THE IMPORTANCE OF BRANDING FAST MOVING CONSUMER GOODS IN RETAIL CHAIN STORES: CONSUMERS & MARKETERS PERCEPTIONS IN SOUTH AFRICA

BY

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PROMOTER:

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STATEMENT

I, Pragasen Pillay, hereby declare that the work presented in this thesis is based on my own research, except where otherwise acknowledged. I have not submitted this thesis to any other institution of higher education to obtain an academic qualification.

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ABSTRACT

This investigation probes the perceptions of consumers as well as marketers with regard to the branding of fast moving consumer goods in South African retail chain stores. While much research has been conducted on branding, this investigation will focus on the extent to which marketers' perceptions and consumers' perceptions converge with a view to maximizing the mutual benefits to be derived from marketing strategies within a contemporary South African environment. The extent to which South African marketers' perceptions and consumers' perceptions converge to promote brand equity is postulated in the brand equity optimization model. The research commenced with an exhaustive literature survey followed by an empirical survey. The fieldwork for this survey was conducted nationally among the three major retail groups in South Africa and among consumers living in the province of KwaZulu-Natal. The findings from the literature survey indicate that both local and international companies have realized the potential of investing resources in brand building activities. These findings have provided evidence to suggest that building brand equity for fast moving consumer goods impacts positively on the sales and the popularity of these products. The findings of the empirical research illustrates that the typical South African consumer has become brand conscious and brand building activities encourage them to purchase these products. The findings from the consumer survey were supported by the investigation conducted among retail chain stores who agreed that building brand equity results in increased sales and the popularity of the products concerned. Consumers have a preference for manufacturer branded products but house brands are selected primarily because they are cheaper. Manufacturer brands are viewed by consumers as having the most innovative packaging, excellent promotional support and consistently good quality while retail chain stores believe that manufacturer brands lead the way in terms of brand building activities, packaging innovation, promotional support and quality. The results of both surveys illustrate that retail chain stores and consumers share similar viewpoints with regards to the branding, packaging, pricing, promotions and quality attributes of fast moving consumer goods in terms of optimizing brand equity.

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CHAPTER 1

AN OVERVIEW OF THE STUDY

1.1 INTRODUCTION:

The fundamental objective of this investigation is to determine the extent to which branding and its integral aspects of packaging, pricing, promotion and the quality of fast moving consumer goods influence the purchasing patterns of consumers in South African retail chain stores. South African consumers seek quality, reliability and consistency in the performance of the products that they consume on a daily basis. According to Sinclair and Barenblatt (1993:131) the South African market is highly fragmented and is characterized by a diversity of cultures, traditions and beliefs, on the one hand, and historical imbalances in consumer purchasing power, illiteracy, and a wide variety of socio-economic challenges, on the other hand. Yet the lure of the popular brands cannot be denied by either group of consumers. Moreover, consumers are increasingly experiencing what they perceive as an enhanced image from the consumption and possession of branded products (Formby and Pile 2007:52-54).

These factors clearly translate into opportunities for marketers, especially if the needs and wants of an enterprise's target market are properly researched and appropriately addressed. Consequently, marketers need to plan and structure the various elements of the marketing mix in order to have the desired effect on their target audiences. The extent to which the optimum synergies accrue to the various chain stores will depend on their emphasis on one or more of the components of the marketing mix (Kotler 2008). The South African retail environment is dominated by three groups, namely, Shoprite/Checkers, Pick 'n Pay and Spar. Collectively these three groups have 1 459 individual stores located throughout South Africa and cater for the needs of the vast majority of South African consumers. These stores stock a wide variety of fast moving consumer goods that constitute an integral part of the households of South African consumers (Retail Edition, 2006:7).

Traditionally, the strategies employed by most marketers have focused on competitive differentiation and the emotional attributes of a brand. Additionally, the contemporary business environment requires a strategic shift in the construction of brand plans as consumers become more discerning in terms of their needs and wants (Thompson and Arsel 2006). It is inevitable that a critical component of building brand equity is to ensure consistently brilliant products and services. Keller (1994:RC-4) makes the following statement to illustrate this argument: "Today, brands must learn to aspire to the consumer".

In line with the changing social environment in South Africa, there is a trend among consumers to demand more from the brands that are traditionally consumed. Consumers are looking for more convenience in fast moving consumer goods, packaging that keeps products fresher for longer and which also offers more protection for its contents, advertising that keeps them aware of new product developments, and distribution that keeps products within arm's length of desire All parties involved in the marketing and distribution of fast moving consumer goods need to be aware of these and other demands of consumers in order to supply consumers with a suitable market offering. As the business environment becomes more competitive and dynamic, companies will need to focus on the relationship between brand relevance and customer loyalty in order to maintain and grow their market share (Retail Edition, 2003:12).

1.2 MOTIVATION FOR THE STUDY:

The branding of fast moving consumer goods has become an integral part of the lives of consumers not just in South Africa but internationally as well. Consumers are literally confronted with hundreds of brands on a daily basis and are, therefore, spoilt for choice (Leixton and Movondo 2005). From a business's perspective, Kotler (2008) and Doyle (2002) believe that brands are central to an entity's marketing and business strategy. Establishing a brand that has earned the respect and admiration of consumers is of fundamental importance in attempting to build market share and profitability, and challenging competitors for market dominance. The viewpoints presented by Kotler (2008) and Doyle (2002) are supported by Shiffman and Kanuk (2004), Barnard and Ehrenberg (1997:21), and Rabuck and Rosenberg (1997:17) who all maintain that popular brands that enjoy a great deal of consumer loyalty have a huge and very positive impact on the company's market share and profitability.

According to Erdem and Valenzuela (2006) the marketers of fast moving consumer goods collectively spend billions of rands on the marketing and development of new and existing products each year and since the objective of most marketers of fast moving consumer goods is to maximize the wealth of their shareholders by increasing turnover through innovative marketing campaigns, this study will investigate the extent to which the perceptions of South African marketers and consumers converge to promote brand equity in respect of fast moving consumer goods in retail chain stores. The role and impact of branding and its integral aspects of packaging, pricing, promotion and quality will be interrogated to establish how these variables contribute towards this convergence of perceptions which determines the brand equity of fast moving consumer goods. Evidently, the turnover generated from the sales of fast moving consumer goods forms a significant portion of all sales generated by retail chain stores (Ratnatunga and Ewing 2005). The results arising from this study will provide retail chain stores with crucial information with regards to the factors that motivate consumers to purchase fast moving consumer goods. The information gathered on the branding of fast moving consumer goods will prove useful to store managers in terms of allocating shelf-space to the various brands of fast moving consumer goods.

The improvements that should arise in retail chain stores as a result of the better management of the fast moving consumer goods category should provide the consumer with a more pleasurable shopping experience. The extent of this convergence will be illustrated in the model in Chapter Four and will provide a unique source of reference to marketers and academics seeking to gain a better understanding of brand equity optimization within a contemporary South African environment.

1.3 THE PROBLEM STATEMENT:

In today's competitive business environment companies invest vast amounts of resources in building brand equity over a number of years with the objective of recouping this investment in future years through consumer brand loyalty (Erdem and Valenzuela 2006). Since the intangible asset of brand equity provides a company with its competitive advantage and its profitability, it is essential to ensure that the optimization of brand equity remains at the forefront of strategic marketing management. Exactly what contributes to brand equity optimization for fast moving consumer goods in retail chain stores needs to be ascertained as the first step towards developing a strategic marketing plan (Dewhirst and Davis 2005).

This leads the researcher to the main problem statement, namely,

The extent to which South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores needs to be assessed.

In attempting to address the main problem statement, it will also be necessary to address the sub-problems as they relate to the extent to which:

1.3.1 manufacturers and marketers of fast moving consumer goods are confronted with a number of options when formulating marketing strategies to brand their products;

1.3.2 the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands;

1.3.3 investing resources in the branding of fast moving consumer goods can contribute positively to brand equity;

1.3.4 packaging is used by marketers to improve the image and popularity of their products;

1.3.5 pricing is understood as a strategic marketing tool to improve the sales performance of their products;

1.3.6 promotion is used by the marketers of fast moving consumer goods to influence the purchasing behaviour of consumers;

1.3.7 investing in the quality attributes of their products impacts on their market share; and

1.3.8 demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods in South Africa.

Having outlined the main problem statement and the sub-problems, it is necessary to state the objectives of this study.

1.4 RESEARCH OBJECTIVES:

The main research objective is to determine:

The extent to which South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores.

The secondary objectives are as follows:

1.4.1 to identify the options which manufacturers and marketers of fast moving consumer goods are confronted with when formulating marketing strategies to brand their products;

1.4.2 to determine if the increased popularity of branded fast moving consumer goods results in consumers choosing manufacturer brands as opposed to house brands;

1.4.3 to establish whether an investment in the branding of fast moving consumer goods contributes positively to brand equity;

1.4.4 to determine whether packaging is a valuable tool used by marketers to improve the image and popularity of their products;

1.4.5 to determine if the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool;

1.4.6 to assess whether promotion is used by fast moving consumer goods companies to influence the purchasing behaviour of consumers;

1.4.7 to establish if the marketers' investment in the quality attributes of their products impacts on their market share; and

1.4.8 to investigate whether the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods.

1.5 THE MAIN RESEARCH QUESTION:

The impact of the branding on fast moving consumer goods needs to be explored through a focused study incorporating both secondary and primary research tools which can help to gather data to respond to the problem statements and objectives discussed above.

This discussion then leads to the formulation of the main research question as follows:

Do South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores?

1.6 SUBSIDIARY RESEARCH QUESTIONS:

In quantifying the impact of branding on the popularity and sales of fast moving consumer goods through retail chain stores, the following questions need to be posed:

1.6.1 What options confront manufacturers and marketers of fast moving consumer goods when formulating marketing strategies to brand their products?

1.6.2 Does the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands?

1.6.3 Does investing resources in the branding of fast moving consumer goods contribute positively to brand equity?

1.6.4 Is packaging used by marketers to improve the image and popularity of their products?

1.6.5 Do the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool?

1.6.6 Are promotions widely used by fast moving consumer goods marketers to influence the purchasing behaviour of consumers?

1.6.7 Do marketers invest in the quality attributes of their products in order to gain market share?

1.6.8 Do the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods?

1.7 VALUE OF THE STUDY:

This study will provide an assessment on the extent to which the perceptions of consumers and that of marketers of fast moving consumer goods converge in respect of branding and its integral aspects of packaging, pricing, promotions and the quality of fast moving consumer goods as they influence the sales of these products. In so doing the literature review and the results of the empirical study along with the models presented in Chapter 4 will provide valuable insight to marketers seeking techniques to optimize brand equity within a contemporary South African environment. The study will also provide some exposure on the rapidly evolving South African consumer market which will in turn provide unique insights into the wants and desires of the previously disadvantaged sector of the population. This type of information will be of tremendous value to marketing managers and retailers seeking to gain a competitive advantage within the rapidly evolving South African market place. Fast moving consumer goods have become an integral part of the lives of all consumers (Kotler 2008). While much research has been done on branding, this investigation will focus on the extent to which marketers' perceptions and consumers' perceptions converge with a view to maximizing the mutual benefits to be derived from these strategies within a South African perspective.

1.8 RESEARCH DESIGN:

The research methodology used in this study comprises two separate, but complementary, sources of data, namely, secondary data and primary research based on two structured questionnaires. One was administered to store managers of South African retail chain stores and the other to consumers that purchased fast moving consumer goods from retail chain stores.

1.8.1 The Secondary Data:

An extensive review of literature pertaining to the branding of fast moving consumer goods in South Africa and internationally formed the basis of the secondary data collection. Information pertinent to this study was extracted from textbooks, journal articles, trade magazines, newspapers and the Internet. The knowledge gained from these different sources of information provided a sound foundation with which to interrogate the wide variety of issues related to the branding, packaging, pricing, promotions and quality aspects of fast moving consumer goods. The findings of numerous international and local researchers combined with the viewpoints of successful marketers of fast moving consumer goods in South Africa assisted greatly in establishing the factors that motivate consumers to purchase fast moving consumer products and also contributed to the development of the structured questionnaire employed in this study.

1.8.2 The Primary Data:

The empirical research involved the collection of primary data through the use of structured questionnaires to a sample of store managers and a sample of consumers. The universe to be sampled in this study was defined as the total number of store managers employed by the three major groups of retail chain stores in South Africa. In addition to the sample that consisted of store managers, the investigation also included a representative sample of South African consumers selected from the province of KwaZulu-Natal. These two separate samples provided for some unique insights into the purchasing patterns of consumers. A detailed discussion of the research methods is to be found in Chapter 5, which explains the research methodology and design.

1.9 ETHICAL CONSIDERATIONS:

This investigation has conformed to the academic research etiquette and all written conventions as outlined by Mouton (2004:238). This etiquette includes professional confidentiality where required, adhering to recognized methods for citing quotations, acknowledgement of resources and correct referencing techniques. The interviewees also have the right to privacy. All matters of confidentiality have been treated with the utmost care and adhered to by all parties concerned. These confidentiality aspects have been stated clearly in the questionnaire used for the collection of field data. The highest standards of academic confidentiality have been adhered to and any information that could possibly jeopardize the operations of retail chain stores and the integrity respondents' has not been divulged.

1.10 LIMITATIONS OF THE STUDY:

In undertaking this research project, certain limitations became apparent. These limitations include the following:

1.10.1 The Geographic Location of Store Managers and Consumers:

The study consisted of two samples, namely, store managers that were selected from the three major groups of retail chain stores that are located in the various provinces in South Africa and consumers who were only selected from KwaZulu-Natal. While the consumer sample was representative of the various race groups that exist in South Africa, consumers based in other provinces have different amounts of disposable incomes and attitudes towards fast moving consumer goods which could influence their purchasing patterns.

1.10.2 The Product Selection in the Investigation:

The products chosen for this investigation can be classified as fast-moving consumer goods that are typically found in retail chain stores. Examples of the products that were used in the structured questionnaire include food and beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades and toiletries. After consulting with academics and marketing professionals, these products were chosen to represent the type of products purchased by consumers as part of their weekly or monthly grocery purchases. These products are relevant to the study due to the frequency with which they are purchased and consumed. The results of this research study are, therefore, not applicable to other types of products, for example, shopping goods, specialty goods and unsought goods, even if they are purchased regularly.

1.10.3 The Sample Chosen for the Investigation:

The sample chosen for this investigation consisted of store managers of three of the largest retail groups dealing primarily in fast moving consumer goods. Store managers are expected to have extensive experience in dealing with fast moving consumer goods but brand managers who are able to provide greater insights into the branding, packaging, pricing, promotions and quality aspects were omitted since brand managers are more likely to be found at manufacturing companies rather than at retail chain stores.

1.10.4 The Number of Questions Included in the Questionnaire for Store Managers:

The questionnaire consisted of forty-five questions that were spread over twelve pages. The store managers that were interviewed and probed for answers relating to these questions found the questions to be thought-provoking and relevant to their areas of expertise. However, store managers function in a highly pressurized environment and some store managers found the questionnaire to be too long and detailed.

1.10.5 The Types of Stores Selected for the Investigation:

This study focused on 176 stores located throughout South Africa. These retail chain stores are located in well-developed urban areas. No stores located in rural and inaccessible areas were included in this study. Other types of retail establishments such as independent retailers, wholesalers and general dealers that are located in rural areas should also be probed to gain a more comprehensive understanding of all types of consumers.

1.10.6 The Interpretation of the Questionnaire:

Both the questionnaire and the interview were conducted in English. This presented some problems for store managers and consumers that are fluent in other languages such as Zulu and Afrikaans. A better interpretation of the questionnaire could be gained if both the interview and the questionnaire were in the same language as that spoken by the subjects on a daily basis.

1.11 STRUCTURE OF THE STUDY:

This study is divided into seven chapters, which are as follows:

Chapter One presents an overview of the research project and highlights the relevance and importance of this study to a contemporary South African retail environment. This chapter then proceeds to focus on the research problems, research objectives, research questions, value of the study, research methodology and research design, ethical considerations and the limitations of the study. Finally, the overall structure of the study is discussed with particular reference to the major areas covered by the different chapters.

Chapter Two concentrates on the different aspects of the branding of fast moving consumer goods. After interrogating the issues involved in branding and exploring the various components of a brand and brand equity, its implications from a marketing perspective will be discussed followed by an elaboration on brand loyalty.

Chapter Three explores the dynamics involved in the marketing mix as it pertains to fast moving consumer goods. After presenting a definition of fast moving consumer goods, a discussion of possible branding strategies for fast moving consumer goods will be conducted through the use of some practical examples. This will then be followed by a discussion of packaging, pricing, promotions and quality as it relates to the marketing of fast moving consumer goods.

Chapter Four presents a model which explores the many facets involved in optimizing brand equity as it relates to the marketing of fast moving consumer goods in South Africa. This model will probe the building of brand equity from the perspective of the marketer and will then outline the various factors that the consumers of fast moving products believe will lead to brand loyalty. The model will then illustrate the point of convergence at which the brand building activities of the marketer and the satisfaction of consumers' needs and wants then lead to brand equity optimization.

Chapter Five discusses the methodology of the study and the research design. It includes a description of the sampling technique adopted and the composition of the sample. Furthermore, it explains the data collection techniques for the empirical study, the description, purpose and construction of the survey instrument, and provides a theoretical account of the statistical processes involved in the quantitative analysis of the data.

Chapter Six presents the results of the empirical investigation against the background of the conceptual framework and the research objectives using appropriate statistical techniques. It also includes a discussion of the results in terms of the research objectives and the relevant theory.

Chapter Seven concludes the theoretical and empirical perspectives of the study. The marketing implications arising from the investigation are outlined together with a presentation of the marketing strategies to address the marketing of fast moving consumer goods in South Africa. In closing, some suggestions for continuing research in the branding and marketing of fast moving consumer goods to address unfulfilled needs and wants of South African consumers are proposed.

1.12 CONCLUSION:

This chapter has provided an overview of the areas to be investigated, a motivation for the study, the main research problems, research objectives, research questions, value of the study, research methodology and research design, ethical considerations, limitations of the study and finally the structure of the study. The next chapter concentrates on the various aspects of the branding of fast moving consumer goods in South Africa

CHAPTER 2

THE BRANDING OF FAST MOVING CONSUMER GOODS

2.1 INTRODUCTION:

In 1994, South Africa had its first democratically elected government installed under the leadership of Nelson Mandela. The political and social transformation that flowed from the fall of apartheid resulted in the formation of a new society that now has access to much more disposable income and credit facilities. Black consumers have displayed a great deal of interest in prominent brands on the shelves of South African supermarkets (Sunday Times 2006). In 2006, the Sunday Times Newspaper commissioned research into the popularity of brands in South Africa. The results of this survey conducted by Markinor, a leading South African research company, revealed that consumers, especially Black consumers, are very brand conscious. For example, maize meal is a staple food of Black consumers that is consumed on a daily basis. The three top brands in order of popularity are as follows: Ace, White Star and Iwisa. Maize meal is one of the most brand loyal food categories among black consumers and research has revealed that consumers believe that the key to success is having a strong brand that always delivers consistent taste and quality. Moreover, the brand must be well-priced and efficiently distributed through the chain stores. Although Ace is the most popular brand of maize meal, Markinor has been able to establish that White Star is more popular than both Ace and Iwisa among the Shoprite/Checkers and the Pick ‘n Pay groups. Apart from quality, White Star has a competitive advantage in terms of pricing and wide distribution (Sunday Times, 2005:39).

The focus of this chapter will be on the issues involved in branding and the various components of a brand, brand equity and brand loyalty as well as their implications from a marketing perspective. It is, however, necessary to firstly define branding and outline its development as the basis for further discussion.

2.2 <u>A DEFINITION OF BRANDING</u>:

A striking phenomenon in the contemporary business environment is the magnitude and importance of brands in the minds of consumers as well as investors both locally and internationally. Branding had its roots in the fast moving consumer goods segment through the innovative work of Messrs. Procter & Gamble and Lord Leverhulme. In essence, a valued brand is indicative of trust and goodwill (Nilson 1998). Kotler (2008), Shiffman and Kanuk (2004)**,** Nilson (1998:5) and Doyle (2002:157) agree that well-established and successful brands have the unique ability to enhance shareholder wealth not just by capturing new market share but also by retaining existing loyal customers. Successful brands, therefore, impact on an entity's fortunes in three ways, namely, by developing a healthy market share, by maintaining competitive price levels and by ensuring steady cash flows. In the light of the views presented by Kotler (2008), Shiffman and Kanuk (2004), Nilson (1998:5) and Doyle (2002) and with regard to the investigation being undertaken, the following definition of branding by De Chernatony and McDonald (1998:20) will be utilized:

"A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs more closely. Furthermore, it's success results from being able to sustain these added values in the face of competition" (De Chernatony and McDonald 1998:20).

In 2005, the marketing directors of some of South Africa's leading brands were asked to list the factors that were crucial to building a successful and cherished South African brand. <u>The following were listed as the main factors</u>:

- Brands are about loyalty;
- The key to building a successful brand is to keep the brand message clear and simple;
- A brand is a perception in the consumer's mind, created or implemented by experience and brand positioning;

- It is not what you promise, its what the customer actually experiences;
- Ensuring brands deliver value constantly over time; and
- Living the brand (Sunday Times, 2005:38).

Evidently branding is a dynamic and constantly evolving phenomenon that demands a continuous assessment. A proper perspective of branding, therefore, needs an evaluation of its development in order to respond creatively and appropriately to its changing demands. It is, therefore, of benefit to consider the development of branding since the term originated.

2.3 THE DEVELOPMENT OF BRANDING:

Branding as a tool, which was used for the purposes of differentiating the product of one manufacturer from another, goes back to a time long before the birth of Jesus Christ. According to Nilson (1998:57), the first illustration of branding can be traced back to the production of oil lamps in the Greek islands. The term branding can quite accurately be translated to mean burning a name or symbol on to some physical object as was practised many centuries ago on livestock. Until the middle of the nineteen-century, branding was very simple in nature and served only as a guarantee and a technique to build a good reputation for one's products. However, the introduction of the railway lines and industrialization resulted in manufacturers being able to produce efficiently and in large quantities and, in turn, having to sell in large quantities across large geographic regions. Nilson (1998:57) goes on to suggest that these developments in manufacturing and distribution had the effect of widening the gap between the producer and the consumer. As a result, manufacturers were compelled to brand their products and communicate the unique benefits of their brands across different media vehicles to ensure that the brand in question retained its identity (Stammerjohan, Wood, Chang and Thorson 2005).

International brands such as Coca-Cola, Sony and McDonalds have adopted the approach of investing hundreds of millions of dollars in their brands to enhance the goodwill and status associated with their respective brands (Kotler 2008). Macrae (1991) is of the opinion that while the geographic distances between manufacturers and consumers grow larger, brands, which enjoy consumer confidence and a rich history, are well positioned to enjoy support from one generation to the next as well as retain their own identity within the complex international mass media communications network. Rabuck and Rosenberg (1997:17) add to the argument proposed by Kotler (2008) and Macrae (1991) by alluding to the fact that companies that invest a great deal of resources in building and promoting their brands benefit greatly from improved customer loyalty, higher profitability and significant market shares.

In light of the findings of the above-mentioned researchers, and in order for a brand to continue growing in popularity, it is evident that the company concerned must invest resources to ensure that it enhances the image of the brand in the eyes of the target market and thereby protects its future cash flows (Dewhirst and Davis 2005). Coca-Cola has adopted the approach of not just investing huge sums of money in marketing communications but also in community development projects and fund raising initiatives while upholding the brand name (Sunday Times, 2005:2). For example, Coca-Cola's involvement in Nelson Mandela's 46664 campaign to raise funds enhanced the image of Coca-Cola as a top brand in the hearts and minds of all South Africans (Sunday Times, 2005:2). Perhaps, the best way to take note of the role and importance which brands have taken on is to consider the following quotation by John Stuart (the former chairman of Quaker Oats Ltd):

"If this business were to be split up, I would be glad to take the brands, trademarks and goodwill and you could have all the bricks and mortar – and I would fare better than you" (De Chernatony 2001:3).

Having considered the development of branding as a function of the marketing discipline, it is useful to explore the three different components of a brand. These components of a brand should always be present in order to achieve long-term success and a unique character and presence in the mind of the consumer.

2.4 THE COMPONENTS OF A BRAND:

There are three basic components that constitute a brand, namely, brand strategy, brand positioning and brand personality (Doyle 2002).

2.4.1 Brand Strategy:

The brand strategy originates from the position of the brand within the broader portfolio of the entity that has possession of the brand (Leixton and Movondo 2005). A brand could be fighting for its survival in a high growth segment or perhaps be content with functioning within mature or declining segment (Doyle 2002). For example, internet search engine Google spent only 5 million dollars on marketing its brand in 2004 but has proven to be much more successful than many of its better established competitors who spent far more on their marketing campaigns. Evidence of this success is the fact that Google occupied the 20th position of the best known global brands in a survey conducted by Interbrand in 2007 (Interbrand 2007).

2.4.2 Brand Positioning:

Brand positioning focuses on the functional or physical aspects of the brand as well as the competition that confronts the brand on a daily basis. Some of the functional dimensions, according to which a brand can be positioned, include features like big/small, fast/slow, and male/female (Ratnatunga and Ewing 2005). In mature markets brands are likely to be positioned close to one another, while in a new and innovative market, there is likely to be a greater diversity in the features offered by the different brands (Doyle 2002). In attempting to evaluate the dynamics related to consumer purchasing patterns of fast moving consumer goods, Kotler (2008) and Keller (1994) and maintain that well established brands enjoy a great deal of success because of their ability to consistently deliver reliability, dependability and time savings. If consumers were to consider switching brands, they would more than likely adopt two or three brands that offer similar benefits and then choose the one that might be on special offer at the time of purchase (Stammerjohan, Wood, Chang and Thorson 2005).

2.4.3 Brand Personality:

The personality of a brand is really the perception which consumers have of the brand in question. There are three types of appeals, namely, sensual, rational and emotional that help shape the personality of the brand. The sensual appeal of a brand revolves around the look, feel and sound of the product while the rational appeal is directed at the physical performance of the product and the emotional appeal is centered on the psychological benefits that the product is able to conjure in the mind of the consumer (Doyle 2002). The findings of research conducted by Keller, Heckler and Houston (1998:53) indicate that making special reference to functional aspects, for example, ease of use, durability and performance can positively impact upon a consumer's perception of the product. Coca-Cola have elected to address the needs of their South African target audience in a number of different ways (Sunday Times, 2005:3). Firstly, emphasis has been placed on ensuring that the product is always freely available to consumers wherever they might want to consume the product. Secondly, the product must always be served cold to the consumer. Coca-Cola have, over the years, invested heavily in providing refrigerators to shop owners in black townships to achieve loyalty among their customers as well as be in a position to serve the product cold (as it was intended) to the consumer for immediate enjoyment. Thirdly, the product is well-priced to ensure that the consumer receives excellent value for money. Fourthly, the product is attractively packaged to ensure that it is easily recognizable but also trendy enough to appeal to a younger audience. Finally, Coca-Cola have ensured that their marketing communication not only focuses on stimulating demand but also places emphasis on their projects designed for the upliftment of communities. For example, Coca-Cola gives R10 000 to a charity for every goal scored in the Coca-Cola Cup (Sunday Times, 2005:3).

Any successful brand must have all three of these appeals present to distinguish it from competitors that might be active in the marketplace. The components of a brand provide structure and purpose for the development of the future of the brand (Erdem and Ewing 2005). With this structure in place, it is then necessary to evaluate all facets of brand equity to ensure that it is carefully monitored and used as a barometer to determine the overall success of the brand.

2.5 THE CONCEPT OF BRAND EQUITY:

2.5.1 Definition of Brand Equity:

Etzel, Walker and Stanton (2001:276) and Shiffman and Kanuk (2004:193) view brand equity simply as the value that a brand is able to add to the product it was meant to represent. After considering the definitions of a number of researchers, De Chernatony and McDonald (1998:397) define brand equity in the following manner: "Brand equity consists of the differential attributes underpinning a brand which give increased value to the firm's balance sheet". For example, Gillette has achieved phenomenal success with its range of shaving blades and the Gillette brand is recognized worldwide by consumers as the premier brand for shaving products. The value of the Gillette brand has assisted it to launch a range of new products including the battery powered Mach 3 Power razor that has helped the company produce record results (Business Week, 2005:90).

2.5.2 Brand Equity and Quality:

An important consideration, according to Kotler (2008) and Etzel, Walker and Stanton (2001), when developing and sustaining brand equity, is to ensure that the product quality is always of a consistent level in line with consumer expectations. Mowen and Minor (2001:201) further expand upon the issue related to product quality by identifying seven dimensions of quality, namely,

- Performance:

This dimension focuses on the extent to which a product is able to satisfy the expectations of the consumer (Mowen and Minor 2001). For example, Kellogg's have built a reputation for consistent product quality and innovation in its range of breakfast cereals. This reputation has resulted in it achieving excellent brand equity and international growth. The Kellogg's brand is worth 8 306 million US dollars (Business Week, 2005:91). In a study conducted by Keller, Heckler and Houston (1998:52), it was found that brands that have over a period of time taken ownership for a particular physical attribute, for example, strength and durability are instantly recognized by consumers for having this particular feature present in all of their products. Life Long

Luggage is an example of a brand that has used durable construction as a distinguishing feature of its products. Keller, Heckler and Houston (1998:52) were able to establish that subjects were instantly able to associate the features of durable construction when exposed to the Life Long Luggage brand.

- Employee Interactions:

Consumers tend to value qualities in employees such as courtesy and empathy. Also valued by consumers is the overall knowledge and ability to assist with problem solving (Mowen and Minor 2001). South African Breweries (SAB) attributes a major portion of its success in South Africa to its ability to understand and proactively meet the needs of its target market. This ability has resulted in it conquering the beer market in South Africa. The marketing director of SAB makes the following statement when describing its marketing philosophy, “As consumers’ needs evolve, the challenge is to remain relevant to the consumer – and the ability of the organization to meet those needs” (Sunday Times, 2005:2).

- Reliability:

Reliability refers to the ability of a product to consistently deliver good performance with little or no malfunction (Mowen and Minor 2001). Coca-Cola is a perfect example of a product that is able to consistently deliver excellent performance while retaining top-of-mind awareness, trust and confidence of consumers. Coca-Cola’s ability to consistently deliver a good quality product has enabled it to enjoy a market share in excess of 90% in the carbonated soft drinks market in South Africa (Sunday Times, 2005:3).

- Durability:

The average life span and overall structure of the product are particularly important when the consumer is planning on using the product for a significant period of time (Mowen and Minor 2001). For example, Mr. Price has entrenched its brand of clothing in South Africa by focusing on price, quality and value for money and more recently the fashion conscious youth market. This focus has resulted in the brand becoming exceptionally popular with its target market (Sunday Times, 2005:2).

- Timeliness and Convenience:

Consumers value timely, efficient and convenient service. These attributes extend to areas that include product delivery, payment terms and business hours (Mowen and Minor 2001). For example, many retail chain stores, especially those located in busy shopping malls, have extended their trading hours to provide consumers with a greater degree of convenience. The top retail outlets in South Africa were ranked in order of popularity among consumers in 2005, included Pick ‘n Pay, Woolworths, Shoprite/Checkers, Spar, Clicks, and OK Bazaars (Sunday Times, 2005:2).

- Aesthetics:

Consumers are quick to pick up on value-added benefits such as a very well designed and packaged product or a store that has undergone a major revamp to make it more contemporary or user-friendly. Marketers can use these tactics in attempting to gain a competitive advantage in the market place (Mowen and Minor 2001). In a brand survey conducted by The Sunday Times, (2005:6) among children in the 10 – 13 year age group, the most popular brands of sweets included Yougeta Pop, Jelly Tots, Jawbreakers, Sour Punks/Worms and Choclairs. Apart from the taste of these sweets, children also loved the packaging of these products that were viewed as trendy and eye-catching (Sunday Times, 2005).

- Brand Equity:

Consumers may hold either a positive or negative view of the brand name which will, in turn, impact on their perceived quality of the brand (Mowen and Minor 2001). The tween market, i.e. children aged between 10-13 years, consume products worth around R6-billion and influence an additional R20-billion of their parents’ purchases. This sector of the market places emphasis on brand names of the products and often chooses a product purely on the value of the brand name (Sunday Times, 2005). In a national brand survey published in the Sunday Times (2005:1), the following were listed as the 10 most popular brands among children in this age group:

1. Coca-Cola
2. Sony PlayStation
3. Nike
4. Cartoon Network
5. Billabong
6. Nokia
7. Vodacom
8. Kelloggs
9. BMW
10. Simba

2.5.3 Benefits of Brand Equity:

While it is time consuming and expensive to develop a high level of brand equity, several benefits can accrue to the entity in possession of the brand including achieving a differential advantage due to consumer perceptions, acting as a deterrent to other brands that want to enter the market, promoting international expansion and protecting the product from changes in consumer preferences and tastes (Kotler 2008). Shiffman and Kanuk (2004) expand on this line of thinking by also pointing out that brand equity encourages the acceptance of new products, the awarding of premium shelf space which, in turn, adds to the perceived value and quality of the product and also assists the company to earn good returns. Anita Roddick, founder of the Body Shop, presents her views on the relationship between return on investment and the purpose of the brand in the following statement:

"Profit is not the objective of my business. It is providing a product and a service that's good enough that people give you a profit for providing it"
(De Chernatony 2001:95).

Brand equity also encourages brand loyalty. Brand loyalty is imperative for an enterprise that wishes to expand its market share and earn optimum returns on its investment (Kotler 2008). A fundamental objective of any marketer is to convince the consumer that his/her product is the best, which, in turn, promotes repeat purchasing and loyalty to the brand name (Shiffman and Kanuk 2004). De Chernatony (2001:4) encapsulates the thinking of the above-mentioned authors very well by making the following statement about the importance of brands: "Brands are powerful entities because they blend functional, performance-based values which are rationally evaluated, with emotional values which are affectively evaluated" (De Chernatony 2001:4).

As can be seen from the discussion on brand equity, brands, which enjoy favourable equity, are able to earn good returns for the shareholders and promote brand loyalty among consumers. Brand loyalty is a concept that is of fundamental importance to all stakeholders in the business entity and deserves a significant amount of resources to ensure future success (Dewhirst and Davis 2005).

2.6 BRAND LOYALTY:

Researchers are divided in terms of how best to define brand loyalty, that is, should brand loyalty be defined in terms of consumer behaviour or in terms of consumer attitudes. Behavioural scientists are of the opinion that brand loyalty arises from an initial product trial that is reinforced through a satisfying experience and thus resulting in repeat purchasing (Thompson and Arsel 2006). However, cognitive researchers propose that consumers embark on a comprehensive problem-solving behaviour which involves brand and attribute comparisons and facilitates brand preference and encourages repeat purchasing (Shiffman and Kanuk 2004). The viewpoint of Shiffman and Kanuk (2004:190) is echoed by Hoyer and MacInnis (2001:259) who emphasize that a key feature of brand loyalty is the positive reinforcement of a performance-related choice tactic. These authors clearly drive home the point that brand loyalty is a crucial ingredient that is required to encourage consumers to purchase a company's brand on a consistent basis. Companies that build customer relationships through brand loyalty will be able to deal more effectively with increased competition in the marketplace (Leixton and Movondo 2005).

There are many benefits that can accrue to a popular and well-trusted brand, namely, premium pricing, wide distribution, the guarantee of consistent sales and a good return on investment. This argument is supported by Kotler (2008) and Hoyer and MacInnis (2001:108) who point out that a brand loyal consumer market provides a steady base from which to build good profits. Kotler (2008) suggests that this attempt to generate better returns on investment is dependent on an entity being able to ensure that its target market maintains loyalty towards its brand or portfolio of brands.

Dewhirst and Davis (2005) expands on this line of thinking by pointing out that brands that are creatively developed and properly managed build good reputations and also improve and maintain the confidence which consumers have in these brands. In addition, prestigious brands enhance one's quality of life and are able to make non-verbal statements about the type of person that one is or would like to be perceived as being. Mowen and Minor (2001) concurs with the viewpoints of Dewhirst and Davis (2005), Jobber (2001:230) and De Chernatony (2001) by making the point that brand loyalty is crucial to the success of any business because it is between four to five times cheaper to retain an existing customer than it is to get a new customer. In addition, positive word-of-mouth communication is a powerful tool that can be used to ensure a continual flow of new customers from the referrals of existing customers (Mowen and Minor 2001).

Consumers are motivated by a variety of factors when contemplating a purchase decision. While there are consumers that might simply view price as the most important factor to consider when choosing between competing products or services, there are also consumers that view factors other than those related to pricing as being crucial to the purchase decision Kotler (2008). Some factors as outlined by Etzel, Walker and Stanton (2001) which include quality and value will now be assessed:

- There appears to be a relationship between price and quality, that is, the higher the price of the product the better the perception of the consumer regarding the quality of the product. In addition to this, Etzel, Walker and Stanton (2001:326) also point out that consumer perception of the brand may also be influenced by the reputation of the retailer as well as the impact and innovativeness of advertising.

- A consumer will typically rate the value of a product by drawing a comparison between perceived benefits versus price but Etzel, Walker and Stanton (2001:326) also point out that a consumer might also bring into the equation issues relating to the actual purchase such as the time and effort involved in shopping for the product, and the cost of transport (Etzel, Walker and Stanton 2001:326).

It is important to remember that consumers are quite capable of engaging in spontaneous brand switching. This happens when consumers switch brands even though they have no reason to be unhappy with their existing brand (Kotler 2008). Mowen and Minor (2001:45) believe that this type of behaviour is most common with low involvement products. In an attempt to combat this problem, companies often modify or add minor improvements to keep their products looking fresh and appealing. However, marketers should be cautious not to render their products so complex that consumers find them too cumbersome to use. The viewpoint presented by Mowen and Minor (2001:45) was also earlier supported by Langer (1994:RC-2), who believes that contemporary consumers are under immense pressure with regards to their recreational time. As a result, products that are not cumbersome to operate and offer a greater degree of convenience will always be popular with consumers.

Interbrand conducted a study in 2007, in which the leading global brands were rated on factors such as leadership, stability and geographic coverage (brand strength score). In addition, the value of each brand was derived from the brand strength score, financial forecasts, reports of financial analysts and annual reports (Interbrand 2007). The results of this investigation are illustrated in Table 1.1 on page 28 and page 29.

TABLE 1.1: THE WORLD'S 45 LEADING BRANDS:

BRAND NAME	(2007) BRAND VALUE (US Dollars - Millions)	(2006) BRAND VALUE (US Dollars - Millions)
1. COCA-COLA	65 324	67 284
2. MICROSOFT	58 709	56 948
3. IBM	57 091	55 949
4. GENERAL ELECTRIC	51 569	48 991
5. NOKIA	33 696	29653
6. TOYOTA	32 070	27 260
7. INTEL	30 954	32 192
8. McDONALD'S	29 398	27 340
9. DISNEY	29 210	27 750
10. MERCEDES-BENZ	23 568	21 683
11. CITI	23 443	21 333
12. HEWLETT-PACKARD	22 197	20 199
13. BMW	21 612	19 451
14. MARLBORO	21 283	21 283
15. AMERICAN EXPRESS	20 827	19 577
16. GILLETTE	20 415	19 598
17. LOUIS VUITTON	20 321	17 273
18. CISCO	19 099	17 380
19. HONDA	17 998	16 918
20. GOOGLE	17 837	9 989
21. SAMSUNG	16 853	16 179
22. MERILL LYNCH	14 343	12 909
23. HSBC	13 563	11 257
24. NESCAFE	12 950	12 432

Continued…

BRAND NAME	(2007) BRAND VALUE (US Dollars - Millions)	(2006) BRAND VALUE (US Dollars - Millions)
25. SONY	12 907	11 616
26. PEPSI	12 888	12 630
27. ORACLE	12 448	11 328
28. UPS	12 013	10 571
29. NIKE	12 004	10 804
30. BUDWEISER	11 652	11 652
31. DELL	11 554	12 247
32. JP MORGAN	11 433	10 061
33. APPLE	11 037	8 719
34. SAP	10 850	9 982
35. GOLDMAN SACHS	10 663	9 490
36. CANON	10 581	9 946
37. MORGAN STANLEY	10 340	9 720
38. IKEA	10 087	8 574
39. UBS	9 838	8 559
40. KELLOGGS	9 341	8 781
41. FORD	8 982	10 689
42. PHILIPS	7 741	6 580
43. SIEMENS	7 737	7 814
44. NINTENDO	7 730	6 339
45. HARLEY DAVIDSON	7 718	7 718

Source: Interbrand Website (http://www.interbrand.com/best_ brands_2007.asp)

Brand loyalty is a level of consumer trust that virtually all entities would like to aspire to in order to ensure the long-term growth and stability of their respective brands. In attempting to encourage and maintain brand loyalty among one's target market, a distinction should be drawn among the different types of brands, namely, generic brands, manufacturer brands and house brands Kotler (2008).

