly agree	9	8.2	8.2	100.0
Total	110	100.0	100.0	

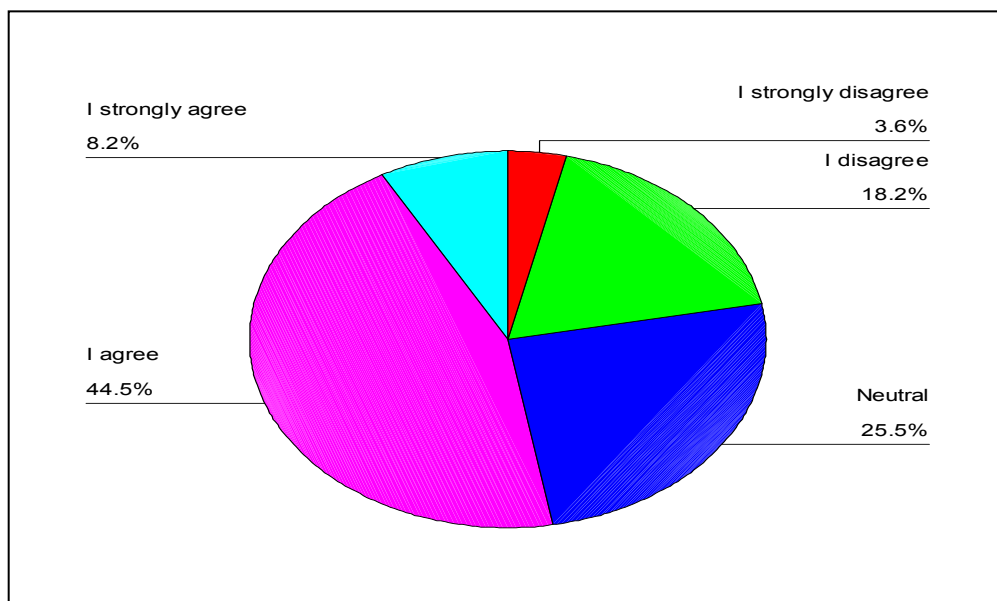


Fig. 4.22

From the table above it is evident that the majority of respondents, a combined total of 52.7% (44.4% I agree, and 8.2%, I strongly agree) consider the special price offering of in-house food brands first before they purchase their food stuff. A combined total of 21.8% of respondents (3.6% strongly disagree, 18.2% disagree) do not consider finding out what in-house food brands are on a special price offer in other food retails. 25% of the respondents did not offer any insight on this question.

4.2.23 Comparing the prices of different brands with in -house brands in order to get the best value for money

Table 4.23: Price comparison

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	5	4.5	4.5	4.5
Disagree	14	12.7	12.7	17.3
Neutral	19	17.3	17.3	34.5
Agree	50	45.5	45.5	80.0
Strongly agree	22	20.0	20.0	100.0
Total	110	100.0	100.0	

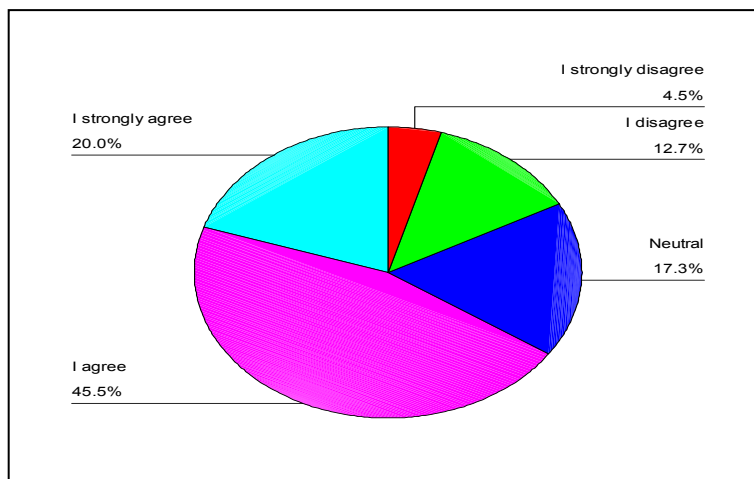


Fig. 4.23: Pie chart
Price comparison

Responses from this question reveal that the majority of respondents, a combined total of 65.5% (45.5% agree and 20% strongly agree) of respondents compare the prices of different manufacturer brands with the prices of in-house brands before a final decision on whether to buy in-house brand or not is made. A combined total of 17.2% (4.5% strongly disagree and 12.7% disagree) of the respondents indicated that they do not compare the prices of manufacturer brands with those of in-house brands before purchasing their food products. A total of 17.3% of the respondents remained neutral on this topic.

4.2.24 The prices of in-house food brands are lower when compared with those of manufacturer brands

Table 4.24: Prices of in-house brands being lower than those of manufacturer brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	7	6.4	6.4	6.4
Disagree	13	11.8	11.8	18.2
Neutral	36	32.7	32.7	50.9
Agree	40	36.4	36.4	87.3
Strongly agree	14	12.7	12.7	100.0
Total	110	100.0	100.0	

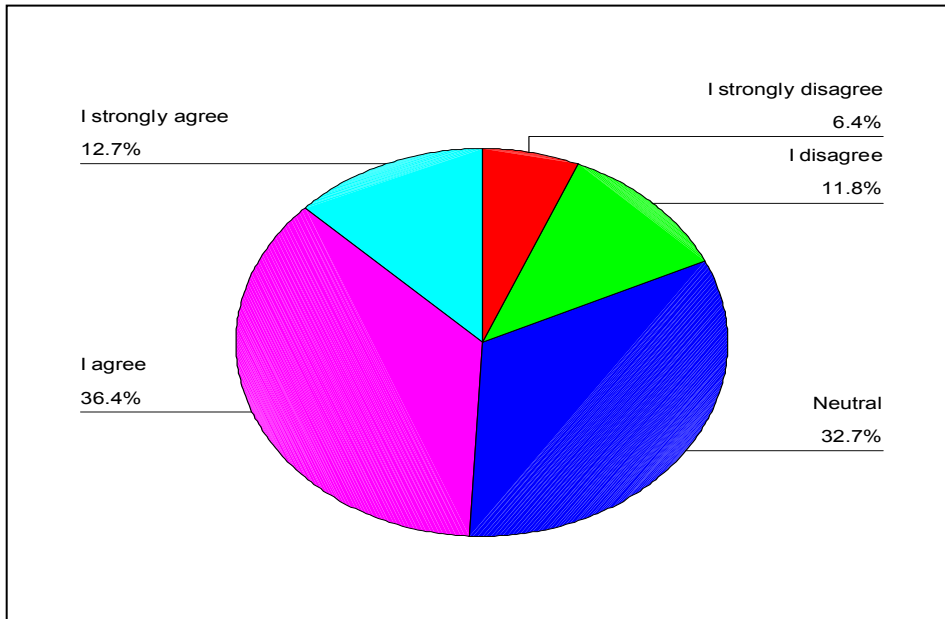


Fig 4.24

From the table above it is noted that a combined total of 49.1% of respondents (36.4% agreed and 12.7% strongly agreed) agreed with the fact that the prices of in-house food brands are lower than those of manufacturer brands. A combined total of 18.2% of the respondents disagreed with the fact that prices of in-house food brands are lower when compared with those of manufacturer brands. 32.7% of the respondents remained neutral on this question.