2.7 GENERIC BRANDS:

There are some products in the marketplace, which are quite difficult to brand because they are commonly viewed as commodities. Kotler (2008) believes that, as a result of this perception which consumers have of these products, manufacturers may decide that it is either too complex or expensive to brand these products with the result that these offerings are given the title of generic products. These types of products are commonly identified by their contents or by the name of the manufacturer. The packaging of these products is very simple and the prices are often lower than their branded counterparts. For example, fruit and vegetable, and prescription drugs are typical examples of products where generic branding is quite popular (Thompson and Arsel 2006).

2.8 MANUFACTURER BRANDS:

Manufacturer brands are usually marketed by companies that are very large, reputable and have immense financial resources. Examples of such companies include IBM and Gillette. Such companies are well-positioned to offer the entire marketplace a single brand due to their well-established distribution systems, comprehensive product range and large market share which they possess (Erdem and Valenzuela 2006). According to Etzel, Walker and Stanton (2001:265), there are some important reasons for manufacturers choosing to brand their products, namely,

- Brands help consumers identify and differentiate between consumer goods;
- Brands reduce the amount of time that consumers spend in choosing among the different options that are available for purchase;

- Brands give consumers assurance with regard to the level of quality expected from the product;
- Brands offer manufacturers the opportunity to promote their products and build brand equity;
- Brands that are well-recognized and strong, offer the manufacturer the option of charging a premium without eroding market share; and
- Branding also influences loyalty among consumers (Etzel, Walker and Stanton 2001).

2.9 HOUSE BRANDS:

House brands are quite common among both retailers and wholesalers in South Africa and have certain inherent advantages and weaknesses. A distinct advantage of house brands is the fact that they are able to maintain a loyal following of customers for the middleman concerned and also attract new customers into the establishment concerned (Ratnatunga and Ewing 2005). A spin-off from this benefit is that house brands are specific and unique to the middleman concerned and customers will only be able to find it at that particular middleman (Kotler 2008). However, house brands require a great deal of above-the-line and below-the-line promotional support from the middleman in order for these products to achieve desirable sales. Stammerjohan, Wood, Chang and Thorson (2005) do, however, point out that should manufacturers refuse to supply the middleman with the product, the effect could be quite detrimental to the middleman since his/her customers might be loyal to his house brand and not necessarily to his establishment. AC Nielsen conducted research into the popularity of house brands among South African consumers. Their findings indicate that two-thirds of urban adults claim to use house brands on a regular basis. Fifty-one percent of consumers in LSM 1-3 (Living Standard Measures – a technique used to segment the South African consumer market) claimed to use house brands on a regular basis while eighty-four percent of consumers in LSM 10 claimed to use house brands on a regular basis. These findings indicate that house brands are more popular among affluent consumers in South Africa (Progressive Retailing, 2003:22).

2.10 CONCLUSION:

The contemporary business environment is characterized by increased competition and an unrelenting search for increased market share. Business entities that create strong brands are able to form a barrier against competitors seeking to capture market share. However, it is paramount that consistent product quality and technical support be given to the continual development of the brand, such that consumer confidence is bolstered (Kotler 2008). Doyle (2002:186) believes that, in addition to consistent quality, it is also important to ensure that the brand image is in keeping with consumer expectations. Business entities should also adopt a long-term view with regard to brand-building activities. A brand should be viewed as an investment that will continually yield good returns. In addition, the potential of the brand equity created through this investment should never be underestimated.

The next chapter will explore, in greater detail, the role and importance of the elements of the marketing mix with regards to the marketing of fast moving consumer goods within South African retail chain stores. Special emphasis will be placed on the definition of fast moving consumer goods and some popular strategies for the branding of fast moving consumer goods. This will then be followed by an assessment of the crucial elements related to branding, which are packaging, pricing, distribution and the promotion of fast moving consumer goods.

CHAPTER 3
MARKETING STRATEGIES FOR FAST MOVING CONSUMER GOODS

3.1 INTRODUCTION:

Fast moving consumer goods are an indispensable part of the daily lives of all South Africans. South Africans consume a wide variety of fast moving consumer goods from the time that they rise till they go to sleep at night. Typical products that fall into the classification of fast moving consumer goods include soap, toothpaste, tea, milk, sugar, bread, jam and lunch wrap, among others (Dewhirst and Davis 2005). Fast moving consumer goods are products of low unit value that are consumed within a short period of time and are purchased on a frequent basis. Depending on the nature of the product in question, consumers will vary in terms of the amount of time that they would allocate to the purchasing decision (Kotler 2008).

Fast moving consumer goods account for a significant percentage of the total shelf space and turnover among all retail chain stores not just in South Africa but also internationally. The marketing of fast moving consumer goods is an area that stimulates intense competition among global companies such as Unilever, Coca-Cola, Nestle, Gillette, Johnson and Johnson, and Procter and Gamble (Ratnatunga and Ewing 2005). Brassington and Pettitt (2000:17) maintain that, in an environment where consumers are spoilt for choice, the marketers of these products need to be creative and innovative with regard to the planning and implementation of their marketing strategies.

After presenting a definition of fast moving consumer goods, a discussion of possible branding strategies for fast moving consumer goods will be described through the use of some practical examples. The assessment of the branding strategies to be employed for fast moving consumer goods will then set the scene and be elaborated on through a focused analysis of the strategies relating to the packaging, pricing, distribution and promotions of fast moving consumer goods.

3.2 A DEFINITION OF FAST MOVING CONSUMER GOODS:

Fast moving consumer goods are typically non-durable products that are consumed over a short period of time after which they would need to be replaced. According to Brassington and Pettitt (2000:265) and Dewhirst and Davis (2005), these types of products are usually frequently purchased and are low priced, thus, requiring mass distribution and marketing communication focusing on their functional and psychological benefits. After consulting with two experienced marketers of fast moving consumer goods, namely, Darrel de Wet and David Earle, who have both held senior marketing management positions with leading fast moving consumer goods companies, it was agreed that typical fast moving consumer goods would include, for example, food, beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades, toiletries and alcohol. It is imperative that these types of products are extensively distributed such that they are always available to the consumer as and when required. Since consumers allocate a minimum amount of time to the decision-making process when contemplating the purchase of convenience products, they are not afraid to switch brands if their preferred brands are not available. To counter the brand-switching of consumers, it is important to devise consumer promotions that are innovative and effectively involve the end-user so that brand insistence is encouraged. Additionally, the packaging of fast moving consumer goods should capture the attention of the consumer and convey the correct image of the product and the brand (Kotler 2008).

Some manufacturers, for example, Colgate and Heinz have been very successful in achieving the brand leader status in the United States for the toothpaste and baked beans categories, respectively. Consumers have become so familiar with these brand names and the values that they project that toothpaste and baked beans are often referred to as Colgate and Heinz, respectively, that is, the brand is used to refer to the product category (Ratnatunga and Ewing 2005). The research findings of Anschuetz (1997:63) support the theory that the dominant brands provide excellent returns in terms of economies of scale as well as solid cash flows. Colgate and Heinz are two such brands that have been able to provide excellent returns for shareholders (Anschuetz 1997:63).

3.3 BRANDING STRATEGIES FOR FAST MOVING CONSUMER GOODS:

3.3.1 Categories of Fast Moving Consumer Goods:

According to Boone and Kurtz (2004:321), fast moving consumer goods or convenience products can be divided into three basic groups, namely, impulse items, staples, and emergency items.

- Impulse goods are purchased without much effort being put into the decision-making process. For example, shoppers might decide to purchase some shaving blades, chocolates and batteries while waiting to pay for their groceries (Kotler 2008).

- Staples are those types of convenience goods that consumers always keep a ready supply at any point in time, for example, rice, sugar, cooking oil and petrol (Kotler 2008).

- Emergency goods and services are products that are usually purchased as a result of an unexpected or urgent need. For example, consumers might require candles during a power failure or purchase a large amount of canned food if there is a risk of prolonged bad whether or periods of unrest or violence (Boone and Kurtz 2004:321).

The common thread among all three of these convenience products is that they all depend greatly on visibility and availability to ensure their success. It is often the case in most supermarket chain stores that the larger and better-established brands obtain not only the prime spots on the shelves but also the larger percentage of the shelf space. It is quite expensive for the smaller manufacturers to compete on an equal footing with the larger manufacturers and, as a result, the former’s products are given minimal brand exposure on supermarket shelves (Leixton and Movondo 2005). This restriction results in two negative impacts on the brands of smaller manufacturers. Firstly, the market leaders continue to enjoy very good brand exposure and, secondly, they enjoy better sales due to wider distribution and better product availability (Boone and Kurtz 2004:322).

3.3.2 Brand Building Strategies for Fast Moving Consumer Goods:

Investing in a brand can yield rich rewards in terms of premium pricing, wide distribution and sustaining optimum sales and profits through brand loyalty (Kotler 2008). Jobber (2001:232) suggests that seven factors should be considered when attempting to build a successful brand, namely, quality, positioning, repositioning, well-blended communications, being first, having a long-term perspective and focusing on internal marketing (Jobber 2001:232).

3.3.2.1 Quality:

A fundamental feature of any product is to achieve a level of quality that is in line with the needs and wants of the target market (Kotler 2008). An inferior quality product will never succeed in a competitive marketplace due to its inability to perform as expected and also due to there being alternative offerings available to consumers (Jobber 2001). Ashley (1998:81) concludes her investigation on the battle between manufacturer brands and house brands by pointing out that manufacturer brands will need to continually place emphasis on quality and research and development to compete effectively with house brands (Ashley 1998:81).

3.3.2.2 Positioning:

In order to effectively position a product, marketers will need to do two things. Firstly, the target market for the product will need to be carefully selected. Secondly, a differential advantage will need to be created in the minds of the target market. This advantage can be accomplished through brand names and images, service, design, guarantees, packaging and delivery (Jobber 2001).

3.3.2.3 Brand Repositioning:

Market research might point to new applications for a particular product or perhaps a new way in which to position it for a new market (Kotler 2008). For example, Lucozade was originally positioned as a drink for children that were sick. However, the drink has since been positioned as an energy drink for athletes and normal working people. Repositioning is quite an important marketing tool since it allows a company to broaden its existing share of the market and also to improve it chances of survival in a dynamic environment (Jobber 2001).

3.3.2.4 Well-Blended Communications:

Brand positioning is largely based upon consumer perceptions of the brand. These perceptions can be developed through a variety of different marketing tools including advertising, personal selling, sales promotion, product displays and product packaging. The correct blend of these communication tools enable the marketer to achieve a unique positioning platform for the brand in the mind of the consumer (Jobber 2001). Rosenfeld (1997:88) suggests that the media habits of consumers have become more fragmented. As a result, the marketers of fast moving consumer goods and their advertising agencies are looking to utilize other communication channels including in-store, direct consumer marketing and internet advertising. Anschuetz (1997:65) and Rosenfeld (1997:88) both confirm that integrating marketing communications to include as many category users as possible is critical to growing the brand and maintaining its popularity. In light of the findings of Anschuetz (1997:65) and Rosenfeld (1997:88) and with reference to the contemporary South African environment, it is apparent that marketers will need to ensure that communication to their target audience is facilitated through a combination of both above-the-line and below-the-line communications to ensure that consumers are knowledgeable about developments in the brand being marketed.

3.3.2.5 Being-First:

By being first to launch a product into the marketplace, a brand is likely to be viewed as an innovator and is able to establish good distribution networks and relationships with their customers (Kotler 2008). Although the brand might initially enjoy good success due to there being a lack of competition, the true test comes through when competitors enter the marketplace and begin to establish networks of their own (Jobber 2001). Anschuetz (1997:65) maintains that advertising is key to building and maintaining the popularity of a brand in the competitive fast moving consumer goods sector. Building the popularity of a brand has a significant impact on the revenue generated by the brand. When new products are launched into the marketplace, the popularity of the brand can assist the product with trial usage among consumers (Dewhirst and Davis 2005).

3.3.2.6 Long-Term Prospect:

Building a brand is a long-term investment and requires a substantial investment of capital in order for a brand to establish itself in the marketplace. This is partly due to the fact that a brand must compete with other brands for a share of the attention of the consumer (Kotler 2008). Companies might often choose to cut their brand building budgets because it has an immediate impact of reducing costs and increasing profits (Jobber 2001). However, according to Pechmann and Stewart (1991:52), this type of strategy has a negative impact on the long-term success of the brand. A brand that is not very well-known in the marketplace can make use of comparative advertising to improve its image and awareness in the marketplace by featuring its brand together with the market leader in the same advertisement. This technique could present less well-known brands with the opportunity to get maximum value out of their advertising budgets (Pechmann and Stewart 1991:52).

3.3.2.7 Internal Marketing:

Jobber (2001) believes that designing and implementing a communications strategy for the target market is important. However it is equally important to ensure that internal staff are properly trained and receives information timorously. For example, a restaurant can be highly regarded by the public but failure to adequately train and provide important information to staff will have a detrimental impact on its future prospects (Erdem and Valenzuela 2006).

Strategies for the branding of fast moving consumer goods should always be carefully considered from all of the different perspectives detailed in the preceding discussion. Once a suitable strategy has been decided upon, the entity concerned can then proceed with the development of a packaging strategy (Jobber 2001). Woodside and Trappey (1992:60) suggest that consumers carefully choose the stores that they like to frequent and often choose stores based on the brands that are stocked by these stores.

Contemporary brands often look to packaging to differentiate themselves and gain the competitive edge in the marketplace (Jobber 2001).

3.4 PACKAGING STRATEGIES FOR FAST MOVING CONSUMER GOODS:

3.4.1 The Benefits of Packaging:

The packaging of a product can be a powerful tool in the marketing of fast moving consumer goods. According to Boone and Kurtz (2004:356), the packaging of a product should serve three basic benefits, namely,

- Protection against damage (contamination and spoilage) and pilferage;
- Complement the branding of the product; and
- Generate cost savings (Boone and Kurtz 2004:356).

3.4.1.1 Protection against Damage, Spoilage and Pilferage:

Packaging was first used to safeguard its contents while in transit from the manufacturer to the retailer or wholesaler and then finally to the home of the consumer. Perishable products are most at risk and great care needs to be taken when designing a suitable housing for the contents (Kotler 2008). Boone & Kurtz (2004:256) suggest that many products in the marketplace now feature a tamperproof seal which is aimed at protecting both the brand of the manufacturer as well as the health and safety of the consumer purchasing the product. Popular devices include tamperproof caps and vacuum-depressed buttons in lids (Boone & Kurtz 2004:256).

3.4.1.2 Assistance in Marketing the Product:

Packaging can assist in the marketing of the product in a number of ways. Firstly, there is an incredible amount of pressure on contemporary marketers to ensure that their products comply with environmental regulations. Companies are addressing the concerns of both government and consumers by producing packaging that comply with legislation regarding biodegradable and recyclable material (Boone and Kurtz 2004). Brassington and Pettitt (2000:58) expand on the argument presented by Boone & Kurtz (2004:256) by highlighting the point that lightweight plastics and glass, recycled and recyclable materials and cans have achieved a great deal of success by not only reducing costs but also by introducing innovations that provide a competitive advantage to the marketer (Brassington and Pettitt 2000:58).

In a typical supermarket, there are hundreds of packages that compete for the attention of the consumer. Designing an innovative and attractive package requires marketers to explore new avenues with regard to colours, graphics, shapes and size. Some companies have been so successful in the design of their packages that patents have been awarded to these companies and their packaging designs evoke both loyalty and brand insistence among consumers (Thompson and Arsel 2006). Stormberg, market a range of premium biltong that differentiates itself from the competitors in two ways. Firstly, the biltong is produced from free-range cattle. Secondly, the biltong is contained in elegant packaging that gives the brand a stronger image, better protection and improved freshness. These factors help to provide the platform for Stormberg to communicate the health benefits of its product to consumers. The packaging of its product is further complemented with high impact wooden display stands that are provided free of charge to supermarkets to display the biltong packs in key areas of the store (Progressive Retailing, 2003:4).

Package design might also be focused around providing consumers with a greater degree of convenience (Leixton and Movondo 2005). This provision can be quite a useful marketing tool when designing bottles that contain beverages and food products. Allowing for quick and easy dispensing ensures minimum wastage and maximum ease of use. This feature is a useful tool when attempting to capture the market for children (Boone and Kurtz 2004). For example, Cadbury chocolates have launched a 250 gram pack of mini chocolate slabs called the “Dream Pack” and provides children with a bite size chocolate for anytime consumption. Each slab is individually packed and offers a great deal of convenience and hygiene (Progressive Retailing, 2003:13).

There are some manufacturers of fast moving consumer goods that also design their packaging with a view to it being reused at some point in the future. In addition to promoting the sales of their product, this type of strategy also enables marketers to benefit from additional branding that can be gained from the packaging being used together with its existing branding for some other purpose (Stammerjohan, Wood, Chang and Thorson 2005).

3.4.1.3 Cost-Effective Packaging:

Packaging should ensure that it is durable in terms of being used to conveniently house its contents and providing both branding to the manufacturer and good merchandising potential to the intermediary. Boone & Kurtz (2004:257) and Brassington and Pettitt (2000:58) agree that a package could be cost-effectively designed to satisfy all three of these criteria while, at the same time, providing a good return on investment to the marketer of the product

3.4.2 Consumer Perceptions of Packaging:

Brassington and Pettitt (2000:58) comment on the research conducted by Duncan and Everett (1993) that focuses on consumer perceptions regarding packaging. The three main beliefs that consumers have of packaging are as follows:

- Big containers are always cheaper per unit than smaller sizes;
- Environmentally friendly packaging adds cost to the product; and
- Quality packaging means a quality product (Brassington and Pettitt 2000:58).

Assael (1992:58) believes that contemporary consumers scrutinize the information contained on the packaging of most products purchased. Marketers must, therefore, be careful to substantiate any claims made on the packaging of their products. For example, making claims about a product being able to reduce cholesterol or the risk of heart disease can be very damaging to the image of the brand if these claims are not supported through proper research and official approval of the relevant government departments. In addition to making claims that are not properly substantiated, it is also very harmful to the health of a brand to reduce the contents or size of a package without providing consumers with an equivalent reduction in price (Stammerjohan, Wood, Chang and

Thorson 2005). Fast moving consumer goods manufacturers such as Star Kist (tuna fish); Procter and Gamble, and Kimberly Clark (disposable diapers), and Lipton (instant tea) reduced the contents of their packaging but maintained the price of the product. This practice attracted the attention of consumers and also the attorney generals in New York and Texas. Manufacturers were asked to refrain from these types of practices that have the potential of misleading consumers (Assael 1992:58).

Peter and Olson (1999:385) suggest that many consumers will first evaluate the packaging of the product before choosing to examine the product in more detail. Some consumers will go through a two step process in evaluating a product. Firstly, the consumer will decide whether or not to evaluate the product more closely and, secondly, whether or not to purchase the product. In attempting to expand the consumer decision-making process when evaluating a product, Peter and Olsen (1999) used a study conducted by Murphy (1997) to illustrate generalizations about successful packaging:

- Consumers have a preference for durable and reusable packaging that can serve a number of useful functions after the contents of the package have been consumed. For example, during Christmas, the manufacturers of chocolates and biscuits use attractively designed packaging for their products (Peter and Olsen 1999).

- There should be a strong and direct relationship between the graphics on the packaging and the contents of the package. If there is no relationship between the package and its contents, confusion will reign in the minds of consumers (Peter and Olsen 1999). For example, Nestle revamped the packaging of their popular brands including Milo and Nesquik. The change was introduced to address three major objectives including:
    - Increased shelf utilization efficiency;
    - Greater shelf impact and differentiation from competitors; and
    - New exciting and impactful marketing activity (Retail Edition, 2002: 27).

- A well-designed package should arouse the interest of the consumer and also encourage purchase. In this regard, the package should fill the role of a silent salesman (Peter and Olsen 1999). Mr. Levin, the creative director of "Off the Shelf Marketing" makes the following comment with regards to the importance of packaging, "Packaging sells itself without the need to incur any further marketing or promotional costs. Design is integral to a product. It cannot be an afterthought. It is the whole brand experience and a brand is a shortcut to a purchase decision" (Retail Edition, 2003:15).

- In the competitive fast moving consumer goods sector, consumers are always on the look out for a good deal. In this respect, a really good package should be able to communicate a pricing advantage over that of the competitors. Printing special offers on the packaging can prove to be more effective than offering coupons to consumers (Peter and Olsen 1999). For example, Golden Lay, a marketer of eggs, has launched plastic containers for their eggs as opposed to the traditional paper option. In addition to providing better protection for the eggs these plastic containers can be used for different quantities of eggs to launch special offers to consumers (Supermarket and Retailer, 2004:30).

The marketers of fast moving consumer goods have to contend with a highly competitive marketplace. A powerful tool in this type of an environment is the price charged for the product. Consumers can sometimes switch brands if there is only a minor difference in the price of competing products. It is therefore of great importance to marketers to carefully consider all relevant factors before setting the price of the product (Dewhirst and Davis 2005).

3.5 PRICING STRATEGIES FOR FAST MOVING CONSUMER GOODS:

The pricing strategy adopted has significant implications for the marketing of not just fast moving consumer goods but also a wide variety of other products (Doyle 2002). The price selected for a product influences the quantity of the product sold, the profits earned, and the strategic position of the product in its market. It has become common practice to focus on the costs of manufacture, marketing and distribution and then add a mark-up when establishing the final selling price of a product (Kotler 2008). McDonald (1995) points out that this approach has attracted criticism in the following two areas:

- It is often very difficult to identify the true costs of a product. For example, the fixed costs incurred in the manufacture of a product are usually assigned to a product on an arbitrary basis; and

- Using a cost plus mark up policy does not fully take into consideration the complexities in the environment. Using this approach, a product could find itself being overpriced in relation to its competitors (McDonald 1995).

Any cost-based approach makes the assumption that the consumer is interested in the costs incurred by the marketer whereas, in reality, the consumer is only concerned about his/her own costs. When viewed from the perspective of the consumer, it becomes apparent that costs determine profits and not the price of the product (Ratnatunga and Ewing 2005).

3.5.1 The Strategies for Pricing:

An entity can choose among a number of different pricing strategies when deciding on the best pricing policy for its product and target market (Erdem and Valenzuela 2006). These pricing strategies include product line pricing, follow-on pricing, blocking products, bundled and option pricing and parallel imports (Doyle 2002).

3.5.1.1 Product Line Pricing:

A company may choose to launch a line of products into the marketplace with a specific identity chosen for each particular line of product (Doyle 2002). This type of product strategy will enable a company to follow a pricing strategy in line with the profile of the target market for each product. By adopting this type of a pricing strategy, a company will be able to capitalize on different price elasticities among consumers and distributors. In addition, there is also the potential to motivate consumers to trade up to higher margin-brands. The difference in pricing can also be used to differentiate the company's different products in terms of differences in quality (Erdem and Valenzuela 2006). For example, Ceres markets a range of premium fruit juices to both the local and export market. Their products, which are priced at a premium to their competitors, have proven to be quite popular with their existing loyal customers. The product range has been expanded to include a range of premium juices that target children. This range includes five different flavours, including grape and apple; grape and raspberry; grape, apple and rooibos; tropical fruit, and sweet orange (Progressive Retailing, 2001:25).

3.5.1.2 Follow-On Products:

Companies marketing products like shaving blades and camera film adopt this type of pricing strategy with regard to their products (Doyle 2002). For example, a razor might be sold at a relatively low price but high margins can be earned on the sale of shaving blades. To achieve success with this type of pricing strategy, a company will need to dominate the market to such a large extent that it becomes almost impossible for competitors to attack the market with lower priced substitutes. Gillette and Schick shaving blades and razors are two brands that dominate the market in this respect with regards to the pricing and marketing of their products (Erdem and Valenzuela 2006).

3.5.1.3 Blocking Products:

Dominant players in the market can sometimes choose to sell products at an exceptionally low price in order to prevent a competitor from gaining entry into a particular sector of the market or region of the country. High margins earned in one area can be used to subsidize sales in another area of the market (Leixton and Movondo 2005). As soon as the company has been able to establish its brand in a particular area or drive competitors out of the marketplace, it will then be able to earn better margins on its products (Doyle 2002).

3.5.1.4 Bundled and Option Pricing:

Bundled pricing is designed to offer consumers a range of features and benefits at a very good price. This type of pricing is a popular technique among Japanese companies that seek to provide consumers with a superior value proposition (Stammerjohan, Wood, Chang and Thorson 2005). On the other hand, there are companies that may choose to reduce the perceived price in the mind of the consumer by advertising the product at a greatly reduced price but offer the consumer a wide variety of optional extras at the moment of purchase. The profit margins earned on these optional extras provide the marketer with an opportunity to recoup a percentage of the costs incurred in producing and marketing the product. Motor vehicle manufacturers often make use of this pricing strategy (Doyle 2002).

3.5.1.5 Parallel Imports:

Parallel imports and legal restrictions can make it difficult to adopt a different pricing strategy in each country that a company operates. Companies might find themselves having to charge high prices in some markets in order to protect their margins in less price sensitive markets (Thompson and Arsel 2006). Fast moving consumer goods must be widely distributed in order to maintain brand loyalty and repeat purchasing. By its very nature, many fast moving consumer goods are easily substituted by consumers when their preferred brand is not available. Distribution is therefore, required to place the product within easy reach of consumers (Doyle 2002).

Packaging is an important strategic marketing tool in the hands of the marketers of fast moving consumer goods (Kotler 2008). An assessment will now focus on the techniques employed by marketers to gain a competitive advantage through the use of innovative packaging.

3.6 PACKAGING:

Packaging is an integral component of a product and constitutes a critical component of a company's marketing strategy. Packaging, therefore, serves as both a functional and a communication tool for the company concerned in its efforts to market its product offering to consumers (Kotler 2008). The packaging communicates the image of the brand and the marketer and is often the consumer's first point of contact with the physical product. In this regard, the package needs to satisfy the consumer's physical and emotional needs. Packaging can, therefore, be viewed as the most intimate form of advertising (Etzel, Walker and Stanton 2001). Mr. Levin, the creative director of "Off the Shelf", makes the following comment to illustrate the strategic importance of packaging, "Packaging sells itself without the need to incur any further marketing or promotional costs" (Retail Edition, 2003:24).

Packaging is a container or wrapping that is used to house the contents of the product that is being offered for sale to the consumer (Etzel, Walker and Stanton 2001). The packaging could be made from different materials including glass, plastic, metal, foil and paper. The type of material used will depend upon the type of contents that the packaging is being used to store. Brassington and Pettitt (2000:287) maintain that factors such as perishability, toxicity, brand imagery, durability, and the unique needs of the target market need to be considered in developing the appropriate type of packaging. In addition to these factors, the choice of packaging used will need to encourage brand loyalty and also improve sales volumes. The research findings of Langer (1994:RC-2) emphasize the importance of packaging from a brand building and marketing perspective. Both of these researchers firmly believe that packaging can be used as a strategic marketing tool to maximize sales and encourage brand loyalty.

3.6.1 The Functions of Packaging:

According to Etzel, Walker and Stanton (2001:278) packaging should provide the following basic functions:

3.6.1.1 Protection:

As soon as the product has been produced and leaves the premises of the manufacturer, the product should provide its contents with adequate protection from any sort of tampering from the parties that might have contact with the product prior to it reaching the consumer. In addition to this Etzel, Walker and Stanton (2001:278) and Brassington and Pettitt (2000:287) suggest that the packaging will need to provide the contents with sufficient protection while in transit through the distribution channel to maintain the integrity and appearance of the product. The package chosen will also need to offer the retailer/wholesaler with enough protection against shoplifting. Once the consumer has concluded the purchase, the product will need to offer an adequate level of protection when the product is being used on repeated occasions. For example, medicines and compact discs will need to be provided with sufficient long-term protection because it will be used repeatedly (Kotler 2008).

Examples of fast moving consumer goods' manufacturers and packaging manufacturers, that have successfully used packaging to launch new products, include the following:

- All Gold launched a range of exciting jam flavours including grape, apricot, strawberry and orange in plastic squeeze bottles with special tamperproof caps. This packaging was aimed at children and provided convenience and tamper-proof protection (Progressive Retailing, 2001:20).
- In an effort to assist the growers of the very best fruit and vegetables with top quality packaging, Sho-Pak developed special trays and plastic wrapping that helps keep vegetables fresh and well protected. In addition, the packaging has been designed to enhance the shelf appearance of the product and contribute to the visual impact in the eyes of the consumer (Progressive Retailing, 2001: 30).

3.6.1.2 Gain the Acceptance of Middlemen:

Most retailers and wholesalers have limited storage and merchandising space available for manufacturers. Both the outer casing and the actual product to be merchandised needs to be properly designed to accommodate the store room and shelf space requirements of middlemen (Etzel, Walker and Stanton 2001:278). According to Baldinger and Rubinson (1996:34), for the future health of a brand, the acceptance of the new packaging and product development is imperative. Consumers and middlemen will be more willing to experiment with new pack sizes and new products if the brand is strong and has a well-established track record (Kotler 2008).

3.6.1.3 Encourage Consumers to Purchase the Product:

Innovative and quality packaging can provide manufacturers with a point of differentiation and a competitive advantage, especially, since it can act as a silent sales-person at the point of purchase. Consumers are confronted with thousands of products on a single shopping expedition and packaging can provide a source of differentiation and an opportunity to interact with consumers in the absence of sales people (Etzel, Walker and Stanton 2001:279).

It is interesting to note that, in research conducted by Richardson, Dick and Jain (1994:33), it was established that consumers place quality above value for money in the purchase decision. In the same research study, it has been established that house brands, are on average, twenty-one percent cheaper than manufacturer brands and, in order for these brands to compete effectively with manufacturer brands on price, they would need to be positioned as high quality alternatives. In this regard, the packaging of the product and the perception created in the mind of the consumer will be very important. Waterschoot and Van der Bulte (1992:90) support the findings of Richardson, Dick and Jain (1994:33) with regards to packaging being an indispensable part of the marketing mix and a major factor in influencing the purchasing decisions of consumers. Packaging is a dynamic feature of the product that can be used to increase a company's chances of success in a highly competitive marketplace for fast moving consumer goods (Richardson, Dick and Jain 1994:33).

3.6.1.4 Convenience:

In our contemporary business environment, consumers are hard pressed for free time. Therefore, packaging that can offer benefits in terms of ease of use will certainly provide a distinct competitive advantage (Kotler 2008). An example of this type of innovation is microwave foods that can be prepared in a matter of minutes. Not only does the packaging keep the food tasty and healthy, but it also serves as a cooking utensil and as a serving tray from which one may eat (Brassington and Pettitt 2000:288). Song and Parry (1997:12) agree with this line of thinking and highlight the importance of research and development of consumer orientated packaging that has met with both the needs of the target market as well as the performance goals of the product. Langer (1994:3) supports the arguments presented by Brassington and Pettitt (2000:288) and Song and Parry (1997:12) by pointing out that consumers of the future will be much more concerned about developing a relationship with a product that is able to complement their existence and add value to their busy lifestyles. Langer (1994:3) goes on to emphasize that packaging, which can offer the consumer a greater degree of convenience, will always have a competitive advantage because the packaging will be able to offer the consumer ease of use and also help save time and effort.

3.6.2 Marketing Strategies for Product Packaging:

The product's packaging is generally the consumer's first point of direct contact with the product. Apart from just the physical appearance of the product, marketers should also take into consideration other factors such as the size of the pack to attract either light or heavy users. For example, a housewife might want to choose a value pack as opposed to a bachelor who would prefer to purchase in smaller quantities (Brassington and Pettitt 2000:288). Thus, the size of the packaging chosen will help the marketer to segment the target market according to product usage. In addition to this (Kotler 2008) believes that the size of the package can also assist the marketer with new product launches. Special trial size products can offer consumers the opportunity to sample a new product at minimal cost and risk. These special pack sizes can also be offered free of charge to consumers as part of an in-store promotional campaign.

Agres and Dubitsky (1996:23) follow a similar line of thinking as that presented by Brassington and Pettitt (2000:289) by emphasizing the importance of differentiation in building a brand in a highly competitive market place. For example, typical fast moving consumer products like Coca-Cola and Pepsi Cola have been able to differentiate themselves through subtle changes in packaging and have maintained their distinctive image in the minds and hearts of consumers. When considering either a product re-launch or redesign, Brassington and Pettitt (2000:289) suggest that marketers will need to also take cognizance of current environmental regulations with regards to the types of materials that are utilized in the construction of the package. According to Etzel, Walker and Stanton (2001:279), marketers should pay careful attention to the following factors when developing packaging strategies for their portfolio of products:

3.6.2.1 Packaging the Product Line:

Companies will need to decide if it is to develop family packaging or individual packages even though it is all produced by the same manufacturer (Agres and Dubitsky 1996:23). Family packaging is a viable option for products that have similar uses and levels of quality specifications. Some of the products in a company's portfolio might have proven their worth in the marketplace and the positive consumer perceptions associated with this product will probably extend to other newer products that use family packaging (Etzel, Walker and Stanton 2001). Examples of companies that use family packaging include Kellogg's, Campbell's soups and Dettol. In a study conducted by Peterson, Wilson and Brown (1992:38), it was established that advertised claims about consumer satisfaction did little to encourage consumer acceptance of a product or brand. Personal experience and word-of-mouth communication are probably the most effective methods of promoting a product. While family packaging might be a worthwhile option in some instances, it might not be viable if consumers have had an unfortunate experience with some established product lines. The negative perceptions that relate to the bad experience encountered with one of the products within the family of products will ultimately affect the consumer's perception of the other products carrying the same brand name (Kotler 2008).

3.6.2.2 Multiple Packaging:

Multiple packaging includes a number of units in a single packaged unit that is aimed at providing better value for money or greater variety for the consumer (Thompson and Arsel 2006). Examples of products that can be packaged in this fashion include golf balls, sweets and chocolates and soups. Multiple packaging has the benefit of increasing the volumes of the product sold and creates the perception in the mind of the consumer of good value for money when it appears on the shelf of the middleman (Etzel, Walker and Stanton 2001:278).

3.6.2.3 Altering the Size and Appearance of the Packaging:

As consumer needs and wants continue to evolve with the changing environment, the packaging offered to consumers will also need to be modified to remain fresh and innovative enough to offer consumers a greater degree of convenience (Thompson and Arsel 2006). Conducting research among the target market can uncover unsatisfied consumer needs that might present a company with the opportunity to differentiate its products from the competition (Etzel, Walker and Stanton 2001:279). While Etzel, Walker and Stanton (2001:279) do present a convincing argument in terms of keeping packaging fresh and innovative, Cook (1996:6) argues the point that packaging should remain consistent in order to encourage brand loyalty and that changing the package size of the product is something that should not be done purely for the purposes of keeping the price competitive.

3.6.2.4 Packaging and the Marketing Mix:

Cleverly and thoughtfully designed, packaging can assist in fostering a relationship between the marketer and the consumer (Brassington and Pettitt 2000:290). A package often represents the face of the company and brand loyal consumers can, over a period of time, become very attached to the package and may, in some instances, show resistance to any radical changes in the appearance of the package (Kotler 2008). Marketers, therefore, often choose to initiate subtle changes to the appearance of the product in order to keep it fresh and innovative, especially in the face of increased competitor activity. Consumers are literally flooded with information on a daily basis and need to make decisions especially while shopping in a split second due to time constraints. The artwork on the package must be striking and have the ability to arrest the attention of the consumer (Etzel, Walker and Stanton 2001). Mr. Levin, the creative director of 'Off the Shelf Marketing', agrees with the sentiments of Brassington and Pettitt (2000:290) by making the following comment, "Who made the law that all cereal boxes must be white? Make yours red to differentiate your brand" (Progressive Retailing, 2001:11).

Wacker (1996:31) believes that the contemporary business environment has placed enormous pressure on the leisure time of consumers and this is usually the time when most of their shopping is completed. Thus, it is important for marketers to ensure that the impact of the packaging and the information contained on the package is easily digestible and makes complete sense to consumers. For example, Bokomo, a leading manufacturer of breakfast cereals launched 'Maximize', a breakfast cereal that is targeted at consumers that lead very active and busy life-styles and require a highly nutritious breakfast cereal that provides energy and essential vitamins. Bokomo launched this breakfast cereal in a 400-gram carton with very attractive and informative visuals that communicated the health benefits of this breakfast cereal to consumers quickly and without any confusion (Progressive Retailing, 2001:11).

Closely linked with the presentation of the product packaging is the size of the package on offer. For example, some pack sizes might be too large and prove to be unpopular with consumers. Brassington and Pettitt (2000:290) suggest that careful research needs to be concluded in order to establish the correct size of the product packaging especially across different categories of products. For example, consumers might have different needs in terms of both the presentation and size of packaging for food products and household cleaning agents. Marketers must also take cognizance of environmental regulations and ensure that the materials used in the manufacture of the product's package are not harmful to the environment (Kotler 2008).

3.6.2.5 Packaging and Brand Value:

There are some brands that have a strong presence in the marketplace in terms of consumer perceptions as well as in terms of market share. Packaging is an important component of the marketing mix and can add a great deal of value to the brand (Kotler 2008). Doyle (2002:161) has identified the following factors as being critical to adding value and enhancing the image of the brand:

(a) Experience of Use:

Brands that are able to provide years of regular and reliable service are able to secure a special place in the minds and hearts of consumers (Dewhirst and Davis 2005). Consumers develop positive associations with these brands and often purchase them without much effort going into the decision-making process even though there might be much competition in the marketplace. Well-designed and convenient packaging, that is simple and easy to use, can often provide competitive advantage (Doyle 2002).

Research conducted by Dyson, Farr and Hollis (1996:12) endorses the argument presented by Doyle (2002:161) in terms of popular brands being purchased more frequently than other brands. Consumers may more easily substitute less well-known brands for each other. This line of thinking presented by Doyle (2002:161) and Dyson, Farr and Hollis (1996:12) is encapsulated by the following words of Keller (1994:4), "From a consumer perspective Americans are becoming more focused on relationships – not only with people, family, and communities but with brands as well. They value dependability, trustworthiness, affinity, and a sense of belonging".

(b) User Associations:

Brands can sometimes develop an image that is derived from the type of people that make use of these products (Ratnatunga and Ewing 2005). Marketers of fast moving consumer goods have often packaged products like sweets and chocolates in innovative and eye-catching colours and designs that may include cartoon characters. This innovation has provided them with a point of differentiation and a strategic edge over the competitors (Doyle 2002).

(c) Belief in Efficacy:

Consumers can sometimes develop faith in a brand even though they might have had no personal experience with the brand. This type of confidence in the brand may originate from a number of sources including consumer satisfaction surveys, industry endorsements, and newspaper editorials (Erdem and Valenzuela 2006). Doyle (2002:161) is of the opinion that word-of-mouth communication is a powerful tool especially if it originates from members of society that are held in high regard by the target market.

(d) Brand Appearance:

Brand appearance relates to the physical appearance and presentation of the brand. When confronted with a multitude of products on the shelves of supermarkets, consumers can often be encouraged to try new products that are attractively packaged and are able to make a strong impact in the minds and hearts of consumers (Doyle 2002). The view point of Doyle (2002:161) is supported by research conducted by Dyson, Farr and Hollis (1996:21) who conclude in their research into brand equity that consumers are motivated by a collection of rational, emotional and saliency based drivers that ultimately influence their purchase decision. Marketers should, therefore, not underestimate the importance of the emotional aspect of branding a product (Thompson and Arsel 2006).

(e) Manufacturers Name and Reputation:

New products or packaging can often benefit from a strong and well-established brand. Consumers are likely to be more confident in purchasing a new product that has the support of a successful brand name (Doyle 2002). However, marketers must be careful when launching a new product or packaging because failure could cause a great deal of harm to a successful brand name (Dewhirst and Davis 2005).

Oakenfull and Gelb (1996:71) propose that marketers can also differentiate their brands from competitors by ensuring that they establish a favourable brand image and direct their marketing budget towards activities that will yield high brand equity. Almost two-thirds of purchases made by consumers are decided upon while they are in the supermarket. In this regard, packaging can help arrest the attention of the consumer and even convince the shopper to purchase the product on sale (Oakenfull and Gelb 1996:71).

In designing a suitable package, marketers must also take cognizance of the exact information contained on the labeling of the package. With increasing pressure on disposable income, consumers are taking the time and effort to carefully evaluate the information presented on the product (Stammerjohan, Wood, Chang and Thorson 2005). In addition, consumers are also becoming more health conscious and are taking note of the nutritional information contained on the label. Moreover, governments around the world are becoming more particular with regard to the disclosure of information in terms of legislation (Etzel, Walker and Stanton 2001:281).

3.6.3 Labeling:

3.6.3.1 Labeling and Government Legislation:

Etzel, Walker and Stanton (2001:281) point out that sustained consumer pressure in the United States of America resulted in the creation of the Federal Fair Packaging and Labeling Act of 1966. This piece of legislation has made it compulsory for marketers to ensure that their products are clearly labeled and easy to comprehend. In addition, the legislation has forced marketers to disclose as much information about their products as possible. For example, the ingredients and nutritional information are two key components for food products. This sort of information assists consumers to make more informed decisions when evaluating competing products (Kotler 2008).

3.6.3.2 Private Labeling:

Large manufacturers may sometimes agree to label their own products under the brand name of a middleman (Kotler 2008). The reason for adopting this approach is to ensure that they benefit from the additional volume and turnover as opposed to their competitors. Fast moving consumer goods are a typical area where private branding is adopted. Virtually anything, from rice to shaving blades, can be privately labeled. Jain (1993:191) maintains that middlemen usually require continual and uninterrupted supply from the manufacturer, consistent quality and competitive prices. These three considerations are of paramount importance for the product to succeed against the established brands in the marketplace (Jain 1993:191).

In research conducted by Ashley (1998:75), the following points were identified as being the most important for the growth and popularity of private label brands:

- Private label brands are usually priced from 15% to 40% lower than branded products;
- Higher profit margins for retailers;
- Increasing popularity of private label brands; and
- Good promotional support being directed at these brands by middlemen (Ashley 1998:75).

Middlemen are aware that consumers will only be able to obtain these brands from their outlets. This awareness encourages loyalty among consumers and ensures return on investment in these private label brands (Ashley 1998:75).

Flowing from this discussion on packaging, attention will be focused on the crucial role of pricing as a strategic marketing tool in the war for market share but also in terms of helping the entity generate shareholder wealth.

3.7 PRICING:

The pricing of a product is a key component of a company's marketing strategy and planning process (Thompson and Arsel 2006). Manipulation of the price has a direct and immediate effect on the profitability of an entity and the demand for its range of products. Consumers select a product after carefully considering a number of factors, namely, the functional and psychological benefits that a product has to offer and then consider the price of the product in relation to the perceived benefits. Consumers generally prefer to choose a product that can offer value-added benefits and are often willing to pay a premium for these types of products. Some companies might choose to differentiate their products through innovation, superior quality and quick turnaround time (Doyle 2002).

Doyle (2002:218) believes that adding these features to the market offering enables an entity to maximize profits because not all competitors are able or willing to provide the same level and quality of service and expertise. In the contemporary business environment, it is imperative for companies to find ways to differentiate their products and not just to market their offering purely on the basis of price. Cheap imports can cause serious harm to a business that wants to compete purely on price (Kotler 2008).

Woodside and Trappey (1992:59), who conducted research into uncovering reasons why consumers shop at a particular store and choose to purchase a certain brand, allude to the fact that consumers have a limited number of hot buttons or evaluative criteria that they make reference to when attempting to select a particular store to do their grocery shopping. Firstly, consumers looked for convenience, that is, the location of the store as well as the availability of the most popular brands. Secondly, consumers looked for the lowest overall prices when filling their trolleys with typical fast moving consumer goods (Woodside and Trappey 1992:59).

3.7.1 Pricing and the Marketing Mix:

Price is an important component of a product and its role and relationship with the other components of the marketing mix can never be underestimated. From a strategic planning perspective the price of a fast moving consumer product needs to complement the other components of the marketing mix (Stammerjohan, Wood, Chang and Thorson 2005).

3.7.1.1 Price and Product:

Fairly often, the price of a product is determined by the amount of money that the target audience is prepared to pay for the product. The cost of producing the product will then be carefully calculated to ensure that it is still possible to earn a healthy profit margin by charging a suitable price (Kotler 2008). Some markets will allow for premium pricing while in other markets it might not be possible to charge such high prices. Therefore, the costs of production must always be in relation to the price dictated by the market. The price of the product is also affected by its stage in the product life cycle. In the decline stage marketers will need to drop prices and profit margins to ensure that the product remains competitive. Moreover, the price of the product could be determined by means of product line pricing, which distinguishes between a variety of different grades of products (Doyle 2002). Another determinant of price relates to consumer perceptions of the product. Consumers can sometimes attach a particular value or importance to a brand that they do not attach to other brands or products (Dewhirst and Davis 2005). Agres and Dubitsky (1996:21) maintain that a brand name assures the consumer of consistent quality and superior value. The consumer, is therefore, willing to give the manufacturer brand loyalty and accept the price of the product that is being charged.

3.7.1.2 Price and Promotion:

Marketers can sometimes use price as a method of positioning their products in the minds of consumers (Thompson and Arsel 2006). For example, a house brand could be positioned on the basis of value for money while another premium manufacturer branded product can be positioned on the basis of exceptional quality that justifies charging a high price (Doyle 2002). Oakenfeld and Gelb (1996:65) conclude that brand image building should be the primary objective in advertising a brand. Investing money in building the brand will help yield rich dividends in the longer-term and help position the product in the minds of consumers.

3.7.1.3 Price and Distribution:

Many fast moving consumer goods are distributed through a traditional distribution channel, that is, from the manufacturer to the wholesaler, to the retailer, and finally to the consumer (Kotler 2008). There are many parties in this distribution channel and the costs of the distribution will need to be built into the price of the product and ultimately all of these distribution costs need to be recovered from the consumer. The price will need to be competitive and also ensure that all costs and profit margins are fully recovered (Doyle 2002).

3.8 CONSUMER PROMOTIONS:

3.8.1 An Overview of Consumer Promotions:

Marketing communications is a combination of marketing activities and the communications process. The term marketing relates to those activities whereby business entities create or stimulate the exchange of values from one party to another (Erdem and Valenzuela 2006). Communications refers to the conveying of thoughts and ideas and the sharing of meaning. This is a particularly important feature because marketing communications need to firstly provide exposure for the product being marketed and capture the attention of the audience by transmitting a message that must be comprehended by the target audience (Boone and Kurtz 2004). According to Keller (2003:285), once these objectives have been accomplished, the communication must then seek to yield a favourable response from the audience, the consumer must plan to act in the desired manner, and finally the consumer must then conclude the purchase of the product being marketed.

According to Shimp (2003:3), marketing communications "…represents the collection of all elements in a brand's marketing mix that facilitate exchanges by targeting the brand to a group of customers, positioning the brand as somehow distinct from competitive brands, and sharing the brand's meaning, its point of difference, with the brand's target audience". The basic types of marketing communications include advertising, sales promotions, public relations, and personal selling. These tools are commonly referred to as the promotion component of the marketing mix (Boone and Kurtz 2004).

3.8.2 The Objectives of Promotion:

According to Boone and Kurtz (2004:502), the five basic objectives of promotion are to provide information to consumers and others, increase demand, differentiate a product, accentuate a product's value and stabilize sales.

3.8.2.1 Provide Information:

Marketers have traditionally used promotions as an opportunity to provide information relating to the product or service on offer to the target market (Dewhirst and Davis 2005). This type of communication will usually be directed at the functional attributes of the product and provide information on the features and benefits of the product. Popular tools for communicating this type of information include video cassettes and compact discs (Boone and Kurtz 2004).

3.8.2.2 Increase Demand:

Promotions represent a significant cost to companies operating in the contemporary business environment (Kotler 2008). Shareholders demand good returns on investment for all promotion-related expenses. Companies are, therefore, under tremendous pressure to increase the demand for their products. Therefore, marketers will often choose promotional tactics that will help increase volumes sold especially if the competition is intense and the company's market share is under threat (Boone and Kurtz 2004). In 1990, South African companies spent the equivalent of 0.70% of the gross domestic product on advertising expenditure. By 2001 this figure grew to 1% in terms of the gross domestic product. In monetary terms, this percentage equates to almost R10 billion being spent on advertising in 2001 (Bureau of Market Research, 2002:4).

3.8.2.3 Differentiate the Product:

A product, received by the target audience as homogeneous, presents the company concerned with very little opportunity to alter its marketing strategy. It is important, under these circumstances, for the company concerned to look for a point of differentiation (Thompson and Arsel 2006). By effectively differentiating a product, marketers will be well positioned to charge more for its products based on the unique features that it has to offer consumers (Boone and Kurtz 2004).

3.8.2.4 Accentuate the Product's Value:

It is important to analyze the lifestyles of one's target market and then position the product to really add value to the life of the consumer (Ratnatunga and Ewing 2005). Contemporary consumers are hard pressed for time therefore demand products that are able to save time and money. For example, those household cleaning agents that are able to provide a range of benefits over and above that of the competitors will give marketers the opportunity to promote the product such that it is able to stand out from competitors (Boone and Kurtz 2004).

3.8.2.5 Stabilize Sales:

Some products do not achieve a uniform level of sales throughout the entire year. For example, some products, like soft drinks and ice cream, might achieve a much higher level of sales during the hot summer months while products like coffee and instant soups are more popular during the cold winter months (Boone and Kurtz 2004).

Wansink and Ray (1992:9-15) suggest that the two major objectives of advertising are to get consumers to choose the brand and then to consume the brand. When designing an advertisement, marketers can either choose to focus their efforts on brand switching (choice) or they can focus their objectives on consumption (use). The researchers conclude their investigation by pointing to the fact that advertising does influence both current users to consume more of the brand and also encourages new users to try the brand for the first time. Anschuetz (1997:63-66), supports these finding by proposing that for a brand to increase the number of frequent or heavy purchasers, the brand must become more popular in general. The most effective way to build the popularity of the brand, according to Anschuetz (1997:65), is to advertise as effectively as possible. Popular brands have been able to become part of the culture of the target market. Slogans, advertising icons, music and the images of popular brands have the ability to capture the imagination and also influence the purchasing behaviour of consumers (Kotler 2008).

3.8.3 The Elements of the Promotional Mix:

The promotional mix consists of a variety of personal and non-personal communication techniques. These two basic forms of promotion are usually integrated into a coherent plan to achieve a company's marketing objectives (Kotler 2008). Boone and Kurtz (2004:499) believe that while personal selling is really about face-to-face contact with the customer, non-personal promotion is composed of advertising, sales promotion, direct marketing, public relations, guerilla marketing and sponsorships.

3.8.3.1 Personal Selling:

Personal selling is widely regarded as the oldest and most common form of promotion. In some industries, it forms an indispensable promotional tool because of its ability to communicate technical information effectively and also to encourage the customer to purchase the product on offer (Leixton and Movondo 2005). Personal selling can also be conducted over the telephone, through video conferencing, and through interactive computer links between the buyer and the seller (Boone and Kurtz 2004).

3.8.3.2 Non-Personal Selling:

Non-personal selling consists of advertising, sales promotion, direct marketing, public relations, guerilla marketing and sponsorships. Advertising and sales promotions are generally the most popular forms of non-personal selling and usually get the largest percentage of the promotions budget (Boone and Kurtz 2004). According to Duncan and Everett (1993:31), there is growing popularity among companies to adopt an integrated approach towards marketing communication. Companies view this integrated approach as an opportunity to maximize return on investment and achieve the goals of the promotional plan (Duncan and Everett 1993:31).

3.8.3.3 Advertising:

Advertising consists of the placement of promotional messages in a variety of media vehicles, namely, television, radio channels, newspapers, magazines and billboards. In recent years, the internet has grown in popularity as an effective medium for the communication of promotional messages. Advertising is particularly effective in communicating to audiences that are geographically dispersed (Boone and Kurtz 2004).

According to research conducted by Flynn, Goldsmith and Eastman (1996:137), marketers should not underestimate the power of opinion leaders who have the power to sway consumer perceptions and purchase intention. Advertising is a powerful marketing tool; however, consumers are sometimes more believing of information that comes from a trusted and reliable source (Kotler 2008).

3.8.3.4 Sales Promotion:

Sales promotions consists of a wide variety of activities including displays, trade shows, coupons, contests, samples, premiums, product demonstrations and other ad hoc activities that marketers might consider suitable for stimulating desire and interest in their products (Erdem and Valenzuela 2006). Sales promotion activities provide a short-term incentive for consumers to purchase and are driven by innovative concepts that must stimulate desire within the minds of consumers to purchase the product on offer (Boone and Kurtz 2004). According to Platt (2006:1), in-store advertising in the USA is growing at phenomenal rate. In 2005 alone, around 18 billion US dollars were spent on in-store promotions and this figure was expected to reach 20 billion US dollars in 2006. Procter and Gamble, an international fast moving consumer goods manufacturer, believes that it is the impact that is created at the point of purchase that is most likely to get consumers to choose one's brand as opposed to the competitor brand (Platt 2006:1).

In addition to targeting the consumers through special offers over a limited period of time, companies also target wholesalers and retailers through special schemes including free stock, buyback allowances and competitions between different intermediaries in which they will be able to win prizes (Boone and Kurtz 2004). An example of this practice is a recent campaign launched by All Gold, which combines above-the-line and below-the-line promotion into a winning combination. Consumers are required to retain their till-slips or labels of their favourite All Gold products and post them to a competition address. Forty winning consumers will be able to fill up their trolleys at the store from which the products were purchased. The campaign will be communicated on television, magazine advertisements and through in-store promotional support. This type of campaign rewards both the consumer as well as the stores that stock All Gold products (Retail Edition, 2005:27).

3.8.3.5 Direct Marketing:

Direct marketing consists of techniques that are designed to communicate directly with the target audience (Kotler 2008). The objectives of this type of communication are to minimize any distortion in the communication process and also to communicate with the consumer in the most direct method possible. Typical examples of direct marketing include direct mail, direct response advertising, telemarketing, infomercials on broadcast media, direct response print advertising and electronic media (Boone and Kurtz 2004).

3.8.3.6 Public Relations:

The public relations programme/activity consists of a company's communication with a variety of different parties. These parties normally include suppliers, shareholders, employees, members of the public, and the government. The content of this communication needs to be carefully controlled to ensure that the company's image and standing in the business community is not adversely affected (Dewhirst and Davis 2005). Publicity forms an integral part of a company's public relations programme that has the potential to influence public opinion. Publicity is unpaid for communication that is usually placed in the broadcast medium or print medium (Boone and Kurtz 2004).

3.8.3.7 Guerilla Marketing:

This is an approach that is commonly employed by companies that are under-funded. The costs associated with the traditional communication mediums are too expensive and innovative low cost alternatives need to be pursued. Branded promotional items are handed out to carefully selected outlets or to consumers to create brand awareness (Thompson and Arsel 2006). Typical examples include branded t-shirts, caps, aprons, bandannas and bumper stickers. Moreover, free samples of products might be handed out at public events such as music concerts to encourage people to sample the product (Boone and Kurtz 2004).

3.8.3.8 Sponsorships:

Sponsorships involves a company providing cash or some other form of resource to be directly associated with an event. Typical events include sport sponsorships, sponsorships of charitable events and sponsorships of government activities (Kotler 2008). According to Boone and Kurtz (2004:508) sponsorships are designed to promote brand awareness and also to create goodwill with the target audience.

3.8.4 Advertising:

According to Shimp (2003:225), advertising constitutes the major promotional expense for most manufacturers of fast moving consumer goods. For the 2001 year, advertising expenditure totaled approximately 230 billion dollars which equated to almost 800 dollars for every one of the 280 million people in the USA. Procter and Gamble a leading international manufacturer of fast moving consumer goods, was ranked number 3 of all advertisers in the USA. Their advertising spend in 2001 amounted to 2,3 billion dollars. Procter and Gamble view advertising as an on-going activity and an opportunity to build and maintain brand equity. According to the Bureau of Marketing Research (UNISA), South African companies spent almost 17 billion rands in 2001 on above-the-line and below-the-line promotions (Bureau of Market Research, 2002:4).

In the next section, attention will be focused on two major areas, namely, the functions of advertising and advertising campaigns.

3.8.4.1 The Functions of Advertising:

Advertising must seek to address five basic functions, namely, informing, persuading, reminding, adding value and assisting other company efforts (Shimp 2003).

(a) Informing:

Advertising has the ability to reach quite a large audience at a relatively low cost per person. It is a particularly popular method of creating brand awareness and educating the target audience about the features that the brand has to offer to consumers. Advertising helps to create and maintain top of mind awareness among consumers and can prove vital when shoppers are confronted with many competing products on the shelves of the supermarket (Shimp 2003). For example, Jacobs is a brand of premium coffee marketed through most of the retail chain stores in South Africa. Jacobs have launched Jacobs Café Latte and Jacobs Cappuccino in unique and innovative sachets that are designed to offer consumers with maximum convenience. Jacobs have chosen to launch this range through a television advertising campaign and in-store point of sale material. A further attempt will be made to create awareness through in-store sampling of the product (Retail Edition, 2005 28-29).

(b) Persuading:

Advertising can prove to be a valuable tool in encouraging both primary and secondary demand among consumers (Dewhirst and Davis 2005). Primary demand creates demand for the entire product category while secondary demand creates demand for a particular brand that the company has to offer. Apart from providing consumers with a reason to purchase a product, advertising can also be used to convey emotional themes that can help to sway support for a company's range of products or brands (Shimp 2003). Clover have introduced Da Lite, which is a sugar free alternative to the Tropika Range of fruit juices. This newly launched sugar free option is aimed at upmarket consumers and is available in three flavours, namely, Pineapple, Orange and Mango and Peach. Tropika has 55.70% market share of the fruit juice market and its new sugar option is designed to improve the image of its entire fruit juice range (Retail Edition, 2005:32-33).

(c) Reminding:

Sometimes, a period of time might pass before a consumer is ready to purchase the brand on offer. The advertising that the consumer has seen in the past can remain in the mind of the consumer for a relatively long period of time. This memory of the advertisement is activated when the consumer is confronted with a decision to purchase the product on offer on the shelves of retailers (Shimp 2003).

Nestle have injected new life into the Ricoffy brand of coffee. Renamed, Nescafe Ricoffy, the product has received the attention in the following areas to increase its appeal to existing users and to broaden its market share:

- Improved product – more coffee taste and more coffee aroma for a more pleasurable coffee experience;
- Modern packaging design – to fit modern consumer trends and lifestyle; and
- New advertising campaign – which will resonate with consumers and entice more people into the category (Supermarket and Retailer, 2005:17).

Nestle plan to provide marketing support in the following areas, namely, television advertising, radio advertising, print advertising, youth activation programmes and outdoor media. All of these tools will be focused on stimulating end-user demand for the product. Consumers will then be reminded of these messages with in-store point of sale material and special offers (Supermarket and Retailer, 2005:17).

(d) Adding Value:

Marketers can add value to their brands by innovating, improving quality and also by changing consumers' perceptions of the product. By advertising in a convincing method, marketers can add build on the quality and status of brands in the minds of consumers. This technique will, over a period of time, assist in building brand equity (Erdem and Valenzuela 2006). For example, a leading consumer food manufacturer, Enterprise, recently launched advertising campaigns to draw attention to their product innovations. Enterprise launched a range of frozen and ready to eat meals including Beef and Chicken Burgers, Cottage Pie, Chicken Tikka, Sweet and Sour Pork and Beef Potjie that are aimed at busy housewives who have full-time jobs and want meals that are quick and easy to prepare (Supermarket and Retailer, 2005:6).

(e) Assisting with other Company Efforts:

According to Boone and Kurtz (2004:508), advertising provides support for other marketing initiatives, for example, product packaging, quality attributes and personal selling. Consumers are probably more likely to take note of new packaging development if it is properly advertised. Moreover, advertising makes it much easier for sales people to negotiate with the trade because attention has already been focused on the consumer, and retailers feel more confident about stocking the brand. Ashley (1998:75) conducted research to establish exactly how manufacturer brands can compete effectively with house brands. Advertising that can effectively communicate the quality advantages of the manufacturer branded product over the house brand was identified as a major tool to be used in maintaining and increasing market share. Ashley (1998:76) emphasizes this point by making reference to the comments made by Hoch and Banerji (1993), that is, "Advertising …can safeguard against private label success. The traditional formula for building brands – to solve a consumer problem with a high quality product and communicate it through advertising – has not lost relevance in creating differentiation and insulating manufacturers from price competition".

In a study conducted by Peterson, Wilson and Brown (1992: 40), it was established that while companies may choose to advertise claims about customer satisfaction as part of their promotional campaign, this strategy had little impact on consumer attitudes and purchase intention. Product sampling at the point of purchase can assist in changing the perceptions of consumers with regards to the product being marketed (Kotler 2008).

3.9. SALES PROMOTIONS:

Sales promotions relate to techniques employed by manufacturers to stimulate interest in their products. The target audience is usually wholesalers, retailers and consumers. The major objective of sales promotions is to encourage the trade to stock the product and also to ensure that consumers feel motivated to purchase the product (Kotler 2008). Sales promotions also provide the sales force with a major bargaining tool in the negotiation process. While advertising is more long-term in nature and seeks to improve buyer attitudes and also brand equity, sales promotions are more short-term and seek to change buyer behaviour in favour of the brand on promotion. Sales promotion always has a sense of urgency attached to it and forces consumers to act immediately in order to qualify for the benefits being offered (Dewhirst and Davis 2005).

3.9.1 Factors Accounting for the Popularity of Sales Promotion:

When choosing how to go about promoting their products, marketers can choose to either use 'push' or 'pull' techniques (Kotler 2008). Push involves making extensive use of personal selling and the granting of discounts to wholesalers and retailers. Pull entails switching the attention from the trade in favour of the consumer through extensive consumer advertising and promotions. This approach seeks to get products on the shelves of wholesalers and retailers and also to move products off the shelves through consumer pressure (Leixton and Movondo 2005).

The following factors according to Shimp (2003) are generally the ones that account for the popularity of sales promotion:

- Increased Brand Parity and Price Sensitivity:

There are few products these days that offer truly innovative features that are completely different from those offered by competitors (Thompson and Arsel 2006). Moreover, with the increased level of competitor activity, consumers have become very price sensitive and are willing to switch brands on the basis of price. Marketers have, therefore, turned to special offers that give consumers a reduced price over a limited period of time (Shimp 2003).

- Reduced Brand Loyalty:

Consumers have become conditioned to having products on special offer and are, to some extent reluctant to purchase products that are no longer on special offer (Erdem and Valenzuela 2006). As a result of this reluctance, manufacturers are under immense pressure to ensure that at least one of their products is on promotion at some point in time (Shimp 2003).

- <u>Reduced Effectiveness of the Media</u>:

The effectiveness of advertising is directly related to the media habits of consumers and similarity of their consumption patterns (Stammerjohan, Wood, Chang and Thorson 2005). Since consumers have diversified lifestyles and consumption patterns as well as a varied choice of media usage, marketers have had to resort to sales promotions to move their brands off the shelves of supermarkets (Shimp 2003).

- <u>Short-Term Rewards</u>:

Marketers are under tremendous pressure to provide immediate growth in sales volumes. As a result of this presence, sales promotions have grown in popularity and have received a larger share of many marketing budgets (Kotler 2008). Longer-term brand building initiatives have been replaced in favour of short-term sales generating initiatives (Shimp 2003).

- <u>Consumer Responsiveness</u>:

Consumers like to receive something in the exchange process, such as coupons or free-giveaways. This incentive has, in some instances, become more popular than the traditional advertising in mass media that can result in the message becoming diluted with other competing messages (Erdem and Valenzuela 2006). Shimp (2003:475) maintains that providing consumers with a reason to choose the product at the point of purchase is highly effective because they have both the desire to purchase as well as the means with which to purchase the product (Shimp 2003:475).

In a study conducted in 2002, by the Bureau of Market Research, it was established that direct marketing and sales promotion were the most popular vehicles for below-the-line promotions by companies in South Africa (Bureau of Market Research, 2002:72).

3.10 CONCLUSION:

Consumer promotions are a vital and integral component that often determines the success or failure of a product. Consumer promotions provide marketers with an opportunity to interact with their target audience through a variety of mechanisms (Erdem and Valenzuela 2006). However, companies compete with each other not just for profits but also for the attention of consumers. As a result of the volume of information currently being communicated, the meaning of even the most innovative messages can sometimes become distorted and lose their impact (Kotler 2008). The challenge for marketers in this type of an environment will be to design communication messages that not only move products off the shelves of supermarkets but also capture the imagination and attention of the target audience (Dewhirst and Davis 2005). This technique will ensure that the company addresses two important aspects, namely, increasing its sales volumes and also building its brand preference among loyal consumers. South African companies are continually spending greater amounts of resources on building brand equity. Marketers and shareholders have come to realize that the most valuable and enduring asset a company can own is its own brand. This brand needs to be continually nurtured through promotional activity in above-the-line and below-the-line communications. Marketers in South Africa regard the following marketing communication vehicles as being the best for building their respective brands (listed in order of preference), namely, television, print media, radio, sales promotion, direct marketing, public relations, outdoor, cinema, sponsorships, internet and personal selling (Bureau of Market Research, 2002:4).

The objective of this literature survey was to delve into the current literature and research findings pertaining to the marketing of fast moving consumer goods. The current literature findings do not adequately address the issue of brand equity optimization for fast moving consumer goods in South Africa. Chapter 4 will address this gap in knowledge by providing marketers with a model that facilitates brand equity optimization within a South African environment. This model has been extensively tested through the research instruments utilized in the empirical study which were directed at retail chain stores and consumers.

CHAPTER FOUR

MODELS OF CONSUMER BRAND DECISION-MAKING AND BRAND EQUITY OPTIMIZATION

4.1 INTRODUCTION:

It has emerged from the discussions in the preceding chapters that consumers place emphasis on a number of key variables before deciding on the brand that should be selected from the shelves of retail chain stores. Two models of consumer brand decision-making will be proposed which illustrate the processes involved in selecting a brand when consumers are contemplating the purchase of fast moving consumer goods. These two models will then form the basis for the model detailing the process of brand equity optimization. These models have been based on the literature survey of the preceding chapters and have also been extensively tested through the research instruments utilized in the empirical study which were directed at retail chain stores and consumers. The objective of this chapter will be to conceptualize the role of branding and other variables that impact on a consumer's decision to choose certain brands of fast moving consumer goods as well as the variables that influence the optimization of brand equity.

4.2 MODELS OF CONSUMER BRAND DECISION-MAKING:

Figure 4.1 and Figure 4.2 illustrate the major processes involved when the consumer decides to choose a particular brand of product but these models do not presume to provide every conceivable variable involved in the decision to select a brand as there are too many variables. The fundamental goal of these two models is to coordinate the different aspects of branding and consumer decision-making into a significant whole. Figure 4.1 (Page 75) views consumer brand decision-making from the perspective of the marketer while Figure 4.2 (Page 76) views the decision to choose a brand from a consumer's perspective. The theories proposed in these two models then form the basis for the model detailing brand equity optimization in Figure 4.3 (Page 89).

4.3 CONSUMER BRAND DECISION-MAKING:

The literature survey has revealed that the constructs as indicated in the model are significant in contributing to consumer brand decision-making and are highlighted hereunder. The marketers' model of consumer brand decision-making is depicted in Figure 4.1 on page 75 while the model illustrating the search of consumers' for their favourite brands of fast moving consumer goods is depicted in Figure 4.2 on page 76.

FIGURE 4.1: A MARKETER'S MODEL OF CONSUMER BRAND DECISION-MAKING

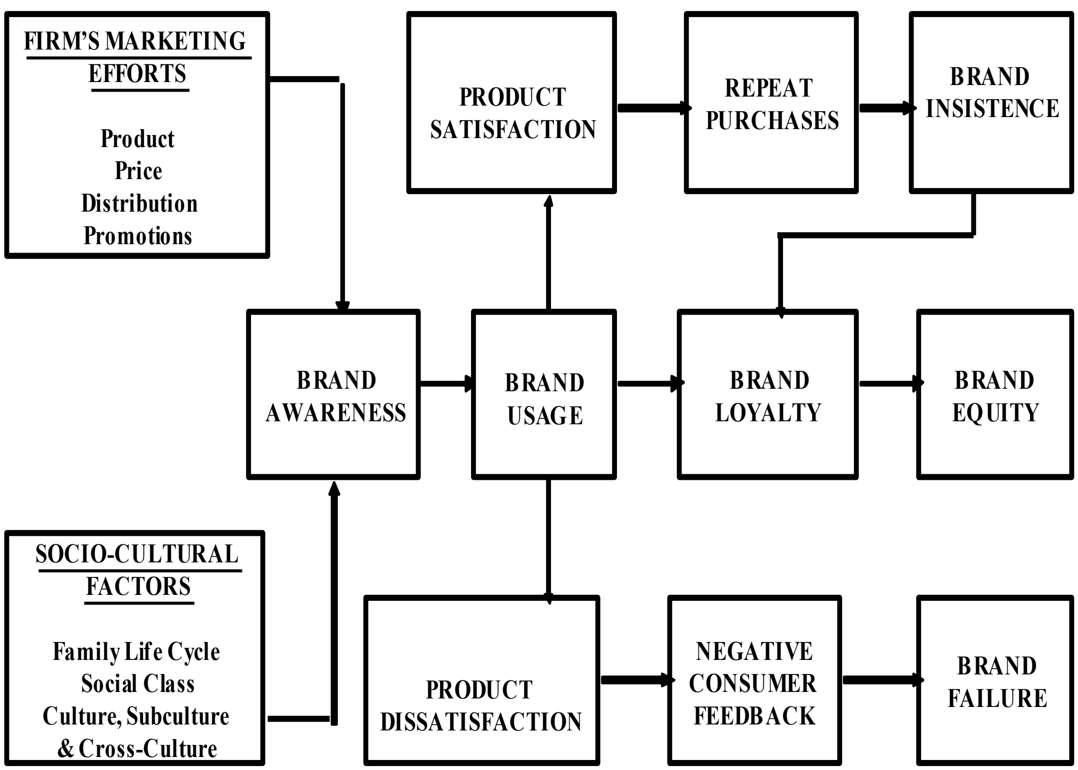
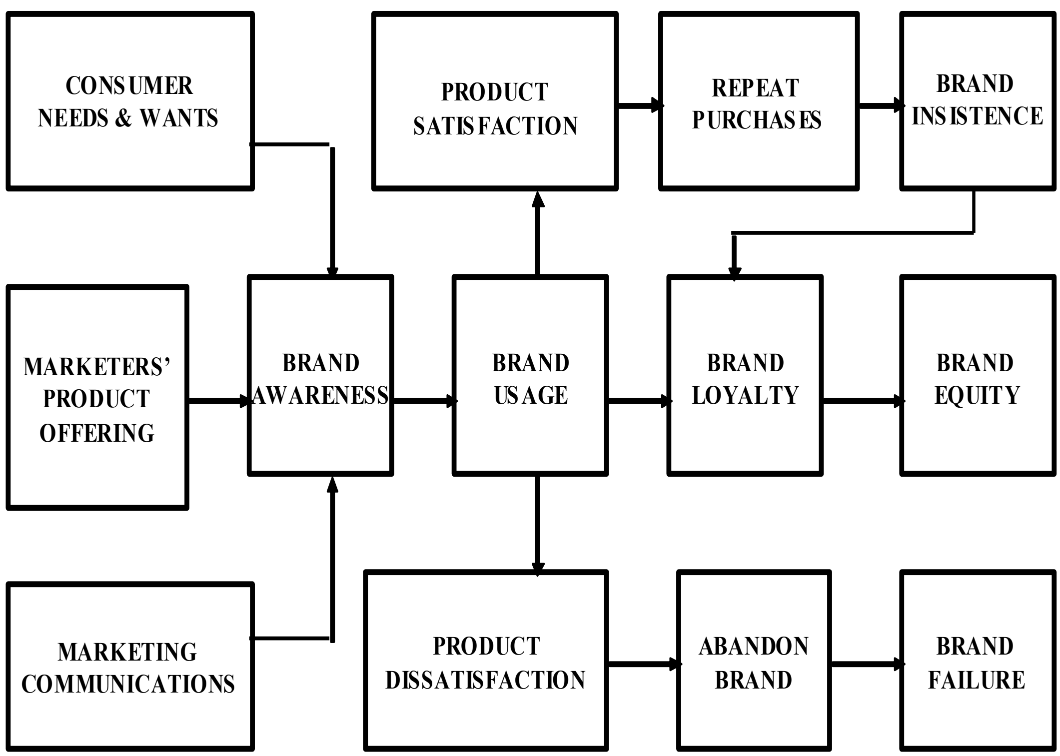


FIGURE 4.2: A MODEL OF CONSUMER BRAND DECISION-MAKING



4.3.1 The Firm's Marketing Efforts:

The firm's marketing inputs or activities consist of a logical sequence of events that are designed to achieve the desired objective. The firm's marketing activities usually revolve around the fundamental marketing mix elements, namely, product, price, promotions and distribution. These elements need to be well-planned and executed in order to achieve the desired objectives. A consumer's exposure to these elements will often determine the perception that is formed in the mind regarding the product and the brand being marketed (Schiffman and Kanuk 2004). The market for fast moving consumer goods is highly competitive and, as a result, consumers pay special attention to the messages that they receive in the form of above-the-line and below-the-line marketing communications. According to Shiffman and Kanuk (2004:553), consumers make reference to the price of the product together with its features, its packaging and its related quality attributes. This reference then results in the consumer developing an overall image of the brand.

4.3.2 Socio-Cultural Factors:

Socio-cultural factors provide marketers with yet another basis of segmenting their markets to ensure maximum market penetration of their brands and products. Schiffman and Kanuk (2004:20) believe that four popular methods of dividing a market, based on socio-cultural factors, are family life cycle, social class, culture and subculture, and cross cultural segmentation.

4.3.2.1 Family Life Cycle:

People pass through different stages during their lifetime and each stage is characterized by different consumption patterns (Kotler 2008). For example, the life-style and purchasing behaviour of a newly married couple with no children would be very different to that of a much older couple in retirement. Family life cycle is centered on marital status and family status but also reflects relative age, income and employment status. Each of these phases that a person's life goes through represents important opportunities for marketers and entire advertising campaigns are designed to appeal to consumers in different stages of their lives (Schiffman and Kanuk 2004). Dewhirst and Davis (2005:90) point to an example of Imperial Tobacco Limited, which is Canada's biggest tobacco company and which used brand and lifestyle imagery for its flagship brand of cigarettes, Player's, to achieve greater brand equity and also to generate excellent shareholder wealth. Player's cigarettes were marketed as a brand that targeted independent and free spirited men that loved outdoor activities such as hiking and mountain climbing. This focus generated widespread approval from consumers and the marketing campaign achieved a very good return on investment.

4.3.2.2 Social Class:

Social class is also a popular tool that is used for market segmentation and consumers can be placed into separate categories based on their level of income, education and occupation. Marketers often structure their product portfolio to cater for the needs of consumers in different social classes. Marketers of fast moving consumer goods can also market different products to cater for different types of consumers. For example, an international investment banker, who is entertaining high profile clients at home, might choose to purchase expensive pasta that is hand-made and imported from Italy, while a single mother preparing dinner for her children will be happy to settle for basic house brand pasta that is significantly cheaper (Schiffman and Kanuk 2004).

4.3.2.3 Culture and Sub-Culture:

Certain sections of the population can be grouped into pockets or separate target markets based on their cultural beliefs and values. For example, the Muslim and Jewish communities share different cultural heritages but are united in their devotion to their unique belief systems (Schiffman and Kanuk 2004).

4.3.2.4 Cross-Cultural Segmentation:

The world has progressively become smaller in respect of the various types of products that are consumed on a daily basis (Schiffman and Kanuk 2004). For example, consumers around the globe may choose to use Gillette shaving blades and then drink Nescafe instant coffee or consume Danone yogurt before even leaving the front door in the morning. These brands transcend different cultural backgrounds, racial groups and even geographic borders. Global brands can, therefore, choose to launch new products in more than 100 countries simultaneously due to the vast usage and acceptance of their products as well as the resources, expertise and infrastructure possessed by these international companies.

The combination of a company's marketing efforts and socio-cultural factors results in brand awareness. The consumer then has the choice to purchase the most suitable brand to satisfy his or her needs (Schiffman and Kanuk 2004).

4.3.3 Decision to Purchase:

Once a consumer has made a decision to purchase a product, this decision is divided into two parts, namely, purchase behaviour and post-purchase evaluation. The objective of any marketer must always be to increase the level of satisfaction that consumers experience with their recent acquisition (Schiffman and Kanuk 2004).

4.3.3.1 Purchase Behaviour:

Consumers will engage in three forms of purchase behaviour, namely, trial purchase, repeat purchase and long-term commitment purchase (Schiffman and Kanuk 2004).

- Trial purchase is used to describe consumer purchases that involve low volume and cost because the brand being purchased is new to the consumer and, as a result, the consumer does not want to waste too much of resources on a product that might not result in satisfaction. Marketers can assist consumers by offering free samples, coupons and highly discounted retail selling prices (Schiffman and Kanuk 2004).

- Repeat purchases are characterized by brand loyalty, which manifests itself in the form of regular purchases. Consumers have now come to trust and respect the brand and will continue to purchase more frequently and in larger quantities. These types of consumers are critical to the success of any company because they provide secure and continual cash flow (Schiffman and Kanuk 2004).

- It is not always possible for a consumer to engage in trial purchases. Long-term commitment purchases are indicative of products that consumers will keep for a number of years. Durable products such as electrical appliances, namely, stoves and microwave ovens, will often be evaluated in the store and then purchased without the consumer having had an opportunity to engage in some form of trial behaviour (Schiffman and Kanuk 2004).

4.3.3.2 Post-Purchase Evaluation:

Once the consumer has concluded a purchase, there is any one of three types of outcomes that are likely to occur, namely, actual performance matches expectations (neutral feeling), performance exceeds expectation (satisfaction) and performance falls short of expectations (dissatisfaction). In each of these three outcomes, consumers will evaluate their expectations against the actual performance of the product when performing post-purchase evaluation. A key feature of post-purchase evaluation is the deliberate attempt by consumers to continually reassure themselves that they have made the best choice of brand or product. In other words, consumers will attempt to reduce post-purchase cognitive dissonance. Some techniques that consumers will use to accomplish this objective include avoiding competitor promotions, rationalizing that the correct decision was made and convincing others within the wider community to make the same purchase (Schiffman and Kanuk 2004). A satisfied consumer will continue purchasing the brand while a dissatisfied consumer will not want to purchase the brand again but abandon the brand in question. Purchasing the brand on repeated occasions will increase the consumer's knowledge of the brand (Schiffman and Kanuk 2004).

4.3.4 Brand Knowledge:

Brand knowledge is an integral aspect of creating brand equity. Keller (2003:64) maintains that brand knowledge is able to create a differential effect that drives brand equity. A vast amount of information can be stored in the mind of the consumer including the verbal, visual, abstract or contextual information. Brand knowledge is conceptualized in the mind of the consumer and consists of two components, namely, brand awareness and brand image (Schiffman and Kanuk 2004).