4.2.25 Financial constraints as a main drive to buy in-house food brands

Table 4.25: Consumers being driven by financial constraints

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	17	15.5	15.5	15.5
Disagree	30	27.3	27.3	42.7
Neutral	32	29.1	29.1	71.8
Agree	25	22.7	22.7	94.5
Strongly agree	6	5.5	5.5	100.0
Total	110	100.0	100.0	

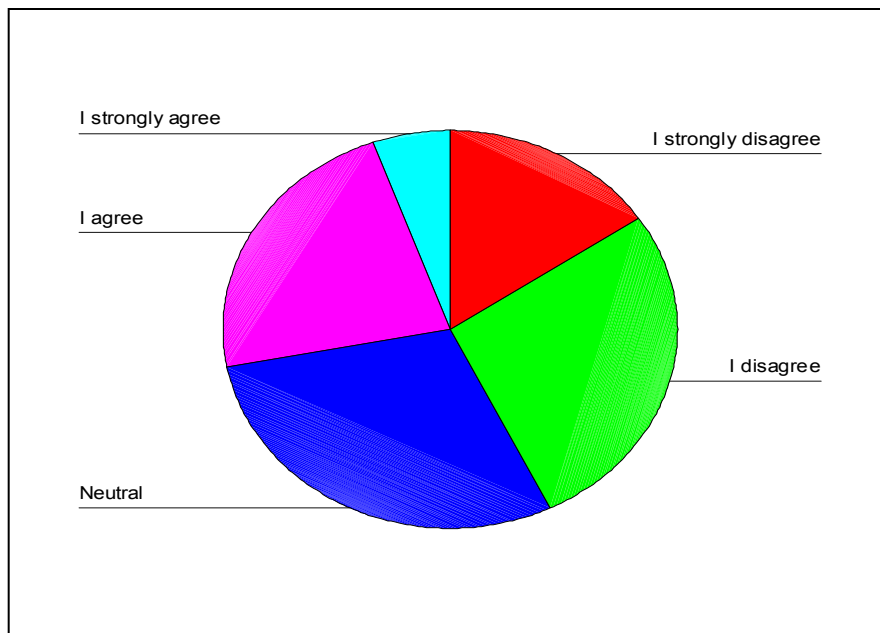


Fig. 4.25

Respondents were asked whether their buying of in-house food brands is as a result of financial constraints. Results from respondents on this question reveal that a combined total of 42.8% (15.5 strongly disagree, 27.3% disagree), disagree with the fact that they would buy in-house food brands due to financial constraints, 29.1% were neutral, and a combined total of 28.2% (22.7% agreed, 5.5% strongly agree) agreed to the fact that they buy in-house food brands as a result of financial constraints.

4.2.26 Consumers buying in-house food brands due to considerable price difference

Table 4.26: Consumers being driven by price differences

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	13	11.8	11.8	11.8
Disagree	31	28.2	28.2	40.0
Neutral	28	25.5	25.5	65.5
Agree	36	32.7	32.7	98.2
Strongly agree	2	1.8	1.8	100.0
Total	110	100.0	100.0	

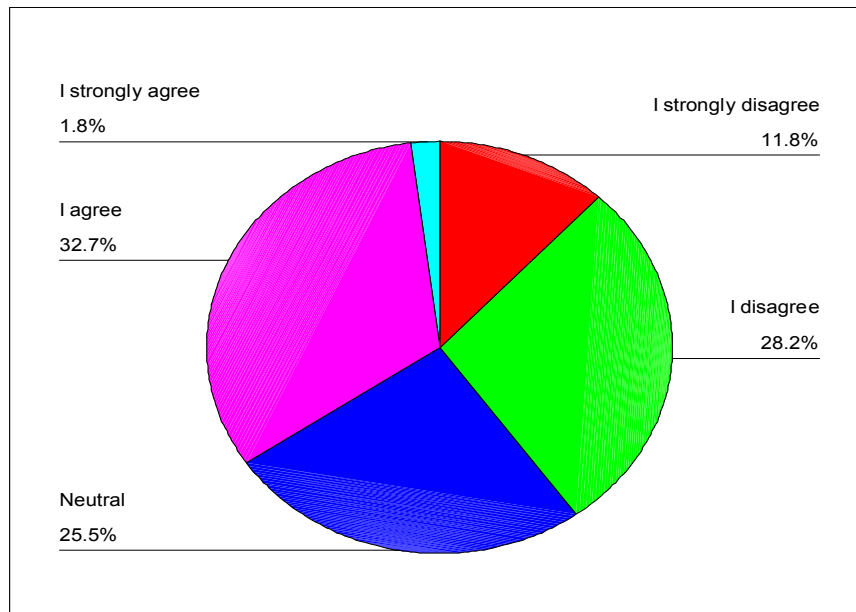


Fig. 4.26: Pie chart Consumers being driven by price differences

Consumers were asked whether they consider buying in-house food brands when the price difference is considerable. Results from respondents reveal that a combined total of 40% (11.8% strongly disagree, 28.2% disagree) would not buy in-house food brands due to considerable price difference between in-house food brands and manufacturer brands while 25.5% remained neutral on this topic and a combined total of 34.5% of respondents revealed that they buy in-house food brands because of considerable price difference.

4.2.27. Consumers shopping around in more than one retailer to find in-house food brands and compare their prices with that of manufacturing brands

Table 4.27: Consumers being driven by price differences

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	12	10.9	10.9	10.9
Disagree	44	40.0	40.0	50.9
Neutral	24	21.8	21.8	72.7
Agree	25	22.7	22.7	95.5
Strongly agree	5	4.5	4.5	100.0
Total	110	100.0	100.0	