- Brand awareness relates to the ability of the consumer to recognize the brand under different conditions. For example, a consumer that uses Tastic rice on a regular basis will easily recognize the brand name in advertisements and also when seeing the product on the shelf of the supermarket (Schiffman and Kanuk 2004).

- Brand image consists of the different perceptions that the consumer has of the brand or product being marketed. The same consumer that is able to recognize the Tastic brand of rice will also have a set of perceptions of the product that have been derived from exposure to marketing communication related to the product and from personal experience of having consumed the product (Schiffman and Kanuk 2004).

The consumer's significant degree of brand awareness and familiarity with the brand and, it's subsequently, positive brand associations of the product will result in brand equity. Brand equity is critical for the successful implementation of marketing strategies. Marketers need to convince consumers that not all brands in the same category are the same and that the brand being marketed has a unique set of benefits that justify its purchase over competing brands within that product category. Apart from encouraging consumers to regularly purchase one's product, brand familiarity can also offer a further important benefit (Schiffman and Kanuk 2004). The results of a research study conducted by Stammerjohan, Wood, Chang and Thorson (2005:65) clearly indicate that, when confronted with negative publicity, brand familiarity provides a degree of protection for the brand and the company and this can greatly enhance the brand's chances of survival. When the brand is popular, that is, when brand awareness leads to brand familiarity of the product it will assist by helping the brand to better capitalize on the positive attributes of an advertising campaign (Stammerjohan, Wood, Chang and Thorson 2005:65).

4.3.4.1 Brand Awareness:

Brand awareness is composed of two components, namely, brand recognition and brand recall. Brand recognition concerns the natural ability of the consumer to remember a previous exposure to the brand when given the brand as a cue. Consumers must be able to confirm that the brand has been seen or heard on a previous occasion and must also be in a position to recognize the brand when walking into a supermarket amongst other competing brands (Keller 2003).

However, brand recall relates to the ability of the consumer to remember the brand from memory when exposed to the product category. Brand awareness is created through repeated exposure to the brand, which has the effect of increasing familiarity of the brand in the mind of the consumer. Frequent exposure to the brand name, symbol, logo, character, packaging, or slogan can promote brand awareness in the mind of the consumer and entrenches an image in the consumers' mind (Keller 2003).

4.3.4.2 Brand Image:

Brand image relates to the positive associations that the consumer forms of the brand in his or her mind. Brand associations can be created from a number of different sources, including personal experience with the brand, and word-of-mouth communications, non-sponsored sources of communications and company sponsored marketing communications (Keller 2003). Keller (2003) maintains that a favourable past experience with a product is probably the most powerful method of developing a positive brand association. This is followed by word-of-mouth communication from family members and trusted friends. Non-sponsored communication is the next best method of developing positive brands associations. Consumers believe that this form of communication is more trustworthy than company sponsored communications since it originates from an objective source, for example, reputable print publications (Keller 2003).

In a thought provoking study by Osselaar and Alba (2003:548) into the locus of brand equity, it was established that brand equity is not only composed of equity residing in the family brand name but also the equity residing in sub-brand names and the individual attributes. A critical feature to building brand equity is to ensure that consumers have sufficient awareness of the brand and are able to remember the positive attributes of the main family brand name, which will then be transferred to the sub-brands (Osselaar and Alba 2003:548).

4.3.5 Brand Equity:

Brand equity relates to the marketing effects that are uniquely attributable to a particular brand. In other words, it is possible for different outcomes to result from the marketing of a product had it not been identified by its brand name. Companies invest vast amounts of resources in building brand equity over a number of years with the objective of recouping this investment in future years with, among other things, consumer brand loyalty and profits that continue to grow exponentially (Keller 2003). Ratnatunga and Ewing (2005:37) maintain that intangible assets will often provide a company with its most sustainable source of competitive advantage. In this regard, brand equity will constitute the major portion of shareholder wealth in a company. The findings of Ratnatunga and Ewing (2005:25) are confirmed and validated by Barskey and Merchant (2000); Leadbetter (2000); and Litman (2000) who propose that brand equity provides an opportunity to grow sales and sustain long-term growth and profitability.

Keller (2003:75) believes that there is a logical sequence of activities that needs to be followed in order to build brand equity, namely, brand salience, brand performance, brand imagery, brand judgments, brand feelings and brand resonance.

4.3.5.1 Brand Salience:

Brand salience concerns the issues related to the awareness of the brand and the ease with which a consumer can recall the brand name under various circumstances. In other words, brand salience relates to the extent to which the brand remains foremost and can easily be remembered and recognized by the consumer. A brand that has a high degree of salience is one that is purchased frequently and is also remembered by the consumer in a variety of different circumstances (Keller 2003).

4.3.5.2 Brand Performance:

The product being marketed is at the core of brand equity and forms the basis of the consumer's experience with the brand. Any company marketing a product must ensure that the product is designed and manufactured to meet and even exceed the expectations of the consumer. Brand performance relates to satisfying the functional needs of the consumer and is the very first step to creating brand loyalty and growing long-term sales and profits for the company. Critical issues related to brand performance issues include reliability, durability, and serviceability. Furthermore, marketers need to ensure that the product is suitably designed and styled and competitively priced in line with the needs and wants of the target market (Keller 2003).

4.3.5.3 Brand Imagery:

Brand imagery focuses on the way in which consumers view a brand in terms of satisfying their psychological and social needs. Brand imagery can be developed in the mind of the consumer through personal experience with the brand or through word-of-mouth communication. The type of association that the consumer makes with the brand can be viewed from three dimensions, namely, strength, favourability and uniqueness (Keller 2003). Brand equity is built on these three fundamental dimensions and it is imperative for marketers to ensure that their brands are easily associated with strong, favourable and unique associations that can only be associated to a particular brand, for example, Snowflake cake flour have, over many years, established their slogan, "Too fresh to Flop" in the minds and hearts of South African consumers and have become established as the premier brand of cake flour in South Africa. Research conducted by Reid, Luxton and Movondo (2005:11) reinforce this line of thinking by pointing out that brands have become the central point of many organizations' marketing endeavours and are seen as a source of market strength, competitive advantage and opportunity to create and expand shareholder wealth (Reid, Luxton and Movondo 2005:11).

4.3.5.4 Brand Judgments:

Brand judgments revolve around the personal opinions and evaluations that the consumer has of the brand. Consumers will make all sorts of judgments about a variety of brands that they encounter on a daily basis. There are, however, four judgments that a consumer will make with regards to all brands, namely, quality, credibility, consideration and superiority. These four brand judgments are imperative to building a strong and healthy brand (Keller 2003). While Reid, Luxton and Movondo (2005:11) suggest that brands are a source of valuable potential to a company that is focused on building shareholder wealth, it is also important to take note of the findings of Thompson, Rindfleisch and Arsel (2006:63), who evaluated popular brands with a view to establishing if a brand could be everything to everybody and concluded that when a brand starts to lose its focus and is judged by consumers as being less than authentic, these brands start to lose their superior status and this impacts negatively on their credibility (Thompson, Rindfleisch and Arsel 2006:63).

(a) Brand Quality:

Consumers will generally have a number of attitudes towards a brand but the most important attitudes relate to their quality perceptions of a brand. Attitudes towards a particular brand often determine how the consumer will relate to the brand through a variety of different associations (Keller 2003).

(b) Brand Credibility:

Brand credibility must be viewed from three perspectives, namely, perceived expertise, trustworthiness, and likeability. Consumers will attempt to evaluate the brand to determine if the brand can live up to their expectations, whether or not the brand is able to contribute to their lives in a meaningful way, and also if it is worth developing a long-term relationship with the brand (Keller 2003). Erdem, Swait and Valenzuela (2006:34) have studied the impact of brand equity on the brand choice of consumers in Brazil, Germany, India, Japan, Spain, Turkey, and the USA and were able to conclude that brand credibility served as an important indicator of product quality to consumers in all of these countries. Consumers perceived highly credible brands as involving low risk and offering better value for money. Furthermore, there are consumers that belong to certain cultures that will only purchase a particular brand because it has a great deal of credibility within that culture or community (Erdem, Swait and Valenzuela 2006:34).

(c) Brand Consideration:

Brand consideration focuses on whether or not a consumer will keep a particular brand in his/her set of possible options for the intention to purchase at some point in the future. It is important to bear in mind that unless the brand receives real consideration from the consumer and is viewed as having the potential to add real value to the life of the consumer, it will never really become a part of the consumer's life (Keller 2003).

(d) Brand Superiority:

Brand superiority relates to the extent to which consumers believe that a brand is unique and has benefits that are far superior to competing brands. Brand superiority is a critical component to building brand equity and once consumers are confident that they will find unique features and benefits in a brand, they will not want to look at competing brands (Keller 2003).

4.3.5.5 Brand Feelings:

Brand feelings consist of the emotional responses and reactions that consumers will feel towards a particular brand. These emotions are warmth, fun, excitement, security, social approval and self-respect. The positive emotions that consumers experience towards a brand, will to a large degree, determine whether or not consumers will choose to make the brand a long-term member of their lives (Keller 2003).

4.3.5.6 Brand Resonance:

Brand resonance illustrates the extent to which a brand is viewed by consumers as being an indispensable part of their lives. Brand resonance consists of four components, namely, behavioural loyalty, attitudinal attachment, sense of community and active engagement (Keller 2003).

(a) Behavioural Loyalty:

Behavioural loyalty concerns the frequency with which consumers purchase a brand and also the quantity that is purchased. Frequency and quantity are vitally important components for the purposes of growing profits and shareholder wealth (Keller 2003).

(b) Attitudinal Attachment:

While behavioural loyalty has a significant impact on the profits and fortunes of a company, it does not necessarily result in brand resonance. For example, a consumer may purchase a brand frequently because it is the only brand available on a regular basis and not because there is a deeper attitudinal attachment to the brand. Attitudinal attachments results when consumers have a favourable disposition for a brand and view it as an indispensable and special part of their lives (Keller 2003).

(c) Sense of Community:

Successful brands are able to extend the personal experience with a brand to the wider community. In others words, popular brands are able to create a sense of community where people share similar views on the brand and are willing to join with brand owners' on special occasions to celebrate the brand (Keller 2003).

(d) Active Engagement:

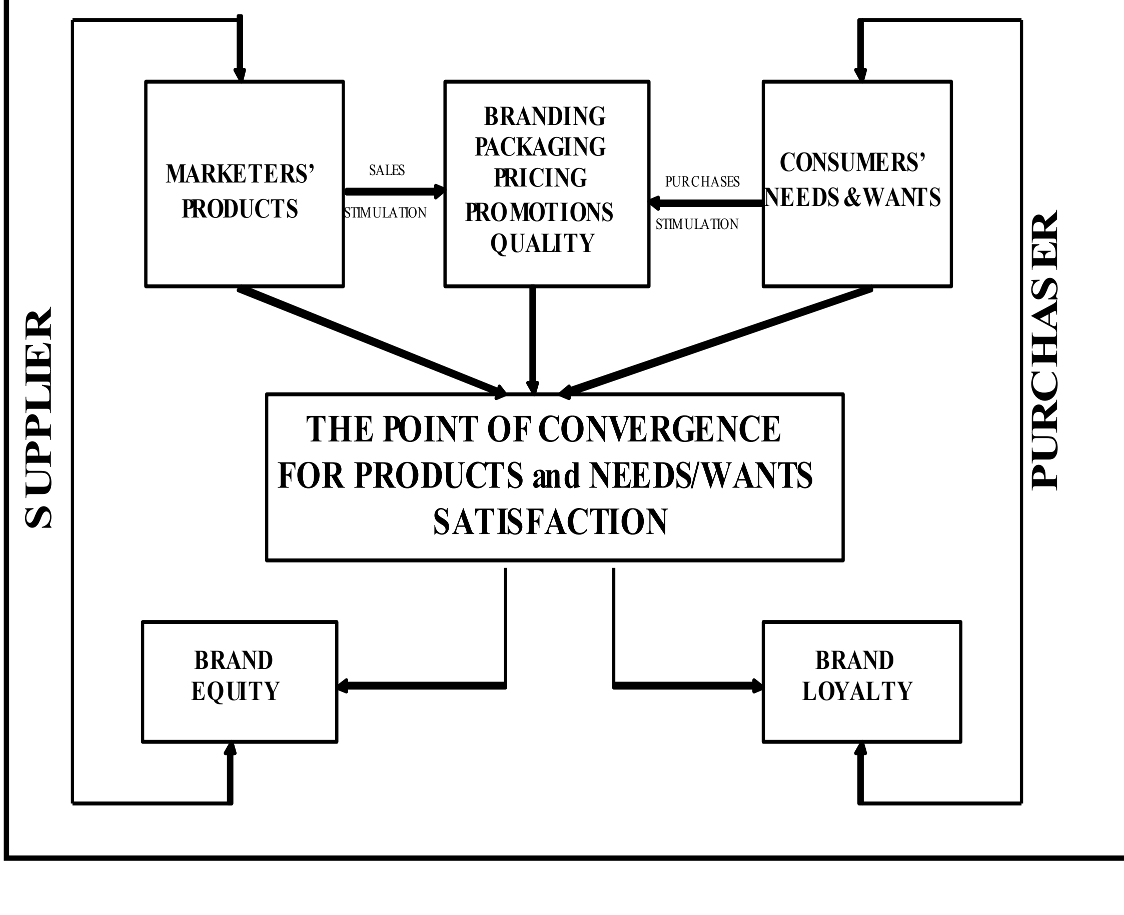
Active engagement requires that the owners of the brand devote time and effort to involve the brand in more areas of their lives. For example, consumers that will only purchase one brand of product will be prepared to join clubs, visit websites, attend meetings and social gatherings and subscribe to company or brand related magazines. These types of consumers will also voluntarily become ambassadors of the brand and ensure that the positive aspects of the brand are communicated to non-users of the brand (Keller 2003).

The models of consumer brand decision-making have highlighted the importance of building and maintaining brand equity, which is an essential ingredient to growing a company's market share and profitability. Brand loyalty, in the highly competitive fast moving consumer goods market, is crucial for ensuring that a company's portfolio of brands remain popular and achieve growth in sales.

4.4 BRAND EQUITY OPTIMIZATION:

Having now considered the consumer decision-making process from both the perspective of the consumer as well as the marketer, the following assessment will focus on the brand equity optimization model as illustrated in Figure 4.3 on page 89.

FIGURE 4.3: A MODEL OF BRAND EQUITY OPTIMIZATION



The consumer is confronted with personal needs and wants on a daily basis. These needs and wants for fast moving consumer goods require fulfillment in the form of market offerings from the manufacturers of these products. Consumers have a unique set of needs and wants and it is the responsibility of the marketer to ensure that the needs and wants of consumers are carefully considered and an innovative market offering is presented to the consumer on the shelves of supermarkets. In order to optimize brand equity marketers should integrate five key variables into their respective market offerings, namely, branding, packaging, pricing, promotions and quality (Keller 2003).

4.4.1 Branding:

Investing resources in a brand invariably results in rich rewards. Companies need to adopt a holistic approach and ensure that the packaging, pricing, promotions and quality attributes of their products are well-integrated as consumers place a great deal of emphasis on these attributes (Keller 2003). Baldinger and Rubinson (1996:22) conducted research on 27 brands to establish the importance of brand loyalty on the purchasing behaviour of consumers as well as the impact that brand loyalty has on the market share of the brand. The findings of this research indicate that brands that were well-known for their quality attributes had a strong following and these users were not willing to switch to competitor brands. Moreover, the money that the owners of these brands invested in building their respective brands was recouped through growth in market share (Baldinger and Rubinson 1996:22).

There is also no substitute for establishing trust in a brand. Marketers often fail to realize that trust can only be earned through continually focusing attention on all facets of their market offering (Keller 2003). Research conducted by Blackstone (1992:79), highlights the importance of having a strong and well-liked brand. Two critical components in building a brand are trust and customer satisfaction. The researcher concludes that the brand of fast moving consumer goods chosen is linked to the perception that the consumer has of the brand being marketed. A favourable perception, especially with regard to the brand being able to deliver consistent quality, is likely to encourage the consumer to purchase the product on a regular basis (Blackstone 1992:79).

4.4.2 Packaging:

Packaging that provides convenience, protection, durability and attractiveness will always prove to be popular among consumers who can instantly recognize a brand because of its packaging (Kotler 2008). Langer (1994:RC-2), in presenting a discussion on the emerging trends in the contemporary business environment, emphasizes the importance of using packaging as a strategic marketing tool with which to differentiate one's product and maximize sales. Product packaging that can be personalized with regards to consumers needs and wants, for example, time saving and stress reduction features, will definitely succeed in the modern environment. This argument is supported by Waterschoot and Van der Bulte (1992:90), who maintain that a strong brand and dynamic product packaging is a crucial and indispensable part of the marketing mix and crucial in influencing the purchasing decisions of consumers.

4.4.3 Pricing:

The price of a product needs to be carefully aligned to the value perceptions that consumers attach to the brand in their minds. It is critical that the price is acceptable to the target market. Consumers will carefully evaluate the status of the brand and the perceived quality attributes that are possessed by the brand before committing to purchase the product (Kotler 2008). Grewal, Monroe and Krishnan (1998:46) conducted research into consumers' perceptions of price with regards to their beliefs of value for money in the exchange process. Their findings indicate that the price of a product has a direct impact on the fortunes of the product being sold. Consumers have internal reference prices which are used as a benchmark to evaluate the price of products. Their suggestion to marketers of fast moving consumer goods is to ensure that the price of the product is communicated to emphasize the value and unique features of the product that will help differentiate it from the offerings of competitors. In addition, marketers need to be fully aware of the quality perceptions that consumers have of their products and link the price to the perceptions that consumers have of the product. The findings of Chang and Wildt (1994: 16-27) support the findings of Grewal, Monroe and Krishnan (1998:46), who also believe that consumers have a perception of the quality of the product in their minds and it is this perception that determines whether the target market will be happy with paying the asking price for the product in question.

4.4.4 Promotions:

Promotions have become a key instrument used by marketers to build and maintain brand equity. Advances in technology have assisted marketers to create more innovative and creative promotional messages (Kotler 2008). Wansink and Ray (1992:9-15) identify the two major objectives of promotions as being to get consumers to choose the brand and then to consume the brand. When designing an advertisement, marketers can either choose to focus their efforts on brand switching (choose) or they can focus their objectives on consumption (use). The researchers conclude their investigation by pointing to the fact that promotions do influence both current users to consume more of the brand and also encourages new users to try the brand for the first time. Focusing on the unique and innovative packaging attributes of the product through promotions will also have a favourable impact on consumer purchasing behaviour. Anschuetz (1997:63-66) who proposes that for a brand to increase the number of frequent or heavy purchasers, the brand must become more popular in general. This proposition also supports the findings of Wansink and Ray (1992:9-15). The most effective way to build the popularity of the brand, according to Anschuetz (1997:65), is to advertise as effectively as possible. Popular brands have been able to become part of the culture of the target market. Unique and familiar packaging, which have stood the test of time, for example, the traditional packaging that is associated with Campbell's soup, have the ability to capture the imagination and also to influence the purchasing behaviour of consumers (Anschuetz 1997:65). Frequent and highly effective marketing communication helps to keep the brand firmly entrenched in the minds of consumers. Above-the-line and below-the-line marketing communications are often used in conjunction with each other to build and maintain brand equity. This technique ensures that the consumer is exposed to marketing communications when exposed to the mass media as well and at the point of purchase (Kotler 2008).

4.4.5 Quality:

Delivering consistently good quality is a crucial requirement to optimizing brand equity. No consumer will remain loyal to a brand that fails to provide an acceptable level of quality when used on repeated occasions. It is also crucial to integrate quality and other features of the product to achieve a more impactful market offering (Keller 2003). Langer (1994:RC-2), in presenting a discussion on the emerging trends in the contemporary business environment, emphasizes the importance of using the packaging and quality attributes of a product as a strategic marketing tool with which to differentiate one's product and maximize sales. Product packaging and quality features that can be personalized with regards to the consumer's needs and wants, for example, time-saving, durability and stress reduction features, will definitely succeed in the modern environment. This argument is supported by Waterschoot and Van der Bulte (1992:90), who maintain that product packaging and quality is a crucial and indispensable part of the marketing mix and crucial in influencing the purchasing decisions of consumers.

4.5 CONCLUSION:

This chapter has presented three models which have all focused on the concept of brand equity and are based on the findings from the literature survey. The first two models explored consumer brand decision-making from the perspective of the marketer as well as from the perspective of the consumer. The concepts presented in these two models were then utilized to develop the model of brand equity optimization. The brand equity optimization model illustrates the importance and the role of branding, packaging, pricing, promotion and quality in promoting brand equity and brand loyalty.

An argument, together with the findings of other researchers, was presented to support the role of these key variables in developing a highly effective market offering which optimizes brand equity. In order to optimize brand equity, marketers should integrate five key variables into their respective market offerings, namely, branding, packaging, pricing, promotions and quality. It is evident from the model that consumers place emphasis on the satisfaction of their needs and wants, therefore, marketers must ensure that their products are tailored to satisfy the current and future needs of consumers. When marketers are able to properly integrate branding, packaging, pricing, promotions and quality into their respective marketing strategies and develop products that provide for the needs and wants of consumers, this point of convergence optimizes brand equity.

Having presented the components and their inter-relationships in contributing to brand equity, the next chapter will outline the research methodology adopted for this investigation. The constructs as indicated in the model will be tested in the empirical study which uses two sets of questionnaires as the basis for the investigation.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION:

The objective of this chapter is to present a discussion on the techniques adopted for investigating the critical research questions that could not be adequately addressed through the literature survey. Furthermore, a complete description of the sample used in this study, techniques incorporated for the analysis of the sample and research instruments will be presented. The chapter will conclude with a discussion on the statistical tests that were employed to analyze and interpret the data.

5.2 THE CRITICAL RESEARCH QUESTIONS:

Since the literature survey was unable to satisfactorily answer the critical research questions, they are restated here and will be answered in the empirical study.

5.2.1 The Main Research Question:

Do South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores?

5.2.2 Subsidiary Research Questions:

In quantifying the impact of branding on the popularity and sales of fast moving consumer goods through retail chain stores, the following questions need to be posed:

- What options confront manufacturers and marketers of fast moving consumer goods when formulating marketing strategies to brand their products?

- Does the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands?

- Does investing resources in the branding of fast moving consumer goods contribute positively to brand equity?

- Is packaging used by marketers to improve the image and popularity of their products?

- Do the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool?

- Are promotions widely used by fast moving consumer goods marketers to influence the purchasing behaviour of consumers?

- Do marketers invest in the quality attributes of their products in order to gain market share?

- Do the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods?

5.3 SAMPLING TECHNIQUES AND DESCRIPTION OF THE SAMPLE:

A population refers to all conceivable observations of the random variable that is being investigated. For example, a population could refer to all people that own houses in South Africa or all close corporations registered in the province of KwaZulu-Natal. In most instances it is neither practical nor feasible to collect data on every single observation in the population. If this happens, then a solution would be to construct a subset of all observations that is referred to as a sample. The investigator will then analyze the data on the sampled observations and the results are then used to make decisions about the entire population under investigation. In order to select sampling units, a sampling frame is required. The sampling frame comprises the complete list of all the units from which the sample is drawn (Harris 1995). The two samples for this investigation consisted of retail chain stores located throughout the various provinces in South Africa while the consumer sample consisted of individuals based in the province of KwaZulu-Natal. The South African retail environment is dominated by three major groups, namely, Shoprite/Checkers, Pick ‘n Pay and Spar. Collectively, these three groups have 1 459 individual stores located throughout South Africa and cater for the needs of the vast majority of South African consumers (Retail Edition, 2006:7).

The sample size for this investigation consisted of 176 individual retail outlets and 249 consumers that were randomly selected (only 244 questionnaires were analyzed since 5 questionnaires were spoilt). The chain stores were selected from the three major groups of retail chain stores in South Africa. Stores were selected nationally from all provinces in South Africa. The random sampling technique was used to select the sample for this investigation. Harris (1995:7) is of the opinion that a random sample is a sample that is chosen in such a way that every possible sample with the same number of observations is equally likely to be chosen. The results that are obtained for the respondents can then be generalized to the entire population under investigation (Harris 1995:7). According to Statistics South Africa (www.statssa.gov.za) there were approximately 2.4 million households in KwaZulu-Natal in 2005 (approximately 1 million households are located in urban areas and are able to purchase from these 3 retail chain stores). The 249 questionnaires were directed at the key decision-maker in each household thus making the sample size representative of the total number of households in KwaZulu-Natal that support these three chain stores (Sekaran 2003:294). Only households that indicated that they regularly purchased products from these three retail chain groups were included in the investigation. A total of 176 retail chain stores completed questionnaires from a total number of 1 459 stores located throughout South Africa and therefore this sample is representative of the total number of retail chain stores located nationally (Sekaran 2003: 294).

The individual stores that comprise the sample may be termed sample units. Sample units are randomly selected from clusters among which the population may be divided. The sampling units within these randomly selected clusters are then selected to provide a representative sample from the population. This sampling technique is commonly used where the population under investigation is spread over a large geographical area. Smaller regional clusters can then be easily sampled (Harris 1995).

The validity of the results obtained from a sample focuses on the extent to which they satisfy their ultimate purpose. The sample for this investigation was selected on the basis that the scores obtained would accurately reflect the perceptions of consumers and store managers. In this regard, it is imperative that the scores obtained accurately predict scores on the relevant criterion. According to Huysamen (1994:35), "The criterion-related validity of a test may be defined as the extent to which its scores accurately predict scores on the relevant criterion." There are two types of criterion-related validity, namely, predictive validity and concurrent validity. "Predictive validity refers to the accuracy with which a test predicts or forecasts some future behaviour or status of individuals. Concurrent validity concerns the accuracy with which the test identifies or diagnoses some current behaviour or status of individuals" (Huysamen 1994:36). For the purposes of this investigation, concurrent validity was chosen to evaluate the accuracy of the sample in measuring the perceptions of consumers and store managers.

The chosen sample was used to make generalizations about consumers and store managers in South Africa. The probability sample was chosen and utilized in this investigation. It is impossible to select a particular sample size that is mathematically perfect for a sample study. In addition, the problem of sample size is further compounded by the 95% level of confidence. In this regard a, 5% margin of error is generally permitted (Sekaran 2003).

The store managers selected for this investigation were based at the three major groups of retail chain stores in South Africa which will be referred to as Retail Chain A; Retail Chain B; and Retail Chain C (The names of the retail chain stores cannot be revealed since the store managers were assured of anonymity and also no formal permission has been received from the retail chain stores to reveal their identity). The composition of the sample, as per chain store group, is detailed in Table 5.1:

TABLE 5.1: COMPOSITION OF THE SAMPLE PER CHAIN STORE GROUP

CHAIN STORE	**NUMBER OF STORE MANAGERS**	**PERCENTAGE (%)**
Retail Chain A	**79**	**45%**
Retail Chain B	**61**	**35%**
Retail Chain C	**36**	**20%**
TOTAL	**176**	**100%**

5.4 RESEARCH INSTRUMENT:

Neuman (1997:30) believes that data collection techniques can be grouped into two major categories, namely, quantitative techniques and qualitative techniques. Quantitative techniques provide data in the form of numbers while qualitative techniques provide data in the form of pictures or words. Quantitative techniques for data collection include experiments, surveys and content analysis. An example of a qualitative technique for data collection is historical comparative research. The research instrument chosen for this investigation was a questionnaire. A questionnaire is a convenient and effective method of obtaining answers to questions that can either be structured or unstructured. The use of a questionnaire allows researchers to quantify different attitudes, personality traits, opinions and interests of the population under investigation (Neuman 1997). Furthermore, questionnaires enable researchers to uncover a variety of different biographical data. Harris (1995:45) and Sekaran (2003:220) firmly believe that a researcher is in a position to create and maintain rapport with his/her subjects by personally administering the questionnaire. This rapport allows the researcher to immediately solve any problems that might be encountered by the subjects while completing the questionnaire. Personally, administering the questionnaire encourages a very high rate of response among individuals participating in the investigation.

For the purposes of this research investigation, telephonic interviews were conducted with store managers while personal interviews were conducted with consumers in the comfort of their homes. The telephonic interviews with store managers proved very successful because store managers were able to ask questions to obtain clarity on any issues that proved difficult to comprehend, while the personal interviews conducted with consumers afforded them both privacy and time to answer the questions to the best of their ability. Both techniques also encouraged a high response rate among subjects and allowed the researcher to establish a rapport with the subjects chosen for this investigation.

5.4.1 Description and Purpose of the Questionnaire:

Researchers need to invest a tremendous amount of effort in the design of a questionnaire to protect the reliability and validity of the data. Neuman (1997:244) suggests that in designing an effective questionnaire which will provide acceptable content validity attention needs to be focused on a number of key areas, namely, the wording of questions, length of the questions, the sequence of the questions and the layout of the questionnaire.

Sekaran (2003:203) proposes that the type of language used in the questionnaire should be carefully matched against the subject's level of education and cultural background. It is imperative that the subject understands the questions immediately and provides answers that accurately reflect his/her attitudes, perceptions and feelings. In this study, every attempt was made to ensure that the questions were concise, easy to interpret and relevant to the purchasing patterns of consumers and working experience of store managers. The fundamental objective of this project is to quantify the attitudes, perceptions and feelings of consumers and store managers in South Africa. This objective could only be achieved if subjects correctly interpreted the questionnaire (Sekaran 2003).

The length of the questions and the length of the questionnaires were kept to a minimum to ensure that the enthusiasm and concentration of subjects would not be adversely affected. In addition, shorter questions facilitate better understanding among subjects. As a rule of thumb, Sekaran (2003:206) suggests that "…a question or statement in the questionnaire should not exceed twenty words, or exceed one full line in print".

According to Martins, Loubser and Van Wyk (1996:219), proper sequencing of questions will enable the researcher to improve the level of understanding achieved by the subject and also induces "…a harmonious flow of thought in the questionnaire". In this investigation, the funnel approach was adopted for the sequencing of questions. Sekaran (2003) believes that the funnel approach encourages "…easy and smooth progress of the respondent through the items in the questionnaire". An adequate amount of attention was also devoted to ensuring that questions related to a particular concept. This exercise was conducted to prevent any confusion and to promote overall consistency.

This research study incorporated the use of two structured questionnaires. The questionnaire aimed at store managers consisted of forty-five closed questions while the questionnaire aimed at consumers consisted of twenty-six closed questions. Closed questions provide respondents with a variety of alternative answers. The respondent was then asked to choose one answer from the alternatives that were provided. Closed questions enable subjects to make a quick decision which enhances the enthusiasm and commitment of the subjects. Closed questions also facilitate the quick coding of information for analysis (Sekaran 2003). Sekaran (2003) believes that great care needs to be taken to ensure "…that the alternatives are mutually exclusive and collectively exhaustive. If there are any overlapping categories, or if all possible alternatives are not given, the respondents might get confused and the advantage of their being able to make a quick decision may thus be lost". These closed questions were formulated using the Likert scale. The questions were carefully designed to investigate the importance of branding, packaging, pricing, promotions and quality with regards to the marketing of fast moving consumer goods (Sekaran 2003).

The Likert scale was developed by Rensis Likert to measure the direction and strength of an individual's opinion. This scaling technique requires that a respondent indicate his/her level of disagreement with a series of statements relating to the consumer's attitude towards the object under investigation. The Likert scale is also referred to as summated scales and can be analyzed either on an item by item basis or summated to comprise a particular score for each subject. The Likert scale is simple and easy to construct, and is also useful for mail surveys since the instructions can be easily understood (Sekaran 2003). Hawkins and Tull (1994:297) and Zikmund (1994:372) believe that the major disadvantage of the Likert scale is its inability to quantify and adequately explain a single score.

After consulting with two experienced marketers of fast moving consumer goods, namely, Darrel de Wet and David Earle, who have both held senior marketing management positions with leading fast moving consumer goods companies, it was agreed that typical fast moving consumer goods would include, for example, food, beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades, toiletries and alcohol.

5.4.1.1 Biographical Data:

The participants in this research project were asked questions pertaining to their age, gender, home language, race group, level of education and length of service (retail chain store survey).

- When selecting store managers for this survey, emphasis was placed on the person's position within the organization and his/her working experience. Each one of the store managers in the survey had a minimum of 5 years of management experience and were either employed in the capacity of store manager or assistant store manager. Job title and working experience were considered to be highly relevant in terms of drawing certain conclusions about the branding and purchasing behaviour of consumers regarding fast moving consumer goods.

- When selecting consumers for this investigation, the majority of respondents that were selected were between the ages of 21 years and 50 years of age as this is the age group that is responsible for purchasing the bulk of fast moving consumer goods. Furthermore, sixty-percent of the sample consisted of females, since females are mainly responsible for the decisions concerning the choice of fast moving consumer goods that are purchased. Moreover, in excess of forty-percent of the sample consisted of Black consumers since this is the largest population group in South Africa with the greatest purchasing power as a proportion of the total.

5.4.1.2 Pre-testing and Validation:

According to Huysamen (1994:35), a measuring instrument is valid to the extent that it is accurately able to measure that which it intends to measure: "The validity of test scores refers to the extent to which they satisfy their intended purpose. Thus, if a test is meant to predict future success in an academic course, its validity hinges on just how well its scores succeed in performing this function". At the crux of validity, is the level of compatibility between a construct and the indicators of it. According to Neuman (1997: 141), validity refers to the extent to which "…conceptual and operational definitions mesh with each other. The better the fit, the greater the measurement validity".

The questionnaire used in this research study provides for an effective investigation into the importance of branding fast moving consumer goods. This measuring instrument has sufficient content validity, that is, the questionnaire was able to capture the entire meaning of the characteristic being investigated. A comprehensive literature survey was undertaken to ensure that all relevant factors were included in the construction of the questionnaire to protect its content validity. In addition, in-house pre-testing and a pilot study were conducted to safeguard the internal validity of the questionnaire.

5.4.1.3 In-house Pre-testing:

The questionnaires were administered to academics in the Department of Management Studies at the University of KwaZulu-Natal. These individuals were all well versed in the nature of the study and were able to provide valuable suggestions regarding the design and wording of the questionnaires. The revised questionnaires were then used in the pilot study.

5.4.1.4 Pilot Study:

The purpose of conducting a pilot study is to ensure that the reliability and validity of the measuring instrument is secured. Therefore, conducting a pilot study provides the researcher with an opportunity to make any necessary adjustments prior to completing the entire study. A sample of 30 store managers and 50 consumers located in the Durban Metropolitan area were chosen for the pilot study. The feedback derived from the pilot study indicated that the store managers and consumers encountered no difficulty in understanding the instructions or the wording of the questions. Furthermore, a large percentage of these store managers and consumers were of the opinion that the questionnaire was highly relevant to their areas of expertise and daily purchases of fast moving consumer goods. The store managers also found the questions to be interesting and thought-provoking. Due to the success of the pilot study, no further adjustments to the questionnaires were necessary.

5.4.2 Administration of the Questionnaires:

The fieldwork was conducted over 3 months during the period 01 June 2005 to 31 August 2005 among store managers based in retail chain stores located throughout South Africa and only among consumers based in the province of KwaZulu-Natal using the random sampling technique. Store managers based at the three major retail chain groups were fully informed of the nature and purpose of the research project and were assured that their anonymity as well as their organization's anonymity would be acknowledged.

Store managers and consumers were given the option of participating in the investigation or to decline if they so chose. The vast majority of both store managers and consumers, who were approached, expressed great interest in the questionnaire, as it concerned issues that were relevant to their areas of expertise and purchasing behaviour. The structured questionnaires enabled quick and easy responses that did not require long and detailed explanations. Store managers were interviewed telephonically, while consumers were visited at their homes. Interviews with store managers lasted approximately twenty minutes while the interviews with consumers lasted approximately thirty minutes. A total of 215 store managers were approached with the objective of having at least 150 fully completed questionnaires available for the final analysis while 325 consumers were approached with the objective of having at least 230 fully completed questionnaires available for the final analysis. A total of 176 questionnaires were completed by store managers based in South African retail chain stores while 244 questionnaires were completed by consumers based in KwaZulu-Natal.

5.5 STATISTICAL ANALYSIS OF DATA:

Statistics is an invaluable tool that provides researchers with various techniques to analyze and interpret data collected from research projects. The use of statistical techniques allows researchers to understand data and to draw conclusions about the topic being investigated. In order to measure the different variables being investigated researchers assign scores to responses obtained from subjects (Harris 1995). According to Harris (1995:14), "a scale or level of measurement relates to the rules used to assign scores and is an indication of the kind of information that scores provide". The four different scales of measurement used by researchers are nominal scales, ordinal scales, interval scales and ratio scales (Harris 1995).

5.5.1 The Different Scales of Measurement:

5.5.1.1 Nominal Scales:

In this measurement scale, objects are placed in sets or categories that are mutually exclusive. The numbers, which are assigned to these different categories only, serve to identify and distinguish the different categories from each other (Harris 1995). According to Dillon, Madden and Firtle (1994:290) and Proctor (1997:114), the gender and marital status of respondents are variables that can be measured using nominal scales. For example, a store manager or consumer can be classified as either male or female when gender is the variable that is being analyzed.

5.5.1.2 Ordinal Scales:

Ordinal-scaled data have the characteristics of mutual exclusivity as well as rank order. When using ordinal data, researchers compare objects in different categories in terms of the quantity of the attribute being measured (Harris 1995). However, Dillon, Madden and Firtle (1994: 290) and Procter (1997:115) maintain that ordinal-scaled data do not reflect the distance between numbers and the magnitude of a characteristic possessed by an object. A typical example of ordinal measurement is the grouping of people into different social classes. An appropriate measure of central tendency, when using ordinal measurement, is the mode and the median. An example of the ordinal scale is the appraising of store managers in terms of their formal qualifications or work experience.

5.5.1.3 Interval Scales:

Interval scaled data have the characteristics of mutual exclusivity and rank order. However the most important feature of interval scaled data, according to Harris (1995:15) is that "...the distance between two numbers or scores is a reflection of the distance between the values of the characteristic being measured". Churchill (1995:457) suggests that an example of an interval scale measurement is the aptitude test used to measure intelligence. The use of interval measurement allows researchers to use the mean, median and mode as suitable measures of central tendency. For example, if a store manager's performance score on a aptitude test falls below 50 it is considered a 'fail', a score between 50 and 80 is considered 'fair' and a score above 80 is considered 'good'.

5.5.1.4 Ratio Scales:

Variables measured on the ratio scale have the properties of mutual exclusivity, rank order, equal distance between the different categories, and a true zero point. The presence of a true zero point, according to Harris (1995:15), implies that "...the ratio of two scores measured on the ratio scale represents the actual ratio of the amounts of the characteristic being measured". For example, when purchasing new shelving for a supermarket, a store manager might determine that one hundred kilograms of sugar is exactly twice as heavy as fifty kilograms of sugar and then select the correct strength of metal shelving to support the weight of the sugar.

Statistical procedures provide accurate information only when the data and design meet statistical rules or assumptions of a specific statistical procedure. There are two main types of statistical procedures, namely, descriptive and inferential statistics (Harris 1995).

5.5.2 Descriptive Statistics:

The data obtained from research projects should be clearly and concisely presented. This presentation facilitates complete understanding of the information on the part of the user.

Harris (1995:6) suggests that descriptive statistics "...include both specific numbers and ways of presenting data in tabular form in order to make the information succinct but clear to the reader". The most popular tools of descriptive statistics include frequency distributions, measures of central tendency and measures of variability. In this study, descriptive statistics enables a qualitative analysis of the results (Harris 1995).

5.5.2.1 Frequency Distributions:

A frequency distribution allows researchers to establish the empirical distribution of different variables by depicting the number of responses, which each question has received. Aaker, Kumar and Day (1995:449) maintain that the use of frequency distributions enables the classification of data into groups of values, clearly illustrating, "...the number of observations from the data set that falls into each of the classes". Two popular methods of presenting a frequency distribution include percentage breakdowns (percentiles) of the different categories and histograms. While percentage breakdowns involve numerical representations of the various categories histograms are visual bar-graph presentations of statistical data. According to McClave and Benson (1989:42) and Aaker, Kumar and Day (1995:449), the main advantage of using histograms concerns the ease with which the actual distribution of variables can be visualized and then compared to theoretical distributions. Dillon, Madden and Firtle (1994:406) and Harris (1995:75) point out that another method of presenting frequency distributions is through the use of graphical representations. Graphs are another method of presenting information contained in tables. If constructed properly, graphs can be far more effective than tables in communicating and displaying information (Harris 1995).

5.5.2.2 Measures of Central Tendency:

While a frequency distribution is an effective method of communicating the overall picture of scores in a distribution, researchers may sometimes require one or two figures that represent a group of scores. In such a situation, a score, which is at the central point of the distribution is selected and is the measure of central tendency (Harris 1995).

5.5.2.3 Measures of Dispersion/Variability:

While measures of central tendency provide valuable information on the basic characteristics of data, it is useful for researchers to determine the variability of a collection of observations. In this respect, the three measures of dispersion, namely, the range, variance and standard deviation provide crucial information on the manner in which a group of scores vary from the mean score (Harris 1995).

5.5.3 Inferential Statistics:

Researchers often place tremendous importance on being able to explain the relationship that exists between different variables or between two or more groups. Furthermore, researchers would also like to draw conclusions about a much larger population from results obtained by studying the sample group. To achieve these objectives, researchers will need to utilize inferential statistical techniques (Harris 1995). Harris (1995) suggests that inferential statistics concern the use of those statistical techniques that allow researchers, "...to draw inferences from a sample that can be applied or generalized to the population from which the sample came". Statistical tests form an important component of inferential statistics. Different statistical tests are appropriate for different types of data. In deciding on the use of the most appropriate statistical test, researchers will need to draw a clear distinction between parametric tests and non-parametric tests (Harris 1995).

Zikmund (1995:604) and Harris (1995:19) point out that parametric tests are only appropriate when dealing with data that is interval or ratio-scaled. In addition, the sample size needs to be large and the population from which the sample is drawn should have a normal or bell-shaped distribution. Parametric tests have the advantages of being able to provide more accurate results, and are also able to clearly describe the relationships between different variables in the population. However, parametric tests are not applicable to nominal or rank-order data, and are also more complex to work with than non-parametric tests.

Sekaran (2003:259) is of the opinion that non-parametric tests do not require stringent parameters to be placed on the distribution of the population or the data which have been collected, that is, a non-parametric test "...makes no explicit assumption regarding the normality of distribution in the population and is used when the data are collected on a nominal or ordinal scale”. It is for these two reasons that non-parametric tests are commonly termed distribution-free. Non-parametric statistical tests have the advantages of making fewer assumptions, as well as being quite easy to calculate and interpret. Harris believes that non-parametric tests are less likely to "... identify a difference in population parameters or a relationship among variables in the population” In addition, Zikmund (1995:604) and Harris (1995:19) point out that non-parametric statistical tests are unable to provide accurate explanations on the complicated relationships that may exist between certain variables.

For the purposes of this study, a combination of both parametric and non-parametric statistical tests were utilized. These statistical tests included Cronbach’s coefficient alpha, the t-Test, analysis of variance (F-test) and Pearson's product moment correlation coefficient.

5.5.3.1 Cronbach’s Coefficient Alpha:

Sekaran (2003) believes that the reliability of a questionnaire depends on how well it is able to consistently measure that which it is supposed to measure. In this respect, consistency relates to the extent to which different items are able to measure a particular concept and form a coherent set. Cronbach's coefficient alpha is a popular reliability test used for the purposes of establishing the internal consistency of a questionnaire consisting of a multi-item measurement scale (Sekaran 2003).

According to Dillon, Madden and Firtle (1994:323), Cronbach's coefficient alpha can be defined as a "...mean reliability coefficient calculated from all possible split-half participation of a measurement scale". The definition proposed by Dillon, Madden and Firtle (1994:323) is expanded by Sekaran (2003), who suggests that Cronbach's coefficient alpha "...reflects how well the items in a set are positively correlated to one another. Cronbach's alpha is computed in terms of the average inter-correlation among the items measuring the concept".

In attempting to establish the internal consistency of a questionnaire, Cronbach's coefficient alpha can be used with both dichotomous items as well as multi-point items. Cronbach's coefficient alpha is not only able to measure a single split of the total test, but rather is able to evaluate the extent to which all possible splits are able to measure the same thing. However, the coefficient alpha will be lowered in those tests where different groups of items measure different attributes (Sekaran 2003). Sekaran (2003) believes that "the closer Cronbach's alpha is to 1, the higher the internal consistency reliability". Furthermore, Siegal (1986:161) proposes that a coefficient of 0.8 or greater is normally indicative of a reliable measuring instrument.

5.5.3.2 The t-Test:

The t-test is a parametric hypothesis test that is used when evaluating a hypothesis with a small sample size and an unknown population standard deviation. Utilizing the t-test requires that researchers make certain clear assumptions about the population parameters (Zikmund 1995). According to Zikmund (1995:608) and Aaker, Kumar and Day (1995:458), these assumptions include the following:

- the scores obtained from the population were randomly sampled;
- the population from which the sample was selected is normally distributed;
- if two or more samples are used, the samples should come from populations with equal variances; and
- only interval and ratio scaled data should be utilized in the computation and interpretation of the mean.

The absolute value that is obtained for the t-test is an indication of the magnitude and difference of the respective means. Furthermore, if a value of zero is obtained for the t-test, this is an indication that the means are identical. In this study, the t-test is used to establish whether a significant difference exists in the perception of males and females regarding branding, packaging, pricing, promotions and quality with regards to the marketing of fast moving consumer goods (Zikmund 1995).

5.5.3.3 Analysis of Variance (ANOVA):

The analysis of variance (ANOVA) is a statistical test that is utilized to determine if differences exist among the means of two or more independent samples, that is "...the means for K samples are not statistically different. Dillon, Madden and Firtle (1994:437); Churchill (1995:862); and Zikmund (1995:629) maintain that it is suitable to use ANOVA when K independent groups are scaled using interval measurement. ANOVA is a bivariate statistical test which is commonly referred to as 'one way', since there is only one independent variable. ANOVA differs significantly from the t-test since it is able to test for differences in more than two independent groups simultaneously (Zikmund 1995:629).

Using the ANOVA technique allows researchers to determine if different groups within a sample vary with regard to the independent variable being investigated. However, if this variance within the groups is compared with the variance of the groups' means around the grand mean, it is then possible to establish if the means are significantly different. The F-test is a statistical technique that identifies if there is more variability in the scores obtained for one sample group compared to the other sample group (Zikmund 1995). To establish if there is a significant difference in the sample variances, Zikmund (1995:629) proposes that "The F-test utilizes measures of sample variance rather than the sample standard deviation because standard deviations cannot be summed and summation is allowable with the sample variance".

In this study, the F-test was used to determine if a significant difference existed in the perception of store managers and consumers differing in race group, level of education, and length of service with regard to branding, packaging, pricing, promotions and quality with regards to the marketing of fast moving consumer goods.

5.5.3.4 Pearson's Product Moment Correlation Coefficient:

Pearson's Product Moment Correlation Coefficient is a statistical technique used to measure the "linear association between two intervals or ratio scaled variables" (Dillon, Madden and Firtle 1994:466). Karl Pearson formulated the Pearson's product moment correlation coefficient. This coefficient is also referred to as 'Pearson r'. The magnitude of r gives an indication of the strength and direction of the relationship that exists between two variables. Pearson r value can only assume values between -1 and +1. According to Harris (1995:163), "...a value of +1 indicates a perfect positive linear relationship, reflecting the fact that the higher the score on X, the higher the score on Y and vice versa. Conversely, a negative value of Pearson r indicates that low scores on X go with high scores on Y". If a value of +1 or -1 is obtained for r, this will indicate that a perfect prediction exists, that is, there will be no mistakes when predicting scores on either X or Y. However, if the value of r is zero, then no linear relationship will exist between X and Y (Harris 1995).

Harris (1995:164) believes that when utilizing Pearson's Product Moment Correlation Coefficient, four important assumptions need to be made, namely, variables should be measured on either the interval or ratio scales; Pearson r should be used to evaluate the extent of linear relationship between two variables; the scores should have been randomly sampled from the population; and the population from which the scores were obtained is normally distributed. In this investigation, the Pearson's Product Moment Correlation Coefficient was used to establish whether a significant relationship exists between the branding of fast moving consumer goods, packaging, pricing, promotions and quality.

5.6 CONCLUSION:

This chapter has outlined the objectives of the study, the main and subsidiary research questions and the methodology employed in the study. The biographical variables of subjects were discussed together with the research instruments incorporated in the study. In addition, the different statistical tests used to analyze the structured questionnaire were also presented. The next chapter will present the data obtained from the pre-coded questionnaires, which were analyzed using a computer programme, that is, the Statistical Package for Social Sciences – SPSS Version 12.

CHAPTER SIX

PRESENTATION OF RESULTS

6.1 INTRODUCTION:

A total of 215 store managers and 325 consumers were approached with two sets of questionnaires, which are included as Appendix A and Appendix B. A total of 176 questionnaires were fully completed by store managers based in South African retail chain stores while 244 questionnaires were fully completed by consumers based in KwaZulu-Natal. This represents a response rate of eighty-two percent for the survey among store managers and a response rate of seventy-five percent for the survey among consumers.

The data was captured using the computer programme Microsoft Excel – Version 5. The captured data were then analyzed by using the appropriate statistical tests as outlined in Chapter 5. The statistical analysis was achieved by using the computer programme, Statistical Package for Social Sciences - SPSS Version 12. The results obtained from the statistical analysis of the data are presented in various tables.

6.2 THE RELIABILITY ESTIMATE:

Cronbach's coefficient alpha was used to evaluate the internal consistency of the questionnaire. In determining the reliability of the questionnaire, an estimate of Cronbach's alpha value close to 1 is regarded as a good indicator of reliability. Reliability analysis of the questionnaire administered to store managers reveals that Cronbach's alpha value is **0.729** while Cronbach's alpha value for the questionnaire administered to consumers is **0.920**. The values for both questionnaires are above 0.700 and indicate that the questionnaire study variables have internal consistency and reliability.

6.3 BIOGRAPHICAL DATA OF RESPONDENTS:

The biographical data of store managers and consumers were considered to be significant in terms of evaluating the purchasing patterns of fast moving consumer goods. The biographical data consisted of region, age, gender, home language, race, level of education and length of service. The survey among consumers did not stipulate either the province of residence or length of service, since the consumer survey was conducted only in KwaZulu-Natal and length of service was not relevant. However, consumers were required to indicate the amount of monthly disposable income that is devoted to the purchase of fast moving consumer goods. This information was necessary to gauge the importance of the proportion of fast moving consumer goods in the monthly budget of consumers. Since store managers were selected from the various provinces in South Africa telephonic interviews were conducted with them, while personal interviews were conducted with consumers, who were selected from the province of KwaZulu-Natal. KwaZulu-Natal has a varied and diverse population and also has the second highest population concentration in the country.

The biographical data of store managers are presented in tables 6.1; 6.2; 6.4; 6.6; 6.8; 6.10; and 6.12 while the biographical data of consumers are presented in tables 6.3; 6.5; 6.7; 6.9; 6.11; and 6.13.

6.3.1 Regional Distribution of Store Managers:

Table 6.1 details the regional distribution of store managers used in this investigation.

TABLE 6.1 – REGIONAL DISTRIBUTION OF STORE MANAGERS

REGION	FREQUENCY	PERCENT
GAUTENG	78	44.30
OFS	25	14.20
KZN	30	17.00
W. CAPE	30	17.00
E. CAPE	13	7.50
TOTAL	**176**	**100.00**

6.3.2 Age Groups of Store Managers and Consumers:

Table 6.2 details the age groups of store managers while Table 6.3 details the age groups of consumers.

TABLE 6.2 – AGE GROUPS OF STORE MANAGERS

AGE	FREQUENCY	PERCENT
21 – 30	48	27.30
31 – 40	90	51.10
41 – 50	33	18.80
51 – 60	4	2.30
61 & Above	1	0.50
TOTAL	**176**	**100.00**

TABLE 6.3 – AGE GROUPS OF CONSUMERS

AGE	FREQUENCY	PERCENT
Under 20	32	13.10
21 – 30	72	29.50
31 – 40	74	30.30
41 – 50	44	18,00
51 – 60	18	7.40
61 & Above	4	1.70
TOTAL	**244**	**100.00**

6.3.3 Gender of Store Managers and Consumers:

Table 6.4 details the gender of store managers while Table 6.5 details the gender of consumers.

TABLE 6.4 – GENDER OF STORE MANAGERS

GENDER	FREQUENCY	PERCENT
MALE	151	85.80
FEMALE	25	14.20
TOTAL	**176**	**100.00**

TABLE 6.5 – GENDER OF CONSUMERS

GENDER	FREQUENCY	PERCENT
MALE	96	39.30
FEMALE	148	60.70
TOTAL	**244**	**100.00**

6.3.4 Home Languages of Store Managers and Consumers:

Table 6.6 details the home languages spoken by store managers used in this investigation, while Table 6.7 details the home languages spoken by consumers.

TABLE 6.6 – HOME LANGUAGE OF STORE MANAGERS

LANGUAGE	FREQUENCY	PERCENT
ENGLISH	102	58.00
AFRIKAANS	42	23.90
ZULU	15	8.50
XHOSA	3	1.70
SOTHO	11	6.30
OTHER	3	1.60
TOTAL	**176**	**100.00**

TABLE 6.7 – HOME LANGUAGE OF CONSUMERS

LANGUAGE	FREQUENCY	PERCENT
ENGLISH	136	55.70
AFRIKAANS	10	4.10
ZULU	98	40.20
OTHER	0	0.00
TOTAL	**244**	**100.00**

6.3.5 Race Groups of Store Managers and Consumers:

Table 6.8 details the race groups of store managers used in this investigation, while Table 6.9 details the race groups of consumers.

TABLE 6.8 – RACE GROUP OF STORE MANAGERS

RACE	FREQUENCY	PERCENT
AFRICAN BLACK	34	19.30
WHITE	97	55.10
COLOURED	26	14.80
ASIAN	19	10.80
TOTAL	**176**	**100.00**

TABLE 6.9 – RACE GROUP OF CONSUMERS

RACE	FREQUENCY	PERCENT
AFRICAN BLACK	100	41.00
WHITE	52	21.30
COLOURED	21	8.60
INDIAN	71	29.10
TOTAL	**244**	**100.00**

6.3.6 Level of Education of Store Managers and Consumers:

Table 6.10 details the level of education of store managers used in this investigation, while Table 6.11 details the level of education of consumers.

TABLE 6.10 – LEVEL OF EDUCATION OF STORE MANAGERS

LEVEL OF EDUCATION	FREQUENCY	PERCENT
BELOW MATRIC	6	3.40
MATRIC	74	42.00
DIPLOMA	81	46.00
DEGREE	10	5.70
POST-GRADUATE	5	2.90
TOTAL	**176**	**100.00**

TABLE 6.11 – LEVEL OF EDUCATION OF CONSUMERS

LEVEL OF EDUCATION	FREQUENCY	PERCENT
BELOW MATRIC	63	25.80
MATRIC	111	45.50
DIPLOMA	45	18.40
DEGREE	12	4.90
POST-GRADUATE	13	5.40
TOTAL	**244**	**100.00**

6.3.7 Length of Service of Store Managers:

Table 6.12 details the length of service or working experience of store managers used in this investigation.

TABLE 6.12 – LENGTH OF SERVICE OF STORE MANAGERS

LENGTH OF SERVICE	FREQUENCY	PERCENT
1 – 5 YEARS	21	11.90
6 – 10 YEARS	54	30.70
11 – 15 YEARS	42	23.90
16 – 20 YEARS	36	20.50
21 –25 YEARS	20	11.40
26 & Above	3	1.60
TOTAL	**176**	**100.00**

6.3.8 Monthly Disposable Income Spent on Fast Moving Consumer Goods:

Table 6.13 details the percentage of monthly income spent on fast moving consumer goods by consumers interviewed for this investigation.

TABLE 6.13 – MONTHLY DISPOSABLE INCOME SPENT ON FAST MOVING CONSUMER GOODS

PERCENTAGE OF INCOME	FREQUENCY	PERCENT
0 – 10%	7	2.90
11 – 20%	22	9.00
21 – 30%	49	20.10
31 – 40%	67	27.50
41 – 50%	75	30.70
51 – 60%	16	6.60
Above 60%	8	3.20
TOTAL	**244**	**100.00**

According to a national survey conducted by Statistics South Africa in 2006, South African consumers spent 24.50% of their monthly disposable income on food, beverages, and tobacco in 2000, but this same percentage dropped to 16,60% in 2006, (Sunday Times, 9 March 2008:3).

The next section, that is, the quantitative analysis of the data will provide greater insight into the responses to the questionnaires administered to store managers and consumers.

6.4 QUANTITATIVE ANALYSIS OF DATA:

6.4.1 Descriptive Analysis:

In this investigation, the five main project variables are as follows:

Variable 1 - Branding
Variable 2 - Packaging
Variable 3 - Pricing
Variable 4 - Promotions
Variable 5 - Quality

The measurement scale is the Likert scale and the scale measurement (decoding) is detailed as follows:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

An assessment of the results arising from the descriptive statistics (SPSS - Version 12) will be divided into two sections, that is, the feedback from the survey conducted among store managers and the feedback from the survey conducted among consumers. The results will reflect, firstly, the perceptions that store managers have of fast moving consumer goods, and secondly, their understanding of why consumers purchase fast moving consumer goods. This will then be followed by an assessment of the results of the survey conducted among consumers. The results of both surveys reflect the consolidated viewpoints to all questions grouped together with regards to each individual variable separately (branding, packaging, pricing, promotions and quality) and therefore each table cannot be identified by a specific question from the questionnaires administered to store managers and consumers in this section but will be detailed in Appendix C1 (Retail Chain Stores Survey) and Appendix C2 (Consumer Survey).

6.4.1.1 Results of Store Managers' Perceptions of Fast Moving Consumer Goods:

The tables (6.14; 6.15; 6.16; 6.17; 6.18; 6.19; 6.20; 6.21; 6.22; and 6.23) related to the retail chain stores survey reflect the composite data of Store Managers perceptions related to branding, packaging, pricing, promotions and quality as derived from SPSS Version - 12 and is detailed in Appendix C1.

(a) Store Managers' Perceptions of Fast Moving Consumer Goods:

TABLE 6.14: THE INFLUENCE OF BRANDING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF BRANDING	FREQUENCY	PERCENT
Strongly Disagree	0	0.00
Disagree	0	0.00
Neutral	15	8.50
Agree	72	40.90
Strongly Agree	89	50.60
TOTAL	**176**	**100.00**

Table 6.14 indicates that the majority of the respondents, that is, 91.50% in this investigation, are of the opinion that *branding* influences the rate of sales of fast moving consumer goods.

TABLE 6.15: INFLUENCE OF PACKAGING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PACKAGING	FREQUENCY	PERCENT
Strongly Disagree	0	0.00
Disagree	6	3.40
Neutral	19	10.80
Agree	76	43.20
Strongly Agree	75	42.60
TOTAL	**176**	**100.00**

From Table 6.15, it can be seen that 85.80% of store managers are of the opinion that *Packaging* influences the rate of sales of fast moving consumer goods.

TABLE 6.16: INFLUENCE OF PRICING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PRICING	FREQUENCY	PERCENT
Strongly Disagree	0	0.00
Disagree	6	3.40
Neutral	26	14.80
Agree	63	35.80
Strongly Agree	81	46.00
TOTAL	**176**	**100.00**

The results displayed in Table 6.16 indicates that the majority of the respondents, that is, 81.80%, in this investigation, are of the opinion that *pricing* influences the rate of sales of fast moving consumer goods purchased in retail chain stores.

TABLE 6.17: INFLUENCE OF PROMOTIONS ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PROMOTIONS	FREQUENCY	PERCENT
Strongly Disagree	0	0.00
Disagree	0	0.00
Neutral	13	7.40
Agree	83	47.20
Strongly Agree	80	45.40
TOTAL	**176**	**100.00**

The findings illustrated in Table 6.17 indicate that the majority of the respondents, that is, 92.60% are of the opinion that *promotions* influence the rate of sales of fast moving consumer goods.

TABLE 6.18: THE INFLUENCE OF QUALITY ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF QUALITY	FREQUENCY	PERCENT
Strongly Disagree	0	0.00
Disagree	18	10.20
Neutral	66	37.50
Agree	86	48.90
Strongly Agree	6	3.40
TOTAL	**176**	**100.00**

The results in Table 6.18 indicate that 52.30% of the respondents are of the opinion that *quality* influences the rate of sales of fast moving consumer goods.

(b) Store Managers' Perceptions of Consumer Purchasing Behaviour:

TABLE 6.19: INFLUENCE OF BRANDING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF BRANDING	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	0	0
Neutral	10	5.70
Agree	58	33.00
Strongly Agree	108	61.30
TOTAL	**176**	**100.00**

The results in Table 6.19 indicate that the majority of the respondents, that is, 94.30% in this investigation, are of the opinion that *branding* influences the choice of fast moving consumer goods purchased by their customers.

TABLE 6.20: INFLUENCE OF PACKAGING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PACKAGING	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	4	2.30
Neutral	23	13.10
Agree	90	51.10
Strongly Agree	59	33.50
TOTAL	**176**	**100.00**

According to Table 6.20, 84.60% of the respondents in this investigation are convinced that *packaging* influences the choice of fast moving consumer goods purchased by their customers.

TABLE 6.21: INFLUENCE OF PRICING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PRICING	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	3	1.70
Neutral	15	8.50
Agree	54	30.70
Strongly Agree	104	59.10
TOTAL	**176**	**100.00**

Table 6.21 indicates that 89.80% of store managers believe that *pricing* influences the choice of fast moving consumer goods purchased by their customers.

TABLE 6.22: INFLUENCE OF PROMOTIONS ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PROMOTIONS	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	1	0.60
Neutral	16	9.10
Agree	102	58.00
Strongly Agree	57	32.30
TOTAL	**176**	**100.00**

According to Table 6.22, 90.30% of respondents believe that *promotions* influence the choice of fast moving consumer goods purchased by their customers.

TABLE 6.23: INFLUENCE OF QUALITY ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF QUALITY	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	1	0.60
Neutral	14	8.00
Agree	78	44.30
Strongly Agree	83	47.10
TOTAL	**176**	**100.00**

As can be seen in Table 6.23, 91.40% of respondents in this investigation believe that *quality* influences the choice of fast moving consumer goods purchased by their customers.

6.4.1.2 Results of Consumers Perceptions of Fast Moving Consumer Goods:

The tables (6.24; 6.25; 6.26; 6.27; and 6.28) related to the consumer survey reflect the composite data of consumers perceptions related to branding, packaging, pricing, promotions, and quality as derived from SPSS Version 12 and is detailed in Appendix C2.

TABLE 6.24: THE INFLUENCE OF BRANDING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF BRANDING	FREQUENCY	PERCENT
Strongly Disagree	16	6.60
Disagree	22	9.00
Neutral	53	21.70
Agree	100	41.00
Strongly Agree	53	21.70
TOTAL	**244**	**100.00**

As can be seen in Table 6.24, 62.70% of consumers in this investigation are of the opinion that *branding* influences the rate of sales of fast moving consumer goods.

TABLE 6.25: THE INFLUENCE OF PACKAGING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PACKAGING	FREQUENCY	PERCENT
Strongly Disagree	8	3.30
Disagree	19	7.80
Neutral	32	13.10
Agree	134	54.90
Strongly Agree	51	20.90
TOTAL	**244**	**100.00**

As illustrated in Table 6.25, 75,80% of respondents are of the opinion that *packaging* influences the rate of sales of fast moving consumer goods.

TABLE 6.26: THE INFLUENCE OF PRICING ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PRICING	FREQUENCY	PERCENT
Strongly Disagree	7	2.90
Disagree	23	9.40
Neutral	50	20.50
Agree	105	43.00
Strongly Agree	59	24.20
TOTAL	**244**	**100.0**

From Table 6.26, it can be seen that 67.20% of consumers are of the opinion that *pricing* influences the rate of sales of fast moving consumer goods.

TABLE 6.27: THE INFLUENCE OF PROMOTIONS ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF PROMOTIONS	FREQUENCY	PERCENT
Strongly Disagree	10	4.10
Disagree	15	6.10
Neutral	44	18.00
Agree	141	57.90
Strongly Agree	34	13.90
TOTAL	**244**	**100.00**

From Table 6.27, a total of 71,80% of consumers are of the opinion that *promotions* influence the rate of sales of fast moving consumer goods.

TABLE 6.28: THE INFLUENCE OF QUALITY ON CONSUMER PURCHASING BEHAVIOUR

INFLUENCE OF QUALITY	FREQUENCY	PERCENT
Strongly Disagree	6	2.50
Disagree	15	6.10
Neutral	51	20.90
Agree	135	55.30
Strongly Agree	37	15.20
TOTAL	**244**	**100.00**

In Table 6.28, 70.50% of consumers are of the opinion that *quality* influences the rate of sales of fast moving consumer goods.

6.5 MANUFACTURER BRANDS VERSUS HOUSE BRANDS:

The questionnaire directed at store managers as well as the questionnaire directed at consumers attempted to delve deeper into the popularity of manufacturer brands versus house brands. The responses of store managers, with regards to questions relevant to house brands versus manufacturer brands, will first be probed. This probe will then be followed by an examination of consumer perceptions of house brands versus manufacturer brands. The relevant questions from the questionnaire administered to store managers and consumers will be included together with the respective tables to facilitate the interpretation of the data presented in the tables.

6.5.1 Store Managers' Perceptions of Manufacturer Brands versus House Brands:

TABLE 6.29: THE IMPACT OF BRANDING ON THE RATE OF SALES OF FMCG

I stock more branded FMCG as they directly affect my rate of sale of these products.

INFLUENCE OF BRANDING ON RATE OF SALES	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	19	10.80
Neutral	6	3.40
Agree	33	18.80
Strongly Agree	118	67.00
TOTAL	**176**	**100.00**

As can be observed from Table 6.29, 85.80% of store managers either agreed or strongly agreed that well-branded fast moving consumer goods definitely impact positively on the rate of sales of these products.

TABLE 6.30: THE RELATIONSHIP BETWEEN THE RATE OF SALE AND THE BRAND OF FMCG BEING SOLD

From past experience, I can confirm that there is a strong relationship between the rate of sale and the brand of FMCG being sold.

INFLUENCE OF THE BRAND ON RATE OF SALES	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	7	4.00
Neutral	1	0.60
Agree	94	53.40
Strongly Agree	74	42.00
TOTAL	**176**	**100.00**

From Table 6.30, it can be seen that when store managers were probed about whether or not well-branded fast moving consumer goods enjoyed a higher rate of sales, 95.40% of store managers either agreed or strongly agreed that well-branded fast moving consumer goods impact positively on the rate of sales of these products.

TABLE 6.31: THE RELATIONSHIP BETWEEN A STORE'S TURNOVER AND THE BRAND OF FMCG BEING SOLD

A greater percentage of the turnover in my store is derived from manufacturer brands as compared to house brands.

INFLUENCE OF BRANDING ON THE STORE'S TURNOVER	FREQUENCY	PERCENT
Strongly Disagree	1	0.60
Disagree	24	13.60
Neutral	11	6.30
Agree	47	26.70
Strongly Agree	93	52.80
TOTAL	**176**	**100.00**

As can be observed in Table 6.31, 79.50% of store managers confirmed that well-branded fast moving consumer goods improved the sales of this category of products and had a positive impact on the turnover of their respective stores.

TABLE 6.32: MANUFACTURER BRANDS VERSUS HOUSE BRANDS IN TERMS OF RATE OF SALES

If I were to choose between stocking a manufacturer brand and a house brand, I would choose the manufacturer brand because it would result in a quicker sale.

INFLUENCE OF BRANDING ON RATE OF SALES	FREQUENCY	PERCENT
Strongly Disagree	5	2.80
Disagree	38	21.60
Neutral	4	2.30
Agree	45	25.60
Strongly Agree	84	47.70
TOTAL	**176**	**100.00**

In Table 6.32, 73.30% of store managers confirmed that the leading brands of fast moving consumer goods consistently enjoyed a higher rate of sales when compared to house brands.

TABLE 6.33: THE SURVIVAL OF A STORE AND THE BRAND OF FMCG BEING STOCKED

In order for my store to survive, I need to have well-branded merchandise on my shelves.

INFLUENCE OF BRANDING ON A STORE'S SURVIVAL	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	1	0.60
Neutral	2	1.10
Agree	30	17.00
Strongly Agree	143	81.30
TOTAL	**176**	**100.00**

From the responses of store managers detailed in Table 6.33, 98.30% of store managers have confirmed that their respective stores would not be able to survive if they did not stock the leading manufacturer brands.

TABLE 6.34: THE RELATIONSHIP BETWEEN THE PRICE OF HOUSE BRANDS AND RATE OF SALES

House brand FMCG are more popular than manufacturer branded FMCG due to them being cheaper.

INFLUENCE OF PRICE ON SALES OF HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	2	1.10
Disagree	60	34.10
Neutral	0	0
Agree	57	32.40
Strongly Agree	57	32.40
TOTAL	**176**	**100.00**

From Table 6.34, shows that 64.80% of store managers confirm that the main reason for the high rate of sales of house brands relates to the favourable pricing of these products when compared to leading manufacturer branded products.

TABLE 6.35: THE MAIN REASON FOR STOCKING HOUSE BRANDS

An important reason for my stocking house brands is to offer my customers more affordable products.

INFLUENCE OF BRANDING ON RATE OF SALES	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	4	2.30
Neutral	1	0.60
Agree	52	29.50
Strongly Agree	119	67.60
TOTAL	**176**	**100.00**

From Table 6.35, 97.10% of store managers have indicated that the main reason for stocking house brands is to offer consumers more affordable products.

TABLE 6.36: THE COMPETITIVENESS OF HOUSE BRANDS

The stocking of house brands has enabled me to compete more effectively with competitors because I can now offer my customers more affordable products.

PRICING AND HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	23	13.10
Neutral	1	0.60
Agree	61	34.70
Strongly Agree	91	51.70
TOTAL	**176**	**100.00**

From Table 6.36, it can be observed that 86.40% of store managers clearly believe that stocking house brands enables them to offer consumers more affordable products and also provides them with the opportunity to compete more effectively with their competitors, who also carry a similar product range.

TABLE 6.37: HOUSE BRANDS FACILITATE THE SALES OF BIGGER QUANTITIES OF FMCG

House brands provide my store with the opportunity to sell more products due to their prices being cheaper than traditional and well-known brands.

INFLUENCE OF HOUSE BRANDS ON SALES	FREQUENCY	PERCENT
Strongly Disagree	0	0
Disagree	40	22.70
Neutral	2	1.10
Agree	55	31.30
Strongly Agree	79	44.90
TOTAL	**176**	**100.00**

In Table 6.37, it is clear that 76.20% of store managers believe that stocking house brands enables them to sell a larger quantity of the same products due to the price of these products being cheaper than manufacturer brands.

TABLE 6.38: THE IMPACT OF HOUSE BRANDS ON A STORE'S TURNOVER

My store's turnover has benefited greatly from the competitive pricing of house brands on offer to my customers.

IMPACT OF HOUSE BRANDS ON THE STORE'S TURNOVER	FREQUENCY	PERCENT
Strongly Disagree	1	0.60
Disagree	12	6.80
Neutral	8	4.50
Agree	62	35.20
Strongly Agree	93	52.90
TOTAL	**176**	**100.00**

In Table 6.38, it is clear that 88.10% of store managers believe that stocking house brands has a positive impact on the turnover of their respective stores since they are able to provide consumers with a competitively priced product and also to ensure loyalty because their customers can only obtain these products from their stores.

TABLE 6.39: THE PROMOTIONAL SUPPORT OF MANUFACTURER BRANDS VERSUS THE PROMOTIONAL SUPPORT OF HOUSE BRANDS

Manufacturer branded FMCG are more widely recognized than house brands due to the promotional support given to them

PROMOTIONAL SUPPORT OF MANUFACTURER BRANDS vs. HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	1	0.60
Disagree	9	5.10
Neutral	0	0
Agree	71	40.30
Strongly Agree	95	54.00
TOTAL	**176**	**100.00**

In Table 6.39, it is clear that 94.30% of store managers are of the opinion that manufacturer brands are much better recognized in stores due to the promotional support that is directed at them.

<u>TABLE 6.40: THE PROMOTIONAL ACTIVITY OF MANUFACTURER BRANDS VERSUS THE PROMOTIONAL ACTIVITY OF HOUSE BRANDS</u>

In-store promotional activity is mainly conducted by well-known manufacturer brands as opposed to house brands

PROMOTIONAL ACTIVITY OF MANUFACTURER BRANDS vs. HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	1	0.60
Disagree	7	4.00
Neutral	1	0.60
Agree	50	28.40
Strongly Agree	117	66.40
TOTAL	**176**	**100.00**

From Table 6.40, it can be seen that 94.80% of the respondents are of the opinion that manufacturer brands are supported with much more promotional activity as opposed to house brands.

TABLE 6.41: THE IMPACT OF PROMOTIONAL SUPPORT ON THE TURNOVER OF MANUFACTURER BRANDS

My stock turnover of manufacturer brands is high due to the amount of promotional support that is directed towards them.

THE IMPACT OF PROMOTIONS ON MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	3	1.70
Disagree	46	26.10
Neutral	1	0.60
Agree	72	40.90
Strongly Agree	54	30.70
TOTAL	**176**	**100.00**

Table 6.41, illustrates that 71.60% of store managers firmly believe that the promotional support directed at manufacturer brands increases the rate of sales of these brands in their stores.

TABLE 6.42: THE IMPACT OF ADVERTISING ON THE GROWTH AND POPULARITY OF MANUFACTURER BRANDS

I believe that an important reason for the growth and popularity of manufacturer brands is due to the advertising support given to these brands in the mass media.

THE IMPACT OF ADVERTISING ON MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	3	1.70
Disagree	5	2.80
Neutral	1	0.60
Agree	44	25.00
Strongly Agree	123	69.9
TOTAL	**176**	**100.0**

Table 6.42 highlights that 94.90% of store managers believe that strong advertising in the media has not only created awareness for the various brands of fast moving consumer goods but has also ensured that these brands remain popular in the minds and hearts of consumers.

TABLE 6.43: THE RELATIONSHIP BETWEEN THE TIMING OF A PROMOTION AND THE SALE OF THE BRAND OF PRODUCT

There is a strong relationship between the sale of a branded FMCG and the timing of the promotional activity directed at this product.

THE INFLUENCE OF PROMOTIONS ON SALES OF THE BRAND	FREQUENCY	PERCENT
Strongly Disagree	1	0.60
Disagree	9	5.10
Neutral	1	0.60
Agree	82	46.60
Strongly Agree	83	47.20
TOTAL	**176**	**100.00**

In Table 6.43, it is clear that 93.80% of store managers are convinced that there is a strong relationship between the timing of a promotion and the sale of the promoted brand.

TABLE 6.44: THE QUALITY OF MANUFACTURER BRANDS VERSUS THE QUALITY OF HOUSE BRANDS

In my opinion the quality of manufacturer brands are better than the quality of house brands.

QUALITY OF MANUFACTURER BRANDS vs. HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	9	5.1
Disagree	74	42.0
Neutral	2	1.1
Agree	34	19.3
Strongly Agree	57	32.5
TOTAL	**176**	**100.0**

From Table 6.44, it is clear that 51.80% of store managers are of the opinion that the quality of manufacturer brands is better than the quality of house brands.

TABLE 6.45: THE QUANTITY OF HOUSE BRANDS RETURNED VERSUS THE QUANTITY OF MANUFACTURER BRANDS RETURNED DUE TO QUALITY RELATED ISSUES

A greater number of house brands are returned due to a manufacturer defect as compared to the quantity of manufacturer brands that are returned for the same reason.

THE QUALITY OF HOUSE BRANDS vs. MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	90	51.10
Disagree	58	33.00
Neutral	4	2.30
Agree	20	11.40
Strongly Agree	4	2.20
TOTAL	**176**	**100.00**

It is interesting to note, from Table 6.45, that only 13.60% of store managers believe that more house brands are returned due to quality related problems as opposed to manufacturer brands.

TABLE 6.46: THE RELATIONSHIP BETWEEN THE QUALITY OF MANUFACTURER BRANDS AND RATE OF SALES

Judging from my rate of sale, I can confirm that manufacturer brands sell at a higher rate due to them being of a better quality.

QUALITY AND SALES OF MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	3	1.70
Disagree	35	19.90
Neutral	2	1.10
Agree	85	48.30
Strongly Agree	51	29.00
TOTAL	**176**	**100.0**

In Table 6.46, it is clear that 77.30% of store managers are of the opinion that the quality of manufacturer brands has a positive influence on the sales of these products.

TABLE 6.47: THE QUALITY AND DURABILITY OF MANAUFACTURER BRANDS

I prefer merchandising manufacturer brands due to the quality and the durability of these products.

THE QUALITY OF MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	5	2.80
Disagree	29	16.50
Neutral	12	6.80
Agree	67	38.10
Strongly Agree	63	35.80
TOTAL	**176**	**100.00**

Table 6.47 indicates that 73.90% of store managers depend on the quality and durability of manufacturer brands to deliver the benefits that are expected by consumers.

6.5.2 Consumers’ Perceptions of Manufacturer Brands versus House Brands:

TABLE 6.48: MANUFACTURER BRANDS VERSUS HOUSE BRANDS

My intention to purchase a product is directly influenced by the brand of FMCG on sale.

MANUFACTURER BRANDS vs. HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	17	7.00
Disagree	43	17.60
Neutral	22	9.00
Agree	94	38.50
Strongly Agree	68	27.90
TOTAL	**244**	**100.00**

It is evident from Table 6.48, that 66.40% of consumers are certain that, when confronted with a choice between manufacturer brands and house brands, they would choose manufacturer brands.

TABLE 6.49: CHOOSING BETWEEN A WELL-BRANDED FMCG AS OPPOSED TO A HOUSE BRAND FMCG

When walking through a store, I select branded FMCG without any hesitation.

MANUFACTURER BRANDS vs. HOUSE BRANDS SALES	FREQUENCY	PERCENT
Strongly Disagree	13	5.30
Disagree	37	15.20
Neutral	19	7.80
Agree	107	43.90
Strongly Agree	68	27.80
TOTAL	**244**	**100.00**

Table 6.49 illustrates that 71.70% of consumers will choose a well-branded fast moving consumer good that they recognize as opposed to a house brand which may not provide them with an appropriate level of satisfaction.

TABLE 6.50: THE PRICE AND POPULARITY OF HOUSE BRANDS

I choose house brands because they are cheaper than manufacturer brands.

PRICE & POPULARITY OF HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	22	9.00
Disagree	49	20.10
Neutral	32	13.10
Agree	88	36.10
Strongly Agree	53	21.70
TOTAL	**244**	**100.0**

Table 6.50 illustrates that 57.80% of consumers have indicated that they choose house brands due to them being cheaper than manufacturer brands.

TABLE 6.51: INFLATION AND THE POPULARITY OF HOUSE BRANDS

As the cost of living continues to rise, house brands will grow in popularity because they are cheaper than manufacturer brands.

INFLATION & THE POPULARITY OF HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	12	4.90
Disagree	24	9.80
Neutral	20	8.20
Agree	97	39.80
Strongly Agree	91	37.30
TOTAL	**244**	**100.00**

Table 6.51 illustrates that 77.10% of consumers have indicated that, when confronted with rising inflation the popularity of house brands will grow.

TABLE 6.52: THE PRICE OF HOUSE BRANDS AND THE FREQUENCY WITH WHICH THEY ARE PURCHASED

I purchase house brands on a regular basis because they are priced cheaper than manufacturer brands.