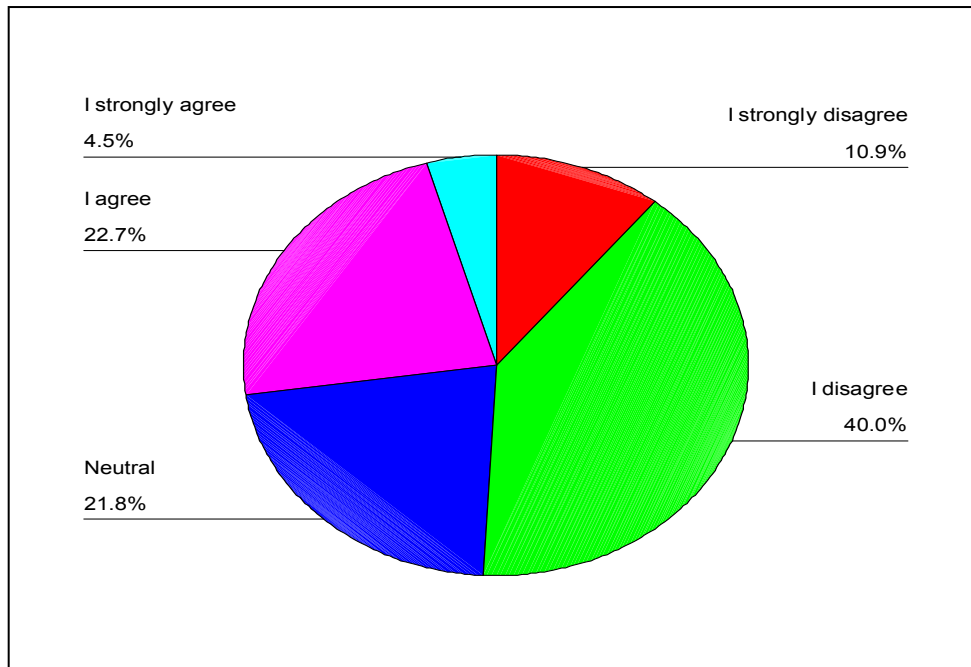


Fig 4.27: Pie chart Consumers being driven by price differences

Results from respondents reveal that a combined total of 50.9% of respondents (10.9% strongly disagreed, 40.0% disagreed), would not go shopping around for lower priced in-house food brands and a combined total of 27.2% (22.7% agreed, 4.5% strongly agreed) agreed to shopping in more than one retailer so as to compare prices of in-house food brands to manufacturer brands. 21.8% of the respondents were neutral.

4.2.28. Consumers comparing prices of in-house food brands in different food retail outlets.

Table 4.28

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	12	10.9	10.9	10.9
Disagree	30	27.3	27.3	38.2
Neutral	22	20.0	20.0	58.2
Agree	40	36.4	36.4	94.5
Strongly agree	6	5.5	5.5	100.0
Total	110	100.0	100.0	

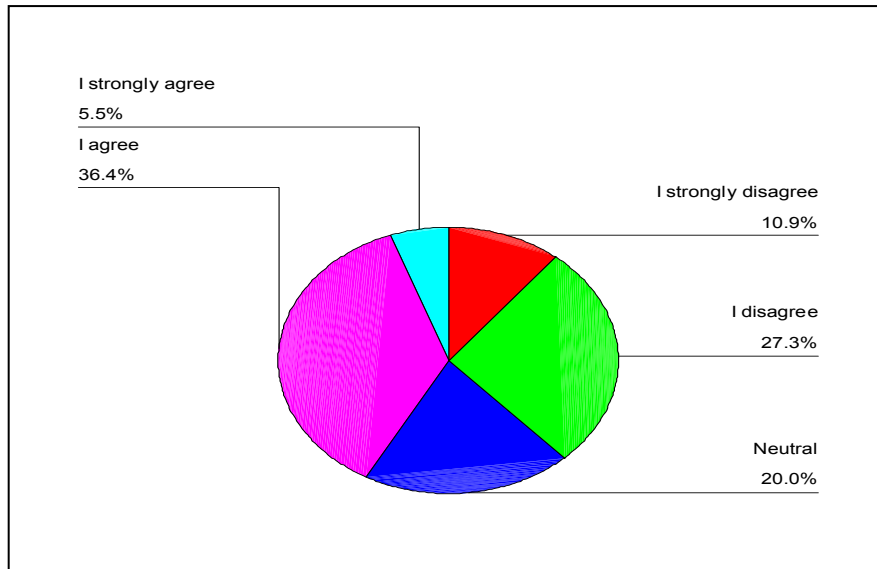


Fig 4.28

Results from respondents reveal that a combined total of 38.2% (10.9% strongly disagreed, 27.3% disagreed) do not go to different retailers comparing prices of in-house food brands, and a combined total of 41.9% (36.4% agreed, 5.5% strongly agreed) agreed to comparing prices of in-house food brands from different retailers, 20% of respondents were neutral.

4.2.29 Sufficient money and willingness to purchase in-house food brands.

Table 4.29: Disposable income and purchasing of in-house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	21	19.1	19.1	19.1
Disagree	39	35.5	35.5	54.5
Neutral	25	22.7	22.7	77.3
Agree	15	13.6	13.6	90.9
Strongly agree	10	9.1	9.1	100.0
Total	110	100.0	100.0	

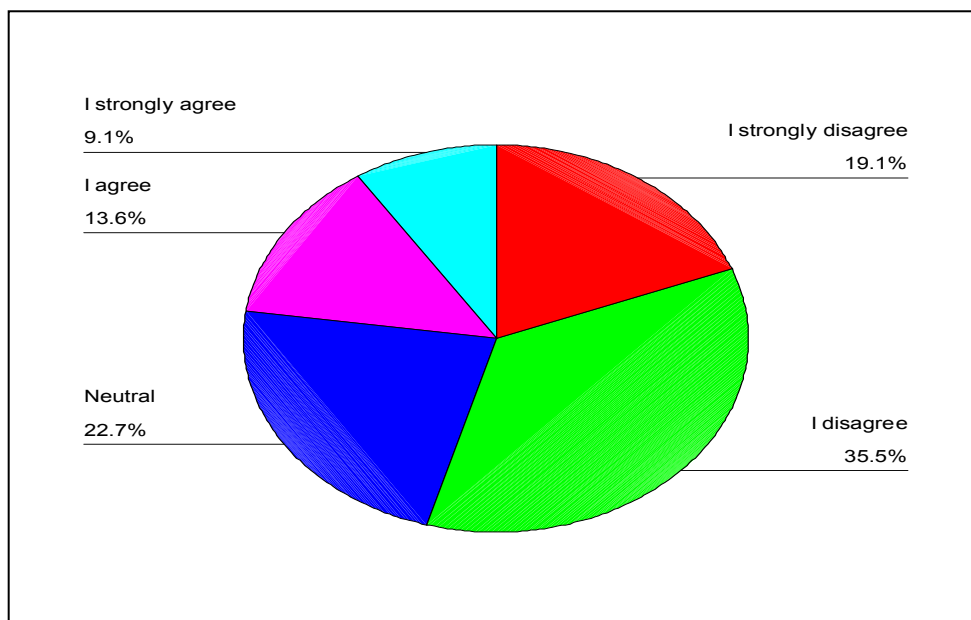


Fig 4.29

Consumers were asked whether they would still buy in-house food brands if they had sufficient money at their disposal. Results from respondents on this question reveal that a combined total of 54.6% (19.1% strongly disagreed, 35.5% disagreed) disagreed to the fact that sufficient money would make them stop buying in-house food brands, a combined total of 22.7%, (13.6% agreed, 9.1% strongly agreed) agreed that with sufficient money at their disposal they would stop buying in-house brands. 22.7% of the respondents were neutral.

4.2.30 The influence of information provided on the flyers and newspapers on the decision to purchase in-house food brands.