THE PRICE OF HOUSE BRANDS AND THEIR RATE OF SALE	FREQUENCY	PERCENT
Strongly Disagree	32	13.10
Disagree	49	20.10
Neutral	23	9.40
Agree	100	41.00
Strongly Agree	40	16.40
TOTAL	**244**	**100.00**

Further to the results displayed in Table 6.50 and Table 6.51, it is evident from Table 6.52 that 57.40% of consumers have indicated that they purchase house brands on a regular basis because they are priced cheaper than manufacturer brands.

TABLE 6.53: THE RELATIONSHIP BETWEEN THE DEMAND FOR FMCG AND THE PROMOTIONS DIRECTED AT FMCG

I purchase branded FMCG as a result of the amount of promotion that is directed towards these brands.

DEMAND FOR FMCG & PROMOTIONS	FREQUENCY	PERCENT
Strongly Disagree	20	8.20
Disagree	26	10.70
Neutral	36	14.80
Agree	115	47.10
Strongly Agree	47	19.20
TOTAL	**244**	**100.00**

In Table 6.53, 66.30% of consumers believe that the number of promotions directed at the top manufacturer brands is a key factor that encourages them to purchase these products.

TABLE 6.54: THE RELATIONSHIP BETWEEN ADVERTISING AND CONSUMER AWARENESS OF MANUFACTURER BRANDED FMCG

The amount of advertising directed at branded FMCG on television, radio, and newspapers/magazines helps me to recognize these brands in stores and this influences my decision to purchase these brands.

INFLUENCE OF ADVERTISING ON CONSUMER AWARENESS	FREQUENCY	PERCENT
Strongly Disagree	16	6.60
Disagree	13	5.30
Neutral	26	10.70
Agree	102	41.80
Strongly Agree	87	35.60
TOTAL	**244**	**100.00**

From Table 6.54, 77.40% of consumers are of the opinion that the advertising directed at branded FMCG on television, radio and newspapers/magazines enables them to recognize these products when shopping in a supermarket.

TABLE 6.55: THE RELATIONSHIP BETWEEN IN-STORE PROMOTERS AND THE CHOICE OF BRAND OF FMCG SELECTED

In-store promoters who promote manufacturer brands provide valuable information and this helps to influence my decisions as to which FMCG to purchase.

INFLUENCE OF PROMOTERS ON BRAND CHOICE	**FREQUENCY**	**PERCENT**
Strongly Disagree	22	9.00
Disagree	28	11.50
Neutral	19	7.80
Agree	125	51.20
Strongly Agree	50	20.50
TOTAL	**244**	**100.00**

According to the results presented in Table 6.55, 71.70% of consumers are convinced that the information and assistance provided by in-store promoters helps them to decide which brand of FMCG to purchase.

TABLE 6.56: THE QUALITY OF MANUFACTURER BRANDED FMCG VERSUS THE QUALITY OF HOUSE BRAND FMCG

I prefer to select manufacturer branded FMCG due to my belief that these brands are of a better quality than house brands.

QUALITY OF MANUFACTURER BRANDS vs. HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	16	6.60
Disagree	40	16.40
Neutral	18	7.40
Agree	94	38.50
Strongly Agree	76	31.10
TOTAL	**244**	**100.00**

In Table 6.56, 69.60% of consumers believe that the quality of manufacturer branded FMCG are of a superior quality to house brand FMCG.

TABLE 6.57: MANUFACTURER BRANDS VERSUS HOUSE BRANDS WITH REGARDS TO CONSUMER CHOICE

If I have not purchased a product previously and I am unsure as to which brand of product to choose, I am more likely to choose a manufacturer brand due to the belief that this brand is of a better quality than the house brand.

MANUFACTURER BRANDS vs. HOUSE BRANDS FOR CONSUMER CHOICE	FREQUENCY	PERCENT
Strongly Disagree	17	7.00
Disagree	31	12.70
Neutral	18	7.40
Agree	93	38.10
Strongly Agree	85	34.80
TOTAL	**244**	**100.00**

In Table 6.57, 72.90% of consumers have indicated that, when they are uncertain as to whether they should choose a manufacturer brand or a house brand, they are more than likely going to choose a manufacturer brand. This finding is a clear indication of the faith which consumers have in manufacturer brands.

TABLE 6.58: THE QUALITY OF HOUSE BRANDS VERSUS THE QUALITY OF MANUFACTURER BRANDS

I am sure that an important motivating factor among consumers is the quality of the product. It is for this reason that I am more likely to choose a manufacturer brand.

QUALITY OF HOUSE BRANDS vs. QUALITY OF MANUFACTURER BRANDS	FREQUENCY	PERCENT
Strongly Disagree	38	15.60
Disagree	56	23.00
Neutral	28	11.40
Agree	61	25.00
Strongly Agree	61	25.00
TOTAL	**244**	**100.00**

Table 6.58 shows that 50% of consumers have expressed the desire that they would consider the quality of house brands to be similar to that of manufacturer brands. Thus, half of the sample investigated share a different perspective with regards to the quality related aspects of house brands versus manufacturer brands. This finding indicates that there is still a considerable amount of doubt among consumers regarding the quality of house brands.

TABLE 6.59: THE IMPACT OF ADVERTISING ON THE SALES OF FMCG

The quantity of advertising focused on manufacturer branded FMCG influences me to purchase these products.

INFLUENCE OF ADVERTISING ON SALES OF FMCG	FREQUENCY	PERCENT
Strongly Disagree	15	6.10
Disagree	32	13.10
Neutral	18	7.40
Agree	124	50.80
Strongly Agree	55	22.60
TOTAL	**244**	**100.00**

In Table 6.59, 73.40% of consumers are definitely of the opinion that the amount of advertising directed at manufacturer branded FMCG encourages them to purchase these products as opposed to house brands.

TABLE 6.60: THE IMPACT OF IN-STORE PROMOTIONS ON HOUSE BRANDS

Promoting house brands in-store could positively impact on the sales of these FMCG by encouraging me to purchase these products.

INFLUENCE OF PROMOTIONS ON HOUSE BRANDS SALES	FREQUENCY	PERCENT
Strongly Disagree	18	7.40
Disagree	20	8.20
Neutral	28	11.50
Agree	133	54.50
Strongly Agree	45	18.40
TOTAL	**244**	**100.00**

As illustrated in Table 6.60, 72.90% of consumers believe that utilizing in-store promoters would have a positive impact on the sales of fast moving consumer goods.

TABLE 6.61: THE IMPACT OF PACKAGING ON THE SALES OF HOUSE BRANDS

House brand FMCG would sell much faster if the packaging provided to consumers contained more user-friendly features.

INFLUENCE OF PACKAGING ON HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	17	7.00
Disagree	22	9.00
Neutral	20	8.20
Agree	121	49.60
Strongly Agree	64	26.20
TOTAL	**244**	**100.00**

Table 6.61 indicates that consumers 75.80% of consumers believe that the sales of house brand fast moving consumer goods would benefit from the incorporation of more user-friendly features in their packaging.

TABLE 6.62: THE PRICING OF FMCG AND DEMAND FOR HOUSE BRANDS

I am motivated to purchase house brand FMCG because the pricing of these products allows me to purchase a larger quantity than I would normally be able to purchase.

INFLUENCE OF PRICING ON THE DEMAND FOR HOUSE BRANDS	FREQUENCY	PERCENT
Strongly Disagree	18	7.40
Disagree	28	11.50
Neutral	16	6.60
Agree	99	40.50
Strongly Agree	83	34.00
TOTAL	**244**	**100.00**

In Table 6.62, indicates that 74.50% of consumers are of the opinion that the pricing of house brands encourages them to purchase these products more frequently and also in greater quantities.

6.6 INFERENTIAL STATISTICS:

Inferential statistics can be used for the purposes of establishing whether the sample results hold true in a population, and then to decide whether the differences in the results indicate that a relationship exists. Inferential statistics covers a variety of tools that enables a researcher to use the sample data to draw conclusions about the population under investigation. Generalizations based on these samples provide accurate representations of the population. The statistical tests used to draw conclusions about the population based upon the data collected from the sample included the t-Test, Analysis of Variance and Pearson's Correlation Coefficient.

6.6.1 t-Test - Gender

The t-test is used to determine whether there is a significant difference in the sample means between two groups. The primary purpose of the t-test is to establish the probability that the observed relationship is due to sampling error or chance. In this project, the t-test is used to determine whether or not there is a significant difference in the perceptions of male and female store managers and consumers with regards to the branding, packaging, pricing, promotions and quality of fast moving consumer goods.

TABLE 6.63: GENDER DIFFERENCES OF STORE MANAGERS PERCEPTIONS OF FAST MOVING CONSUMER GOODS

Independent Samples t-Test : Section A

			t-Test for Equality of Means		
		F	t	df	P - Value
Section A Branding	Equal variances assumed	.339	.505	174	.614
	Equal variances not assumed		.472	30.957	.640
Section A Packaging	Equal variances assumed	.004	-.207	174	.837
	Equal variances not assumed		-.205	32.266	.839
Section A Pricing	Equal variances assumed	.089	-.752	174	.453
	Equal variances not assumed		-.730	31.768	.471
Section A Promotions	Equal variances assumed	1.612	-1.213	174	.227
	Equal variances not assumed		-1.420	37.561	.164
Section A Quality	Equal variances assumed	.380	-1.086	174	.279
	Equal variances not assumed		-.979	30.257	.335

- In table 6.63, the p significance values are above 0.05 on gender perceptions of the impact of branding, packaging, pricing, promotions and quality on the sales of fast moving consumer goods. The p values reveal that there is no significant difference between gender groups towards these variables for Section A of the store managers' questionnaire.
- Therefore, the conclusion is that both male and female store managers share the same viewpoints and perceptions with regards to the marketing of fast moving consumer goods. Thus, marketers can be confident in the knowledge that there should not be much difference in the perceptions of male and female store managers when proposing new marketing initiatives for fast moving consumer goods.

TABLE 6.64: GENDER DIFFERENCES AMONG STORE MANAGERS PERCEPTIONS OF CONSUMER PURCHASING BEHAVIOUR

Independent Samples t- Test : Section B

			t-Test for Equality of Means		
		F	t	df	P - Value
Section B Branding	Equal variances assumed	.167	-.028	174	.977
	Equal variances not assumed		-.027	31.034	.979
Section B Packaging	Equal variances assumed	7.382	-.596	174	.552
	Equal variances not assumed		-.467	28.125	.644
Section B Pricing	Equal variances assumed	5.235	-1.559	174	.121
	Equal variances not assumed		-1.916	39.757	.063
Section B Promotions	Equal variances assumed	.200	-1.547	174	.124
	Equal variances not assumed		-1.646	34.164	.109
Section B Quality	Equal variances assumed	2.200	.170	174	.866
	Equal variances not assumed		.150	29.975	.881

- In table 6.64, the p significance values are above 0.05 for store managers' perceptions relating to the impact of branding, packaging, pricing, promotions and quality assessments of consumers. The p values reveal that there is no significant difference between gender groups towards these variables for Section B of the store managers' questionnaire.

- Therefore, both male and female store managers share the same perspective with regards to consumer purchasing behaviour.

TABLE 6.65: GENDER DIFFERENCES OF CONSUMERS PERCEPTIONS OF FAST MOVING CONSUMER GOODS

		t	df	P - Value
V1 : Branding	Equal variances assumed	-.004	241	.997
	Equal variances not assumed	-.004	206.55	.997
V2 : Packaging	Equal variances assumed	.742	241	.459
	Equal variances not assumed	.756	212.92	.450
V3 : Pricing	Equal variances assumed	-.300	241	.764
	Equal variances not assumed	-.304	209.31	.761
V4 : Promotions	Equal variances assumed	-.202	241	.840
	Equal variances not assumed	-.211	226.75	.833
V5 : Quality	Equal variances assumed	.335	241	.738
	Equal variances not assumed	.345	219.58	.730

- In table 6.65, the p significance values are above 0.05 for consumers' perceptions relating to the impact of branding, packaging, pricing, promotions and quality assessments of consumers. Hence, male and female consumers have similar opinions with regards to the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods.

6.6.2 Analysis of Variance (ANOVA):

The Analysis of Variance (ANOVA) procedure is used to handle situations in which more than two samples are compared. ANOVA is similar to the t-test but, unlike the t-test, imposes no restrictions on the sample means. An ANOVA test was conducted to determine the difference in the perceptions of store managers belonging to different race groups, age groups, home language, level of education, length of service and regions. Among consumers, the ANOVA test was used to determine the difference in the perceptions of consumers belonging to different race groups, age groups, home language and level of education. The results achieved for both store managers and consumers are illustrated in tables 6.66, 6.67, 6.68, 6.69, 6.70, and 6.71.

TABLE 6.66: ANOVA TEST FOR STORE MANAGERS BELONGING TO DIFFERENT RACE GROUPS

ANOVA : Race

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	1.702	3	.567	1.371	.253
	Within Groups	71.184	172	.414		
	Total	72.886	175			
Section A Packaging	Between Groups	1.002	3	.334	.542	.654
	Within Groups	105.998	172	.616		
	Total	107.000	175			
Section A Pricing	Between Groups	4.177	3	1.392	2.059	.108
	Within Groups	116.317	172	.676		
	Total	120.494	175			
Section A Promotions	Between Groups	5.444	3	1.815	5.030	.002
	Within Groups	62.051	172	.361		
	Total	67.494	175			
Section A Quality	Between Groups	6.008	3	2.003	4.023	.008
	Within Groups	85.628	172	.498		
	Total	91.636	175			
Section B Branding	Between Groups	.208	3	.069	.189	.904
	Within Groups	63.224	172	.368		
	Total	63.432	175			
Section B Packaging	Between Groups	6.822	3	2.274	4.510	.005
	Within Groups	86.724	172	.504		
	Total	93.545	175			
Section B Pricing	Between Groups	.406	3	.135	.254	.858
	Within Groups	91.452	172	.532		
	Total	91.858	175			
Section B Promotions	Between Groups	3.597	3	1.199	3.184	.025
	Within Groups	64.761	172	.377		
	Total	68.358	175			
Section B Quality	Between Groups	2.935	3	.978	2.319	.077
	Within Groups	72.559	172	.422		
	Total	75.494	175			

Among Section A variables, there is no significant difference among store managers belonging to different races regarding their perceptions of branding, packaging and pricing since the p significance values are above 0.05. However, there is a significant difference in terms of their perceptions regarding promotions and quality since the p significance values are below 0.05.

When evaluating store managers' perceptions of consumer purchasing behaviour among Section B variables, there is no significant difference among store managers' of different race groups regarding branding, pricing and quality since the p significance values are above 0.05. However, there is a significant difference among store managers' perceptions regarding packaging and promotions since the p significance values are below 0.05.

TABLE 6.67: ANOVA TEST FOR CONSUMERS BELONGING TO DIFFERENT RACE GROUPS

		Sum of Squares	df	Mean Square	P
V1 : Branding	Between Groups	30.143	3	10.048	.000
	Within Groups	273.169	240	1.138	
	Total	303.311	243		
V2 : Packaging	Between Groups	13.400	3	4.467	.002
	Within Groups	210.022	240	.875	
	Total	223.422	243		
V3 : Pricing	Between Groups	5.614	3	1.871	.141
	Within Groups	244.599	240	1.019	
	Total	250.213	243		
V4 : Promotions	Between Groups	5.876	3	1.959	.075
	Within Groups	202.042	240	.842	
	Total	207.918	243		
V5 : Quality	Between Groups	7.432	3	2.477	.020
	Within Groups	178.814	240	.745	
	Total	186.246	243		

There is no significant difference among consumers belonging to different race groups towards the impact of pricing and promotions on the sales of fast moving consumer goods. This finding means that different race groups have similar perceptions towards pricing and promotions. The Anova test results also reveal that there is a significant difference among the different race groups towards the impact of branding, packaging and quality on the sales of fast moving consumer goods.

TABLE 6.68: ANOVA TEST FOR DIFFERENT AGE GROUPS AMONG STORE MANAGERS

ANOVA : Age

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	6.988	4	1.747	4.534	.002
	Within Groups	65.898	171	.385		
	Total	72.886	175			
Section A Packaging	Between Groups	5.646	4	1.411	2.381	.054
	Within Groups	101.354	171	.593		
	Total	107.000	175			
Section A Pricing	Between Groups	1.791	4	.448	.645	.631
	Within Groups	118.703	171	.694		
	Total	120.494	175			
Section A Promotions	Between Groups	1.610	4	.402	1.044	.386
	Within Groups	65.885	171	.385		
	Total	67.494	175			
Section A Quality	Between Groups	2.437	4	.609	1.168	.327
	Within Groups	89.199	171	.522		
	Total	91.636	175			
Section B Branding	Between Groups	1.065	4	.266	.730	.572
	Within Groups	62.367	171	.365		
	Total	63.432	175			
Section B Packaging	Between Groups	1.927	4	.482	.899	.466
	Within Groups	91.618	171	.536		
	Total	93.545	175			
Section B Pricing	Between Groups	2.663	4	.666	1.276	.281
	Within Groups	89.195	171	.522		
	Total	91.858	175			
Section B Promotions	Between Groups	.625	4	.156	.394	.813
	Within Groups	67.733	171	.396		
	Total	68.358	175			
Section B Quality	Between Groups	2.673	4	.668	1.569	.185
	Within Groups	72.822	171	.426		
	Total	75.494	175			

The Anova test results reveal that there is a significant difference among the different age groups on the impact of branding on the sales of fast moving consumer goods because the p significance value is 0.002, which is below 0.05. This finding means that different age groups have different perceptions towards branding.

There is however no significant difference among the different age groups on the impact of packaging, pricing, promotions and quality on the sales of fast moving consumer goods. This means that different age groups have similar perceptions towards packaging, pricing, promotions and quality.

TABLE 6.69: ANOVA TEST FOR DIFFERENT AGE GROUPS AMONG CONSUMERS

		Sum of Squares	df	Mean Square	P
V1 : Branding	Between Groups	2.456	5	.491	.856
	Within Groups	300.855	238	1.264	
	Total	303.311	243		
V2 : Packaging	Between Groups	.754	5	.151	.976
	Within Groups	222.668	238	.936	
	Total	223.422	243		
V3 : Pricing	Between Groups	7.701	5	1.540	.187
	Within Groups	242.512	238	1.019	
	Total	250.213	243		
V4 : Promotions	Between Groups	2.063	5	.413	.793
	Within Groups	205.856	238	.865	
	Total	207.918	243		
V5 : Quality	Between Groups	1.783	5	.357	.806
	Within Groups	184.463	238	.775	
	Total	186.246	243		

There is no significant difference among consumers of different age groups as regards the impact of branding, packaging, pricing, promotions and quality on the sales of fast moving consumer goods since the p significance values are all above 0.05 This finding means that different age groups have similar perceptions towards branding, packaging, pricing, promotions and quality

TABLE 6.70: ANOVA TEST FOR HOME LANGUAGE AMONG STORE MANAGERS

ANOVA : Home Language

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	1.719	5	.344	.821	.536
	Within Groups	71.167	170	.419		
	Total	72.886	175			
Section A Packaging	Between Groups	1.625	5	.325	.524	.758
	Within Groups	105.375	170	.620		
	Total	107.000	175			
Section A Pricing	Between Groups	6.393	5	1.279	1.905	.096
	Within Groups	114.101	170	.671		
	Total	120.494	175			
Section A Promotions	Between Groups	2.051	5	.410	1.065	.381
	Within Groups	65.444	170	.385		
	Total	67.494	175			
Section A Quality	Between Groups	1.019	5	.204	.382	.860
	Within Groups	90.617	170	.533		
	Total	91.636	175			
Section B Branding	Between Groups	.289	5	.058	.156	.978
	Within Groups	63.143	170	.371		
	Total	63.432	175			
Section B Packaging	Between Groups	1.756	5	.351	.650	.662
	Within Groups	91.789	170	.540		
	Total	93.545	175			
Section B Pricing	Between Groups	2.685	5	.537	1.024	.405
	Within Groups	89.173	170	.525		
	Total	91.858	175			
Section B Promotions	Between Groups	1.941	5	.388	.993	.423
	Within Groups	66.417	170	.391		
	Total	68.358	175			
Section B Quality	Between Groups	4.041	5	.808	1.923	.093
	Within Groups	71.454	170	.420		
	Total	75.494	175			

There is no significant difference among respondents that speak a different home language regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods with regards to both Section A and Section B variables since the p significance values are all above 0.05.

TABLE 6.71: ANOVA TEST FOR HOME LANGUAGE AMONG CONSUMERS

		Sum of Squares	df	Mean Square	P
V1 : Branding	Between Groups	31.628	4	7.907	.000
	Within Groups	271.683	239	1.137	
	Total	303.311	243		
V2 : Packaging	Between Groups	13.467	4	3.367	.005
	Within Groups	209.955	239	.878	
	Total	223.422	243		
V3 : Pricing	Between Groups	.154	4	.038	.997
	Within Groups	250.059	239	1.046	
	Total	250.213	243		
V4 : Promotions	Between Groups	4.116	4	1.029	.309
	Within Groups	203.802	239	.853	
	Total	207.918	243		
V5 : Quality	Between Groups	5.166	4	1.292	.150
	Within Groups	181.080	239	.758	
	Total	186.246	243		

There is no significant difference among respondents that speak a different home language regarding the impact of pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are above 0.05. However, there is a significant difference among respondents that speak a different home language regarding the impact of branding and packaging in terms of the marketing of fast moving consumer goods since the p significance values are below 0.05.

TABLE 6.72: ANOVA TEST FOR EDUCATION LEVELS AMONG STORE MANAGERS

ANOVA : Education Level

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	2.126	4	.532	1.285	.278
	Within Groups	70.760	171	.414		
	Total	72.886	175			
Section A Packaging	Between Groups	1.256	4	.314	.508	.730
	Within Groups	105.744	171	.618		
	Total	107.000	175			
Section A Pricing	Between Groups	1.592	4	.398	.572	.683
	Within Groups	118.903	171	.695		
	Total	120.494	175			
Section A Promotions	Between Groups	1.765	4	.441	1.148	.336
	Within Groups	65.729	171	.384		
	Total	67.494	175			
Section A Quality	Between Groups	3.891	4	.973	1.896	.113
	Within Groups	87.746	171	.513		
	Total	91.636	175			
Section B Branding	Between Groups	2.395	4	.599	1.677	.157
	Within Groups	61.037	171	.357		
	Total	63.432	175			
Section B Packaging	Between Groups	2.167	4	.542	1.014	.402
	Within Groups	91.379	171	.534		
	Total	93.545	175			
Section B Pricing	Between Groups	1.165	4	.291	.549	.700
	Within Groups	90.693	171	.530		
	Total	91.858	175			
Section B Promotions	Between Groups	2.352	4	.588	1.523	.198
	Within Groups	66.006	171	.386		
	Total	68.358	175			
Section B Quality	Between Groups	3.573	4	.893	2.124	.080
	Within Groups	71.922	171	.421		
	Total	75.494	175			

There is no significant difference among store managers of different levels of education regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods with regards to both Section A and Section B variables since the p significance values are all above 0.05.

TABLE 6.73: ANOVA TEST FOR EDUCATION LEVEL AMONG CONSUMERS

		Sum of Squares	df	Mean Square	P
V1 : Branding	Between Groups	4.051	4	1.013	.521
	Within Groups	299.261	239	1.252	
	Total	303.311	243		
V2 : Packaging	Between Groups	2.274	4	.569	.653
	Within Groups	221.148	239	.925	
	Total	223.422	243		
V3 : Pricing	Between Groups	14.268	4	3.567	.007
	Within Groups	235.945	239	.987	
	Total	250.213	243		
V4 : Promotions	Between Groups	3.386	4	.846	.414
	Within Groups	204.532	239	.856	
	Total	207.918	243		
V5 : Quality	Between Groups	.574	4	.144	.946
	Within Groups	185.672	239	.777	
	Total	186.246	243		

There is no significant difference among consumers of different levels of education regarding the impact of branding, packaging, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are above 0.05. There is, however, a significant difference among consumers with regards to impact of pricing on the marketing of fast moving consumer goods since the p significance values are below 0.05.

TABLE 6.74: ANOVA TEST FOR LENGTH OF SERVICE AMONG STORE MANAGERS

ANOVA : Length of Service

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	3.533	5	.707	1.732	.130
	Within Groups	69.353	170	.408		
	Total	72.886	175			
Section A Packaging	Between Groups	.255	5	.051	.081	.995
	Within Groups	106.745	170	.628		
	Total	107.000	175			
Section A Pricing	Between Groups	4.019	5	.804	1.173	.324
	Within Groups	116.475	170	.685		
	Total	120.494	175			
Section A Promotions	Between Groups	.894	5	.179	.456	.808
	Within Groups	66.601	170	.392		
	Total	67.494	175			
Section A Quality	Between Groups	1.186	5	.237	.446	.816
	Within Groups	90.451	170	.532		
	Total	91.636	175			
Section B Branding	Between Groups	.851	5	.170	.462	.804
	Within Groups	62.581	170	.368		
	Total	63.432	175			
Section B Packaging	Between Groups	3.084	5	.617	1.159	.331
	Within Groups	90.462	170	.532		
	Total	93.545	175			
Section B Pricing	Between Groups	4.222	5	.844	1.638	.153
	Within Groups	87.636	170	.516		
	Total	91.858	175			
Section B Promotions	Between Groups	1.729	5	.346	.882	.494
	Within Groups	66.629	170	.392		
	Total	68.358	175			
Section B Quality	Between Groups	2.673	5	.535	1.248	.289
	Within Groups	72.821	170	.428		
	Total	75.494	175			

There is no significant difference among store managers' of varying lengths of service regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are above 0.05.

TABLE 6.75: ANOVA TEST FOR STORE MANAGERS FROM DIFFERENT REGIONS

ANOVA : Region

		Sum of Squares	df	Mean Square	F	P
Section A Branding	Between Groups	2.234	4	.558	1.351	.253
	Within Groups	70.653	171	.413		
	Total	72.886	175			
Section A Packaging	Between Groups	1.364	4	.341	.552	.698
	Within Groups	105.636	171	.618		
	Total	107.000	175			
Section A Pricing	Between Groups	8.763	4	2.191	3.353	.011
	Within Groups	111.732	171	.653		
	Total	120.494	175			
Section A Promotions	Between Groups	2.121	4	.530	1.387	.240
	Within Groups	65.373	171	.382		
	Total	67.494	175			
Section A Quality	Between Groups	5.988	4	1.497	2.989	.020
	Within Groups	85.649	171	.501		
	Total	91.636	175			
Section B Branding	Between Groups	.662	4	.165	.451	.772
	Within Groups	62.770	171	.367		
	Total	63.432	175			
Section B Packaging	Between Groups	1.424	4	.356	.661	.620
	Within Groups	92.122	171	.539		
	Total	93.545	175			
Section B Pricing	Between Groups	5.101	4	1.275	2.513	.043
	Within Groups	86.757	171	.507		
	Total	91.858	175			
Section B Promotions	Between Groups	4.782	4	1.196	3.216	.014
	Within Groups	63.576	171	.372		
	Total	68.358	175			
Section B Quality	Between Groups	7.283	4	1.821	4.564	.002
	Within Groups	68.211	171	.399		
	Total	75.494	175			

In terms of Section A of the questionnaire, there is no significant difference among store managers' based in different geographic regions about their perceptions of branding, packaging and promotions of fast moving consumer goods since the p significance values are above 0.05. This finding means that store managers' from different geographic regions have similar perceptions with regards to these variables. However, there is a significant difference with regards to store managers' perceptions of pricing and quality on the marketing of fast moving consumer goods.

In terms of Section B of the questionnaire, there is no significant difference among store managers' based in different geographic regions about the impact of branding and packaging on consumer purchasing behaviour since the p significance values are above 0.05. This finding means that store managers' from different geographic regions have similar perceptions with regards to these variables. However, there is a significant difference with regards to store managers' perceptions of consumer purchasing behaviour regarding pricing, promotions and quality.

6.6.3 Pearson's Correlation Coefficient:

Correlation analysis examines the strength of the identified association between variables. The Pearson's Correlation Matrix indicates the direction, strength and significance of the bivariate relation among the variables in the study. A correlation statistic test is used to explore or describe the strength and direction of the linear relationship between two continuous dependent variables.

The Pearson's Correlation Matrix was utilized to determine the strength and direction of the relationship between the different variables being investigated. The results obtained for the store managers' survey are presented in the tables 6.76 and 6.77.

TABLE 6.76: PEARSON'S CORRELATION MATRIX FOR SECTION A – STORE MANAGERS' PERCEPTION OF FAST MOVING CONSUMER GOODS

		Branding	Packaging	Pricing	Promotions	Quality
Branding	Pearson's Correlation	1	0.323	-0.268	0.126	0.151
	P	0.000	0.000	0.000	0.096	0.045
	N	176	176	176	176	176
Packaging	Pearson's Correlation	0.323	1	-0.007	0.332	0.030
	P	0.000	0.000	0.931	0.000	0.690
	N	176	176	176	176	176
Pricing	Pearson's Correlation	-0.268	-0.007	1	0.074	-0.262
	P	0.000	0.931	0.000	0.332	0.000
	N	176	176	176	176	176
Promotion	Pearson's Correlation	0.126	0.332	0.074	1	0.058
	P	0.096	0.000	0.332	0.000	0.446
	N	176	176	176	176	176
Quality	Pearson's Correlation	0.151	0.030	-0.262	0.058	1
	P	0.045	0.690	0.000	0.446	0.000
	N	176	176	176	176	176

The above correlation results for Section A (Store managers' perception of fast moving consumer goods) reveal the following:

(a) The correlation between branding and packaging has a p value that is 0.000, which is less than 0.05. This finding means that branding and packaging have a statistically significant correlation. The positive (+) sign indicates both variables have positive correlation and the Pearson's product correlation coefficient r value of 0.323 indicates a medium correlation between both variables. Store managers' believe that good brands are accompanied by good packaging and as the brand improves, the packaging also improves.

(b) The correlation between branding and pricing has a p value of 0.000, which is less than 0.05. This finding means that branding and pricing have a statistically significant correlation as well. The negative (-) sign indicates both have a negative correlation and Pearson's product correlation coefficient r value -0.268 indicates a small (moderate) correlation between both variables. Store managers' believe that in this instance when the price of the branded product is reduced, the purchase of the brand increases up to a point.

(c) The correlation between branding and quality has a p value of 0.045, which is less than 0.05. This finding means that branding and quality also have a statistically significant correlation. The positive (+) sign indicates both variables have positive correlation and the Pearson's product correlation coefficient r value of 0.151 indicates a moderate correlation between both variables. This implies that the better the quality, the more likely it is that the product is a branded product.

(d) The correlation between packaging and promotions has a p value of 0.000, which is less than 0.05. This finding means that packaging and promotions have a statistically significant correlation. The positive (+) sign indicates both variables have a positive correlation and the Pearson's product correlation coefficient r value of 0.332 indicates a medium correlation between both variables suggesting that products being promoted have better packaging

(e) The correlation between pricing and quality has a p value that is 0.000, which is less than 0.05. This finding means that pricing and quality has a statistically significant correlation. The negative (-) sign indicates that both variables have a negative correlation and the Pearson's product correlation coefficient r value of -0.262 indicates a medium correlation between both variables suggesting that when the price of the product is reduced, the perceived quality is higher in the case of branded products. While this might seem contrary to the generally accepted theory that a higher price connotes a better quality, the confidence in the performance of the branded products, results in the consumer not having any reservations about the quality when the prices are reduced up to a certain level.

TABLE 6.77: PEARSON'S CORRELATION MATRIX FOR SECTION B – STORE MANAGERS' PERCEPTION OF CONSUMER PURCHASING BEHAVIOUR

		Branding	Packaging	Pricing	Promotions	Quality
Branding	Pearson's Correlation	1	0.200	-0.68	0.095	0.140
	P	0.000	0.008	0.368	0.208	0.064
	N	176	176	176	176	176
Packaging	Pearson's Correlation	0.200	1	-0.175	-0.015	0.266
	P	0.008	0.000	0.020	0.843	0.000
	N	176	176	176	176	176
Pricing	Pearson's Correlation	-0.068	-0.175	1	0.412	-0.019
	P	0.368	0.20	0.000	0.000	0.801
	N	176	176	176	176	176
Promotion	Pearson's Correlation	0.095	0.015	0.412	1	0.155
	P	0.208	0.843	0.000	0.000	0.040
	N	176	176	176	176	176
Quality	Pearson's Correlation	0.140	0.266	-0.019	0.155	1
	P	0.064	0.000	0.801	0.040	0.000
	N	176	176	176	176	176

The above correlation results for Section B (Store managers' perception of consumer purchasing behaviour) reveal the following:

(a) When branding and packaging were correlated a p value of 0.008 was obtained which is less than 0.05. This finding means that branding and packaging have a statistically significant correlation. The positive (+) sign indicates both variables would have a positive correlation and the Pearson's product correlation coefficient r value of 0.200 indicates a moderate correlation between both variables. Store managers' believe that better packaging leads to more purchases by consumers of branded products.

(b) When packaging and pricing were correlated a p value of 0.020 was obtained which is less than 0.05. This finding means that packaging and pricing have a statistically significant correlation. The negative (-) sign indicates that both variables have a negative correlation and Pearson's product correlation coefficient r value of -0.175 indicates a moderate correlation between both variables. Store managers' believe that consumers are not prepared to pay higher prices for improved packaging of branded products.

(c) When packaging and quality were correlated a p value of 0.000 was obtained which is less than 0.05. This finding means that packaging and quality have a statistically significant correlation. The positive (+) sign indicates both variables have a positive correlation and the Pearson's product correlation coefficient r value of 0.266 indicates a moderate correlation between both variables. Store managers' believe that consumers perceive that improved quality of brands to be accompanied by improved packaging.

(d) When pricing and promotions were correlated a p value of 0.000 was obtained which is less than 0.05. This finding means that pricing and promotions have a statistically significant correlation. The positive (+) sign indicates that both variables have a positive correlation and the Pearson's product correlation coefficient r value 0.412 indicates a medium correlation between both variables. Store managers' believe that consumers expect increased promotions to be accompanied by an increase in the price of branded products.

(e) When promotions and quality were correlated a p value of 0.040 was obtained which is less than 0.05. This finding means that promotions and quality have a statistically significant correlation. The positive (+) sign indicates both variables have a positive correlation and Pearson's product correlation coefficient r value 0.155 indicates a moderate correlation between both variables. Store managers' believe that consumers expect increased promotions to be accompanied by improved quality of branded products.

Arising from the above discussion, there is a significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to store managers' perceptions of fast moving consumer goods and consumers' purchasing behaviour. Thus, marketers must ensure that all of these elements are properly addressed in their marketing strategy because focusing attention on one variable at the expense of the other variable will only be to the detriment of the product concerned. The strong relationship, which exists between these variables, also indicates that consumers view the product from a holistic perspective and not just from the perspective of a single variable, for example, packaging.

Now that the results of the Pearson's Product Moment Correlation Coefficient have been established from the perspective of store managers', attention can now be focused on the Pearson's Product Moment Correlation Coefficient results from the consumers' survey which is illustrated in Table 6.78.

TABLE 6.78: PEARSON'S CORRELATION MATRIX FOR CONSUMERS' PERCEPTION OF FAST MOVING CONSUMER GOODS

Correlations

		V1 : Branding	V2 : Packaging	V3 : Pricing	V4 : Promotions	V5 : Quality
V1 : Branding	Pearson Correlation	1	.572**	.334**	.540**	.693**
	P		.000	.000	.000	.000
	N	244	244	244	244	244
V2 : Packaging	Pearson Correlation	.572**	1	.494**	.588**	.618**
	P	.000		.000	.000	.000
	N	244	244	244	244	244
V3 : Pricing	Pearson Correlation	.334**	.494**	1	.458**	.497**
	P	.000	.000		.000	.000
	N	244	244	244	244	244
V4 : Promotions	Pearson Correlation	.540**	.588**	.458**	1	.631**
	P	.000	.000	.000		.000
	N	244	244	244	244	244
V5 : Quality	Pearson Correlation	.693**	.618**	.497**	.631**	1
	P	.000	.000	.000	.000	
	N	244	244	244	244	244

**. Correlation is significant at the 0.01 level (2-tailed).

As depicted in table 6.78, the correlation results for consumer purchasing behaviour reveal the following:

(a) In determining the correlation between branding, packaging, pricing, promotions and quality a p value of 0.000 was obtained which is less than 0.05. This finding means that branding, packaging, pricing, promotions and quality have a statistically significant correlation. The positive (+) sign indicates that all variables have a positive correlation and the Pearson's product correlation coefficient r values of 0.572; 0.334, 0.540, and 0.693, respectively indicate a medium correlation between the variables. Consumers believe that improvements in brands are accompanied by improvements in packaging, promotions, quality and pricing structures.

(b) In determining the correlation between packaging, pricing, promotions and quality a p values of 0.000 was obtained which is less than 0.05. This finding means that packaging, pricing, promotions and quality have a statistically significant correlation. The positive (+) sign indicates that all variables have a positive correlation and the Pearson's product correlation coefficient r values 0.494, 0.458, and 0.497 indicate a medium correlation between the variables. Consumers believe that improvements in packaging are accompanied by higher prices, promotions and quality of branded products.

(c) In determining the correlation between pricing, promotions and quality a p value of 0.000 was obtained which is less than 0.05. This finding means that pricing, promotions and quality have a statistically significant correlation. The positive (+) sign indicates that all have positive correlation and the Pearson's product correlation coefficient r values 0.458, and 0.497 indicate a medium correlation between the variables. Consumers believe that higher prices are expected to be accompanied by increased promotions and quality.

(d) In determining the correlation between promotions and quality a p value of 0.000 was obtained which is less than 0.05. This finding means that Promotions and Quality have a statistically significant correlation. The positive (+) sign indicates both have positive correlation and Pearson's product correlation coefficient r value 0.631 indicates a medium correlation between both variables. Consumers expect that increased promotions are accompanied by improvements in the quality of the product.

Arising from the above discussion, there is a significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to consumers' perceptions of fast moving consumer goods. These results are also consistent with the results achieved for the store managers' survey. Therefore, all five variables, namely, branding, packaging, pricing, promotions and quality share a significant relationship and all five variable must be adequately addressed in any marketing plan to ensure that the product satisfies the needs and wants of the target market.

6.7 CONCLUSION:

The objective of this chapter was to present the data that were provided by store managers based at the leading chain stores in South Africa and consumers based in the province of KwaZulu-Natal. The data collected from the structured questionnaires were analyzed with the aid of the computer programme SPSS - Version 12 The results obtained from these computer analyses were presented by means of frequency distribution tables. The information contained in the tables was then interpreted.

There is consensus among consumers with regards to the importance of branding, packaging, pricing, promotions and quality in the marketing of fast moving consumer goods. It is also interesting to note that there is agreement among both store managers and consumers that these variables must all be present and adequately addressed to satisfy the needs and wants of the target market. No one variable can be absent as this would only be to the detriment of the product concerned. Marketers of fast moving consumer goods need to, therefore, ensure that all variables receive a share of the marketing budget so that it can add value to the product offering to consumers. For example, it is important to spend time and effort researching the optimum price point for one's product before launching it to consumers and only then discovering that consumers either find the product is far too expensive or alternatively feel that product is too cheap and then become suspicious about the quality of the product.

In all of the questionnaires posed to store managers regarding their perceptions of manufacturer brands versus house brands, it has become apparent that manufacturer brands are crucial to the survival and growth of retail chain stores. In particular store managers are confident that manufacturer brands will result in a higher rate of sales as compared to house brands. Furthermore, store managers are convinced that a key selling point of house brands remains their competitive pricing as compared to manufacturer brands. Another key finding is that manufacturer brands are viewed as being of a superior quality to house brands. Manufacturer brands are also viewed as being more innovative from a packaging point of view. The packaging seems to have added to the appeal of manufacturer brands. In addition to all of these variables, manufacturers are seen to be investing much more resources in growing their respective brands. Store managers firmly believe that this investment adds to the popularity of their brands and encourages brand loyalty.

There is strong evidence from the survey conducted among consumers that manufacturer brands influence their decision to purchase. Consumers are of the opinion that manufacturer brands are more desirable than house brands. In terms of pricing, consumers have no doubt that house brands are viewed as being more affordable than manufacturer brands and their competitive pricing is important for the survival of house brands. It is also important to note that consumers believe that promotions are a critical weapon to be used to increase the sales and brand loyalty of manufacturer brands. House brands are viewed by consumers as not providing enough innovation with regards to packaging development which appears to be a major weakness of house brands. There is also a strong belief among consumers that manufacturer brands are of a superior quality to house brands. It is evident from both the survey conducted among store managers as well as the survey conducted among consumers that manufacturer brands result in a higher rate of sales. Manufacturer brands are also viewed by both store managers and consumers as being of a superior quality, better promoted and also having much more innovative packaging. Finally, both store managers and consumers believe that house brands are generally more competitively priced than manufacturer brands but this is not always a strong enough argument to convince people to choose house brands instead of manufacturer brands.

The next chapter presents the conclusions and recommendations arising from this study.

CHAPTER 7

DISCUSSION OF RESULTS, RECOMMENDATIONS AND CONCLUSIONS

7.1 INTRODUCTION:

The major objective of this investigation was to determine the importance of branding and its related aspects of packaging, pricing, promotions and quality as well as their impact on the sales of fast moving consumer goods in South African retail chain stores. This chapter will attempt to establish the extent to which the researcher has been able to answer the research questions presented in Chapter 1. Moreover the extent to which the empirical study is in accordance with the posited relationships of the marketer and consumer model and the brand equity optimization model will also be assessed. Of great importance will be the need to address the key research question, namely,

Do South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores?

In attempting to address the key research question, the researcher will first evaluate the findings of each of the subsidiary questions identified in this investigation. The subsidiary questions posed in Chapter One will serve as the basis for the conclusions and recommendations. The extent to which the empirical study answers these key questions is the extent to which the study has provided answers. This discussion will now be expanded by examining each of the subsidiary questions identified in Chapter One.

7.2 MARKETING STRATEGIES FOR FAST MOVING CONSUMER GOODS:

Subsidiary Question 1: *What options confront manufacturers and marketers of fast moving consumer goods when formulating marketing strategies to brand their products?*

In attempting to answer the question detailed above, the viewpoints of a number of researchers and marketing professionals were considered in the literature review and then evaluated. The general consensus among both academics and marketing practitioners supports the viewpoint that investing in a brand can yield rich rewards in terms of premium pricing, wide distribution and sustaining optimum sales and profits through brand loyalty. Jobber (2001:232) suggests that seven factors should be considered when attempting to build a successful brand, namely, quality, positioning, repositioning, well-blended communications, being first, having a long-term perspective and focusing on internal marketing (Jobber 2001:232).

Closely aligned to the generally accepted viewpoint of investing in the brand is the belief that the packaging of a product can also be a powerful tool in the marketing of fast moving consumer goods. According to Boone and Kurtz (2004:356) the packaging of a product should serve essentially three basic benefits, namely, protection against damage (contamination and spoilage) and pilferage; complement the branding of the product; and generate cost savings. The purchasers of fast moving consumer goods expect these features to be abundantly evident in the products that they choose to consume on a regular basis and are quick to switch brands if these features are not consistently incorporated into the product. In essence the packaging of a product should perform the role of a silent sales person. This empirical study confirms these viewpoints since there is a statistically significant correlation with the brand with a p value of 0.000 and a Pearson's product correlation coefficient r value of 0.572 for the brand and 0.618 for quality (Table 6.78).

An area that is often ignored by marketers relates to the pricing of the product. An organization can choose among a number of different pricing strategies when deciding on the best pricing policy for its product and target market. These pricing strategies include, product line pricing, follow-on pricing, blocking products, bundled and option pricing and parallel imports. Marketers must always carefully consider the role and impact of pricing when combined with other critical variables. Fairly often the price of a product is determined by the amount of money that the target audience is prepared to pay for the product. The cost of producing the product will then be carefully calculated to ensure that it is still possible to earn a healthy profit margin by charging a suitable price. Some markets will allow for premium pricing while in other markets it might not be possible to charge such high prices. Therefore, the costs of production must always be in relation to the price dictated by the market (Boone and Kurtz 2004:356).

The price of the product is also affected by its stage in the product life cycle. In the decline stage, marketers will need to drop prices and profit margins to ensure that the product remains competitive. Also, the price of the product could be determined by means of product line pricing which distinguishes between a variety of different grades of products. Another determinant of price relates to consumer perceptions of the product. Consumers can, sometimes, attach a particular value or importance to a brand that they do not attach to other brands or products (Leixton and Movondo 2005). Agres and Dubitsky (1996:21) maintain that a brand name assures the consumer of consistent quality and superior value. The consumer is, therefore, willing to give the manufacturer brand loyalty and accept the price of the product that is being charged. This has been confirmed in this study where consumers expect to pay higher prices for their favourite brands as indicated by the statistically significant correlation of p value of 0.000 and the Pearsons product correlation coefficient r value of 0.334 (Table 6.78). These were posited as constructs in both models that would lead to brand equity optimization.

Marketers can sometimes use price as a method of positioning their products in the minds of consumers. For example, a house brand of fast moving consumer goods could be positioned on the basis of value for money while another premium manufacturer branded product can be positioned on the basis of exceptional quality that justifies charging a high price (Boone and Kurtz 2004:356). Oakenfeld and Gelb (1996:65) conclude that brand image building should be the primary objective in advertising a brand. Investing money in building the brand will help yield rich dividends in the longer-term and help position the product in the minds of consumers despite the higher price.

Many fast moving consumer goods are distributed through a traditional distribution channel, that is, from the manufacturer to the wholesaler, to the retailer and finally to the consumer. There are many parties in this distribution channel and the costs of the distribution will need to be built into the price of the product and, ultimately, all of these distribution costs must be recovered from the consumer. The price will need to be competitive and also ensure that all costs and profit margins are fully recovered (Leixton and Movondo 2005).

The promotional mix consists of a variety of personal and non-personal communication techniques intended to increase the purchase of branded goods. Boone and Kurtz (2004:499) believe that while personal selling is really about face-to-face contact with the customer, non-personal promotion is composed of advertising, sales promotion, direct marketing, public relations, guerilla marketing and sponsorships. Personal selling is widely regarded as the oldest and most common form of promotion. In some industries personal selling forms an indispensable promotional tool because of its ability to communicate technical information effectively and also to encourage the customer to purchase the product on offer. In this modern technological era, personal selling can also be conducted over the telephone, through video conferencing, and through interactive computer links between the buyer and the seller. Non-personal selling consists of advertising, sales promotion, direct marketing, public relations, guerilla marketing and sponsorships. Advertising and sales promotions are generally the most popular forms of non-personal selling and usually get the largest percentage of the promotion budget (Agres and Dubitsky 1996:21).

According to Duncan and Everett (1993:31), there is growing popularity among companies to adopt an integrated approach towards marketing communication. Companies view this integrated approach as an opportunity to maximize their return on investment and achieve the goals of the promotional plan.

Advertising is particularly effective in communicating to audiences that are geographically dispersed. According to research conducted by Flynn, Goldsmith and Eastman (1996:137), marketers should not underestimate the power of opinion leaders, who have the power to sway consumer perceptions and purchase intention. While advertising is a powerful marketing tool, consumers place more trust in a reliable source.

Sales promotional activities provide a short-term incentive for consumers to purchase and are driven by innovative concepts that must stimulate desire within the minds of consumers to purchase the product on offer. According to Platt (2006:1), in-store advertising in the USA is growing at a phenomenal rate. In 2005 alone, around 18 billion US dollars were spent on in-store promotions and this figure was expected to reach 20 billion US dollars in 2006. Procter and Gamble, an international fast moving consumer goods company, believes that it is the impact that is created at the point of purchase that is most likely to get consumers to choose one’s brand as opposed to the competitor brand (Platt 2006:1).

The study confirms that there is a correlation between promotions and branded products where the p value was 0.000, while the Pearson correlation coefficient was 0.540, suggesting that promotions are significant to consumers when they purchase brands (Table 6.78).

While the literature study has been able to address the different marketing strategies that are generally utilized for the purposes of marketing fast moving consumer goods, an empirical study focused on contemporary South African consumers proved valuable in determining the extent to which branding, packaging, pricing, promotions, and quality can optimize brand equity and, thus, lead to brand loyalty. These aspects were also posited as valuable constructs in both models that would lead to brand equity optimization. The empirical study also focused a great deal of attention on attempting to establish whether or not house brands are growing in popularity to pose a serious threat to manufacturer branded fast moving consumer goods in South African retail chain stores.

7.3 MANUFACTURER BRANDS versus HOUSE BRANDS:

Subsidiary Question 2: *Does the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands?*

From the results presented in Chapter 6, it is evident that both store managers and consumers prefer manufacturer brands as opposed to house brands. Consumers' preference for manufacturer brands as opposed to house brands extends to all five variables under investigation, namely, branding, packaging, pricing, promotions and quality. These results are detailed in the following assessment:

- It is evident, from both the survey conducted among store managers as well as the survey conducted among consumers, that manufacturer brands result in a higher rate of sales. When store managers were asked if manufacturer brands result in a quicker rate of sale, 73.30% of the sample either agreed or strongly agreed that manufacturer brands provided a higher rate of sales (Table 6.32) while 66.40% of the consumer sample either agreed or strongly agreed that they would choose manufacturer brands without any hesitation (Table 6.48).

- Manufacturer brands are also viewed by both store managers and consumers as having much more innovative packaging since 85.80% of the sample of store managers either agreed or strongly agreed that house brands would enjoy a much higher rate of sales if their packaging contained more user-friendly features (Table 6.15) while 75.80% of the consumer sample either agreed or strongly agreed that house brands would sell much better if their packaging contained more user-friendly features (Table 6.25).

- Store managers and consumers believe that house brands are generally more competitively priced than manufacturer brands but this is not always a strong enough argument to convince people to choose house brands instead of manufacturer brands. When store managers were probed about the pricing of manufacturer brands versus house brands, 76.20% of the sample either agreed or strongly agreed that house brands were much cheaper than manufacturer brands (Table 6.37) while 57.80% of the consumer sample either agreed or strongly agreed that house brands were cheaper than manufacturer brands (Table 6.50). Well-established manufacturer brands should not attempt to fight house brands purely on price as this will have a negative effect on the former's fortunes. Ashley (1998:75) believes that private label brands compete essentially on price and value for money and can, therefore, adjust their prices downward in order to remain competitive. However, premium brands risk losing their market share and share value if they lower the prices of their products. The argument proposed by Ashley (1998:75) and Blackstone (1992:79) is supported by Rabuck and Rosenberg (1997:17), who emphasize that larger and well-known brands are generally higher priced, command higher loyalty and can be supported by smaller advertising to sales ratios than smaller brands. The findings of Rabuck and Rosenberg (1997:17) are further supported by Anschuetz (1997:63), who maintains that a brand that is more popular at one point of the distribution chain is generally more popular at every other point in that distribution chain. The popular brands are not only purchased by a greater number of people but they are also purchased more often on average than less popular brands.

- It has also emerged from the empirical study that both store managers and consumers firmly believe that promotions impact on both the sales and popularity of fast moving consumer goods, that is, 94.90% of store managers (Table 6.42) and 66.30% of consumers (Table 6.53) believe that the promotional support directed towards manufacturer brands increases both the popularity and the rate of sales of these products in store.

It is evident from the empirical study that consumers certainly value the effort that manufacturers invest in the branding, packaging, pricing and promotions of their fast moving consumer goods. However, it has also emerged from the empirical study that consumers perceive that manufacturer brands are of a superior quality to house brands, that is, 73.90% of store managers (Table 6.47) and 69.60% of consumers (Table 6.56) believe that manufacturer brands provide superior quality to house brands. Baldinger and Rubinson (1996:22) conducted research on 27 brands to establish the importance of brand loyalty on the purchasing behaviour of consumers as well as the impact that brand loyalty has on the market share of the brand. The findings of this research indicate that brands that were well-known for their quality attributes, had a strong following and their users were not willing to switch to competitor brands. Moreover, the money that the owners of these brands invested in building their respective brands was recouped through growth in market share (Rubinson 1996:22).

7.4 THE IMPACT OF BRANDING ON MARKET SHARE, PROFITABILITY AND BRAND EQUITY:

Subsidiary Question 3: *Does investing resources in the branding of fast moving consumer goods contribute positively to brand equity?*

Table 6.14 and Table 6.19 illustrates that 91.50% and 94.40% of responses, respectively, received from store managers either agree or strongly agree that branding has a positive impact on the sales of a product. Table 6.24 indicates that 62.70% of the consumers believe that branding has a positive impact on the sales of fast moving consumer goods. It is also interesting to note that, from the t-test results illustrated in Tables 6.63; 6.64; and 6.65, both store managers and consumers of different gender groups agree that branding impacts positively on the market share and profitability of fast moving consumer goods.

This finding is also evident in the ANOVA results displayed in Table 6.66 and 6.67 where both store managers and consumers of different race groups also agree that branding impacts positively on the market share and profitability of fast moving consumer goods. These findings indicate that investing resources in brand building initiatives results in increased market share, profitability and brand equity. These aspects too were posited as significant constructs in the brand equity optimization model.

The results obtained in the empirical study are supported by research conducted by Blackstone (1992:79), who highlights the importance of having a strong and well-liked brand. Two critical components in building a brand are trust and customer satisfaction. The researcher concludes that the chosen brand of the fast moving consumer product is linked to the perception that the consumer has of the brand being marketed. A favourable perception, especially with regards to the brand being able to deliver consistent quality, is likely to encourage the consumer to purchase the product on a regular basis.

7.5 THE IMPACT OF PACKAGING ON THE PERCEIVED VALUE OF A PRODUCT:

Subsidiary Question 4: *Is packaging used by marketers to improve the image and popularity of their products?*

Table 6.15 and Table 6.20 illustrate that 85.80% and 84.60% of responses, respectively, received from store managers either agree or strongly agree that packaging has a positive impact on the sales of a product. Table 6.25 indicates that 75.80% of consumers believe that packaging has a positive impact on the sales of fast moving consumer goods. These findings indicate that packaging is an effective tool that can be used by marketers to improve the image and popularity of their products. These results compare well with the results achieved by Langer (1994:RC2), who, in presenting a discussion on the emerging trends in the contemporary business environment, emphasizes the importance of using packaging as a strategic marketing tool with which to differentiate one's product and maximize sales. Product packaging, that can be personalized with regards to consumers' needs and wants, for example, time saving and stress reduction features, will definitely succeed in the modern environment. This argument proposed by Langer (1994:RC2) is supported by Waterschoot and Van der Bulte (1992:90), who maintain that a strong brand and dynamic product packaging is a crucial and indispensable part of the marketing mix and vital to influencing the purchasing decisions of consumers. The arguments put forward Waterschoot and Van der Bulte (1992:90) and Langer (1994:RC2) are further substantiated by Scherhorn (1990:45), who believes that addictive consumer purchasing behaviour is motivated by emotional, experiential, symbolic values and features that can be incorporated into products. These value-added features can be physically incorporated into a product through innovative and dynamic packaging. Evidence of these features are to be found with a South African company, that is, Ciro, the market leader in the South African coffee market, that used a combination of its strong brand and innovative packaging and then launched coffee bags that were identical to tea bags and provided consumers with exceptional convenience. Consumers could now enjoy delicious filter coffee in an innovatively packaged product.

7.6 THE ROLE OF PRICING AS A STRATEGIC MARKETING TOOL:

Subsidiary Question 5: *Do the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool?*

Table 6.16 and Table 6.21 illustrate that 81.80% and 89.80% of responses, respectively, received from store managers either agree or strongly agree that pricing has an impact on the sales of a product. Table 6.26 indicates that 67.20% of consumers believe that pricing has a positive impact on the sales of fast moving consumer goods. From the results achieved through the inferential statistics tests, as outlined in tables 6.63; 6.64; and 6.65, it is evident that pricing is viewed by both store managers and consumers as a critical tool that has a direct impact on the sales performance of fast moving consumer goods. These findings indicate that pricing is an effective tool that can be used by marketers to influence the sales performance and popularity of their products and are consistent with the findings of Grewal, Monroe and Krishnan (1998:46), who conducted research into consumers' perceptions of price with regards to their beliefs of value for money in the exchange process. Their findings indicate that the price of a product has a direct impact on the fortunes of the product being sold. Consumers have internal reference prices and these reference prices are used as a benchmark to evaluate the price of products. Their suggestion to marketers of fast moving consumer goods is to ensure that the price of the product is communicated to emphasize the value and unique features of the product that will help differentiate it from the offerings of competitors. In addition, marketers need to be fully aware of the quality perceptions that consumers have of their products and link the price to the perceptions that consumers have of the product. The findings of Chang and Wildt (1994:16-27) support the findings of Grewal, Monroe and Krishnan (1998: 46), who also believe that consumers have a perception of the quality of the product in their minds. This perception determines whether the target market will be happy with paying the asking price for the product in question.

7.7 THE IMPACT OF PROMOTIONS ON CONSUMER PURCHASING BEHAVIOUR:

Subsidiary Question 6: *Are promotions widely used by fast moving consumer goods marketers to influence the purchasing behaviour of consumers?*

Table 6.17 and Table 6.22 illustrate that 92.70% and 90.40% of responses, respectively, received from store managers either agree or strongly agree that promotions have an impact on the sales of a product. Table 6.27 indicates that 71.70% of consumers believe that promotions have a positive impact on the sales of fast moving consumer goods. These findings, from the quantitative analysis of the data, indicate that promotions are an effective tool that can be used by marketers to influence the sales of their products and are also validated through the findings of Wansink and Ray (1992:9-15) who conclude their investigation by pointing to the fact that consumer promotions do influence both current users to consume more of the brand and also encourage new users to try the brand for the first time. Focusing on unique and innovative packaging attributes of the product through consumer promotions will also have a favourable impact on consumer purchasing behaviour. The findings of Wansink and Ray (1992:9-15) are consistent with Anschuetz (1997:63-66), who proposes that, for a brand to increase the number of frequent or heavy purchasers, the brand must become more popular in general. The most effective way to build the popularity of the brand is to advertise as effectively as possible. Popular brands have been able to become part of the culture of the target market. Unique and familiar packaging which have stood the test of time, for example, the traditional packaging that is associated with Campbell's soup have the ability to capture the imagination and also to influence the purchasing behaviour of consumers.

7.8 THE ROLE OF QUALITY AS A STRATEGIC MARKETING TOOL:

Subsidiary Question 7: *Do marketers invest in the quality attributes of their products in order to gain market share?*

Table 6.18 and Table 6.23 illustrate that 52.30% and 91.50% of responses, respectively, received from store managers either agree or strongly agree that quality has an impact on the sales of a product. Table 6.28 indicates that 70.50% of consumers believe that quality has a positive impact on the sales of fast moving consumer goods. These findings indicate that quality is an effective tool that can be used by marketers to influence the sales of their products. The findings of the inferential statistics, as illustrated in tables 6.63; 6.64; and 6.65, also indicate that both store managers and consumers view quality as a vital ingredient when contemplating a purchase.

7.9 THE IMPACT OF DEMOGRAPHIC VARIABLES ON THE PURCHASING PATTERNS OF CONSUMERS:

Subsidiary Question 8: *Do the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods in South Africa?*

7.9.1 Age:

The Anova test results in Table 6.68 reveal that there is a significant difference among store managers belonging to different age groups on the impact of branding on the sales of fast moving consumer goods because the p significance value is 0.002, which is below 0.05. This means that different age groups have different perceptions towards Branding. There is however no significant difference among the different age groups on the impact of packaging, pricing, promotions and quality on the sales of fast moving consumer goods. This means that different age groups have similar perceptions towards packaging, pricing, promotions and quality.

As illustrated in Table 6.69 there is no significant difference among consumers of different age groups on the impact of branding, packaging, pricing, promotions and quality on the sales of fast moving consumer goods since the p significance values are all above 0.05 This means that different age groups have similar perceptions towards branding, packaging, pricing, promotions and quality.

7.9.2 Gender:

In the t-test conducted to determine the perceptions of male and female store managers on the impact of branding, packaging, pricing, promotions and quality on the purchasing behaviour of fast moving consumer goods, the p significance values in Tables 6.63 and 6.64 are above 0.05 on gender perceptions of the impact of branding, packaging, pricing, promotions and quality on the sales of fast moving consumer goods. These findings reveal that there is no significant difference between gender groups towards these variables.

The t-test was also conducted to determine the perceptions of male and female consumers on the impact of branding, packaging, pricing, promotions and quality on the purchasing behaviour of fast moving consumer goods. In the t-test in Table 6.65, the p significance values are above 0.05 for consumer perceptions relating to the impact of branding, packaging, pricing, promotions and quality assessments of consumers. Hence, male and female consumers have similar opinions with regards to the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods.

Thus, the conclusion is that in both samples, that is, store managers and consumers, there is no difference between males and females with regards to their perceptions of fast moving consumer goods.

7.9.3 Home Language:

Table 6.70 indicates that there is no significant difference among respondents that speak a different home language regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05. This finding means that store managers who speak different home languages share similar perceptions regarding branding, packaging, pricing, promotions and quality.

As illustrated in Table 6.71, there is no significant difference among consumers that speak a different home language regarding the impact of pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are above 0.05. However, there is a significant difference among consumers that speak a different home language regarding the impact of branding and packaging in terms of the marketing of fast moving consumer goods since the p significance values are below 0.05. Thus, consumers that speak different home languages share similar perceptions with regards to pricing, promotions and quality but have different perceptions on the impact of branding and packaging on the marketing of fast moving consumer goods.

7.9.4 Race Group:

As depicted in Table 6.66 in Section A of the store managers' questionnaire, there is no significant difference among store managers belonging to different races regarding their perceptions of branding, packaging and pricing since the p significance values are above 0.05. However, there is a significant difference in terms of their perceptions regarding promotions and quality since the p significance values are below 0.05. When evaluating store managers' perceptions of consumer purchasing behaviour in Section B of the store managers' questionnaire, there is no significant difference among store managers of different race groups regarding branding, pricing and quality since the p significance values are above 0.05. However, there is a significant difference among store managers' perceptions regarding packaging and promotions since the p significance values are below 0.05.

As illustrated in Table 6.67, there is no significant difference among consumers belonging to different race groups towards the impact of pricing and promotions on the sales of fast moving consumer goods since the p significance values are above 0.05. This finding means that different race groups have similar perceptions towards pricing and promotions. The Anova test results also reveal that there is a significant difference among the different race groups towards the impact of branding, packaging and quality on the sales of fast moving consumer goods since the p significance values are below 0.05.

7.9.5 Level of Education:

As illustrated in Table 6.72, there is no significant difference among store managers of different levels of education regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05.

As illustrated in Table 6.73, there is no significant difference among consumers of different levels of education regarding the impact of branding, packaging, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are above 0.05. However, there is a significant difference among consumers with regards to the impact of pricing on the marketing of fast moving consumer goods since the p significance values are below 0.05.

7.9.6 Work Experience:

As can be observed from Table 6.74, there is no significant difference among store managers of varying lengths of service regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05. This finding means that, even though store managers have different years of experience there is no difference in their perceptions regarding impact of branding, packaging, pricing, promotions and quality on the marketing of fast moving consumer goods.

7.9.7 Geographic Location:

As illustrated in Table 6.75 and in terms of Section A of the questionnaire there is no significant difference among store managers based in different geographic regions about their perceptions of branding, packaging and promotions of fast moving consumer goods since the p significance values are above 0.05. This finding means that store managers from different geographic regions have similar perceptions with regards to these variables. However there is a significant difference with regards store managers' perceptions of pricing and quality on the marketing of fast moving consumer goods. In terms of Section B of the questionnaire, there is no significant difference among store managers based in different geographic regions, on the impact of branding and packaging on consumer purchasing behaviour since the p significance values are above 0.05. This finding means that store managers, from different geographic regions, have similar perceptions with regards to these variables. However, there is a significant difference on store managers' perceptions of consumer purchasing behaviour regarding pricing, promotions and quality.

7.10 <u>BRAND EQUITY OPTIMIZATION</u>:

Now that the subsidiary questions of the study which contribute to the key question have been addressed, the researcher is in a position to provide an answer to the key question, that is,

Do South African marketers' perceptions and consumers' perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores?

Arising from the results, as displayed in Table 6.76 and Table 6.77, there is a significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to store managers' perceptions of fast moving consumer goods and consumer purchasing behaviour. These results indicate that the five key variables, namely, branding, packaging, pricing, promotions and quality must always be present in order to maintain a competitive advantage and optimize brand equity with regards to the marketing of fast moving consumer goods. Store managers are of the opinion that success can only be achieved if the marketers of fast moving consumer goods ensure that their target market receives a product offering that satisfies consumers' functional and emotional needs. In addition, the marketers of fast moving consumer goods should really go one step further and provide for the needs and wants of consumers before consumers are even aware of their own needs and wants. This provision can only be achieved by thoroughly researching and understanding one's target market and then seeking innovative ways in which to incorporate the five variables, namely, branding, packaging, pricing, promotions and quality into a dynamic market offering with the contemporary South African consumer at the heart of this process.

The results in Table 6.78 indicate that there is a significant relationship between branding and the integral aspects of their packaging, pricing, promotions and quality with regards to consumers' perceptions of fast moving consumer goods. The results achieved from the consumer survey add even greater substance to the results obtained from the store managers' survey, which also confirmed that the marketers of fast moving consumer goods must always ensure that branding, packaging, pricing, promotions and quality are incorporated into their market offerings to the satisfaction of their target market. The research has shown that marketers perceptions and consumers perception converge to promote brand equity in respect of fast moving consumer goods in retail chain stores.

The findings of the empirical study are also consistent with the Brand Equity Optimization Model proposed in Chapter Four and the results of the literature survey presented in Chapter Two and Chapter Three. It is evident that branding, packaging, pricing, promotion and quality must be incorporated into a coherent strategy that seeks to adequately address the needs and wants of consumers. Achieving the optimal combination with regard to the marketers' ability to stimulate the needs and wants of the target market through the correct usage of branding, packaging, pricing, promotion and quality will encourage brand loyalty and then lead to brand equity. The results of the empirical study support all of the relationships posited in the model that lead to brand equity optimization.

7.11 CONCLUSIONS OF THE STUDY:

This investigation has focused on establishing answers to the key question in Chapter One. The researcher has attempted, through the use of both secondary and primary research techniques, to establish if the branding of fast moving consumer goods has contributed to the popularity and sales of these products. In attempting to address the problem statement, secondary research was utilized to explore the marketing activities of local and international manufacturers of fast moving consumer goods. This exploration was then evaluated against the findings of leading researchers in the area of consumer marketing. The findings from the secondary research, as outlined in Chapter Two and Chapter Three, indicate that both local and international companies have realized the potential of investing resources in brand building activities. Leading local fast moving consumer goods' manufacturers, which include Tiger Brands and Unilever, have, over a number of years, invested millions of rands into Tastic rice and Omo washing powder, respectively, to build brand equity. These brand building initiatives were then contrasted against the viewpoints of researchers to establish a comprehensive overview of the branding discipline.

The findings from the secondary research have provided strong evidence that building brand equity for fast moving consumer goods has impacted positively on the sales and popularity of these products. However, the South African retail environment has changed dramatically in terms of the product range stocked as well as the number and location of retail outlets. In addition to the changing retail environment, the South African consumer has also evolved radically since the first democratic elections in 1994. Black economic empowerment has provided opportunities and more disposable income for previously disadvantaged individuals. The findings, arising from the literature survey, needed to be tested to establish if they still had relevance in the contemporary South African market place. This test then led to the development of a consumer brand decision-making model as outlined in Chapter Four. The objective of this model was to conceptualize the role of branding and other variables that impact on a consumer's decision to choose certain brands of fast moving consumer goods. The findings, from the literature survey combined with the consumer decision-making model, provided the foundation for designing the two research questionnaires. The first research questionnaire was administered to store managers while the second research questionnaire was administered to consumers. The methodology employed in administering the fieldwork was presented in Chapter Five and the results obtained from the fieldwork were presented in Chapter Six.

The findings of the research illustrates that the typical South African consumer has become extremely brand conscious with the purchase of fast moving consumer goods. Exactly 62.70% (Table 6.24) of consumers' interviewed either agreed or strongly agreed that brand building activities result in higher sales and encourage them to purchase the product. The findings from the consumer survey was supported by 94.30% (Table 6.19) of store managers who either agreed or strongly agreed that building brand equity results in increased sales and popularity for the product concerned. Consumers clearly have a preference for manufacturer branded products. Feedback from consumers illustrates the point that house brands are selected primarily because they are cheaper. Manufacturer brands are viewed as having the most innovative packaging, excellent promotional support and consistently good quality. These findings are also supported by store managers who believe that manufacturer brands clearly lead the way in terms of brand building activities, packaging innovation, promotional support and quality. This study has been able to quantify the perceptions of consumers towards the marketing of fast moving consumer goods and also establish the perceptions of store managers towards the marketing of fast moving consumer goods. The results of both surveys illustrates that retail chain store managers and consumers share similar viewpoints with regards to the branding, packaging, pricing, promotions and quality attributes of fast moving consumer goods in terms of optimizing brand equity. These results are based on the current South African retail environment and on the contemporary South African consumer. The findings will prove useful to all manufacturers and marketers of fast moving consumer goods and will be elaborated further in the next section.

7.12 MANAGERIAL IMPLICATIONS:

7.12.1 Implications for the Marketing of House Brands:

The findings of this investigation reveal that house brands suffer from a lack of consumer confidence. Manufacturers of house brands will need to address a number of key issues in order to improve the performance of their respective products. Consumers are united with respect to their concerns about the quality of house brands in relation to manufacturer brands. A greater amount of resources needs to be invested in improving the quality related attributes of house brands. This investment then needs to be aggressively promoted to consumers to improve their confidence and faith in house brands. While the pricing of house brands must remain competitive, especially in relation to manufacturer brands, house brands must not be perceived to be too cheap. This low price perception will have a negative effect on the quality perceptions that consumers attach to the product. Consumers have also indicated that the packaging of house brands is not as attractive or user-friendly as manufacturer branded products. Furthermore, house brands are perceived to be far too uniform in appearance and not enough effort is placed into promoting the uniqueness of the product. Manufacturers of branded fast moving consumer goods are viewed as always doing something special to the packaging of fast moving consumer goods to keep the look of products fresh and appealing on the shelves of supermarkets.

7.12.2 The Contemporary South African Consumer:

This study is unique in that it focuses on the contemporary South African consumer with regards to the purchasing of fast moving consumer goods. Previous studies have focused on a South African market place that was dominated by purchasing patterns that were dictated by the demographic variables of the consumer due to the legacy of apartheid. However, this study has clearly demonstrated that the purchasing patterns of consumers are not dictated by apartheid demographics but rather by disposable income. The contemporary South African consumer is looking for an experience when contemplating the purchase of fast moving consumer goods and makes a conscious effort to evaluate the product prior to making a purchase. The study has also demonstrated that consumers evaluate all aspects of the product including branding, packaging, pricing, promotions and quality prior to making the decision to purchase the product. Consumers have confidently stated that all of these variables are crucial to the marketing of fast moving consumer goods and influences their decision on which brand to purchase. In attempting to build brand equity, marketers must focus on all five variables, namely, branding, packaging, pricing, promotions and quality. No one variable is more important than the other but consumers have indicated that all variables need to be present in order to achieve success with regards to keeping consumers brand loyal. Consumers are quick to switch brands when these five variables are not abundantly present in fast moving consumer goods. Shelf space at supermarket level is now at a premium and both marketers and manufacturers will need to ensure that their products meet the requirements of the contemporary South African consumer or run the risk of having their product removed from the shelves of supermarkets. This viewpoint is clearly supported by store managers, who also firmly believe that all five variables, namely, branding, packaging, pricing, promotions and quality must be properly incorporated into the product to achieve success in the current South African retail environment.

7.12.3 <u>The Relationship between Branding, Packaging, Pricing, Promotions and Quality:</u>
This study has demonstrated that there exists a relationship between branding, packaging, pricing, promotions and quality. This relationship between these key variables which was proposed in the brand equity optimization model was evident in the survey conducted among store managers as well as the survey conducted among consumers. Marketers of fast moving consumer goods have acknowledged the need to incorporate all five of these elements into their marketing strategies in order to achieve success with the contemporary South African consumer. Consumers not only value the presence of all five of these elements in fast moving consumer goods but are also willing to switch brands if these elements are not present. This consumer pressure has manifested itself in the products that are stocked on the shelves of supermarkets. Retail chain stores are under pressure to grow their house brands which return a good profit margin and also keep consumers loyal to that particular chain store. However supermarkets are also under pressure to offer consumers a greater variety of manufacturer brands. Woolworths is an example of a store wishing to offer consumers a greater variety of manufacturer brands since they have recently added various manufacturer brands to their largely private labeled range of products. Shelf space is in limited supply and if manufacturers do not achieve the desired rate of sales, they will have their products removed from the shelves of leading chain stores. This investigation has shown that manufacturers and marketers of fast moving consumer goods that are able to focus on achieving dynamic and creative ways to brand their products will certainly succeed in a highly competitive marketplace. Consumers have indicated that having a strong brand is not the only requirement to improve the sales performance and popularity of their products. Other key elements including attractive and user-friendly packaging, competitive pricing, creative and skillfully executed promotions, and consistently good quality need to be present in their favourite fast moving consumer goods.

7.13 IMPLICATIONS FOR THEORY AND CONTRIBUTION TO KNOWLEDGE:

This study has focused on providing marketers and academics with insight into the contemporary South African market place with particular reference to branding and the integral aspects of packaging, pricing, promotions and quality of fast moving consumer goods. This study is also unique because it has focused on consumers that have evolved since the first democratic elections, which were staged in 1994, which, subsequently, resulted in black economic empowerment. The findings indicate that marketers can no longer segment South African consumers in terms of demographic factors but must rather focus on providing consumers with well-branded products that satisfies their requirements in terms of packaging, pricing, promotions and quality.

No research study has focused exclusively on the impact of branding and the integral aspects of packaging, pricing, promotions and the quality aspects of fast moving consumer goods in terms of the purchasing patterns of South African consumers. The investigation has also adopted a unique approach in interviewing both store managers and the consumers that are responsible for purchasing their products. The results obtained from the consumer survey are consistent with the findings of the store managers' survey. These findings will, therefore, prove valuable to marketers and retail chain stores seeking to gain a competitive advantage. The investigation, combined with the brand equity optimization model, points to the role and importance of branding, packaging, pricing, promotions and quality in the marketing of fast moving consumer goods. More importantly, there is an unmistakable convergence of perceptions of consumers and marketers in respect of the impact of branding and the integral aspect of packaging, pricing, promotions and quality.

South African society is highly fragmented with great differences in terms of the demographic variables that characterize the South African consumer. Brand equity optimization can only be achieved through carefully researching the target market and then developing the market offering around the consumer. This market offering will need to ensure that the variables, namely, branding, packaging, pricing, promotions and quality are in no way compromised but are uniquely structured to appeal to the needs and wants of the customer. Marketers and manufacturers of fast moving consumer goods often place emphasis on one or two variables while compromising on the other variables. The results of this investigation have demonstrated that this type of strategy will not succeed in the contemporary business environment. South African consumers are looking for products that will satisfy their needs holistically.

The empirical study has also demonstrated that brand loyalty can only really be achieved through providing the consumer with a product that consistently delivers satisfaction and also proactively anticipates the needs and wants of consumers and then incorporates these features into the product offering. This is the recipe for achieving long-term brand loyalty in the highly competitive market for fast moving consumer goods.

7.14 RECOMMENDATIONS:

Based on the above conclusions, the following recommendations are suggested:

- Retail chain stores must take greater responsibility for their house brands in terms of all elements related to branding, packaging, pricing, promotions and quality. Consumers believe that house brands are not as successful as manufacturer brands in this respect. Furthermore, house brands must not be promoted purely on the basis of price as this will have a negative effect on a consumer's perceptions related to the quality attributes of the product.

- South African consumers have evolved radically since the days of apartheid. This study has demonstrated that the marketers of fast moving consumer goods can no longer segment their markets in terms of demographics alone. Marketers must incorporate all aspects related to branding, packaging, pricing and promotions into their product mix to ensure that their products continue to remain popular and achieve long-term growth in sales.

- Product packaging has become an important selling tool in the fast moving consumer goods sector. Consumers have indicated that, when evaluating the purchase of a fast moving consumer good in their favourite supermarket, packaging plays an important role in deciding which product to select. An investment in packaging can certainly yield rich dividends in the long-term.

- The study has also illustrated that building brand equity is an effective method of increasing the popularity and sales performance of fast moving consumer goods. South African consumers are loyal to their popular brands such as Tastic rice, Omo washing powder, Black Cat peanut butter, White Star maize meal, Gillette shaving blades and Panado headache tablets. Hence, marketers, who wish to achieve unmistakable brand loyalty, need to invest in building brand equity to command an unassailable market share in their respective categories.

- In promoting their respective products, either through above-the-line or below-the-line communications, the marketers of fast moving consumer goods must continue to emphasize the uniqueness of their products in terms of packaging, pricing, promotions or quality related attributes. Marketers need to consider the ecological, health and environmental aspects of all their actions since these aspects are gaining considerable momentum in the minds of consumers.

7.15 FUTURE RESEARCH OPTIONS:

This investigation has proven that branding, packaging, pricing, promotions and quality improve the popularity and sales performance of fast moving consumer goods. The sample consisted of store managers and consumers and provided a unique opportunity to evaluate the perceptions of both store managers and consumers regarding the purchasing patterns related to fast moving consumer goods. It is suggested that future research be conducted at wholesale level, which is a segment that caters for a significant portion of the South African population. The wholesale sector is also responsible for a large percentage of the turnover related to fast moving consumer goods. Since the wholesale sector caters for retailers other than large retail chains who generally obtain their products directly from manufacturers it would prove useful to assess the degree of convergence of both store managers and consumers perceptions.

7.16 LIMITATIONS OF THE STUDY:

In undertaking this research project, certain limitations became apparent. These limitations include the following:

7.16.1 The Product Selection in the Investigation:

The products chosen for this investigation can be classified as fast-moving consumer goods and are typically found in retail chain stores, for example, Shoprite/Checkers, Pick 'n Pay and Spar. Examples of the products that were used in the structured questionnaire include food and beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades and toiletries. After consulting with academics and marketing practitioners, these products were chosen to represent the type of products purchased by consumers as part of their weekly or monthly grocery purchases. These products are relevant to the study due to the frequency with which they are purchased and consumed. The results of this research project are, therefore, not applicable to other types of products, for example, shopping goods, specialty goods and unsought goods.

7.16.2 The Sample Chosen for the Investigation:

The sample chosen for this investigation included store managers of retail chain stores that were selected from different provinces in South Africa. Store managers have extensive experience in dealing with fast moving consumer goods and are, therefore, well-informed and are able to provide excellent insight into the branding, packaging, pricing, promotions and quality aspects related to these products. However, the consumers that were selected were all based in KwaZulu-Natal and future studies should include consumers from other provinces to establish if consumers in different provinces have similar or dissimilar viewpoints regarding fast moving consumer goods.

7.16.3 The Number of Questions included in the Questionnaire:

The questionnaire consisted of forty-five questions that were spread over twelve pages. The store managers that were interviewed and probed for answers relating to these questions found the questions to be thought provoking and relevant to their areas of expertise. However, store managers function in a highly pressurized environment and some store managers found the questionnaire to be too long and detailed.

7.16.4 The Scope of the Study:

This study focused on 176 stores located throughout South Africa. These retail chain stores are located in well-developed urban areas. No stores located in rural and inaccessible areas were included in this study. Other types of retail establishments such as independent retailers, wholesalers and general dealers that are located in rural areas should also be probed to gain a more comprehensive understanding of all types of consumers.