Table 4.30: The influence of information on flyers and advertisements

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	8	7.3	7.3	7.3
Disagree	25	22.7	22.7	30.0
Neutral	29	26.4	26.4	56.4
Agree	39	35.5	35.5	91.8
Strongly agree	8	7.3	7.3	99.1
Missing	1	.9	.9	100.0
Total	110	100.0	100.0	

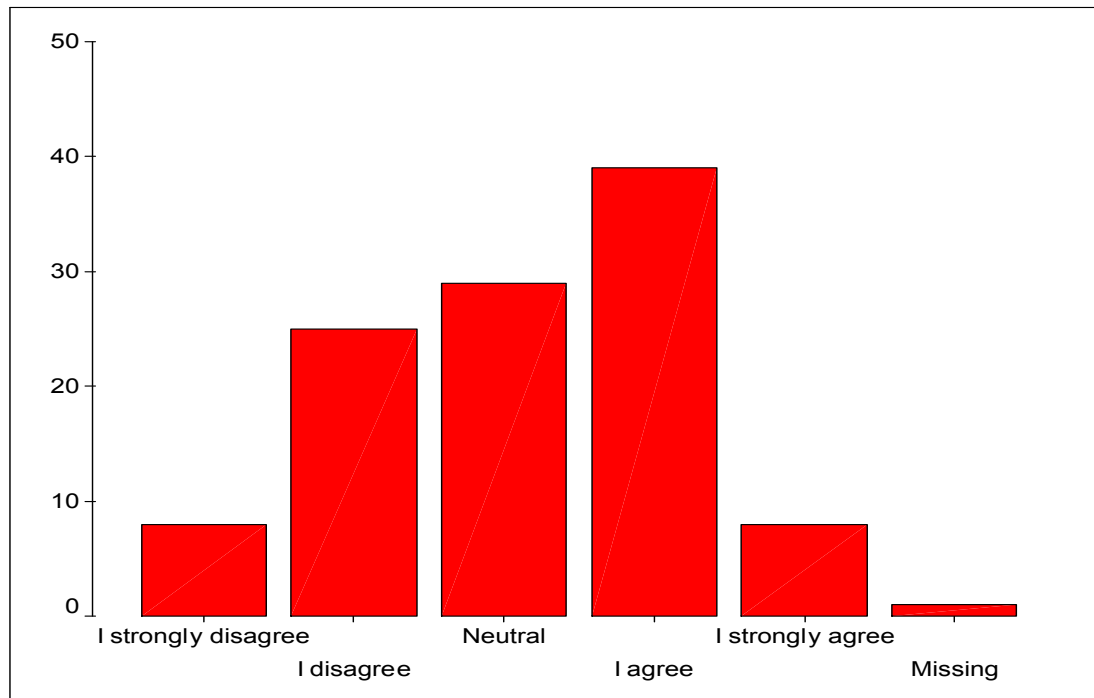


Figure 4.30: Bar graph of distribution of respondents regarding the influence of newspapers, flyers, and in-store displays.

Consumers were asked whether the information provided on the flyers and newspapers had any influence on their decision to purchase in-house brands. Results from respondents on this question reveal that a combined total of 30% (7.3% strongly

disagreed, 22.7% disagreed,) disagreed to being influenced by newspapers, flyers and in-store displays when deciding on whether to purchase in-house food brands.

A combined total of 42.8% (35.5% agreed, 7.3% strongly agreed) agreed to have been influenced when deciding to buy in-house food brands, 26.4% were neutral, and 0.9% did not respond to this question.

4.2.31 How can in-house food brands be improved?

Findings from this question reveal that consumers feel that more effort needs to be put on improving the quality of in-house food brands although some respondents acknowledged the fact that most of the retailers which have introduced in-house food brands offer good products which offer a good purchase alternative.

Respondents also pointed out that in-house food brands retailers should improve on the packaging of their products. In-house food brands should be packed in good and attractive packages and should move away from the traditional white paper packages which are often not appealing.

4.2.32 What is your general perception of in-house food brands?

Consumers generally acknowledged that the prices of in-house food brands are lower than those of manufacturer brands; however consumers noticed that in some cases the low prices were a reflection of the low quality of the in-house brands.

4.3 Inferential statistics

The Chi-Square is applied to contingency tables; it allows the researcher to establish how confidence the researcher can be that there is a relationship between the two variables in the population. The test works by calculating for each cell in the table an expected

frequency or value that is, one that would occur on the basis of chance alone, (Bryman & Bell, 2003:369)

The Pearson Chi-square test was used to test for possible significant differences between variables in order to accept or reject the hypothesis in this study.

This test calculates the probability that the data could occur by chance alone. A probability of 0.05 or less indicates statistical significant. Therefore a probability of 0.05 or smaller means there can be at least 95% certainty that the relationship between two variables could not have occurred by chance factors alone.

4.3.1 Hypothesis one

Hypothesis (H1)

Availability of disposable income (Economic class) has a significant relationship to consumer loyalty of in-house brands of food related products.

The null hypothesis (Ho)

Availability of disposable income (Economic class) has no significant relationship to consumer loyalty of in-house brands of food related products.

Chi-Square Tests

Table 4.3.1

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.313(a)	16	.106
Likelihood Ratio	27.317	16	.038
N of Valid Cases	110		

The Pearson Chi-square test $\chi^2 = 23.313$, 16df, p.106 at 95% confidence interval shows that there is no significant relationship between disposable income of consumers and their loyalty to purchasing in-house brands of food related products. The p value of 0.106 is greater than 0.05

Therefore H1 is rejected and a conclusion is made that the amount of income at consumers' disposal has no bearing on consumers' loyalty to in-house food brands. Hence, it can be inferred that the upper economic class, middle as well as the lower class can purchase and consume in-house food brands. The purchasing decision and loyalty to such products has nothing to do with the level of income of consumers.

4.3.2 Hypothesis two

Hypothesis (H1)

Good quality of in-house food related brands is an important attribute that is preferred by consumers.

The null hypothesis (Ho)

Good quality of in-house food related brands does not have any effect on consumer preferences of in-house brand' preferences.

Chi-Square Tests
Table 4.3.2

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.169(a)	16	.023
Likelihood Ratio	30.681	16	.015
N of Valid Cases	110		

The Pearson Chi-square test $\chi^2 \equiv 29.169$, 16df, p.023 at 95% confidence level revealed that there is a significant relationship between good quality of in-house food brands and consumers' preference of in-house food brands.

Since the p value of 0.023 is less than 0.05 H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely good product quality and purchasing decisions are related. From what these results revealed, it can be concluded that consumers are attracted to purchasing in-house food brands because they trust the good quality of such products.

4.3.3 Hypothesis three Hypothesis (H1)

Favourable positioning of in-house brands of food related products impacts on the purchasing decision of consumers.

The null hypothesis (H_0)

Favourable positioning of in-house brands of food related products has no impact on the purchasing decision of consumers.

Chi-Square Tests

Table 4.3.3

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.225(a)	10	.000
Likelihood Ratio	14.577	10	.148
N of Valid Cases	110		

The Pearson Chi-square test $\chi^2 = 32.225$, 10df, p.000 at 95% confidence level revealed that, there is a significant relationship between product positioning and decision to purchase.

Since the p value of 0.000 is less than 0.05 H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely product positioning and decision to purchase are related.

Therefore it can be inferred that favourable positioning of in-house food brands on the shelf has an influence on the consumers' decision to purchase.

4.3.4 Hypothesis four

Hypothesis (H1)

Low prices of in-house brands of food related products are an important incentive to consumers' purchasing behaviour.

The null hypothesis (H_0)

Low prices of in-house brands of food related products are not an important incentive to consumers' purchasing behaviour.

Chi-Square Tests

Table 4.3.4

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	51.625(a)	20	.000
Likelihood Ratio	50.187	20	.000
N of Valid Cases	110		

The Pearson Chi-square test $\chi^2 = 51.625$, 20df, p.000 at 95% confidence level revealed that there is a significant relationship between low prices and consumers' behaviour towards in-house food brands.

Since the p of 0.000 is less than 0.05, H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely low prices of in-house food brands and consumers' behaviour towards in-house food brands are related.

Therefore it can be concluded that the low prices of in-house food brands have an influence on the consumers' purchasing behaviour towards in-house food brands.

4.4 Summary from the Chi-Square

The results from the Chi-Square tests indicate and conclude that factors that play a role in influencing consumers' perceptions and behaviour towards in-house food brands are: good quality, favourable positioning, and low prices, however, through the results it also revealed that there is no relationship between income levels of consumers and their loyalty to purchasing in-house food brands.

4.5 Conclusion

The results of primary data collected from the respondents have been presented. Descriptive analysis was used to develop an understanding of the results and to provide an insight into how consumers responded to the questionnaire.

The discussion of the results will be presented in the next chapter and will aim at providing answers to the research questions. Thereafter conclusions drawn from the discussion of the results and recommendations and implications will be made.

CHAPTER FIVE

Discussion, Recommendations and Conclusions

5.1 Introduction

The previous chapter presented the analysis of the data collected through the questionnaire which was administered to consumers. This chapter answers the research questions, addresses the research aims and objectives and highlights the limitations of the study and provides suggestions for future studies.

5.2 Discussion of results

The discussion of the analysis of the results will be presented in a manner that will answer the research questions. The results of descriptive and inferential statistics that were performed on the primary data will serve as the basis for answering the critical questions which addresses the research objectives. The questions were asked in such a way that each question addressed each research objective. The questions followed the manner and order in which the research objectives were arranged hence by addressing the research questions the research objectives were addressed and achieved.

5.2.1 Critical question one: When compared to the manufacturer brands are the prices of in-house food brands lower?

From the literature review, chapter two, section 2.29, there is strong affirmation that while most premium in-house brands are still somewhat less expensive than leading manufacture brands, there are indeed some premium in-house brands now that are more expensive than manufacturers' brands. Rather than perceiving them as a poor cousin to

manufacturer brands, many consumers, especially the upper middle class will pay more for a better quality in-house brand than manufacturer brands.

Using this as the basis, the research instrument was designed to extract factors that support the low prices of in-house food brands and several questions relating to consumers' perceptions of prices of in-house brands were posed. The results from the data collection are discussed below and can be found in section 4.2.10; 4.2.11 and 4.2.24

Question 4.2.24 required consumers to indicate whether they perceive the prices of in-house food brands to be lower than those of manufacturer brands; from the results, presented in table 4.24 and figure 4.24, it is evident that almost 49.1% of consumers believe that the prices of in-house food brands are lower than those of manufacturer brands. This was against a combined total of 18.2% of consumers who disagreed to the prices of in-house food brands being lower. This response translates into the purchasing behaviour of consumers being affected by the lower prices of in-house brands.

Within the general section of the questionnaire there was a specific question that required consumers to indicate the most appealing attribute of in-house food brands; the results for this question presented in table 4.2.11 show that 52.7% find the low prices of in-house food brands as the most attractive attribute for them to purchase in-house brands.

The results, from this question, revealed that 52.7% of consumers are attracted to the in-house food brands because they find the low prices to be more appealing to them.

Consumers were asked to indicate if they have their favourite manufacturer food brands and only purchase in-house food brands because of their lower prices. The results for this question presented in table 4.10 and figure 4.10 show that a combined total 39.1% of consumers have favourite food brands and only participate in the purchasing and consumption of in-house food brands because of their lower prices.

It has been the objective of this study to test the hypothesis that low prices of in-house food brands are an important incentive to consumers' purchasing behaviour. The Pearson

Chi-square test conducted in section 4.3.4 concluded that the low prices of in-house food brands have a great influence on the consumers' purchasing behaviour towards in-house food brands.

From the findings presented above, it can therefore be concluded that the overall price levels of in-house food brands are lower than those of manufacturer brands, though in some exceptional cases there are in-house food brands commanding premium prices. Most of the consumers are purchasing in-house food brands because the prices of such products are lower, however the study found that consumers are no longer purchasing in-house food brands simply because of low prices, although the current economy weighs in on their purchase decisions. Today's consumers perceive in-house brands to be of similar quality to manufacturer brands and in some cases to be better.

5.2.2 Critical question two: How do consumers rate the quality of in-house food brands?

In this section the quality of in-house food brands will be discussed. Refer to table 4.16 and figure 4.16 for the results that support this discussion.

From the literature review, chapter two, section 2.5, transformation of the quality of in-house food brands, there is a strong affirmation from Kumar, (2007) that, the transformation of in-house brands of food related products has not gone unnoticed by consumers. The improvement in in-house food brands has made these products an acceptable purchase alternative for large groups of consumers. This idea is supported by a study conducted by Nielsen (2005) which found that two out of three consumers around the world believe that in-house brands are a good alternative to manufacturer brands.

The in-house brand landscape is changing as more retailers are indicating a growing enthusiasm for premium, high quality in-house brands intended to compete directly with leading manufacturer brands on quality and image, not just on price.

Consumers were asked to rate the quality of in-house food brands when compared to that of manufacturer brands. The results from the respondents reveal that a total of 76.4% of consumers rate the quality of in-house food brands to be either high or as good as those of manufacturer brands.

The inferential test conducted on the quality of in-house food brands in section 4.3.2 concluded that consumers are attracted to purchasing in-house food brands because they trust the good quality of such products.

The findings from this study clearly demonstrate that in-house food brands retailers have closed the gap with regard to quality in their in-house food brand offerings, and this has led to an increase in the acceptance of in-house food brands. This has not only encouraged sales of a particular in-house food brand portfolio but it has also driven traffic into the stores and potentially increased the overall performance of in-house food brand retailers.

5.2.3 Critical question three: Does the shelf positioning of in-house food brands have any influence on the purchasing decision of consumers?

In this section, the role of positioning of in-house food brands will be discussed.

Cobb and Hoyer (2000), state that despite all their efforts to pre-sell, marketers are increasingly recognizing that when it comes to in-house brands, many purchasers are strongly influenced by the store environment. For most of the women purchasers in-store displays are one of the major information sources they use to decide what brand of the product to buy. This influence is even stronger when shopping for food – it is estimated that about two out of three shoppers make their brand purchasing decision whilst inside the shop. Marketers are scrambling to engineer purchasing environments in order to

increase the likelihood of being in contact with consumers at the exact time and place they make the purchasing decision. This has been the main reason that has led to creativity in product positioning amongst the in-house brand retailers.