7.16.5 The Interpretation of the Questionnaire:

Both the questionnaire and the interview were conducted in English. This restriction presented some problems for store managers and consumers that are fluent in other languages, for example, Zulu and Afrikaans. A better interpretation of the questionnaire could be gained if both the interview and the questionnaire were in the same language as that spoken by the subject on a daily basis.

7.17 CONCLUSION:

This investigation has been directed towards providing both marketers and academics with greater insight into consumer purchasing behaviour as it relates to the consumption of fast moving consumer goods. It is evident that branding, packaging, pricing, promotion and quality must be incorporated into a coherent strategy that seeks to adequately address the needs and wants of consumers. Achieving the optimal combination with regard to the marketers' ability to stimulate the needs and wants of the target market through the correct usage of branding, packaging, pricing, promotion and quality will encourage brand loyalty and then lead to brand equity.

Chapter One provided an overview over the entire study while Chapter Two focused on the branding of fast moving consumer goods. Chapter Three explored a variety of marketing strategies employed by both local and international marketers of fast moving consumer goods. Chapter Four presented a model of consumer brand decision-making that was adapted from the findings of leading researchers. This model encapsulated the many theories proposed in the literature survey and also gave direction to the development of the research questionnaires. Chapter Five outlined the methodology employed in conducting the fieldwork and the various statistical tests that were employed. Chapter Six presented the results of the fieldwork that was conducted among store managers and consumers.

To ensure that the results of the study would be both accurate and also comprehensive, the researcher elected to probe both consumers and store managers on the dynamics surrounding the marketing of fast moving consumer goods. The findings of the survey among both consumers and store managers have proven that branding and its integral aspects of packaging, pricing, promotions and quality improve the popularity and sales performance of fast moving consumer goods. The investigation has also illustrated that the marketers of house brands need to do much more to address consumer concerns around the quality aspects of their products. Furthermore, consumers believe that house brands need to address issues around their packaging which lacks the innovation and appeal of manufacturer branded fast moving consumer goods. Black economic empowerment has also resulted in previously disadvantaged communities who now have access to more disposable income, which has resulted in consumers becoming more inclined towards evaluating the branding, packaging, pricing, promotions and quality attributes before making a purchase decision. A more sophisticated consumer is now starting to emerge and the marketers of fast moving consumer goods must ensure that their product offering is in line with the requirements of their target market.

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APPENDIX A

STORE MANAGERS'

QUESTIONNAIRE

INTERVIEW QUESTIONNAIRE

This questionnaire is being executed in fulfillment of the Doctor of Commerce degree at the University of KwaZulu-Natal. The objective of this questionnaire is to determine the importance of branding, packaging, pricing, promotions, and quality with regards to fast moving consumer goods (FMCG) from the consumer's perspective.

For the purposes of this research, fast moving consumer goods are defined as follows:

Fast moving consumer goods are typically non-durable products that can only be used on a single occasion or on a few occasions after which they would need to be replaced. Products falling into this category include, for example, food, beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades, toiletries, and alcohol. Theses types of products are usually frequently purchased and are low priced thus requiring mass distribution and marketing communication focusing on their functional and psychological benefits (Brassington and Pettitt 2000: 265).

This interview will be treated with the strictest confidentiality. It would therefore be greatly appreciated if you would answer all questions in a fair and open manner. The information gathered from this questionnaire will be used purely for research purposes. Thank you for taking the time and effort to complete this questionnaire. Your cooperation is greatly appreciated.

Your participation is voluntary and you may withdraw from the survey at any stage.

Student: Pragasen Pillay
Phone: (031) 508 4485

Supervisor: Prof. K Poovalingam
Phone: (031) 260 7254

Head of School: Prof. D. Coldwell: (031) 260 7155

Declaration form from the Respondent/ Interviewee:

By completing this questionnaire and submitting it, I confirm that I understand the contents and nature of the document and consent to participate in the study.

Signature of Participant: ____

(Please include your name and signature)

BIOGRAPHICAL DATA

Please place a cross (X) in the block that applies to you.

1. AGE

Under 20	
21-30	
31-40	
41-50	
51-60	
61 & Above	

2. GENDER

Male	
Female	

3. HOME LANGUAGE

English	
Afrikaans	
Zulu	
Xhosa	
Sotho	
Other (Specify	

4. RACE

African Black	
White	
Coloured	
Asian	
Other (Specify)	

5. HIGHEST EDUCATION LEVEL

Below Matric	
Matric	
Diploma	
Degree	
Post-Graduate Qualification	
Other (Specify)	

6. LENGTH OF SERVICE IN YEARS

1 - 5	
6 - 10	
11 – 15	
16 – 20	
21 -25	
26 & above	

7. POSITION/JOB TITLE IN THE ORGANISATION (Please Specify Below)

Please indicate the extent to which you disagree or agree with each of the following statements. Please indicate your preference by marking with a cross (X) in the appropriate block provided.

1	Strongly Disagree	SD
2	Disagree	D
3	Neutral	N
4	Agree	A
5	Strongly Agree	SA

SECTION A

STORE MANAGER'S PERCEPTION OF FMCG

1. I stock more branded FMCG as they directly affect my rate of sale of these products.

SD	D	N	A	SA

2. From past experience, I can confirm that there is a strong relationship between the rate of sale and the brand of FMCG being sold.

SD	D	N	A	SA

3. A greater percentage of the turnover in my store is derived from manufacturer brands as compared to house brands.

SD	D	N	A	SA

4. If I were to choose between stocking a manufacturer brand and a house brand, I would choose the manufacturer brand because it would result in a quicker sale.

SD	D	N	A	SA

5. In order for my store to survive, I need to have well-branded merchandise on my shelves.

SD	D	N	A	SA

6. In my store the packaging of the product directly influences the rate of sale of that product.

SD	D	N	A	SA

7. Innovative and user-friendly packaging has an impact on the quantity of products sold in store.

SD	D	N	A	SA

8. Manufacturers of FMCG will be able to achieve a greater amount of success if they invested a greater amount of money in the packaging of their products.

SD	D	N	A	SA

9. I believe that packaging plays the role of a silent salesman on the shelves of my store.

SD	D	N	A	SA

10. The packaging of FMCG provides a strategic advantage to help me achieve a higher stock turnover.

SD	D	N	A	SA

11. House brand FMCG are more popular than manufacturer branded FMCG due to them being cheaper.

SD	D	N	A	SA

12. An important reason for my stocking house brands is to offer my customers more affordable products.

SD	D	N	A	SA

13. The stocking of house brands has enabled me to compete more effectively with competitors because I can now offer my customers more affordable products.

SD	D	N	A	SA

14. House brands provide my store with the opportunity to sell more products due to their prices being cheaper than traditional and well-known brands.

SD	D	N	A	SA

15. My store's turnover has benefited greatly from the competitive pricing of house brands on offer to my customers.

SD	D	N	A	SA

16. Manufacturer branded FMCG are more widely recognized than house brands due to the promotional support given to them

SD	D	N	A	SA

17. In-store promotional activity is mainly conducted by well-known manufacturer brands as opposed to house brands

SD	D	N	A	SA

18. My stock turnover of manufacturer brands is high due to the amount of promotional support that is directed towards them.

SD	D	N	A	SA

19. I believe that an important reason for the growth and popularity of manufacturer brands is due to the advertising support given to these brands in the mass media.

SD	D	N	A	SA

20. There is a strong relationship between the sale of a branded FMCG and the timing of the promotional activity directed at this product.

SD	D	N	A	SA

21. In my opinion the quality of manufacturer brands are better than the quality of house brands.

SD	D	N	A	SA

22. A greater number of house brands are returned due to a manufacturer defect as compared to the quantity of manufacturer brands that are returned for the same reason.

SD	D	N	A	SA

23. Judging from my rate of sale, I can confirm that manufacturer brands sell at a higher rate due to them being of a better quality.

SD	D	N	A	SA

24. I prefer merchandising manufacturer brands due to the quality and the durability of these products.

SD	D	N	A	SA

25. The quality of manufacturer brands plays an important role in achieving a desired level of stock turnover in my store.

SD	D	N	A	SA

Continued…

SECTION B

STORE MANAGER'S PERCEPTION OF CONSUMER PURCHASING BEHAVIOUR

26. My customer's intention to purchase a product is directly influenced by the brand of FMCG on sale.

SD	D	N	A	SA

27. When walking through my store, I have noticed that my customers select branded FMCG without any hesitation.

SD	D	N	A	SA

28. When in doubt, I believe that consumers are more likely to choose a well-branded FMCG as opposed to a brand that they do not recognize.

SD	D	N	A	SA

29. If I were a manufacturer of FMCG, I would place special emphasis on packaging because I am certain that my customers value good packaging.

SD	D	N	A	SA

30. Shoppers often base their decisions to purchase a product on the quality of the packaging that houses the product.

SD	D	N	A	SA

31. The type of FMCG I stock in my store is dependent on the product packaging preferences of my customers.

SD	D	N	A	SA

32. I am convinced that my customers choose house brands because they are cheaper than manufacturer brands.

SD	D	N	A	SA

33. As the cost of living continues to rise, I am confident that house brands will grow in popularity because consumers will find them to be cheaper than manufacturer brands.

SD	D	N	A	SA

34. Consumers that purchase house brands on a regular basis continue to do so because they are priced cheaper than manufacturer brands.

SD	D	N	A	SA

35. Consumers in my store purchase branded FMCG as a result of the amount of promotion that is directed towards these brands.

SD	D	N	A	SA

36. The amount of advertising directed at branded FMCG on television, radio, and newspapers/magazines helps consumers to recognize these brands in my store and this influences their decision to purchase these brands.

SD	D	N	A	SA

37. In-store promoters who appear in my store to promote manufacturer brands provide valuable information to customers and this helps to influence their decisions to purchase the product.

SD	D	N	A	SA

38. My customers prefer to choose manufacturer branded FMCG due to their perceptions that these brands are of a better quality than house brands.

SD	D	N	A	SA

39. If my customers have not purchased a product previously and are unsure as to which brand of product to choose, they are more likely to choose a manufacturer brand due to their belief that this brand is of a better quality than the house brand.

SD	D	N	A	SA

40. I am sure that an important motivating factor among consumers is the quality of the product. It is for this reason that consumers are more likely to choose a manufacturer brand.

SD	D	N	A	SA

41. Consumers that purchase house brands on a regular basis consider the quality to be equivalent to branded FMCG

SD	D	N	A	SA

42. The quantity of advertising focused on manufacturer branded FMCG influences consumers to purchase these products.

SD	D	N	A	SA

43. Promoting house brands in-store could positively impact on the sales of these FMCG by encouraging my customers to purchase these products.

SD	D	N	A	SA

44. House brand FMCG would sell much faster if the packaging provided to my customers contained more user-friendly features.

SD	D	N	A	SA

45. My customers are motivated to purchase house brand FMCG because the pricing of these products allows them to purchase a larger quantity than they would normally be able to purchase.

SD	D	N	A	SA

"Thank you for taking the time and effort to complete this questionnaire"

APPENDIX B

CONSUMERS'

QUESTIONNAIRE

INTERVIEW QUESTIONNAIRE

This questionnaire is being executed in fulfillment of the Doctor of Commerce degree at the University of KwaZulu-Natal. The objective of this questionnaire is to determine the importance of branding, packaging, pricing, promotions, and quality with regards to fast moving consumer goods (FMCG) from the consumer's perspective.

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(Please include your name and signature)

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41-50	
51-60	
61 & Above	

2. GENDER

Male	
Female	

4. HOME LANGUAGE

English	
Afrikaans	
Zulu	
Xhosa	
Sotho	
Other (Specify	

4. RACE

White	
African Black	
Indian	
Coloured	
Other (Specify)	

5. HIGHEST EDUCATION LEVEL

Below Matric	
Matric	
Diploma	
Degree	
Post-Graduate Qualification	
Other (Specify)	

6. PERCENTAGE OF MONTHLY DISPOSABLE INCOME SPENT ON FAST MOVING CONSUMER GOODS

0 – 10%	
11 – 20%	
21 – 30%	
31 – 40%	
41 – 50%	
51 – 60%	
More than 60%	

7. My intention to purchase a product is directly influenced by the brand of FMCG on sale.

SD	D	N	A	SA

8. When walking through a store, I select branded FMCG without any hesitation.

SD	D	N	A	SA

9. When in doubt, I am more likely to choose a well-branded FMCG as opposed to a brand that I do not recognize.

SD	D	N	A	SA

10. I prefer innovative and user friendly packaging when purchasing FMCG.

SD	D	N	A	SA

11. I often base my decisions to purchase FMCG on the quality of the packaging that houses the product.

SD	D	N	A	SA

12. The type of FMCG I choose is dependent on my packaging preferences.

SD	D	N	A	SA

13. I choose house brands because they are cheaper than manufacturer brands.

SD	D	N	A	SA

14. As the cost of living continues to rise, house brands will grow in popularity because they are cheaper than manufacturer brands.

SD	D	N	A	SA

15. I purchase house brands on a regular basis because they are priced cheaper than manufacturer brands.

SD	D	N	A	SA

16. I purchase branded FMCG as a result of the amount of promotion that is directed towards these brands.

SD	D	N	A	SA

17. The amount of advertising directed at branded FMCG on television, radio, and newspapers/magazines helps me to recognize these brands in stores and this influences my decision to purchase these brands.

SD	D	N	A	SA

18. In-store promoters who promote manufacturer brands provide valuable information and this helps to influence my decisions as to which FMCG to purchase.

SD	D	N	A	SA

19. I prefer to select manufacturer branded FMCG due to my belief that these brands are of a better quality than house brands.

SD	D	N	A	SA

20. If I have not purchased a product previously and I am unsure as to which brand of product to choose, I am more likely to choose a manufacturer brand due to the belief that this brand is of a better quality than the house brand.

SD	D	N	A	SA

21. I am sure that an important motivating factor among consumers is the quality of the product. It is for this reason that I am more likely to choose a manufacturer brand.

SD	D	N	A	SA

22. I consider the quality of house brands to be equivalent to branded FMCG

SD	D	N	A	SA

23. The quantity of advertising focused on manufacturer branded FMCG influences me to purchase these products.

SD	D	N	A	SA

24. Promoting house brands in-store could positively impact on the sales of these FMCG by encouraging me to purchase these products.

SD	D	N	A	SA

25. House brand FMCG would sell much faster if the packaging provided to consumers contained more user-friendly features.

SD	D	N	A	SA

26. I am motivated to purchase house brand FMCG because the pricing of these products allows me to purchase a larger quantity than I would normally be able to purchase.

SD	D	N	A	SA

"Thank you for taking the time and effort to complete this questionnaire"

APPENDIX C1

RETAIL CHAIN STORES' SURVEY

(DESCRIPTIVE STATISTICS)

DESCRIPTIVE STATISTICS (RETAIL CHAIN STORES' SURVEY):

Respondent's Regional Location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gauteng	78	44.3	44.3	44.3
	OFS	25	14.2	14.2	58.5
	KZN	30	17.0	17.0	75.6
	W.CAPE	30	17.0	17.0	92.6
	E.CAPE	13	7.4	7.4	100.0
	Total	176	100.0	100.0	

Respondent's Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	48	27.3	27.3	27.3
	31-40	90	51.1	51.1	78.4
	41-50	33	18.8	18.8	97.2
	51-60	4	2.3	2.3	99.4
	61& Above	1	.6	.6	100.0
	Total	176	100.0	100.0	

Respondent's Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	151	85.8	85.8	85.8
	Female	25	14.2	14.2	100.0
	Total	176	100.0	100.0	

Respondent's Home Language

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	English	102	58.0	58.0	58.0
	Afrikaans	42	23.9	23.9	81.8
	Zulu	15	8.5	8.5	90.3
	Xhosa	3	1.7	1.7	92.0
	Sotho	11	6.3	6.3	98.3
	Other (Specify)	3	1.7	1.7	100.0
	Total	176	100.0	100.0	

Respondent's Ethnic Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African Black	34	19.3	19.3	19.3
	White	97	55.1	55.1	74.4
	Coloured	26	14.8	14.8	89.2
	Asian	19	10.8	10.8	100.0
	Total	176	100.0	100.0	

Highest Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Matric	6	3.4	3.4	3.4
	Matric	74	42.0	42.0	45.5
	Diploma	81	46.0	46.0	91.5
	Degree	10	5.7	5.7	97.2
	Post-Graduate Qualification	5	2.8	2.8	100.0
	Total	176	100.0	100.0	

Length of Service in Years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	21	11.9	11.9	11.9
	6-10	54	30.7	30.7	42.6
	11-15	42	23.9	23.9	66.5
	16-20	36	20.5	20.5	86.9
	21-25	20	11.4	11.4	98.3
	26 & above	3	1.7	1.7	100.0
	Total	176	100.0	100.0	

1. I stock more branded FMCG as they directly affect my rate of sale of these products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	19	10.8	10.8	10.8
	Neutral	6	3.4	3.4	14.2
	Agree	33	18.8	18.8	33.0
	Strongly Agree	118	67.0	67.0	100.0
	Total	176	100.0	100.0	

2. From past experience, I can confirm that there is a strong relationship between the rate of sale and the brand of FMCG being sold.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	4.0	4.0	4.0
	Neutral	1	.6	.6	4.5
	Agree	94	53.4	53.4	58.0
	Strongly Agree	74	42.0	42.0	100.0
	Total	176	100.0	100.0	

3. A greater percentage of the turnover in my store is derived from manufacturer brands as compared to house brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	24	13.6	13.6	14.2
	Neutral	11	6.3	6.3	20.5
	Agree	47	26.7	26.7	47.2
	Strongly Agree	93	52.8	52.8	100.0
	Total	176	100.0	100.0	

4. If I were to choose between stocking a manufacturer brand and a house brand, I would choose the manufacturer brand because it would result in a quicker sale.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.8	2.8	2.8
	Disagree	38	21.6	21.6	24.4
	Neutral	4	2.3	2.3	26.7
	Agree	45	25.6	25.6	52.3
	Strongly Agree	84	47.7	47.7	100.0
	Total	176	100.0	100.0	

5. In order for my store to survive, I need to have well-branded merchandise on my shelves.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.6	.6	.6
	Neutral	2	1.1	1.1	1.7
	Agree	30	17.0	17.0	18.8
	Strongly Agree	143	81.3	81.3	100.0
	Total	176	100.0	100.0	

6. In my store the packaging of the product directly influences the rate of sale of that product.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.3	2.3	2.3
	Disagree	24	13.6	13.6	15.9
	Agree	57	32.4	32.4	48.3
	Strongly Agree	91	51.7	51.7	100.0
	Total	176	100.0	100.0	

7. Innovative and user-friendly packaging has an impact on the quantity of products sold in store.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	16	9.1	9.1	9.7
	Neutral	1	.6	.6	10.2
	Agree	81	46.0	46.0	56.3
	Strongly Agree	77	43.8	43.8	100.0
	Total	176	100.0	100.0	

8. Manufactures of FMCG will be able to achieve a greater amount of success if they invested a greater amount of money in the packaging of their products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	36	20.5	20.5	20.5
	Neutral	3	1.7	1.7	22.2
	Agree	73	41.5	41.5	63.6
	Strongly Agree	64	36.4	36.4	100.0
	Total	176	100.0	100.0	

9. I believe that packaging plays the role of a silent salesman on the shelves of my store.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	11	6.3	6.3	6.8
	Agree	30	17.0	17.0	23.9
	Strongly Agree	134	76.1	76.1	100.0
	Total	176	100.0	100.0	

10. The packaging of FMCG provides a strategic advantage to help me achieve a higher stock turnover.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	24	13.6	13.6	14.2
	Neutral	1	.6	.6	14.8
	Agree	90	51.1	51.1	65.9
	Strongly Agree	60	34.1	34.1	100.0
	Total	176	100.0	100.0	

11. House brand FMCG are more popular than manufacturer branded FMCG due to them being cheaper.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.1	1.1	1.1
	Disagree	60	34.1	34.1	35.2
	Agree	57	32.4	32.4	67.6
	Strongly Agree	57	32.4	32.4	100.0
	Total	176	100.0	100.0	

12. An important reason for my stocking house brands is to offer my customers more affordable products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	2.3	2.3	2.3
	Neutral	1	.6	.6	2.8
	Agree	52	29.5	29.5	32.4
	Strongly Agree	119	67.6	67.6	100.0
	Total	176	100.0	100.0	

13. The stocking of house brands has enabled me to compete more effectively with competitors because I can now offer my customers more affordable products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	23	13.1	13.1	13.1
	Neutral	1	.6	.6	13.6
	Agree	61	34.7	34.7	48.3
	Strongly Agree	91	51.7	51.7	100.0
	Total	176	100.0	100.0	

14. House brands provide my store with the opportunity to sell more products due to their prices being cheaper than traditional and well-known brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	40	22.7	22.7	22.7
	Neutral	2	1.1	1.1	23.9
	Agree	55	31.3	31.3	55.1
	Strongly Agree	79	44.9	44.9	100.0
	Total	176	100.0	100.0	

15. My store's turnover has benefited greatly from the competitive pricing of house brands on offer to my customers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	12	6.8	6.8	7.4
	Neutral	8	4.5	4.5	11.9
	Agree	62	35.2	35.2	47.2
	Strongly Agree	93	52.8	52.8	100.0
	Total	176	100.0	100.0	

16. Manufacturer branded FMCG are more widely recognized than house brands due to the promotional support given to them

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	9	5.1	5.1	5.7
	Agree	71	40.3	40.3	46.0
	Strongly Agree	95	54.0	54.0	100.0
	Total	176	100.0	100.0	

17. In-store promotional activity is mainly conducted by well-known manufacturer brands as opposed to house brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	7	4.0	4.0	4.5
	Neutral	1	.6	.6	5.1
	Agree	50	28.4	28.4	33.5
	Strongly Agree	117	66.5	66.5	100.0
	Total	176	100.0	100.0	

18. My stock turnover of manufacturer brands is high due to the amount of promotional support that is directed towards them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.7	1.7	1.7
	Disagree	46	26.1	26.1	27.8
	Neutral	1	.6	.6	28.4
	Agree	72	40.9	40.9	69.3
	Strongly Agree	54	30.7	30.7	100.0
	Total	176	100.0	100.0	

19. I believe that an important reason for the growth and popularity of manufacturer brands is due to the advertising support given to these brands in the mass media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.7	1.7	1.7
	Disagree	5	2.8	2.8	4.5
	Neutral	1	.6	.6	5.1
	Agree	44	25.0	25.0	30.1
	Strongly Agree	123	69.9	69.9	100.0
	Total	176	100.0	100.0	

20. There is a strong relationship between the sale of a branded FMCG and the timing of the promotional activity directed at this product.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	9	5.1	5.1	5.7
	Neutral	1	.6	.6	6.3
	Agree	82	46.6	46.6	52.8
	Strongly Agree	83	47.2	47.2	100.0
	Total	176	100.0	100.0	

21. In my opinion the quality of manufacturer brands are better than the quality of house brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	5.1	5.1	5.1
	Disagree	74	42.0	42.0	47.2
	Neutral	2	1.1	1.1	48.3
	Agree	34	19.3	19.3	67.6
	Strongly Agree	57	32.4	32.4	100.0
	Total	176	100.0	100.0	

22. A greater number of house brands are returned due to a manufacturer defect as compared to the quantity of manufacturer brands that are returned for the same reason

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	90	51.1	51.1	51.1
	Disagree	58	33.0	33.0	84.1
	Neutral	4	2.3	2.3	86.4
	Agree	20	11.4	11.4	97.7
	Strongly Agree	4	2.3	2.3	100.0
	Total	176	100.0	100.0	

23. Judging from my rate of sale, I can confirm that manufacturer brands sell at a higher rate due to them being of a better quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.7	1.7	1.7
	Disagree	35	19.9	19.9	21.6
	Neutral	2	1.1	1.1	22.7
	Agree	85	48.3	48.3	71.0
	Strongly Agree	51	29.0	29.0	100.0
	Total	176	100.0	100.0	

24. I prefer merchandising manufacturer brands due to the quality and the durability of these products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.8	2.8	2.8
	Disagree	29	16.5	16.5	19.3
	Neutral	12	6.8	6.8	26.1
	Agree	67	38.1	38.1	64.2
	Strongly Agree	63	35.8	35.8	100.0
	Total	176	100.0	100.0	

25. The quality of manufacturer brands plays an important role in achieving a desired level of stock turnover in my store

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	10	5.7	5.7	5.7
	Neutral	3	1.7	1.7	7.4
	Agree	68	38.6	38.6	46.0
	Strongly Agree	95	54.0	54.0	100.0
	Total	176	100.0	100.0	

26. My customer's intention to purchase a product is directly influenced by the brand of FMCG on sale

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	18	10.2	10.2	10.8
	Agree	74	42.0	42.0	52.8
	Strongly Agree	83	47.2	47.2	100.0
	Total	176	100.0	100.0	

27. When walking through my store, I have noticed that my customers select branded FMCG without any hesitation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	19	10.8	10.8	11.4
	Neutral	3	1.7	1.7	13.1
	Agree	39	22.2	22.2	35.2
	Strongly Agree	114	64.8	64.8	100.0
	Total	176	100.0	100.0	

28. When in doubt, I believe that consumers are more likely to choose a well-branded FMCG as opposed to a brand that they do not recognize

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	2.3	2.3	2.3
	Agree	33	18.8	18.8	21.0
	Strongly Agree	139	79.0	79.0	100.0
	Total	176	100.0	100.0	

29. If I were a manufacturer of FMCG, I would place special emphasis on packaging because I am certain that my customers value good packaging

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	19	10.8	10.8	10.8
	Neutral	1	.6	.6	11.4
	Agree	59	33.5	33.5	44.9
	Strongly Agree	97	55.1	55.1	100.0
	Total	176	100.0	100.0	

30. Shoppers often base their decisions to purchase a product on the quality of the packaging that houses the product

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.7	1.7	1.7
	Disagree	33	18.8	18.8	20.5
	Agree	65	36.9	36.9	57.4
	Strongly Agree	75	42.6	42.6	100.0
	Total	176	100.0	100.0	

31. The type of FMCG I stock in my store is dependent on the product packaging preferences of my customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.7	1.7	1.7
	Disagree	24	13.6	13.6	15.3
	Neutral	1	.6	.6	15.9
	Agree	105	59.7	59.7	75.6
	Strongly Agree	43	24.4	24.4	100.0
	Total	176	100.0	100.0	

32. I am convinced that my customers choose house brands because they are cheaper than manufacturer brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	21	11.9	11.9	12.5
	Neutral	1	.6	.6	13.1
	Agree	67	38.1	38.1	51.1
	Strongly Agree	86	48.9	48.9	100.0
	Total	176	100.0	100.0	

33. As the cost of living continues to rise, I am confident that house brands will grow in popularity because consumers will find them to be cheaper than manufacturer brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	15	8.5	8.5	9.1
	Neutral	1	.6	.6	9.7
	Agree	31	17.6	17.6	27.3
	Strongly Agree	128	72.7	72.7	100.0
	Total	176	100.0	100.0	

34. Consumers that purchase house brands on a regular basis continue to do so because they are priced cheaper than manufacturer brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	11	6.3	6.3	6.3
	Neutral	4	2.3	2.3	8.5
	Agree	88	50.0	50.0	58.5
	Strongly Agree	73	41.5	41.5	100.0
	Total	176	100.0	100.0	

35. Consumers in my store purchase branded FMCG as a result of the amount of promotion that is directed towards these brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	6.8	6.8	6.8
	Disagree	68	38.6	38.6	45.5
	Neutral	1	.6	.6	46.0
	Agree	47	26.7	26.7	72.7
	Strongly Agree	48	27.3	27.3	100.0
	Total	176	100.0	100.0	

36. The amount of advertising directed at branded FMCG on television, radio, and newspapers/magazines helps consumers to recognize these brands in my store and this influences their decision to purchase these brands.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	1.7	1.7	1.7
	Neutral	1	.6	.6	2.3
	Agree	39	22.2	22.2	24.4
	Strongly Agree	133	75.6	75.6	100.0
	Total	176	100.0	100.0	

37. In-store promoters who appear in my store to promote manufacturer brands provide valuable information to customers and this helps to influence their decisions to purchase the product

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	12	6.8	6.8	7.4
	Neutral	1	.6	.6	8.0
	Agree	79	44.9	44.9	52.8
	Strongly Agree	83	47.2	47.2	100.0
	Total	176	100.0	100.0	

38. My customers prefer to choose manufacturer branded FMCG due to their perceptions that these brands are of a better quality than house brands

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.3	2.3	2.3
	Disagree	27	15.3	15.3	17.6
	Neutral	1	.6	.6	18.2
	Agree	64	36.4	36.4	54.5
	Strongly Agree	80	45.5	45.5	100.0
	Total	176	100.0	100.0	

39. If my customers have not purchased a product previously and are unsure as to which brand of product to choose, they are more likely to choose a manufacturer brand due to their belief that this brand is of a better quality than the house brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	11	6.3	6.3	6.8
	Neutral	1	.6	.6	7.4
	Agree	26	14.8	14.8	22.2
	Strongly Agree	137	77.8	77.8	100.0
	Total	176	100.0	100.0	

40. I am sure that an important motivating factor among consumers is the quality of the product. It is for this reason that consumers are more likely to choose a manufacturer brand.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	12	6.8	6.8	6.8
	Neutral	3	1.7	1.7	8.5
	Agree	58	33.0	33.0	41.5
	Strongly Agree	103	58.5	58.5	100.0
	Total	176	100.0	100.0	

41. Consumers that purchase house brands on a regular basis consider the quality to be equivalent to branded FMCG

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.4	3.4	3.4
	Disagree	40	22.7	22.7	26.1
	Neutral	2	1.1	1.1	27.3
	Agree	55	31.3	31.3	58.5
	Strongly Agree	73	41.5	41.5	100.0
	Total	176	100.0	100.0	

42. The quantity of advertising focused on manufacturer branded FMCG influences consumers to purchase these products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	14	8.0	8.0	8.5
	Neutral	4	2.3	2.3	10.8
	Agree	84	47.7	47.7	58.5
	Strongly Agree	73	41.5	41.5	100.0
	Total	176	100.0	100.0	

43. Promoting house brands in-store" could positively impact on the sales of these FMCG by encouraging my customers to purchase these products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	4.5	4.5	4.5
	Neutral	1	.6	.6	5.1
	Agree	33	18.8	18.8	23.9
	Strongly Agree	134	76.1	76.1	100.0
	Total	176	100.0	100.0	

44. House brand FMCG would sell much faster if the packaging provided to my customers contained more user-friendly features

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.3	2.3	2.3
	Disagree	37	21.0	21.0	23.3
	Neutral	3	1.7	1.7	25.0
	Agree	73	41.5	41.5	66.5
	Strongly Agree	59	33.5	33.5	100.0
	Total	176	100.0	100.0	

45. My customers are motivated to purchase house brand FMCG because the pricing of these products allows them to purchase a larger quantity than they would normally be able to purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	21	11.9	11.9	11.9
	Neutral	3	1.7	1.7	13.6
	Agree	69	39.2	39.2	52.8
	Strongly Agree	83	47.2	47.2	100.0
	Total	176	100.0	100.0	

APPENDIX C2

CONSUMERS' SURVEY

(DESCRIPTIVE STATISTICS)

DESCRIPTIVE STATISTICS (CONSUMERS' SURVEY)

Respondents Age Groups

	Frequency	Percent	Valid Percent	Cumulative Percent
Under 20	32	13.1	13.1	13.1
21 - 30	72	29.5	29.5	42.6
31 - 40	74	30.3	30.3	73.0
41 - 50	44	18.0	18.0	91.0
51 - 60	18	7.4	7.4	98.4
Above 60	4	1.6	1.6	100.0
Total	244	100.0	100.0	

Respondents Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	96	39.3	39.3	39.3
Female	148	60.7	60.7	100.0
Total	244	100.0	100.0	

Respondents Home Languages

	Frequency	Percent	Valid Percent	Cumulative Percent
English	136	55.7	55.7	55.7
Afrikaans	10	4.1	4.1	59.8
Zulu	98	40.2	40.2	100.0
Total	244	100.0	100.0	

Respondents Ethnic Groups

	Frequency	Percent	Valid Percent	Cumulative Percent
White	52	21.3	21.3	21.3
Black	100	41.0	41.0	62.3
Indian	71	29.1	29.1	91.4
Coloured	21	8.6	8.6	100.0
Total	244	100.0	100.0	

Respondents Highest Education Levels

	Frequency	Percent	Valid Percent	Cumulative Percent
Below Matric	63	25.8	25.8	25.8
Matric	111	45.5	45.5	71.3
Diploma	45	18.4	18.4	89.8
Degree	12	4.9	4.9	94.7
Post Graduation	13	5.3	5.3	100.0
Total	244	100.0	100.0	

Respondents Percentage of Monthly disposable Income Spent on Fast Moving Consumer Goods

	Frequency	Percent	Valid Percent	Cumulative Percent
0 - 10 %	7	2.9	2.9	2.9
11 - 20 %	22	9.0	9.0	11.9
21 - 30 %	49	20.1	20.1	32.0
31 - 40 %	67	27.5	27.5	59.4
41 - 50 %	75	30.7	30.7	90.2
51 - 60 %	16	6.6	6.6	96.7
Above 60%	8	3.3	3.3	100.0
Total	244	100.0	100.0	

1. My intention to purchase a product is directly influenced by the brand of FMCG on sale.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	29	11.9	11.9	11.9
Disagree	46	18.9	18.9	30.7
Neutral	12	4.9	4.9	35.7
Agree	97	39.8	39.8	75.4
Strongly Agree	60	24.6	24.6	100.0
Total	244	100.0	100.0	

2. When walking through a store, I select branded FMCG without any hesitation

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	17	7.0	7.0	7.0
Disagree	43	17.6	17.6	24.6
Neutral	22	9.0	9.0	33.6
Agree	94	38.5	38.5	72.1
Strongly Agree	68	27.9	27.9	100.0
Total	244	100.0	100.0	

3. When in doubt, I am more likely to choose a well-branded FMCG as opposed to a brand that I do not recognize

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	13	5.3	5.3	5.3
Disagree	37	15.2	15.2	20.5
Neutral	19	7.8	7.8	28.3
Agree	107	43.9	43.9	72.1
Strongly Agree	68	27.9	27.9	100.0
Total	244	100.0	100.0	

4. I prefer innovative and user friendly packaging when purchasing FMCG

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	14	5.7	5.7	5.7
Disagree	24	9.8	9.8	15.6
Neutral	31	12.7	12.7	28.3
Agree	124	50.8	50.8	79.1
Strongly Agree	51	20.9	20.9	100.0
Total	244	100.0	100.0	

5. I often base my decisions to purchase FMCG on the quality of the packaging that houses the product

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	6.6	6.6	6.6
Disagree	27	11.1	11.1	17.6
Neutral	31	12.7	12.7	30.3
Agree	100	41.0	41.0	71.3
Strongly Agree	70	28.7	28.7	100.0
Total	244	100.0	100.0	

6. The type of FMCG I choose is dependent on my packaging preferences

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	22	9.0	9.0	9.0
Disagree	27	11.1	11.1	20.1
Neutral	20	8.2	8.2	28.3
Agree	122	50.0	50.0	78.3
Strongly Agree	53	21.7	21.7	100.0
Total	244	100.0	100.0	

7. I choose house brands because they are cheaper than manufacturer brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	22	9.0	9.0	9.0
Disagree	49	20.1	20.1	29.1
Neutral	32	13.1	13.1	42.2
Agree	88	36.1	36.1	78.3
Strongly Agree	53	21.7	21.7	100.0
Total	244	100.0	100.0	

8. As the cost of living continues to rise, house brands will grow in popularity because they are cheaper than manufacturer brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	12	4.9	4.9	4.9
Disagree	24	9.8	9.8	14.8
Neutral	20	8.2	8.2	23.0
Agree	97	39.8	39.8	62.7
Strongly Agree	91	37.3	37.3	100.0
Total	244	100.0	100.0	

9. I purchase house brands on a regular basis because they are priced cheaper than manufacturer brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	32	13.1	13.1	13.1
Disagree	49	20.1	20.1	33.2
Neutral	23	9.4	9.4	42.6
Agree	100	41.0	41.0	83.6
Strongly Agree	40	16.4	16.4	100.0
Total	244	100.0	100.0	

10. I purchase branded FMCG as a result of the amount of promotion that is directed towards these brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	20	8.2	8.2	8.2
Disagree	26	10.7	10.7	18.9
Neutral	36	14.8	14.8	33.6
Agree	115	47.1	47.1	80.7
Strongly Agree	47	19.3	19.3	100.0
Total	244	100.0	100.0	

11. The amount of advertising directed at branded FMCG on television, radio, and newspapers/magazines helps me to recognize

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	6.6	6.6	6.6
Disagree	13	5.3	5.3	11.9
Neutral	26	10.7	10.7	22.5
Agree	102	41.8	41.8	64.3
Strongly Agree	87	35.7	35.7	100.0
Total	244	100.0	100.0	

12. In-store promoters who promote manufacturer brands provide valuable information and this helps to influence

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	22	9.0	9.0	9.0
Disagree	28	11.5	11.5	20.5
Neutral	19	7.8	7.8	28.3
Agree	125	51.2	51.2	79.5
Strongly Agree	50	20.5	20.5	100.0
Total	244	100.0	100.0	

13. I prefer to select manufacturer branded FMCG due to my belief that these brands are of a better quality than house brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	6.6	6.6	6.6
Disagree	40	16.4	16.4	23.0
Neutral	18	7.4	7.4	30.3
Agree	94	38.5	38.5	68.9
Strongly Agree	76	31.1	31.1	100.0
Total	244	100.0	100.0	

14. If I have not purchased a product previously and I am unsure as to which brand of product to choose

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	17	7.0	7.0	7.0
Disagree	31	12.7	12.7	19.7
Neutral	18	7.4	7.4	27.0
Agree	93	38.1	38.1	65.2
Strongly Agree	85	34.8	34.8	100.0
Total	244	100.0	100.0	

15. I am sure that an important motivating factor among consumers is the quality of the product

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	6.6	6.6	6.6
Disagree	29	11.9	11.9	18.4
Neutral	10	4.1	4.1	22.5
Agree	124	50.8	50.8	73.4
Strongly Agree	65	26.6	26.6	100.0
Total	244	100.0	100.0	

16. I consider the quality of house brands to be equivalent to branded FMCG

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	38	15.6	15.6	15.6
Disagree	56	23.0	23.0	38.5
Neutral	28	11.5	11.5	50.0
Agree	61	25.0	25.0	75.0
Strongly Agree	61	25.0	25.0	100.0
Total	244	100.0	100.0	

17. The quantity of advertising focused on manufacturer branded FMCG influences me to purchase these products

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	15	6.1	6.1	6.1
Disagree	32	13.1	13.1	19.3
Neutral	18	7.4	7.4	26.6
Agree	124	50.8	50.8	77.5
Strongly Agree	55	22.5	22.5	100.0
Total	244	100.0	100.0	

18. Promoting house brands in-store could positively impact on the sales of these FMCG by encouraging me to purchase these products

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	18	7.4	7.4	7.4
Disagree	20	8.2	8.2	15.6
Neutral	28	11.5	11.5	27.0
Agree	133	54.5	54.5	81.6
Strongly Agree	45	18.4	18.4	100.0
Total	244	100.0	100.0	

19. House brand FMCG would sell much faster if the packaging provided to consumers contained more user-friendly features

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	17	7.0	7.0	7.0
Disagree	22	9.0	9.0	16.0
Neutral	20	8.2	8.2	24.2
Agree	121	49.6	49.6	73.8
Strongly Agree	64	26.2	26.2	100.0
Total	244	100.0	100.0	

20. I am motivated to purchase house brand FMCG because the pricing of these products allows me to purchase a larger quantity

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	18	7.4	7.4	7.4
Disagree	28	11.5	11.5	18.9
Neutral	16	6.6	6.6	25.4
Agree	99	40.6	40.6	66.0
Strongly Agree	83	34.0	34.0	100.0
Total	244	100.0	100.0	