From the data collected from consumers regarding the positioning of in-house food brands, it can be seen that 63.6% of the consumers make their decision to purchase in-house food brands in the store. Shelf optimization is truly a unique opportunity for in-house brands food retailers to exploit ownership and control of the retail environment so as to orchestrate the ideal shopping experience of consumers and create an advantageous presentation of the in-house food brands to help generate awareness, trial and repeat purchase.

One of the objectives of this study was to evaluate the role of positioning of in-house food brands, whether it influences consumers to purchase in-house food brands.

The Pearson Chi-square test conducted in section 4.3.3 revealed that favourable positioning of in-house food brands has an influence on the consumers' in-house food brands purchasing behaviour.

Therefore it can be concluded that favourable positioning of in-house food brands on the shelf has an influence on the consumers' decision to purchase. Visibility of in-house food brands on the shelf encourages consumers to purchase such products.

5.2.4 Critical question four: What market factors are influencing consumers to purchase in-house food brands?

In this section the market factors affecting and influencing how consumers behave towards in-house food brands will be discussed. Refer to sections: 4.2.15, and 4.2.30 for the results that support this discussion.

From the literature review, chapter two, section 2.7, Unnava and Burnkrant, (1991), state that for consumers to buy in-house food brands they have to be aware of them. Brand awareness is a general communication goal for all promotion strategies. By creating in-house brands awareness, the retailer hopes that whenever the category need arises, the in-house brand will be activated from the memory for inclusion in the consideration set of choice alternatives for decision. Advertising probably has the greatest influence on in-house food brand awareness, although publicity, personal selling, in store displays, flyers and sales promotion also can increase awareness.

From the data collected from consumers regarding the marketing factors and practices influencing consumers' behavior towards in-house brands it can be seen that a combined total of 31.8% of consumers' decisions to purchase in-house food brands have been influenced by the sales personnel.

This is supported by the data collected from the consumers when they were asked about the influence of information provided in flyers, in-store displays, and newspapers on their decision to buy in-house food brands. From the data collected from the consumers it can be seen that a combined total of 42.8% of consumers have been influenced by such information when deciding on whether to buy in-house food brands or not.

One of the objectives of this study was to determine the factors influencing consumers' behaviour in respect of in-house food brands:

Therefore; it can be concluded that marketing practices such as the interactions between sales personnel and consumers, low price offers, flyers on the shop entrance, in-store displays have an influence on the consumers' decision to purchase in-house food brands. Such market communication channels create in-house food brand awareness and encourage consumers to purchase. A higher level of brand awareness is necessary to influence in-house food brand choice.

5.2.5 Critical question five: Do consumers prefer to purchase in-house food brands over manufacturer brands?

This section aims at finding out whether consumers purchase in-house food brands as a result of the absence or scarcity of manufacturer brands or if it is a first choice decision. Refer to sections: 4.2.22, 4, and 4.2.23 for the results that support this discussion.

From the literature review in chapter two, on the consumer loyalty to in-house food brands, there is a strong affirmation from Schriver (1997), that from a marketing strategy viewpoint, understanding the pattern of consumers' in-house brand purchases is crucial. In today's hypercompetitive marketplace, retaining customers is crucial for survival and far more profitable than constantly fighting to attract new customers.

From the data collected from consumers, it is evident that in-house food brands have become a competitive alternative to manufacturer brands. This is clearly demonstrated by 52.7% of consumers who take in-house brands food products as their preferred choice when purchasing food products.

Therefore it can be concluded that consumers have established in-house food brands as their products of choice, and their loyalty to such products is still growing. With every improvement in quality and lower product prices, consumers' loyalty is more likely to be on the rise. Consumers no longer see in-house food brands as substitutes to manufacturer brands but as products of choice. Many leading in-house retailers in the food sector are boosting customer service, value and the quality of their in-house brands to build

customer loyalty and profits. As competition increases for share of the consumers' disposable income, in-house food brands are providing retailers with a unique point of difference to boost the overall shopper satisfaction, store loyalty and profitability.

Attitudes towards a retail outlet have a positive effective on attitudes towards the in-house food brands of that retail outlet, in other words, if consumer attitudes of a retail outlet become favourable, consumer attitudes towards in-house brands of that retail become favourable. Therefore, all other things being equal, retailers with a better image or more positive attitudes will have higher chances to receive more favourable attitudes towards in-house brands.

5.2.6 Critical question six: What is the preferred in-house food brand category by consumers?

In this section the most preferred in-house food brand category will be discussed. Refer to section: 4.2.7 for the results which support this discussion.

Mason, (1990:65) states that food retailers are motivated to introduce in-house brands because of the need to attain a category expansion. If the in-house brands are more attractive than the best incumbent brand for certain shoppers, then the in-house brand introduction increases category value and thus expands category sales.

Peter & Olson (2005:132), state that in order to stimulate a category need, in-house brand retailers will have to create beliefs about the positive consequences of buying and using the product category or form. When consumers in the target market already recognize a category need then retailers can concentrate promotional strategies on other goals

From the data collected from consumers regarding the in-house food brand category which consumers prefer, it can be seen that a good number of consumers, almost 25.5%

of the consumers prefer to purchase meat and tinned foods; this was followed closely by a 22.7% who prefer tinned foods and frozen foods, followed by 12.7% of consumers who prefer juices and fruits.

Therefore it can be concluded that consumers prefer to buy meat, tinned foods and frozen foods from in-house brands retailers. Increased interests in these food categories can be associated with the fact that meat and other tinned foods are very expensive in branded retail shops. Establishing the extent of the price differences of in-house brands and manufacturer brands in meat and tinned foods was not within the scope of this study.

5.2.7 Critical question seven: Does disposable income of consumers play any significant role in the decision to purchase in-house food brands?

In this section the availability of disposable income of consumers and their loyalty to in-house food brands is discussed, in order to ascertain if in-house food brands are still for the low income consumers.

The results from the data collection are discussed below and can be found in section 4.2.29 and 4.2.25.

Kumar (2005), states that in-house brands have been around for some time now, yet despite some significant exceptions, in-house brands were seen as poor cousins to the manufacturer brands, directed at the poor consumers with less income, such products had a small share of the overall market that was considered unlikely to become significant. However, the market landscape has changed and in-house food brands are no longer for the poor or food brands to be considered only during the recession times.

From the data collected from the consumers about availability of disposable income and decision to purchase in-house food brands, it can be seen that a total of 54.6% of consumers would buy in-house food brands regardless of the amount of income at their disposal or the financial state that they are in.

This finding is supported by a total of 42.8% of consumers who indicated that their commitment to purchasing in-house food brands does not come about as a result of financial constraints but as a conviction of the good quality of such products.

It has been the objective of this study to test the hypothesis whether the availability of disposable income of consumers has any significance to consumers' loyalty to in-house food brands. The Pearson Chi-square test conducted in section 4.3.1 concluded that the amount of income at consumers' disposal has no bearing on loyalty to in-house food brands.

Therefore, it can be concluded that all consumers irrespective of their economic status are purchasing and consuming in-house food brands. The purchasing decision and loyalty to such products has nothing to do with the income levels of consumers. The rich consumers as well as poor consumers have all recognised the improvements in quality of in-house food brands, consumers have become price conscious, hence making in-house food brand their preferred choice when shopping for food.

5.3 Implications and recommendations

By creating in-house food brands that engage and delight consumers in a differentiated manner, in-house food brands retailers can do much more than drive sales. They can drive loyalty to their stores and the shopping experience they create. Driving this loyalty is particularly important in competitive markets which features more limited consumer disposable income and greater competition than ever before. On the South African food market, one notices that most of the top retailers carry roughly the same subset of manufacturer brands, so it is through the retailer's in-house brands that they can create

added value and interest for their consumers, in light of these, the following recommendations are made to in-house food brand retailers:

5.3.1 Invest in innovation: Research and development

In-house food brands retailers should invest more in research and development and produce more high quality products. Section 4.2.13, reveals that creativity and innovation will enable the in-house food brand retailers to produce unique and distinct products which will make it easier for consumers to differentiate in-house food brands from manufacturer brands. This will assist in removing the traditional belief of consumers that in-house brands are cheap and nasty generic substitutes for the real thing rolled out by retailers during economic hard times and discarded once the economy picks up. This will enable in-house food brands to build retailer loyalty. For the retailers to achieve this they will require a significant investment in research and innovation. This research should include a much deeper understanding of consumers, with regard to how they shop, how they consume the product and above all how they perceive the in-house brands.

The challenges, facing in-house food brands retailers, at present, is to build brands on a foundation of shopper insights and consumer understanding, to leverage all the weapons and tools of manufacturer brands and create meaningful and profitable relationship with consumers that will thrive not only during economic meltdown periods, but that will continue to make an impact on the consumers long after the economy has bounced back. In-house food brands are a part of store image, therefore if consumers have bonded well with a retailer they will feel that in-house brands of that retailer fit them well and they will evaluate in-house brands of the retailer more favourably.

5.3.2 Create attractive packaging

Packaging is the face of in-house food brands and the vehicle by which the brand becomes the consumers' brand. It tells the story behind the brand. Beyond the visual, in-house food brands packages should be created in such a way that it is easily remembered by consumers and found by shoppers.

Attractive packages have the ability of creating a brand experience and forcing brand choice at the retailer level. Creation of attractive in-house brands packages will afford in-house brand a rare opportunity to combine the market forces of both environment and package to connect, communicate and engage with shoppers.

5.3.3 Compete on both quality and price

From sections 4.2.16 and 4.2.19; reveal that in order for in-house brand retailers of food related products to be successful in the market they must develop high quality in-house brands products and compete with manufacturer brands on quality, not just low priced brands, without a combination of low price and high quality, in-house food brands cannot be successful, most of the consumers appreciate the low price offers from in-house food brand retailers, but low prices alone cannot guarantee the success of in-house food brands. A price cut from manufacturer brands, in response to in-house brands, may be seen as a better option for the consumers. One bad product experience can hurt the entire store brand, not to mention the retail banner itself. Product quality needs to be consistent across each store brand.

5.3.4 Product positioning

Place the in-house brands next to leading manufacturer brands. Results from this study have shown that most of the consumers make their final purchasing decision whilst inside the shop, section 4.2.14; hence by placing in-house food brands products next to the manufacturer brands retailers will afford the consumers a chance to compare the prices and make a smart choice. In-house brands retailers should position their products with respect to an attribute that their competitors, manufacturer brands, have ignored. The price/ quality attribute dimension, in this case will be the best option to utilise for positioning products as well as stores since in many product categories, in-house brands offer more in terms of features and performance.

5.4 Limitations of the study

While this study provides several potentially interesting insights into the world of in-house food brand empires, it has a number of limitations that need to be considered when interpreting the results and conclusion of this study. However, through this study, a better understanding of the research problem has been gained. It has also formed the basis on which future research can be carried out.

5.4.1 Lack of resources

Due to lack of resources, this study was limited to Durban's Central Business District and a simple stratified sample of 110 consumers participated in this research instead of a true sample size of 400 consumers.

5.4.2 General approach on food products

The study took a more general approach towards in-house food brands; it should have taken a more specific approach, selecting a specific food category instead of including all the product categories in the food sector. This affected the interpretation of the results as consumers' perceptions differ from one food category to another. A study focusing on a specific food category will assist in addressing this problem.

5.5 Future research

From the discussion of the results and limitations of this study it is recommended that further research be undertaken to support the findings of this study. Further research may be conducted in the following areas:

5.5.1 Factors to consider before introducing in-house brands

Future research could investigate what market factors need to be considered before in-house food brands are introduced into the market. This will reduce the number of in-house brand failures on the market and costs associated with it.

5.5.2 Price competition between in-house brands in the food sector

Future research could come up with an analytical model to investigate if there is any price competition between the in-house brands in the food sector. This will provide an insight into how the future of in-house brands looks like and propose possible ways of how to keep the prices low.

5.5.3 Investigate counter marketing strategies being used by manufacturer brands

Future research could investigate what marketing strategies are being employed by the manufacturer brands to counter the invasion of in-house brands in the food sector.

5.6 Summary of work

The background of this study that was given in chapter one provides a context to the problem statement which focuses on the consumers' perceptions of in-house brands in and around Durban' CBD.

In chapter two the literature review created a theoretical framework for this study. It revealed that there is not much local literature available on in-house food brands that keep on invading the local supermarkets and retailers, addressing the questions of in-house brands, on how they are performing, pricing, and their quality and how consumers perceive them on the market. This limitation was overcome by reviewing the research that has been done within the broader food retail environment, since food industry is within a subset of the retail industry.

The literature review looked at the in-house food brands on the market and that the quality of such food products is improving, positioning them as an acceptable purchase alternative for the consumers. It analysed the transformation that has been taking place in the food market since the introduction of in-house food brands. The literature goes on to explain why food retailers are introducing in-house brands to compete with the manufacturer brands.

In chapter three the research methodology was outlined and focused on the use of the questionnaire to collect data from the consumers within the Durban' CBD area. The questionnaire was designed by mapping it to the research questions given in chapter one.

In chapter four the analysis of data was presented. Statistical analysis was performed on the data using SPSS software to support the interpretation and discussion of the results presented in chapter five.

5.7 Conclusion

The data collected from the consumers in the Durban Commerce and Business District confirms that in-house food brands have established themselves as a clear competitor to manufacturer brands and have become an alternative purchase choice amongst consumers in most of the food categories.

There is no doubt amongst consumers that quality improvement and lower prices will position in-house brands as a force to reckon with and pose a major threat to the market share of manufacturer brands in the food sector.

The data collected through the process made a significant contribution to answering the research questions, specifically, in eliciting candid data from the respondents and further helping identify consumers' perceptions and insights of in-house food brands.

From the discussion above it can be concluded that the study has fully addressed the research problem and provided answers to the research questions within limitations of the study.

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APPENDIX A: LETTER OF INFORMED CONSENT

School of Management Studies

MCom Research Project

Researcher: STEWART KAUPA (Cell phone No. 072 8133239)

Supervisor: Dr. M.A. PHIRI (033- 260- 5843)

Research Office: Ms P Ximba (031-260 7850)

Dear Respondent,

I, **STEWART KAUPA**, am a M.Com (Marketing) student in the School of Management, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

An investigation of consumers' perceptions of in-house food brands in Durban's major food retailers.

The aim of this study is to:

- Evaluate how consumers perceive the prices of in-house brands of food related products.
- Evaluate how consumers perceive the quality of in-house brands of food related products
- Evaluate the role which positioning of in-house brands of food related products plays on the purchasing decision.

- Determine the factors influencing consumer behaviour in respect of in-house brands of food related products.
- Investigate consumers' loyalty to in-house brands of food related products.
- Investigate which categories of in-house brands of food related products consumers prefer to purchase.
- Investigate if there is any relationship between disposable income of consumers and their loyalty to in-house brands of food related products.

Through your participation I hope to understand how consumers perceive the in-house food brands in terms of their quality, prices and how they are positioned in consumers' mind. It will also assist in gaining an understanding of how factors such as shelf space allocated to the brands, and disposable income of consumers have any impact on consumer loyalty on such brands. This research is undertaken with the aim of contributing to the field of marketing. Your participation in this project is voluntary. You may withdraw from the project at any time. There will be no monetary gain from participating in this research project.

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

It should take you about 15-20 minutes to complete the questionnaire. I hope you will take the time to complete the questionnaire.

Sincerely Investigator's signature_____

Date_____

School of Management Studies

MCom Research Project

Researcher: STEWART KAUPA (Cell phone No. 072 8133239)

Supervisor: Dr. M.A. PHIRI (Tel. 033 2605843)

Research Office: Ms P Ximba (031-260 7850)

CONSENT

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

Signature of Participant

Date

APPENDIX B: QUESTIONNAIRE

Please fill out all the demographic details requested below and answer all the questions that follow:

Section A: Demographics

1. Gender: ☐ Male ☐ Female
2. Age: 20 -25 ☐ 26-30 ☐ 31-35 ☐ 36-40 ☐ 41 & above ☐
3. Are you employed?
☐ Yes ☐ No
4. My current income level (in Rands) per annum is:
☐ [1- 50 000]
☐ [50 001-100,000]
☐ [100,001-150 000]
☐ [150 001-200 000]
☐ [200 001 and above]
5. My highest level of education is:

<input type="checkbox"/> Primary school	<input type="checkbox"/> Postgraduate degree/ diploma
<input type="checkbox"/> High school	<input type="checkbox"/> Other: please specify. _____
<input type="checkbox"/> Undergraduate degree/ diploma	

SECTION B

6. Do you buy in-house food brands?

☐ Yes

☐ No

7. What type of in-house food brands do you prefer buying? (You may tick more than one)

☐ Frozen foods

☐ Tinned foods

☐ Juices

☐ Meat

☐ Fruits

8. My main reason(s) for purchasing in-house food brands is:

☐ They have good quality

☐ Their prices are lower than manufacturer brands

☐ They are easy to find in the shop

☐ All of the above

☐ Other (please specify) _____

9. I only buy in-house food brands products when they are on a special price offer.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

10 When it comes to food items, I have my favourite brands, but often I buy in-house brands because of their lower prices.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

11. What do you find most appealing about in-house food brands.

☐ Prices

☐ Quality

☐ Freshness

☐ In store services offered about the brands

12. What is your main source of information about the in-house food brands?

☐ Radio

☐ Newspapers

☐ Television

☐ In-store displays

☐ flyers

13. I find it easy to differentiate in-house brands food items from the manufacturer brands on the shelf.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

14. My decision to buy in-house food brand is often made:
- ☐ At home
 - ☐ In store
15. Salespersons have often influenced my decision to buy in-house food brands.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree
16. How do you rate the quality of in-house food brands?
- ☐ Superior quality
 - ☐ Low quality
 - ☐ No difference from manufacturer brands
 - ☐ Inferior
17. After buying and consuming in-house food brands, I often feel satisfied with its quality
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree

18. Low prices of in house food brands offer a good bargain with good quality.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree
19. Have you ever bought an in-house food brand but after consuming it, you felt unsatisfied with its quality.
- ☐ Yes
 - ☐ No
20. Information provided on the in-house brands about the contents and quality of the product is trustworthy.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree
21. When purchasing in-house brands, I always try to maximise the quality I get for the money I spend.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree

22. When I go shopping I first take a closer look at what is on offer among the in-house food brands.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

23. When I go shopping, I compare first the prices of different brands with in-house brands to be sure that I get the best value for my money.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

24. I consider the prices of in-house brands to be lower than those of manufacturer brands.

☐ I strongly disagree

☐ I disagree

☐ Neutral

☐ I agree

☐ I strongly agree

25. I buy in-house brands food products only when I am under financial constraints.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree
26. I only buy in-house brands when the price difference between the in-house brand and manufacturer brand is considerable.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree
27. I often shop around in more than one retailer to find in-house food brands and compare their prices with that of manufacturing brands.
- ☐ I strongly disagree
 - ☐ I disagree
 - ☐ Neutral
 - ☐ I agree
 - ☐ I strongly agree

28. I often shop at more than one retailer so as to compare the prices of different in-house brands:

- ☐ I strongly disagree
- ☐ I disagree
- ☐ Neutral
- ☐ I agree
- ☐ I strongly agree

29. If I had enough money I would not buy in-house brands.

- ☐ I strongly disagree
- ☐ I disagree
- ☐ Neutral
- ☐ I agree
- ☐ I strongly agree

30. Information provided on flyers, in store displays and newspapers about specials have often influenced my decision to buy in-house brands.

- ☐ I strongly disagree
- ☐ I disagree
- ☐ Neutral
- ☐ I agree
- ☐ I strongly agree

31. How can in-house food brands be improved?

32. What is your general perception of in-house food brands?

Thank you for your participation.

APPENDIX C: ETHICAL CLEARANCE APPROVAL



13 September 2010

Mr S P Kaupa
c/o Faculty of Management Studies
G9/10 Commerce
Golf Road
PIETERMARITZBURG CAMPUS

Dear Mr Kaupa

PROTOCOL: An investigation of consumers' perceptions of in-house food brands in
Durban's major food retailers
ETHICAL APPROVAL NUMBER: HSS/0977/2010 M: Faculty of Management Studies

In response to your application dated 03 September 2010, Student Number: **200201969** the
Humanities & Social Sciences Ethics Committee has considered the abovementioned
application and the protocol has been given **FULL APPROVAL**.

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 Steve Collings (Chair)
HUMANITIES & SOCIAL SCIENCES ETHICS COMMITTEE

SC/sn

cc: Dr. M A Phiri (Supervisor)
cc: Ms G Ponsford

Postal Address:
Telephone: Facsimile: Email: Website: www.ukzn.ac.za
Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville