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A framework for developing personas as basis for market segmentation in Pretoria spas

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ABSTRACT

The South African spa market is booming and strong growth rates have been recorded for both revenue and visits between 2002 and 2008. As a result of these growth rates, competition among spas is increasing; spa managers and spa marketers therefore have to ensure that their businesses have marketing plans that have sufficiently detailed consumer information in order to allow these businesses to remain competitive in the growing spa industry.

Satisfied consumers are probably one of the most important aspects to consider when planning strategies aimed at achieving a competitive advantage in an industry. When consumers are satisfied, they will return and also recommend services to friends and family. In order to ensure consumer satisfaction in the spa industry, spa managers and their marketers should ensure they have sufficient knowledge regarding the descriptive characteristics of their consumers in terms of their demographic and geographic backgrounds, as well as their specific needs regarding spas and spa visits. The method used by businesses to collect the sufficient information regarding their consumers is known as market segmentation.

The study followed a descriptive research design, which was supported by a quantitative method of collecting data. The data collection instrument used was a structured self-administered questionnaire. For the purpose of selecting respondents a non-probability sampling procedure was followed and 98 respondents participated in the study.

The main aim of this study was to obtain the information necessary for developing *personas* as basis for market segmentation in Pretoria spas. Quantitative information was therefore collected, which was used to compile the following profile of a typical study population respondent:

- The typical study population respondent can be described as a White Generation Y female who is either single or married/living together without any children. She speaks Afrikaans or English and is a full-time employed professional living with between 1 and three family members. She leads a

healthy lifestyle, has a high living standard and is willing to travel up to 30km to a spa.

Her actual spa visits are less than twice a year, twice a year or once every three months. However, she would like to visit a spa more frequently, such as monthly or weekly. The reason she cannot visit more often is because spa visits are expensive and she does not have time to visit more often. Her major reasons for visiting a spa are to relief/reduce stress, to feel better about herself, for overall wellness or for special occasions such as birthdays, holidays or when she receives a gift card. When visiting a spa she would prefer to go alone, with one or two good friends or with her husband/life partner. Her perception of spa visits is positive for the relieving of stress and the soothing of sore joints and muscles.

The buying behaviour of the typical study population respondent will be affected by aspects such as recession or financial difficulty, the reference of a good friend, the recommendation of a family member and friend, information on a website, the professionalism and friendliness of the spa therapists and the types of services a spa offer.

The recommendations that can be made to marketers regarding the results of this study are the following:

- Spa managers and marketers can use the profile as starting point for the qualitative research that has to follow the quantitative research when developing *personas*.
- The current profile may be used to for developing marketing strategies until *personas* have been developed.
- The collected data may be used to compile profiles to be used as input for further research on other potential markets such as male spa users.

OPSOMMING

Die Suid-Afrikaanse spa-mark beleef 'n bloeitydperk en sterk groeikoerse is aangeteken ten opsigte van beide inkomste en besoeke aan spa's vir die tydperk vanaf 2002 tot 2008. As gevolg van die groeikoerse is mededinging tussen spas besig om toe te neem, en spa-bestuurders en hulle bemarkers moet verseker dat hulle besighede bemarkingsplanne in plek het wat oor genoegsame verbruikersinligting beskik om mededingend te bly in die groeiende spa-industrie.

Tevrede verbruikers is seker een van die belangrikste aspekte om te oorweeg wanneer strategieë ter bereiking van 'n mededingende voordeel beplan word. Wanneer verbruikers tevrede is, sal hulle terugkeer en sal hulle ook spa-dienste by vriende en familie aanbeveel. Om verbruikertevredenheid in die spa-industrie moontlik te maak, moet spa-bestuurders en hulle bemarkers verseker dat hulle oor genoegsame inligting rakende die karaktereienskappe van hulle verbruikers beskik in terme van hul demografiese en geografiese agtergrond, sowel as hulle spesifieke behoeftes rakende spa's en spa-besoeke. Die metode wat deur ondernemings gebruik word om genoegsame inligting rakende hulle verbruikers in te samel, staan bekend as marksegmentering.

Die studie het 'n beskrywende navorsingsontwerp gevolg wat deur 'n kwantitatiewe metode van datainsameling ondersteun is. Die instrument wat gebruik is om data in te samel is 'n self-gedadministreerde vraelys. Die respondente is gekies deur gebruik te maak van 'n nie-waarskynlikheid steekproef en 98 respondente het aan die studie deelgeneem.

Die hoofdoel van hierdie studie was om die nodige inligting vir die ontwikkeling van *personas* as basis vir marksegmentering, toegepas in spa's, te bekom. Kwantitatiewe inligting is ingesamel, wat gebruik is om die volgende profiel van 'n tipiese studiepopulasie respondent op te stel:

- Die tipiese studiepopulasie respondent kan beskryf word as 'n wit, Generasie Y vrou wat of enkellopend is of wat getroud is/saamwoon sonder enige kinders. Sy praat Afrikaans of Engels en het 'n voltydse professionele beroep

en sy woon saam met een tot drie familieledede. Sy lei 'n gesonde leefstyl, het 'n hoë lewenstandaard en is gewillig om tot 30km na 'n spa te reis.

Haar werklike spabesoekes gebeur minder as tweekeer per jaar, tweekeer per jaar of eenkeer elke drie maande. Sy sou wel 'n spa maandeliks of weekliks wou besoek. Die rede hoekom sy nie 'n spa meer gereeld kan besoek nie is omdat spabesoekes duur is en omdat sy nie genoeg tyd het om meer gereeld te besoek nie. Haar hooftrede vir spa besoekes is om stres te verlig/verminder, om beter oor haarself te voel, vir algehele welstand of vir spesiale geleenthede soos verjaarsdae, vakansies of wanneer sy 'n geskenkbewys ontvang. Wanneer sy 'n spa besoek sal sy verkies om alleen, saam met een of twee goeie vriende of saam met haar man/leuensmaat te gaan. Haar persepsies van spas is positief vir die verligting van stres en vir die streling van seer spiere en gewrigte.

Die aankoopgedrag van die tipiese studiepopulasie respondent sal deur aspekte soos 'n resessie of finansiële moeilikheid, die verwysing van 'n vriend, die aanbeveling van 'n familielid of vriend, inligting op 'n webtuiste, die professionaliteit en vriendelikheid van die spa terapeute en die tipe dienste van die spa bied beïnvloed word.

Die aanbevelings wat aan die bemarkers gemaak kan word na aanleiding van die studieresultate is die volgende:

- Spa bemarkers kan die profiel gebruik as beginpunt vir die kwalitatiewe navorsing wat die kwantitatiewe navorsing moet opvolg vir die ontwikkeling van *personas*.
- Die huidige profiel kan gebruik word om bemarkingsstrategie te ontwikkel totdat *personas* ontwikkel is.
- Die data wat ingesamel is kan gebruik word om profile op te stel om as inset te gebruik vir verdere navorsing rakende potensiële markte, soos mans.

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LIST OF KEY TERMS

Personas: Fictional, detailed, archetypical characters that represent distinct groupings of behaviour, goals and motivations observed and identified during the marketing research phase (Calde, Goodwin & Reimann, 2002). An example of a *persona* can be *First time Fran*, who is a spa “virgin”, is hesitant and needs support to “learn the ropes” (Spatrade, 2004).

Spas: Entities devoted to enhancing the overall well-being of people through a variety of professional services that encourage the renewal of mind, body and spirit (International Spa Association, 2008).

Market segmentation: The process of dividing the total market into groups, or segments based on a similar level of interest in a comparable set of needs that can be satisfied by a distinct marketing mix (McDonald & Dunbar, 2004:37; Pride & Ferrell, 2010:161).

Target marketing: The process of evaluating and selecting the most viable market segment to enter (Levens, 2010:98).

Consumer buying behaviour: The study of the activities decision-making units undertake when obtaining, consuming and disposing of products, services, experiences, people and ideas (Blackwell, Miniard & Engel, 2006:4; Hoyer & Macinnis, 2008:3).

CHAPTER 1: BACKGROUND AND INTRODUCTION

1.1 INTRODUCTION

Marketing is a process aimed at satisfying individual needs, wants and business goals, by enabling the exchange of goods and services to take place when the appropriate pricing, promotion and distribution strategies are applied (Kotler & Keller, 2006:6). The role of marketing has changed substantially over the years, with the emphasis now falling on marketing businesses by means of an approach where the entire business is guided by the marketing concept. The marketing concept refers to a situation where businesses aim all their efforts at satisfying the needs of their consumers in a socially responsible way in order to make a long-term profit (Perreault, Cannon & McCarthy, 2008:15). The consumers and their needs, therefore, form the heart of businesses (Hoffman & Bateson, 2001:82).

In order to reach the consumer, marketing has to take place, which implies that a well-considered marketing plan should be developed (McDonald & Payne, 2006:53). Authors differ regarding the sequence and names of the different stages of the marketing planning process. Du Plessis, Jooste and Strydom (2005:390) propose the marketing plan as a process that covers seven stages. The first three stages include formulating the corporate mission and objectives, conducting a strategic analysis and carrying out a SWOT-analysis. Stages four to seven include setting marketing objectives, formulating market strategies, formulating marketing strategies and, lastly, the implementation and control of the marketing plan. As the current study is concerned with market segmentation, the emphasis will be on the second stage, namely conducting a strategic analysis. During this stage, external and internal analyses are performed, which include a thorough analysis of the markets and consumers of a business. McDonald and Payne (2006:91) emphasise the importance of market segmentation and suggest that market segmentation is one of the diagnostic or problem solving tools of marketing. The challenges that may occur during the marketing process include determining the target market for the business,

and finding ways in which to communicate with the target market. The correct way of communication can lead to consumers reacting positively to the marketing campaign (Kotler & Armstrong, 2008:399).

The sections that follow will explain market segmentation and will also indicate how *personas* can be used as a basis for market segmentation. These sections include the problem statement, objectives of the study, research methodology and the chapter classifications for the study.

1.2 PROBLEM STATEMENT

The South African spa market is booming and strong growth rates have been recorded for both revenue and visits between 2002 and 2008 (Intelligent Spas, 2009). In 2008, an estimated revenue of R380 million was generated by South African spa facilities. Employment in the spa industry has also experienced growth of 32% between 2006 and 2007, and from 2007 to 2008 another increase of 15% was experienced. In 2007, 186 authentic spa facilities (those facilities that comply with the benchmark definition of a spa as set by Intelligent Spas) were operating in South Africa, employing approximately 2 232 people (Intelligent Spas, 2008). These numbers, however, have increased during 2008 with research results showing that more than 200 authentic spas were operating in South Africa by 2008, and that these spas were employing over 2 500 people (Intelligent Spas, 2009). During 2007, 110 700 people visited the 186 spas operational at the time, and the industry was forecasted to grow by 8% between 2008 and 2010. However, available updated results did show that treatment revenue per spa has increased with 16% from 2007 to 2008. New forecasts that were made by the end of 2008 indicated that spa numbers were expected to grow by 8% in 2009, visits to day spas would increase by 20% in 2009, and visits to spas were predicted to grow towards the end of 2010 (Intelligent Spas, 2009). This growth in the South African spa industry is in line with global spa trends, since the total volume of spas in the world grew at a rate of 12% from 2002 to 2004 (Colquhoun, 2008:44).

Industry growth is usually a factor that leads to increased competition, since more competitors enter a market. Competition cannot be ignored by businesses, as consumers exercise a choice regarding how their needs will be met. Those

businesses offering superior consumer value are usually the ones that retain the consumer (Perreault *et al.*, 2008:19). Therefore, the challenge for any business is to remain competitive, a goal that can be achieved by following the marketing concept. As indicated in section 1.1, the marketing concept refers to a situation where all business efforts are aimed at satisfying consumer needs in a socially responsible way in the long run (Perreault *et al.*, 2008:15). Consumer satisfaction is therefore an important factor to consider. Hoffman and Bateson (2001:306) state that one of the benefits of consumer satisfaction is that it allows a business to insulate itself against competitive pressures, which means that marketing can lead to a competitive advantage for the business. When defining consumer satisfaction as the extent to which a business fulfils the needs, desires and expectations of a consumer, the importance of knowing what the consumer wants becomes clearer (Perreault *et al.*, 2008:5). To establish what the wants, needs, desires and expectations of consumers are, the process of market segmentation can be used. This process entails conducting marketing research with a view to enable the marketer to divide markets into distinct groups with distinct needs, characteristics or behaviours, who might require separate products or marketing mixes (Kotler *et al.*, 2008:249). While performing marketing research for the purposes of market segmentation, businesses may include questions regarding the needs, wants, desires and expectations of consumers and this information will form part of the research results of this particular study.

Since market segmentation has been identified as a diagnostic or problem-solving tool for marketing, spa marketers should make use of this tool and concomitantly set out to find a way to best implement market segmentation in their businesses (McDonald & Payne, 2006:91). Spatrade (2004) suggests *personas* as a way to enhance market segmentation. *Personas* can be defined as fictional model characters that represent distinct groupings of behaviours, goals and motivations of consumers. When using *personas*, the business will treat the *persona* as an individual or “character”, rather than simply a consumer who is defined as part of a group, which is the case with traditional segmentation (Calde *et al.*, 2002). Symplicit Pty. Ltd. (2008:3) highlights the potential of *personas* as a market segmentation tool and states that *personas* can capture rich detail about potential and existing consumers which can enhance market segmentation by providing marketers with a

clear picture of their target market. Symplicit Pty. Ltd. (2008:3), however, also warns managers and marketers against the misconception that *personas* refer to marketing profiles. *Personas* are said to inform businesses about the real-world behaviour of consumers, as well as their needs, desires, goals, memories and meanings they associate with the experiences. Marketing profiles, on the other hand, only provide information such as age, income, work, hobbies and level of experience with technology. Marketing profiles nonetheless provide an excellent starting place for research prior to *persona* development, which is what this study will aim to achieve.

The development of a *persona* takes into account both demographics and psychographics. Each *persona* should be brought to life by including a name (e.g. Savvy Sally), family (e.g. wife and mother of three children under the age of 12), needs (e.g. time to herself) and desires (e.g. looking good while leading a busy life). When considering *personas* for spas, the number of spa visits per month, level of spa sophistication (how well they know spa etiquette), travel habits (whether spa visits are included) and personal care programmes (extensive care or merely a face wash in the evenings) should also be included (Spatrade, 2004). Lowell (2007:16) lists *persona* descriptions that can typically be included in a study of this kind. These *persona* descriptions, among others, include daily work activities; household and leisure activities; goals, fears and aspirations; and technology attitudes. An example of a *persona* can be Savvy Sally, which refers to a person who is a spa veteran, knows the ropes, is demanding and wants to develop a relationship with her day spa therapist.

From this discussion on the development of *personas* the deduction can be made that both quantitative and qualitative research will be required to collect all the necessary information to develop useful *personas*. The development of a spa user profile was also indicated as a starting point for developing *personas* (see p4, paragraph 2, last sentence), and since a current profile of a typical South African spa user does not exist, this would be a salient starting point for developing *personas* for South African spa users.

The motivation for the current study is therefore to provide marketers with a profile of a typical spa user to use as input when developing *personas*. This will necessitate an in-depth literature review of both market segmentation and consumer buying

behaviour. The profile can then be used in addition to the information collected by a further qualitative research study to collect the information necessary for the full development of *personas*. These final *personas* can then be used by marketers as the fictional, detailed, archetypical characters that represent distinct market segments.

1.3 OBJECTIVES

1.3.1 PRIMARY OBJECTIVE

The primary objective of this study is to obtain the information necessary for developing *personas* as basis for market segmentation in Pretoria spas.

1.3.2 SECONDARY OBJECTIVES

The secondary objectives of this study are to:

- describe the traditional market segmentation criteria that may be used to segment spa markets.
- describe those aspects that may affect the buying behaviour of spa users.
- determine those aspects that can be used to describe spa users who participated in the study and the aspects that will affect their buying behaviour.
- provide a profile of spa users that marketers can use as input when developing *personas* as basis for market segmentation.

1.4 RESEARCH METHODOLOGY

This section provides a brief overview of the research methodology followed during this study. A short description of the literature review and the empirical study is provided. The research methodology is discussed in detail in Chapter 4.

1.4.1 LITERATURE STUDY

The content used for the purpose of this study included articles and books discussing topics such as marketing, consumer buying behaviour, market segmentation, personas and health spas.

The databases consulted were the NWU library catalogue, EbscoHost, ScienceDirect and Google scholar.

Keywords used to conduct searches included market segmentation, consumer buying behaviour, health spas and personas.

1.4.2 EMPIRICAL REVIEW

1.4.2.1 Research design and method of collecting data

For the purpose of this study a descriptive research design was followed, which was supported by a quantitative method of collecting data.

The descriptive research design as proposed by Zikmund (2003:51) is one used to describe the characteristics of a population. Therefore, the descriptive design will answer questions such as who, what, when, where and how. This design was chosen as this study attempted to determine the characteristics of the target market to use as basis for developing *personas*.

The data collection instrument that was used is a structured questionnaire. The aim of the questionnaire was to collect information about the descriptive characteristics of spa users which was used to draw a profile of a typical spa user, which can later be used by spa marketers as a framework for developing *personas*.

1.4.2.2 Development of sample plan

For the purpose of this study the population consisted of consumers visiting spas within Pretoria. Almost half of South Africa's spas are situated within the Gauteng province, with more than half of these being located in the Pretoria area. Pretoria has a wide variety of different spas available, and these are attracting different kinds of consumers (South African Health Spa Guide, 2008).

The sampling frame from which participating spas were chosen comprised of a list of all the spas registered under the Gauteng Province and which were situated in the Pretoria area. The list was computed from the registered spas on three different websites, namely www.healthspas.co.za, www.saspaassociation.co.za and www.southafricanspas.co.za. Together these websites provide a comprehensive directory of spas in South Africa.

The sampling procedure followed, namely to select both the participating spas and the respondents at each of the participating spas, was a non-probability sampling procedure. Non-probability sampling is a sampling procedure which relies mainly on personal judgement and convenience, and therefore the probability for population members being chosen is unknown (Zikmund, 2003:426). For the purpose of this study, convenience sampling was used. This implies that respondents were chosen on the basis of being readily available or accessible (Tustin, Ligthelm, Martins & van Wyk, 2005:346). This method was specifically used because no specific criteria existed for choosing respondents.

The sample size for this study could not be determined as no fixed formulas exist for calculating adequate sample sizes for non-probability sampling procedures. With assistance from the Statistical Consultation services (SCS) of the North-West University (Potchefstroom Campus) (see Appendix A) and based on the available resources such as time and money, it was decided that 140 respondents should participate in the study. Of the required 140 questionnaires, 98 were completed, which means the size of the respondent group for this study comprised 98 respondents. The probable reasons for the smaller sample size are discussed as part of the limitations of this study in section 6.4.

1.4.2.3 Development of the questionnaire

Literature by Tustin, Ligthelm, Martins and van Wyk (2005) was used to guide the process of designing a unique and structured questionnaire for this study. Tustin *et al.* (2005:384-421) provide insight on questionnaire design by discussing topics such as the principles of constructing a questionnaire, including question content and phrasing, question sequence and question formats. Another aspect included the design of the possible answers or responses for questions. As part of this aspect, a discussion and examples offered insights into the different answer or response

formats, including open-ended and closed-ended responses, as well as combinations of these.

The questionnaire was distributed to ten participating Pretoria spas. The questionnaire was self-administered and each spa received 14 questionnaires. The spas were asked to distribute the questionnaires to 14 of their visiting consumers. Questionnaires were completed by the consumers upon arrival at the spa facility and returned immediately after completion to the spa via the spa therapist of the consumer. In order to motivate consumers to complete the questionnaire, a token of appreciation was given in the form of a small gift.

1.4.2.4 Data analysis

Statistical Analysis Software (SAS Institute Inc., 2007) was used for the statistical analysis of the collected data.

As a result of the fact that the questionnaire did not include specific target constructs, no reliability and validity were assured by means of any statistical procedure. However, content validity was assured by giving the questionnaire for evaluation by subject specialists. Thus, after pretesting the fill-out procedure of the questionnaire among other respondents that were not included in the study population, the usability of the questionnaire was assured. For the purpose of reliability, the cover letter emphasised the importance of completing the questionnaire honestly.

For data analysis, descriptive statistics such as frequency distributions, percentage distributions and means were computed.

1.5 CHAPTER DIVISION

The chapter division as well as a short description of what is included in each of the chapters for this study is subsequently discussed.

- **Chapter 1: Background and introduction**

This chapter provided the background to the study by means of a problem statement, which led to a motivation for undertaking the current study. The primary and secondary objectives were also formulated and a brief explanation of the research methodology followed in the study was provided.

- **Chapter 2: Segmenting markets**

The second chapter provides a comprehensive discussion of the concept of market segmentation. Included in the chapter is an explanation of the importance of market segmentation to businesses. This is followed by a discussion of the market segmentation process, with detailed discussions of each stage in the process.

- **Chapter 3: Consumer buying behaviour**

In this chapter, a discussion of the importance of understanding consumer buying behaviour is provided. This is followed by an explanation of the model of consumer buying behaviour which includes the input component concerned with external influences, the process component concerned with consumer decision-making and the output component concerned with post-decision behaviour. The last part provides a discussion on the types of consumer purchase decisions and the level of involvement by consumers in these decisions.

- **Chapter 4: Research methodology**

The fourth chapter discusses the research methodology followed to conduct the empirical research for this study. The marketing research process is discussed in this chapter with specific reference to how each of the research process stages was implemented for the purpose of this study.

- **Chapter 5: Discussion and interpretation of results**

The second last chapter of this study provides a discussion of the results obtained from the empirical research conducted for this study. The results are presented with the aid of tables, and main findings are supplied with reference to all the data.

- **Chapter 6: Overview, conclusions, recommendations and limitations**

In Chapter 6, an overview of the study is provided. This is followed by a discussion of the conclusions and recommendations are made with regard to the conclusions made. The limitations of the study are also indicated and recommendations are made for future research.

1.6 SUMMARY

This chapter provided an introduction to the study by supplying background to the research problem. The primary and secondary objectives were also provided and a

brief explanation of what to expect in terms of the research methodology followed. The chapter was concluded by supplying an overview of the chapters that follow in this study.

CHAPTER 2: SEGMENTING MARKETS

2.1 INTRODUCTION

Successful businesses are characterised by being strongly consumer-driven and committed to marketing. The aim of businesses is therefore to satisfy consumers in a well-defined target market (Kotler & Armstrong, 2008:4). In order to satisfy consumer needs, businesses should understand the needs and wants of their consumers. However, serving all consumers equally profitable seems impossible for businesses, due to the existence of too many different kinds of consumers with too many different kinds of needs. Some businesses, in terms of experience and resources, tend to have the ability to serve some consumer needs better than other consumer needs (Cannon, Perreault & McCarthy, 2008:65). When businesses choose to serve only some consumers and their needs, such businesses should divide the entire market into smaller segments, choose the best segment(s) and design strategies to serve the chosen segment(s) profitably. The framework used to accomplish the above includes market segmentation, target marketing and market positioning (Kotler & Armstrong, 2008:48).

In this chapter, the concept of developing *personas* will be included as an extra stage in the traditional framework for market segmentation. Developed *personas* can be used to further magnify, in terms of the amount of information available, and distinctly define the target markets of spas. By first performing traditional market segmentation, marketers can collect the quantitative information needed to develop *personas*. The *persona* development stage will then follow the target market selection stage – which will entail, among others, qualitative research regarding the motivations and goals of target consumers (Drummond, 2009).

Chapter 2 starts off with a discussion on the importance of market segmentation. This will be followed by a discussion of the framework for the process of market segmentation, also including the development of *personas*.

2.2 IMPORTANCE OF MARKET SEGMENTATION

The importance of market segmentation to businesses is sometimes underestimated. The following are some of the advantages that businesses may experience when performing market segmentation.

- **Consumer needs are matched with business products:** Marketers can analyse the characteristics of consumers in order to facilitate the matching of consumer needs with the products and services of the business (McDaniel *et al.*, 2008:213; McDonald & Dunbar, 2004:55).
- **Tailored marketing mix:** Analysing the market and its needs allows businesses to understand their markets and to develop a marketing mix, which is tailored to specific needs of the market (Mostert & Du Plessis, 2007:117).
- **Competitive advantage:** Marketers may consider markets in a different way than competitors do, and thereby identify a competitive advantage within a specific market segment. This advantage can then be exploited by concentrating the resources of the business on the specific market segment, which can lead to higher returns (McDonald & Dunbar, 2004:55).
- **Enhanced opportunities for growth:** By analysing markets and their characteristics, marketers can identify new opportunities that may lead to the expansion of product lines (Jobber & Fahy, 2009:109).
- **Effective positioning:** Segmentation allows the business to closely define the needs and preferences of a market segment, which can aid in more effective positioning of the product(s) (Mostert & Du Plessis, 2007:117).
- **Opportunities for segment domination:** Segmentation can lead to niche marketing, where effective satisfaction of consumer needs may lead to segment domination, which might not be possible when targeting an entire market (Jobber & Fahy, 2009:109 and McDonald & Dunbar, 2004:55).

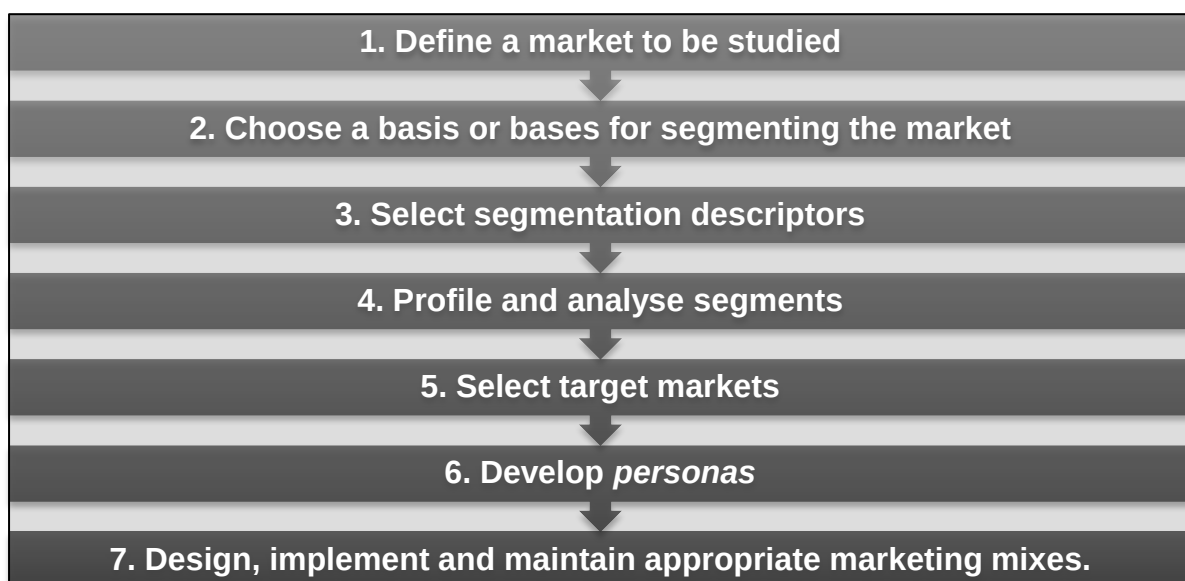
2.3 MARKET SEGMENTATION

Market segmentation is the process of dividing the entire market into groups or segments based on a similar level of interest in a comparable set of needs that can be satisfied by a distinct marketing mix (McDonald & Dunbar, 2004:37; Pride &

Ferrell, 2010:161). From the above discussion, it is clear that the importance of market segmentation cannot be underestimated.

In marketing literature, the discussion of the framework for the process of market segmentation by marketers varies slightly in terms of the names and the number of stages in the process. The framework, however, remains similar and the framework for the process of market segmentation, as proposed by Lamb *et al.* (2009:105) will be used for this study. This process consists of six stages and is depicted in Figure 2.1, which outlines the sequential relationship between the different stages. However, the framework has been adapted to include the developing of *personas* as part of the segmentation process. The developing of *personas* will be included as stage 6, after which the designing, implementation and maintaining of appropriate marketing mixes will follow (Drummond, 2009).

FIGURE 2.1: FRAMEWORK FOR THE PROCESS OF MARKET SEGMENTATION



Source: Adapted from Lamb *et al.* (2009:105) and Drummond (2009)

The primary objective of the study is to use *personas* as basis for market segmentation. The development of *personas* requires both quantitative and qualitative research. In order to collect the quantitative, descriptive information, traditional market segmentation should be conducted (stages 1 to 5). Marketers should, however, keep *personas* in mind throughout stages 1 to 5, to ensure that the appropriate quantitative information required for developing *personas* are collected. After the target market has been selected in stage 5, marketers can then continue, in

stage 6, with qualitative research, which will allow them to identify differences in the goals, motivations and behaviour of consumers. This information can then be used to develop specific *personas* (Drummond, 2009).

Each of the seven stages in the market segmentation process will now be discussed.

2.3.1 STAGE 1: DEFINE A MARKET TO BE STUDIED

When conducting market segmentation, the first stage entails defining the market to be studied. The concept market can broadly be defined as a set of actual and potential consumers who have the willingness and the ability to exchange something of value with businesses (Kotler & Armstrong, 2008:7; McDaniel *et al.*, 2008:212; Perreault *et al.*, 2008:60). When defining a market as the first stage of the market segmentation process, however, the definition needs to be extended to include more specific detail regarding the market in question (Wood, 2004:69). In order to define a market, a clear understanding of what constitutes a market should also be considered. In section 2.3.1.1, the characteristics of markets are supplied. These characteristics are followed by a discussion of the different market levels, as explained by Wood (2009:69) (see section 2.3.1.2) and a discussion of the different types of markets consumers may encounter (see section 2.3.1.3).

2.3.1.1 Characteristics of a market

The meaning attached to the term market can differ. Therefore, to qualify as a market in the marketing context, the following characteristics should be present:

- The market must consist of people (consumer market) or businesses (business market).
- These people and businesses must reveal certain wants and needs that can be satisfied by obtaining specific products or services.
- The people or businesses must have the ability to buy the products or services they have a need for.
- The people or businesses must be willing to exchange their resources (usually money or credit) for the desired products or services (Lamb *et al.*, 2009:206).

Once a marketer has a clear understanding of what constitutes a market, the process of defining the market can continue.

2.3.1.2 Market levels

Wood (2004:69) defines the market in terms of different levels, where each level narrows the market down until the definition includes only those consumers that actually purchase the product.

- **Potential market**

The broadest level of market definition is the potential market. The potential market includes all those consumers who may have an interest in a product or a service, such as spa treatments, and represents the maximum number of consumers who might purchase the product or service. The potential market for spas will consist of four subsets of markets. These subsets of markets are the available market, the qualified available market, the target market and the penetrated market.

- **Available market**

The available market for spas includes those consumers who have an interest in spa products or services, but who also have adequate income to purchase the spa products or services and access to the products or services.

- **Qualified available market**

The qualified available market represents a subset of the available market; consumers in this market must qualify to purchase the products or services based on product-specific criteria such as age. In the case of spas, no prohibiting legislation exists and the entire available market will be viable to be included in the target market.

- **Target market**

The target market consists of those consumers that spas choose to serve.

- **Penetrated market**

The penetrated market represents those consumers who are currently purchasing spa products or services or who have purchased these products or services in the past.

2.3.1.3 Types of markets

When considering the notion of markets, two different types of markets can be identified. These markets are consumer markets and business markets.

- **Consumer market**

The consumer market includes individuals and households that are the potential and actual end purchasers and users of products and services (Levens, 2010:17).

- **Business market**

The business market consists of businesses that purchase products and services with the purpose of using these in the production of other products or for resale to others at a profit. These businesses include businesses, institutions, non-profit organisations and government agencies (Wood, 2004:68).

Since spas provide services, and since these services cannot be purchased with the purpose of use in the production of other services or be sold for a profit by another business, this study will focus only on consumer markets.

2.3.2 STAGE 2: CHOOSE A BASIS OR BASES FOR SEGMENTING THE MARKET

Once the market has been defined, marketers must decide which segmentation basis (or combination of bases) to use when dividing the market into segments. Segmentation bases are characteristics of individuals, groups or businesses, which divide a total market into segments. The key to choosing the right basis (or combination of bases) to segment a market is to identify the basis (or combination of bases) that will produce substantial, measurable and accessible segments, that exhibit different response patterns to marketing mixes (McDaniel *et al.*, 2008:214). The resources and capabilities of the business as well as the type of product and the degree of variation in the needs of consumers, will dictate the number and the size of the segments targeted (Pride & Ferrell, 2010:164).

Four basic segmentation bases can be identified, namely geographic segmentation, demographic segmentation, psychographic segmentation and behavioural segmentation (Mostert & Du Plessis, 2007:119). These bases are summarised in Table 2.1 (with references in brackets to the sections where the respective descriptors of each basis is discussed in more detail). The living standards measure (LSM) is a measure that combines geographic, demographic, psychographic and

behavioural aspects, and will also be discussed as a basis for market segmentation (SAARF, 2010).

TABLE 2.1: BASES FOR SEGMENTING THE CONSUMER MARKET

GEOGRAPHIC SEGMENTATION	PSYCHOGRAPHIC SEGMENTATION
• Region (section 2.3.2.1.1) • City or town size (section 2.3.2.1.2) • Density (section 2.3.2.1.3) • Climate (section 2.3.2.1.4)	• Social class (section 2.3.3.1.1) • Life style (section 2.3.3.1.2) • Personality (section 2.3.3.1.3)
DEMOGRAPHIC SEGMENTATION	BEHAVIOURAL SEGMENTATION
• Age and life-cycle stage (section 2.3.2.2.1) • Gender (section 2.3.2.2.2) • Family size (section 2.3.2.2.3) • Education (section 2.3.2.2.4) • Income (section 2.3.2.2.5) • Occupation (section 2.3.2.2.6) • Ethnicity (section 2.3.2.2.7) • Religion (section 2.3.2.2.8)	• Usage rate (section 2.3.2.4.1) • Benefit expectations (section 2.3.2.4.2) • Purchase and usage occasion (section 2.3.2.4.3) • Readiness stage (section 2.3.2.4.4)

Source: Adapted from Arnould, Price and Zinkhan (2004:189)

2.3.2.1 Geographic segmentation

Geographic variables are used to segment markets in terms of a region of a country or the world, size of a town or city, market density or climate (Lamb *et al.*, 2009:99). According to Schiffman and Kanuk (2007:47) the reasoning behind geographic segmentation is that marketers believe that when people live in the same area, they will have similar needs and wants and these needs and wants will differ from people living in other areas. Geographically based segments can easily be reached through marketing communication tools such as local media, which include newspapers, television and radio, and regional editions of magazines.

2.3.2.1.1 Region

Regions of a country are used when a marketer wants to determine purchasing behaviour of consumers in different areas or provinces, such as Gauteng, the

Western Cape, the North-West and Limpopo provinces, among others (Mostert & Du Plessis, 2007:120). Pride & Ferrell (2010:169) states that marketers may also be interested in the differences between consumers living in different regions of the world. Marketers can then divide the world into regions such as North America, South America, Europe and Asia.

For the purpose of **this study**, regions of a specific country, South Africa, were among others considered for identifying target markets. It was decided to focus the empirical study on the Gauteng province.

2.3.2.1.2 City or town size

Marketers consider city size when determining the number of consumers within the city or town that will have a need for the specific product or service offer. Marketers often decide to divide cities into three categories based on their size. These categories include metropolitan cities, small cities and towns (Mostert & Du Plessis, 2007:120).

For the purpose of **this study**, marketers will focus specifically on those spa-goers who live in the Pretoria area of the Gauteng Province.

2.3.2.1.3 Density

Market density refers to the number of potential consumers that are situated within a specific unit of land, for example per square kilometre. Market density is a useful tool as low- and high-density markets require different sales, advertising and distribution activities (Pride & Ferrell, 2010:170).

Spas can make use of this tool in order to determine where most of their potential and current consumers are situated. This information can aid in determining where promotional activities will be most profitable.

2.3.2.1.4 Climate

Geographic areas can also be classified according to its climate. Climatic differences between geographic areas may include differences in rainfall, snowfall, temperature and humidity (Mostert & Du Plessis, 2007:120).

2.3.2.2 Demographic segmentation

Kotler and Armstrong (2008:187) consider aspects such as age and life-cycle stage, gender, family size, education, income, occupation, ethnicity and religion when using demographics to divide the market into groups. They also state that demographic segmentation is one of the most popular bases used to segment a market, since the needs, wants and usage rates of consumers vary closely with demographic descriptors. Another reason is that demographic descriptors are easier to measure than other types of bases. Demographic descriptors are usually not used on their own, but are rather used in combination with the descriptors of other bases, such as benefits sought or behaviour.

2.3.2.2.1 Age and life-cycle stage

This descriptor is popular because wants and needs change considerably with age. Marketers should, however, guard against stereotyping when using age and life cycle segmentation (Kotler & Armstrong, 2008:187). Different terms are used for different age groups by different marketers. These terms may include new-borns, infants, young children, teens, young adults, Millennials, Baby boomers, Generation X, Generation Y and Seniors (McDaniel *et al.*, 2008: 215). The terms used for the purpose of **this study** include Millennials, Generation Y, Generation X, Baby boomers and Matures, as proposed by Kotler and Armstrong (2008: 69-71).

Researchers studying demographics have identified two distinct effects within age segmentation. These two effects are *age effects* and *cohort (group) effects* (Schiffman & Kanuk, 2007:49).

- **Age effects**

Age effects occur due to the chronological movement of age (Schiffman & Kanuk, 2007:49). As people grow older, physical changes such as greying hair, weight increase and the increasing number of wrinkles all form part of changing characteristics and needs. Bearing in mind the treatments that spas provide in terms of skin rejuvenation and wellness, age effects may well be considered for selecting the basis (or combination of bases) and its descriptors to use as part of the segmentation process (Blythe, 2009:185).

- **Cohort (group) effects**

Markert (2004:21) states that cohort literally means a division into tens. He continues by stating that one of the primary reasons for the wide acceptance of the ten-year cohort frame is due to the abundance of literature that establishes the importance of the ten-year markers. These ten-year turning points play a crucial role in the biological and psychological development of a person but also in the spending patterns and purchase decisions of a person. Kotler and Armstrong (2008:69) relate the distinctions that have been made between the reactions of baby boomers, Generation Xers, Generation Yers and the Millennials on different marketing actions. Authors may differ slightly on the exact dates of each generation. For the purpose of this study the dates as stated below were used.

Baby boomers are those people who were born between 1946 and 1964. They are now, in 2010, reaching their peak earning and spending years. They tend to be open to products and services such as new housing and home remodelling, financial services, travel and entertainment, eating out as well as health and fitness products. Scarborough (2007:20) defines Generation X as those people born between 1965 and 1980. They tend to be survival-orientated due to the things they learned while growing up. They are, however, taking over from the baby boomers as primary market and are therefore a segment group to consider by all businesses. Most of the Generation Yers, are offspring of the baby boomers and were born between 1977 and 1994 (Kotler and Armstrong (2008:69). They grew up in a peaceful and prosperous time, leading to their more optimistic outlook on life (Timmermann, 2007:27). They are very confident and have greater social consciousness. This can be seen through their great desire to communicate with peers. They also have a great thirst for knowledge (Ryan-Segger, 2007:24). Timmermann (2007:27) also points out that the Generation Y world has become very small as they interconnect through global communications.

Each of these generations has their own experiences that can influence their purchase decisions and their reactions to communications from businesses (Timmermann, 2007:27). These differences may be useful when considering spas and the developing of different *personas* for each generation.

2.3.2.2.2 Gender

Gender segmentation refers to dividing the market into two groups, namely male and female. This has long been used by businesses selling clothing, cosmetics, toiletries and magazines (Kotler and Armstrong, 2008:187). However, changes have occurred in the roles of the two genders, which implies that for some products, gender segmentation is no longer an accurate way to distinguish between consumers (Schiffman & Kanuk, 2007:50). The number of women shopping at hardware stores has, for example increased, which means that it is not a dominantly male consumer base anymore. Marketers have also realised that the male segment is increasingly more involved in wedding planning, for example, which means that marketers of wedding venues and other wedding-related services and products cannot focus mainly on the female market anymore (Lamb *et al.*, 2009:211).

For many years, spas have also been seen as a destination only for women. The number of men visiting spas has, however, increased and more men are enjoying visiting spas. Their main reason for visiting spas is for stress relief (Spatrade, 2006). Men currently comprise more than 30% of spa-goers in the USA, which means that females are not the only segment marketers should consider in terms of marketing spas (Crawford, 2009:57).

2.3.2.2.3 Family size

Family size is a segmentation variable that emerges naturally because the needs of families, in most cases, differ according to the number of people in the family. The budget of a family consisting of five members (two parents and three children) can look very different from the budget for a family consisting of only three members (two parents and one child). The family of five may tend to budget more for food, while the family of three may have more disposable income to spend on other things than food such as recreation (Mostert & Du Plessis, 2007:121).

For spas, this could mean that smaller families may have more of their disposable income available to spend on spa treatments than larger families.

2.3.2.2.4 Education

Education is a variable applied by considering the highest qualification of the consumer. In South Africa, the different qualifications that can be used are grade 10,

grade 12, diploma, degree and postgraduate qualification. Consumers with higher qualifications may then, for example, receive exclusive rights to specific products, such as certain insurance policies (Mostert & Du Plessis, 2007:121). The reason for these exclusive rights may be based on the relationship perceived by most people between education, income and occupation (see section 2.4.2.2.6).

Research conducted in the USA and Canada during 2006 showed that the average spa-goer, male or female, is a college graduate (Spatrade, 2006).

2.3.2.2.5 Income

Income is another long-standing demographic descriptor when marketing products such as housing, clothing, automobiles and food. Income is a popular descriptor for segmenting markets, as income levels influence the wants of consumers and determines their buying power (McDaniel *et al.*, 2008:218). Marketers can use income to define whether consumers will have the ability to pay for a specific product or service, and therefore whether it will be profitable to include those consumers in the target market (Schiffman & Kanuk, 2007:53). Income is rarely used as a descriptor on its own, and can rather be combined with several other demographic descriptors to define target markets more accurately (Schiffman & Kanuk, 2007:53).

When segmenting spa markets, income may be one of the aspects to consider. Visiting a spa is not always viewed as a *necessity* for consumers, but as a *luxury*; consumers who do not have sufficient income will not be able to visit spas on a regular basis, or visit spas at all.

The South African Advertising Research Foundation (SAARF) has developed a segmentation tool that combines more than one variable to segment the South African market. This tool is called the Living Standards Measure (LSM). The LSM focuses on measuring living standards and wealth rather than concentrating on income as segmentation descriptor (SAARF, 2010). This segmentation tool is discussed in section 2.3.2.5.

2.3.2.2.6 Occupation

When considering occupation, marketers can distinguish between several different types of occupations such as professional and technical; officials and proprietors;

clerical sales; craftspeople; foreman; operatives; farmers; retired persons; students; housewives and unemployed persons (Cannon *et al.*, 2008:71).

Income, occupation and education are said to be correlated in a cause-and-effect relationship. When people are in high-level occupations, they usually receive high incomes; however, they also require advanced educational training in order to qualify for such a high-level occupation in the first place. On the other hand, people with less educational training rarely qualify for high-level jobs and therefore may not have a very high income (Schiffman & Kanuk, 2007:53).

In section 2.3.2.2.4, it was stated that research in the USA and Canada showed that the average spa-goer has a college degree (Spatrade, 2006). When considering this as well as the correlation between income, occupation and education, one could suggest that spa-goers are in higher-level occupations and tend to earn a higher income. This may point to the notion that occupation may well be a aspect to consider when segmenting spa markets.

2.3.2.2.7 Ethnicity

Ethnicity is a combination of culture and race. Cultural characteristics influence the eating habits, clothing and even entertainment of consumers, whereas physical differences between consumers due to differences in race will have an effect on the products that consumers purchase. Darker-skinned women, for example use different cosmetics than Caucasian women; furthermore, hair characteristics of black, Asian and white woman also differ, implying that they will need different types of products (Blythe, 2009:188).

The *ISPA 2006 consumer trends report* does not refer to ethnicity as part of their description of the average male and female spa-goers (Spatrade, 2006). Ethnicity therefore does not seem to be a aspect to consider when segmenting spa markets. However, the South African context may be different from that of USA and Canada and the significance of the aspect may be worthwhile to investigate in this study.

2.3.2.2.8 Religion

The religion of consumers may influence the products that they purchase. This may include goods such as different religious artefacts. In some cases, religion may also

affect the diets of consumers. Jewish and Muslim consumers, for example, would avoid pork, while Buddhists avoid meat in general (Blythe, 2009:188).

Spa marketers will have to ensure whether certain religions prohibit their followers from visiting spas. Spas will also have to keep this aspect in mind when planning their restaurant menus.

2.3.2.3 Psychographic segmentation

Psychographic segmentation is a more developed form of segmenting consumers and is concerned with defining the behaviours and lifestyles of people. Businesses can often develop a more meaningful segmentation basis when using psychographic segmentation. This holds true when attempting to understand more about the lifestyles, underlying personality types, motivations and aspirations of consumers (McDonald & Payne, 2006:96).

McDaniel *et al.* (2008:221) describe the relationship between demographic and psychographic segmentation by means of a skeleton and flesh metaphor. Demographics provide the skeleton, whereas psychographics add meat to the bones. Psychographics refer to the analysis of daily patterns of living of people as described by their AIO dimensions (activities, interests and opinions) (Cannon *et al.*, 2008:162). Activities refer to the way consumers spend their time. This may include activities such as camping, volunteering at a local hospital and going to rugby games. Interests can be identified as the preferences and priorities of consumers in terms of home, fashion and food. Opinions are personal feelings about events and political issues, social issues, the state and the economy and ecology of the consumer (Schiffman & Kanuk, 2007:53).

Psychographic aspects are important to consider for the development of *personas*. Some of the information required when designing *personas* include their motivations and constraints, the things they do and why they do it as well as their goals. These aspects can be explained by looking at psychographic aspects for segmentation purposes (Burton-Taylor, 2006:1). All these aspects can, however, not be researched by means of a quantitative research method. Although all the aspects will be discussed, only a few will be selected as aspects to include in the questionnaire.

2.3.2.3.1 Social class

Social class is a segmentation descriptor based primarily on occupation. People within the same occupation may, however, vary in terms of lifestyle, values and purchasing patterns. Even though this is true, social class should not be discredited. Social class segmentation has shown significant differences in the media consumption of different social classes. For example, working-class people tend to be targeted by tabloid newspapers, whereas traditional broadsheets regard the middle and upper class as their primary audience (Jobber & Fahy, 2009:113). Social class is a segmentation descriptor that has a strong influence on a person's preference in automobiles, clothing, home furnishings, leisure activities, reading habits and retailers, among other things. Many businesses will design products or services for specific social classes (Kotler, 1997:259).

The major classes that marketers distinguish between include lower class, working class, middle class and upper class. Some marketers prefer dividing each of these major classifications into even smaller groupings by referring for example to the *lower lower class* and the *upper lower class*, or the *middle class* and the *upper middle class* (Schieffer, 2005:79).

When considering that people who form part of the lower class live on the breadline and have to rely on family members for assistance in times of trouble, it is clear that social class can be used as a segmentation descriptor for spas. Visiting a spa is not a necessity, but a luxury and people from the lower class may, for example, not be able to afford spa visits (Kotler & Armstrong, 2008:134).

2.3.2.3.2 Lifestyle

Lifestyle segmentation divides people into groups by looking into the way they spend their time, the importance of the things around them, their beliefs and socioeconomic characteristics, such as income and education (McDaniel *et al.*, 2008:221). Several different attributes can be used to select individuals for respective lifestyle segments. These attributes include product and service usage; activities such as work, social, sports, home, community and holidays; interests such as family, home, community, recreation, fashion, food and media and opinions – which include opinions about

themselves, social issues, politics, economics, education, the future and culture (McDonald & Dunbar, 2004:193).

A well-known method used for lifestyle segmentation in the USA is the Values and Lifestyle (VALS) typology, developed by the Social Research Institute (SRI) International. VALS includes batteries of questions on activities, interest, opinions, personality and personal values, and are asked to respondents during marketing research. After analysing the answers of respondents, the respondents can be grouped into one of the eight predetermined VALS segments. These segments are actualisers, fulfilleds, achievers, experiencers, believers, strivers, makers and strugglers. The usefulness of segmentation based on the VALS method is lodged in its ability to explain differences in product usage and brand preferences. Some marketers have departed from using VALS towards customising their segmentation approaches to include needs and benefits particular to their specific product category, and not only general consumer behaviour as set out by VALS (Schieffer, 2005:86). VALS is a typology that can also be used in South Africa; however, it will have to be adapted to suit the South African context (Du Plessis, 1990:37)

When developing personas, the idea is to base these personas on qualitative information of the target market such as their motivations and constraints, what they do and why and what their goals are, which means lifestyle is an important segmentation aspects to consider (Burton-Taylor, 2006:1). The full extent of lifestyle will, however, not be possible to research by means of a quantitative research method, which means that this is a topic to readdress when following a qualitative research method for fully developing the *personas* for spas.

2.3.2.3.3 Personality

Personality reflects traits, attitudes and habits of a person (McDaniel *et al.*, 2008:221). Personality will assist towards determining whether the consumer is compulsive, an extrovert, sociable, adventurous, formal, authoritarian, ambitious, enthusiastic, positive, indifferent, negative or hostile (McDonald & Dunbar, 2004:193).

When considering the word *persona*, one may tend to believe that personality is an important aspect of a persona. Cooper (1999:124), who first introduced the concept

of *personas* to use in the design process of interactive computer technology, believed that a life-like character – driven by personal motives and with a personality – should represent users. In other words, personality is definitely one of the aspects that need to be included when choosing a segmentation basis (or combination of bases) and descriptors for spa markets. The importance of this concept is lodged in the fact that the more specific the *persona* is, the more effective it will be as a product or software design tool, or in this case a segmentation tool.

For the purpose of this study, however, personality will not be included in the questionnaire.

2.3.2.4 Behavioural segmentation variables

Behavioural segmentation divides buyers into groups based on their knowledge, attitudes, uses or responses to a product. Market segments can consist of consumers with similar characteristics regarding their usage rate, benefit expectations, purchase and usage occasion or readiness stage (Arnould *et al.*, 2004:189). Each of these characteristics will now be discussed in more detail.

2.3.2.4.1 Usage rate

Usage rate segmentation groups consumers according to the frequency of product purchase and consumption. According to this notion, consumers can be grouped into categories such as former users, potential users, first-time users, light or irregular users, medium users or heavy users. Businesses segment markets in this way as it enables marketers to focus their efforts on heavy users or develop multi-marketing mixes aimed at different segments. The goal for any business, however, is to develop all its consumers into heavy users (McDaniel *et al.* 2008:223).

When considering segmentation regarding spa-goers, marketers will need to know how often different consumers visit spas. Information such as the number of times per month or year a person visits a spa will be valuable in making decisions regarding spa marketing and the developing of *personas* for spa-goers (Olsen, 2004:6).

2.3.2.4.2 Benefits

Benefits segmentation requires businesses to find the major benefits people look for in the product class, the kinds of people who look for each benefit and the major brands that deliver each benefit (Kotler & Armstrong, 2008:189). Benefit segmentation can aid towards the identification of opportunities for the business (Jobber & Fahy, 2009:112).

Knowledge of the perceived benefits that a consumer has of a product or service is important information as it illustrates a consumer-product relationship. Without a consumer-product relationship, segmentation has no meaning (Arnould *et al.*, 2004:190).

The ISPA consumer trends report (Spatrade, 2006) states that some of the reasons why consumers visit spas are to reduce or to get relief from stress, to soothe sore joints or muscles, and to improve mental health, among others. These are all perceived benefits that consumers expect from visiting a spa. Knowing what these perceived benefits are can illustrate the consumer-service relationship, which can then aid towards customising and improving the services offered to consumers. Benefits segmentation can therefore be considered when segmenting the spa market.

2.3.2.4.3 Purchase and usage occasion

Occasion segmentation can distinguish buyers according to the occasions during which they develop a need, purchase a product or use a product for. When this information is known it can help businesses to expand product usage. In addition to product-specific occasions, a business can consider critical events that mark life's passages to establish whether these are accompanied by certain needs that can be met by product and/or service bundles. These occasions may include marriages, separation, divorce, acquisition of a home, injury or illness, change in employment or career, retirement and death of a family member (Kotler, 1997:260).

The international spa association (ISPA) confirms the assumption that consumers visit spas as a result of certain occasions. ISPA has compiled a list of reasons why people visit spas; the number seven on their 'top ten' list reads that consumers visit spas to celebrate special occasions. Spas are, for example, places that women

consider visiting when they are about to be married or even as an activity pursued when on honeymoon (Green, 2004:3).

2.3.2.4.4 Readiness stage

Readiness stage refers to whether consumers are ready to purchase a product or service or not. Consumers can be unaware of the product or service, be interested in the product or service, desire it or have an intention to purchase it. The stage in which the largest percentage of the consumers find themselves, will determine which action the business should take in terms of communication with the targeted segment(s) (Mostert & Du Plessis, 2007:124). The consumers who will be considered to take part in **this study** will already be visiting spas, which means that their readiness stage will already be known.

2.3.2.5 Multiple segmentation bases

Marketers are increasingly moving towards the idea of using more than one segmentation basis when segmenting markets. The reason for using multiple segmentation bases is to have a better-defined target market after completion of the segmentation process (Kotler & Armstrong, 2008:191). Marketers may choose any combination of the bases and their descriptors, as discussed in the previous sections; however, a tested and researched method that can be used by marketers is the Living Standards Measure (LSM).

- **Living standards measure (LSM)**

The South African Advertising Research Foundation (SAARF) living standards measure (LSM) is a method used in South Africa to segment the market based on wealth. Using LSM, South African consumers are divided into groups according to their living standards by using information such as the degree of urbanisation and the ownership of cars and other major appliances. Consumers can be part of one of 12 LSM groupings, with group 12, named LSM 10 high, representing the most affluent consumers (SAARF, 2010). For the purpose of this study, reference will be made to LSM 10 high and not the 12th group.

The LSM index uses a combination of variables (listed in Table 2.2) which are stronger than any single variable. This makes the measure more useful to marketers when segmenting the market. Each of the variables in the index has an assigned

weight, with some weights being positive and other being negative. The position of consumers on the SAARF LSM index is calculated by adding up the weights of each chosen variable. A constant is also added to the total score to remove negative total scores. Once the total score has been calculated, the score will determine the LSM group to which the consumer belongs (SAARF, 2010).

The first SAARF LSM index was devised in 1989/90 and has since undergone several revisions and developments. It is now known as the SAARF Universal LSM (SU-LSM). It started out with only eight groups, which later developed to include 12 different groupings, with group 12 named LSM 10 high. The advantage of the SU-LSM is that it can be changed to remain up to date with changes in society, and this can be done without losing the ability to compare trends between changed/updated versions of the LSM index (Cant, Strydom, Jooste & Du Plessis, 2006:117). The newest variables used to determine the LSM groupings are depicted in Table 2.2.

TABLE 2.1: SAARF UNIVERSAL LIVING STANDARDS MEASURE (SU-LSM)

1. Hot running water	16. Less than 2 radio sets in household
2. Fridge/freezer	17. Hi-fi/music centre
3. Microwave oven	18. Rural outside Gauteng/W.Cape
4. Flush toilet in/outside house	19. Built-in kitchen sink
5. No domestic in household	20. Home security service
6. VCR	21. Deep freezer
7. Vacuum cleaner/floor polisher	22. Water in home/on plot
8. No cell phone in household	23. M-Net/DStv subscription
9. House/cluster house/town house	24. Dishwasher
10. Washing machine	25. Metropolitan dweller
11. PC in home	26. Sewing machine
12. Electric stove	27. DVD player
13. TV set	28. One cell phone in household
14. Tumble dryer	29. Motor vehicle in household
15. Home telephone	

Source: SAARF (2010)

The six LSM groups representing the most affluent consumer groups are LSM 8 low, LSM 8 high, LSM 9 low, LSM 9 high, LSM 10 low and LSM 10 high. Figure 2.2 provides a summary of the characteristics of each of these groups as set out by SAARF (2010). The reason for concentrating on the most affluent groups for the purposes of this study is based on the assumption that these consumers are the ones who will visit spas. This assumption has also been confirmed by the empirical research conducted for this study (see section 5.2.4)

TABLE 2.2: DESCRIPTIONS OF LSM GROUPS 9 LOW TO 10 HIGH

LSM 8 LOW	LSM 8 HIGH	LSM 9 LOW
DEMOGRAPHICS	DEMOGRAPHICS	DEMOGRAPHICS
- Male	- Male	- Male
- 35+	- 35+	- 35+
- Matric and higher, Urban	- Matric and higher, Urban	- Matric and higher, Urban
- R12 068 average household income per month	- R14 017 average household income per month	- R15 853 average household income per month
MEDIA	MEDIA	MEDIA
- Wide range of commercial & community radio	-Wide range of commercial & community radio	-Wide range of commercial & community radio
- TV: SABC 1,2,3, e.tv, M-Net, DStv	- TV: SABC 1,2,3, e.tv, M-Net, DStv	- TV: SABC 1,2,3, e.tv, M-Net, DStv
- Daily/weekly newspapers, - magazines	- Daily/weekly newspapers, - magazines	- Daily/weekly newspapers, - magazines
- Accessed internet every 4 weeks	- Accessed internet every 4 weeks	- Accessed internet every 4 weeks
- Cinema & outdoor	- Cinema & outdoor	- Cinema & outdoor
GENERAL	GENERAL	GENERAL
- Full access to services	-Full access to services	-Full access to services
- Full ownership of durables, incl. DVD, PC and satellite dish	-Full ownership of durables, incl. DVD, PC and satellite dish	-Full ownership of durables, incl. DVD, PC and satellite dish
- Increased participation in activities	- Increased participation in activities	- Increased participation in activities

TABLE 2.3: CONTINUED

LSM 9 HIGH	LSM 10 LOW	LSM 10 HIGH
DEMOGRAPHICS	DEMOGRAPHICS	DEMOGRAPHICS
- Male	- Male	- Male
- 35+	- 35+	- 35+
- Matric and higher, Urban	- Matric and higher, Urban	- Matric and higher, Urban
- R19 453 average household income per month	- R22 043 average household income per month	- R28 467 average household income per month
MEDIA	MEDIA	MEDIA
-Wide range of commercial & community radio	-Wide range of commercial & community radio	-Wide range of commercial & community radio
- TV: SABC 1,2,3, e.tv, M-Net, DStv	- TV: SABC 1,2,3, e.tv, M-Net, DStv	- TV: SABC 1,2,3, e.tv, M-Net, DStv
- Daily/weekly newspapers, - magazines	- Daily/weekly newspapers, - magazines	- Daily/weekly newspapers, - magazines
- Accessed internet every 4 weeks	- Accessed internet every 4 weeks	- Accessed internet 4 weeks
- Cinema & outdoor	- Cinema & outdoor	- Cinema & outdoor
GENERAL	GENERAL	GENERAL
-Full access to services	-Full access to services	-Full access to services
-Full ownership of durables, incl. DVD, PC and satellite dish	-Full ownership of durables, incl. DVD, PC and satellite dish	-Full ownership of durables, incl. DVD, PC and satellite dish
- Increased participation in activities	- Increased participation in activities	- Increased participation in activities

Source: SAARF (2010)

2.3.3 STAGE 3: SELECT SEGMENTATION DESCRIPTORS

In the previous stage, the marketer explored the available segmentation bases to choose from: demographic, geographic, psychographic and behavioural; and then decided which one or two to use. In stage three, the marketer must decide which

descriptors will be used. These descriptors were discussed in stage two as part of the bases for segmentation. The descriptors for demographic segmentation are, for example, gender, age, income, region, city or town size, density and climate (Lamb *et al.*, 2009:219).

For the purpose of **this study** the most appropriate descriptors for representing the different spa segments will therefore have to be identified.

2.3.4 STAGE 4: PROFILE AND EVALUATE SEGMENTS

Once the appropriate segmentation basis (or a combination of bases) and the descriptors for each basis have been chosen, this information should be used to develop market segment profiles. The profile is a combination of the segmentation variable information such as demographic, geographic, psychographic, behavioural characteristics or a combination of these, as well as segment size, expected growth, purchase frequency, current brand usage, brand loyalty and long-term sales and profit potential (McDaniel, Lamb & Hair, 2010:245).

A market segment can be defined as a finer, more detailed breakdown of a market into subgroups of consumers who share one or more characteristic. This common ground gives rise to subgroups of consumers having similar needs and wants, and responding in the same way to a particular marketing mix (McDonald & Payne, 2006:381; McDaniel *et al.*, 2008:218; Cannon *et al.*, 2008:66).

From the above discussion, it can be seen that a market segment consists of three components that should be identified by marketers when developing market segments. The first component comprises a list of needs that the specific group of consumers regard as important when comparing different products or services. Specific needs for spas may include the types of treatments available, the products used during treatments, the location of the spa and the price of spa treatments. The second component is a compilation of the characteristics of the consumers in a specific market, which will enable marketers to identify them. Characteristics of spa users may, for example, include that they are business people who work under a great deal of stress and who need a place for relaxation. The final component of a market segment is its size in terms of the number of consumers or the value of their spending within the market segment (McDonald & Dunbar, 2004:242).

Once marketers have established with certainty that these components are present in the market segment, they must evaluate the usefulness of the segment. For a segment to be useful, it must meet certain criteria such as substantiality, measurability, accessibility, differentiability and responsiveness (Kotler & Armstrong, 2008:194).

2.3.4.1 Criteria for successful market segmentation

Markets can be segmented in different ways (see section 2.3.2), but not all the segmentation strategies will necessarily be effective. Market segmentation only makes sense when:

- the consumers within each segment have something identifiable in common,
- different segments have different responses to marketing efforts,
- the consumers in segments can be reached through marketing,
- competitive advantage can be gained by focusing on segments; and
- business goals such as profitability, can be achieved by focusing on segments (Wood, 2004:95).

The criteria for a market segment to be successful include that a segment should be substantial, measurable, accessible, differentiable and responsive. These criteria will subsequently be discussed.

2.3.4.1.1 Substantial

According to McDaniel *et al.* (2008:213) for a segment to be substantial it must be large enough to warrant developing and maintaining a special marketing mix. This does not mean that the segment should have large numbers of potential consumers, since substantiality can also refer to the profitability of the segment. A spa should therefore determine whether the specific segment(s) they intend to target would provide a large enough profit for the spa to become or remain a viable business venture (Kotler & Armstrong, 2008:194).

2.3.4.1.2 Measurable

A market segment should also be measurable. For a market segment to be measured, the marketer can evaluate market size, purchasing power and the profiles

of the segments (Kotler & Armstrong, 2008:194). These can be measured in terms of geographic boundaries, the number of people in different age categories and other social and demographic characteristics. Spa marketers should therefore keep in mind that it is important to include variables in their segmentation profiles, as this will allow them to measure the size of the market and the purchasing power (McDaniel *et al.*, 2008:213).

2.3.4.1.3 Accessible

Accessibility refers to whether the members of the target market can be reached by means of customised marketing mixes. For example, senior citizens and illiterate people may be hard to reach (McDaniel *et al.*, 2008:214). For spas, this criterion entails that market segments should include consumers who are easily accessible through direct mail, joint events, promotional events and online associations (Green, 2004:47).

2.3.4.1.4 Differentiable

Jobber and Fahy (2009:117) the segments that have been identified should be differentiable in the sense that the consumers within each market should have relatively similar needs. These needs should, however, be significantly different from the needs of other market segments. In other words, if married and unmarried women both feel the need for stress relief at spas, they do not constitute separate segments.

2.3.4.1.5 Responsive

Responsiveness refers to the way in which consumers respond to a marketing mix. For segmentation to be successful, different consumer segments should respond significantly differently to different marketing mixes. If this is not the case, market segmentation will be of no use. Therefore, if baby boomers and Generation Xers do not respond differently to a spa promotion, they do not constitute separate segments (Lamb *et al.*, 2009:98).

After the profiles of each segment have been drawn up, each of these segments should be evaluated. For the purposes of evaluation, the marketer must assess the attractiveness of each segment based on opportunity, environment, reach and

response. The fit of each segment with internal considerations such as mission, image, strengths, core competencies, resources and performance of the business should also be measured (Wood, 2004:105). Marketers can evaluate market segments based on segment size and growth, segment structural attractiveness and business objectives and resources (Kotler & Armstrong, 2008:195).

2.3.4.2 Segment size and growth

Kotler & Armstrong (2008:195) describe segment size and growth as relative terms. This means that the largest market with the fastest growth potential will not necessarily be the best market to pursue, since this market may not be the most profitable. The “right” size and growth of consumers for the business should be determined by looking at the profitability of the segment for the business, or in the case of this study the spa. Profitability can be determined by identifying the market potential in terms of the total sales within the spa market, therefore including sales of all competitor products or services. Once the spa knows the total market sales, the sales potential of the spa should be determined. The sales potential of a business refers to the percentage of the total sales that the business will be able to obtain from the segment (Mostert & Du Plessis, 2007:125).

The sales potential of the spa can be determined by means of two approaches: either the breakdown approach or the build-up approach. For the breakdown approach, the marketer of the spa will first compile a general economic forecast for a specific segment for a specific time-period. The market potential will then be estimated by using the general economic forecast and the market potential will be used to derive the sales potential of the spa. The second approach is the build-up approach, which entails that marketers will begin to determine the sales potential of the spa by first estimating the amount of a certain product that will be purchased within a specific geographic area, over a specific period of time, by one consumer. The marketer then multiplies the amount of product by the number of potential consumers within the specific geographic area. This needs to be done for all the geographic areas, after which all the sales within the different geographic areas will be added to find the total sales potential for a specific product or service. Once these have been determined, the marketer will calculate the sales potential of the spa by estimating a percentage of the total sales that the business will be able to

obtain, based on the planned level of company marketing activities (Pride & Ferrell, 2010: 174).

2.3.4.3 Structural attractiveness of the segment

Porter (2008:3) identified five competitive forces that should be considered by strategists, namely direct competitors, consumers, suppliers, potential entrants and substitute products. He suggests that the rivalry among these competitive forces defines the structure of an industry. Kotler and Armstrong (2008:195) and Pride and Ferrell (2010:174) adds that the cost to reach a segment should also be considered when determining the attractiveness of a segment.

2.3.4.3.1 Direct competition

Competitors are those businesses that produce the same products or class of products, who supply the same services and who compete for the same consumers (Kotler & Armstrong, 2008:517). For spas, this will include all the different types of spas that provide the same or similar services and operate in the same geographic area. The different types of spas may include day spas, destination spas, hotel spas and medi-spas, among other. Most of these spas provide similar services such as massages, facials and aromatherapy treatments, which will make them competitors in the same industry (South African Spa Association, 2010).

When considering competitors, businesses or spas will determine the number and intensity of competitors within a market to determine its attractiveness. The more competitors a market segment has or attracts, and the more aggressive the competitors are, the less attractive the market segment will be for a business (Mostert & Du Plessis, 2007:126). Pride and Ferrell (2010:175) states that the importance of analysing competitors lies in the fact that the sales estimates, made when determining the segment size and growth (see section 2.3.4.2), might be misleading if competitors are not considered.

2.3.4.3.2 Power of consumers and suppliers

The power of consumers refers to the bargaining power of consumers concerning prices and other marketing mix elements. When consumers, for example, have substantial bargaining power within the spa industry, they may force down prices, demand more services or play down competitors against each other.

The power of suppliers, on the other hand, refers to the extent that suppliers of products or raw materials can control the quantity and quality of products or manipulate prices. These aspects may make a market segment more or less attractive to enter (Mostert & Du Plessis, 2007:126). For example, if suppliers increase the prices of the products spas use in giving treatments, this may cause the prices of treatments to increase. In the same way, if therapists and other suppliers of spa services demand higher salaries, this may cause treatment prices to increase.

2.3.4.3.3 Potential entrants

Porter (2008:8) states that new entrants may put a cap on the profit potential of an industry. The cap is due to the new entrants bringing new capacity and a desire to gain market share which in turn puts pressure on prices, costs and the rate of investment necessary to compete.

2.3.4.3.4 Substitute products or services

Substitute products are products that differ from the products of the specific business, but which can nonetheless be used as alternative to that specific product. When a large number of actual or potential substitute products exist within a market segment, this may limit prices and/or profits that can be made within a specific segment (Kotler & Armstrong, 2008:195). Spa marketers therefore need to determine possible substitutes for each product and service they offer, in order to determine the threat that these products and services pose. The substitute for stress relief, which is the number one reason consumers visit spas, may include stress relief medication or visiting a gym (Green, 2004:3).

2.3.4.3.5 Cost to reach the segment

The costs incurred to reach a market segment refer to all the costs associated with the marketing mix. For spas and other businesses, this may include costs such as the development costs of distinctive product features, attractive packaging, extensive advertising and the offering of attractive promotional ideas. The higher these costs, the more expensive the segment will be to enter (Pride & Ferrell, 2010:176).

2.3.4.3.6 Business goals and objectives and resources

Business goals and objectives and resources should also be considered. Market segments that do not fit the goals of a business are in danger of being dismissed. A lack of skills and resources that businesses need to succeed in a specific segment may also lead to the elimination of certain market segments (Kotler & Armstrong, 2008:195). These resources may include human resources, financial resources, informational resources and supply resources (Wood, 2004:44). If a business does not have sufficient resources to enter an attractive market segment, the segment should rather be ignored (Mostert, 2007:126). When this notion is applied to spas, the importance of having enough start-up capital and well trained spa therapists will have an influence on whether a spa should target a specific segment or not.

2.3.5 STAGE 5: SELECT TARGET MARKET STRATEGY

After the segmentation basis (or combination of bases) has been chosen and the spa marketer profiles and evaluates segments, one or more segment should be chosen to target (McDaniel *et al.*, 2010:245). The three basic targeting strategies that marketers can choose from include undifferentiated, concentrated and differentiated targeting strategies (Pride & Ferrell, 2010:161). Each of these strategies will subsequently be discussed.

2.3.5.1 Undifferentiated targeting strategy

According to Lamb *et al.* (2009:106) a undifferentiated targeting strategy is used when a business adopts a mass-marketing philosophy, therefore viewing the market as one big target market with no individual segments (see Figure 2.2). In Figure 2.2, a single marketing mix is used to target the entire market, because of the assumption that all the consumers for a specific type of product have the same needs that can be met by this marketing mix. The marketing mix then consists of one product with little or no variations, one price, a single communication message (promotion), which is aimed at everyone; furthermore, this is done by means of a single distribution system in order to reach most of the customers in the market (Mostert & Du Plessis, 2007:128).

FIGURE 2.2: UNDIFFERENTIATED TARGETING STRATEGY



Source: Adapted from Mostert & Du Plessis (2007:127)

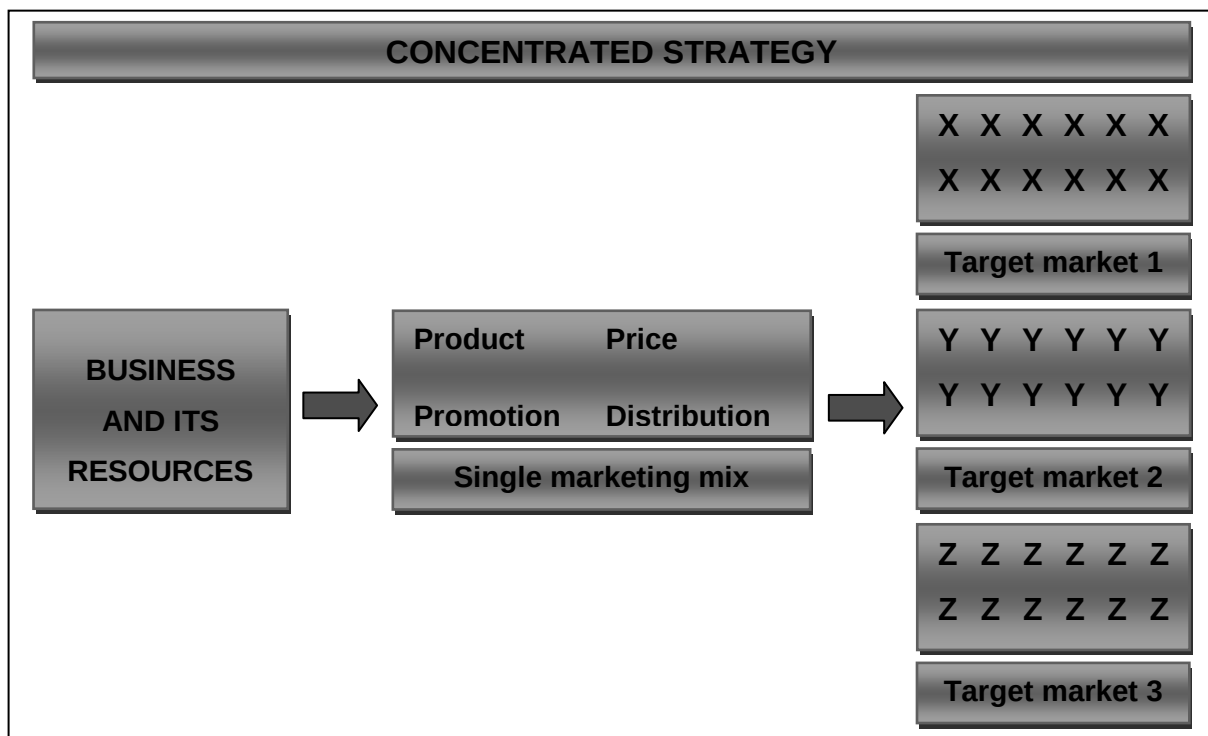
In this instance, the business focuses on the needs that are similar among the consumers rather than on what is different. The Xs in Figure 2.2 represent the consumers with similar interests. Some modern marketers doubt whether or not to use undifferentiated marketing. They feel that it is difficult to develop a product that will satisfy the needs of all consumers. Businesses using an undifferentiated strategy may also find it difficult to compete against the more focused businesses (Kotler & Armstrong, 2008:195). However, sometimes an undifferentiated strategy will be more effective than concentrated or differentiated marketing, for example in situations where a large homogeneous market exists. This means that the largest portion of the consumers of the market have similar needs concerning a specific product or service, which in the case of this study would be the different spa treatments and products purchased by consumers (Pride & Ferrell, 2010:161). Undifferentiated marketing will also be more effective when the market is too small to divide into smaller groups but would nonetheless still be profitable or when the business produces only one product or product line (Mostert & Du Plessis, 2007:128).

2.3.5.2 Concentrated targeting strategy

When a business decides against undifferentiated marketing, the market can be divided into smaller segments - each with similar needs and characteristics. In Figure 2.3, a different letter of the alphabet represents each of these segments. If one of these market segments is chosen to target, the business is using what is described as a concentrated targeting strategy or niche marketing (see Figure 2.3). The business will then develop a single marketing mix to offer to one of the market segments. In other words when considering Figure 2.3, the business will only

choose one of the three identified segments on the right hand side to target (Pride & Ferrell, 2010:161). According to Levens (2010:100) businesses using a concentrated marketing strategy usually have fewer or limited resources or produce an exclusive product. Their aim is to gain a larger percentage of market share in a smaller market, rather than to have a small market share in a very large market (Mostert & Du Plessis, 2007:129).

FIGURE 2.3: CONCENTRATED TARGETING STRATEGY



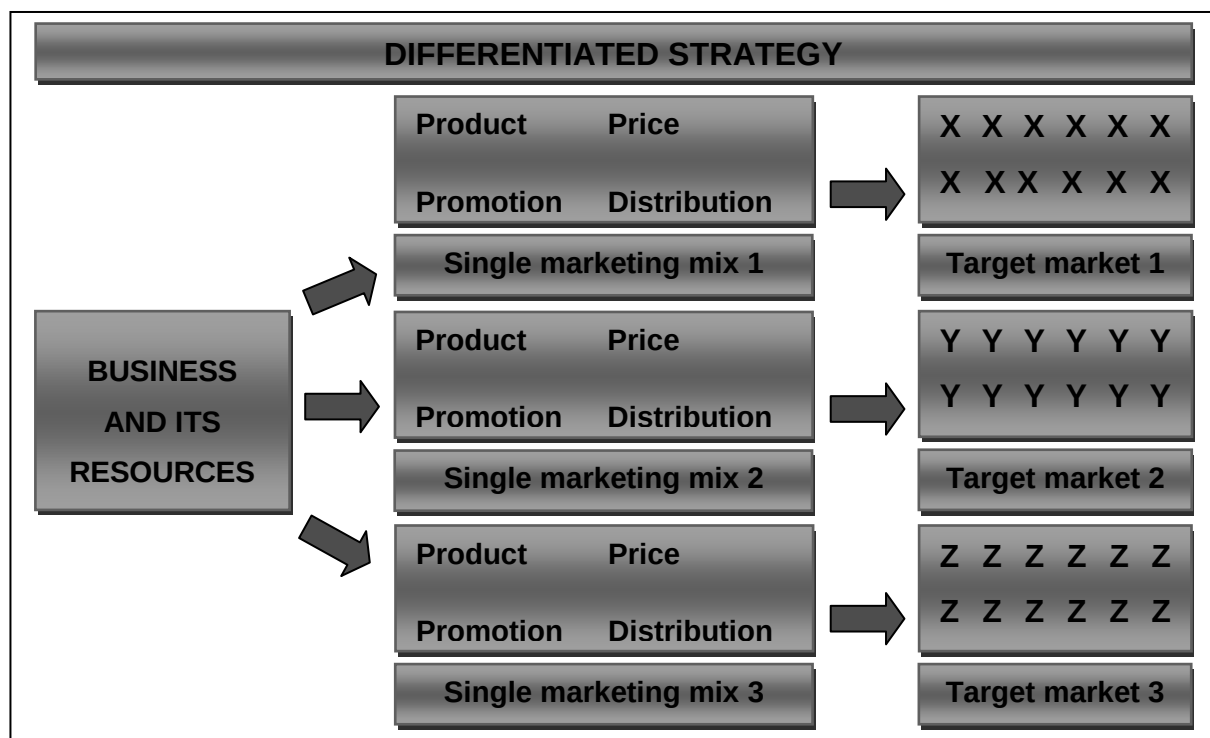
Source: Adapted from Mostert & Du Plessis (2007:127)

The advantages of using a concentrated targeting strategy are that it enables a business to fine-tune its products, prices, communication and distribution to reach the targeted segment effectively. This is possible because the business understands the needs and characteristics of the targeted segment better (Mostert & Du Plessis, 2007:129). The risk of declining demand or changing market conditions (resulting in changing markets) may cause financial problems for the business. Therefore, businesses may not want to concentrate all of their resources only on one market segment (Lamb *et al.*, 2009:107).

2.3.5.3 Differentiated targeting strategy

Market differentiation, also known as multi-segment marketing, takes place when a business chooses two or three market segments to target and develops a distinct marketing mix for each of these segments, as shown in Figure 2.4 (Lamb *et al.*, 2009:108). In the figure below, a different letter of the alphabet represents each target market and each target market has its own marketing mix.

FIGURE 2.4: DIFFERENTIATED TARGETING STRATEGY



Source: Adapted from Mostert & Du Plessis (2007:127)

Mostert and Du Plessis state that businesses may choose to use this targeting strategy because they want to increase customer satisfaction in each of the segments. Superior customer satisfaction and a stronger positioning within each market may lead to higher total sales than undifferentiated marketing can generate across all segments (Kotler & Armstrong, 2008:196). The drawback of using differentiated marketing is that production costs increase, because more production processes, materials and people are demanded to satisfy the needs of each of these market segments. Businesses therefore have to weigh the costs and benefits of using differentiated or undifferentiated targeting within a specific market (Pride & Ferrell, 2010:163).

After spas have evaluated their segments, they may make use of either the concentrated or the differentiated targeting strategy to choose a target segment. If the concentrated targeting strategy is used, spa marketers can determine whether different *personas* can still be identified within the selected target market. If the differentiated targeting strategy is used, a *persona* can be developed for each target market selected.

The next stage in the market segmentation process is the persona development stage.

2.3.6 STAGE 6: DEVELOP PERSONAS

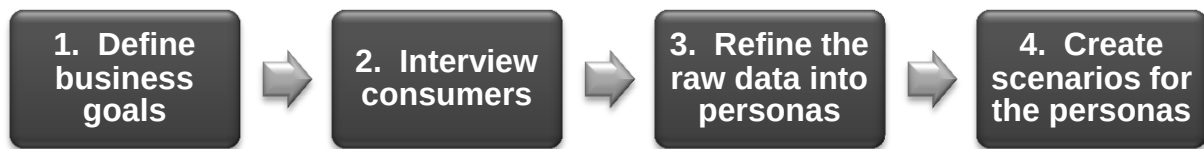
Cooper (1999:123), who was an interaction designer and consultant, first developed the concept of *personas*. He used *personas* as part of an approach to design software through a goal-directed design process. The use of *personas* is, however, not limited to the designing of software; it has also been used together with market segmentation by many marketers to improve marketing communication (Strategic Market Segmentation, 2008).

The development of *personas* in **this study** is included as method to magnify, in terms of the amount of information available, or distinctly define the target market of spas (Drummond, 2009). The final *personas* will not be developed during *this study*, as this requires both quantitative and qualitative research and only quantitative research was conducted during the course of this study. The previous sections discussed stages 1 to 5 of the market segmentation process, which is the process followed in this study in order to collect the quantitative information necessary to develop *personas*. The quantitative information collected provides spa marketers with a platform to start from when conducting the qualitative research to develop final *personas*. The process of developing *personas* is therefore still discussed in **this study**, since this will assist towards creating a clear picture of the type of quantitative information necessary for developing *personas*.

Market segmentation is known to focus mainly on the quantitative aspects of target markets, whereas the final development of *personas* also requires qualitative information of the target market(s) (such as their goals, motivations and behaviours), with the aim of providing a concise and precise portrait of the target consumers.

This precise portrait of the target consumers will aid marketers in the next stage of the market segmentation process, which entails the designing, implementing and maintaining of appropriate marketing mixes (Burton-Taylor, 2006:1).

FIGURE 2.5: PERSONA DEVELOPMENT PROCESS



Source: Adapted from Leritz-Higgins (2004:350)

According to Leritz-Higgins (2004:350) the process used for the developing of *personas* consists of four steps; these are depicted in Figure 2.5. The steps include defining the goals of the business, interviewing consumers, refining raw data into *personas* and creating scenarios.

In this study, stages 1 to 5 of the market segmentation process were used to obtain information that was used to draw up a profile to be used as input when developing *personas*. When conducting further research, this profile can then be used in the *persona* development process as a basis from which to start the *persona development process*, since marketers will have the necessary descriptive statistics of their consumers and know which internal and external aspects will affect them when making purchase decisions.

2.3.6.1 Step 1: Define business goals

Step 1 of the *persona* development process entails that the business should define exactly what the purpose for the development of the *persona(s)* is (Leritz-Higgins, 2004:351). In the marketing context, *personas* can be used to magnify, in terms of the amount of information available, or distinctly define the selected target market(s). Knowing what the goals, needs and points of frustration of the consumers are can enhance the communication between the business and its consumers, by addressing these issues and adapting the communication to the needs of the consumer (Symplicit Pty. Ltd., 2008:3).

2.3.6.2 Step 2: Interview consumers

This step comprises three phases. The profile provided when stage 5 of the market segmentation process was completed could and should be used as basis from which the interviews are conducted.

- **PHASE 1: INTERVIEW QUESTIONS**

The first phase includes the preparation of a list of questions to ask spa users when conducting the interview. The interviewer should, however, remain open to the idea that an alternative path may be followed if this can lead to the uncovering of other consumer attitudes and behaviours (Calabria, 2005:5).

- **PHASE 2: ARRANGE INTERVIEWS**

The second phase will include arranging interviews with the participants of the study. If possible, hour-long interviews should be scheduled to ensure that sufficient time is available to obtain all relevant information (Leritz-Higgins, 2004:352).

- **PHASE 3: CONDUCT INTERVIEWS**

Phase three entails conducting the actual interviews. The users of the spa products and services should be interviewed to determine their goals, needs and behaviours as these aspects relate to the products and services. In the case of spas, spa-goers should be interviewed to determine, for example, the reasons for their spa visits (Leritz-Higgins, 2004: 352).

2.3.6.2.1 Aspects to include in a *persona* description

Brechin (2002) states that in order to ascertain which questions to include in the interviewing process, the marketer should be familiar with the aspects that are normally included in a *persona* description. *Persona* descriptions usually include a name, personality traits, a picture of, personal background, family and goals. Other characteristics can include daily work activities, household and leisure activities, fears and aspirations, demographic attributes, psychographic attributes, communication methods and cultural considerations (Lowell, 2007). The *persona* descriptions may vary in length, depending on the purpose of the *persona* as set out by the business in stage one of the *persona* development process. Some *persona*

descriptions are only one or two paragraphs, while other may constitute 2 pages (Leritz-Higgins, 2004: 352).

The following is an example of a *persona* that was developed for one of many typical Intelligent Refrigerator users.

FIGURE 2.6: EXAMPLE OF *PERSONA* FOR INTELLIGENT REFRIGERATOR

Bachelor Bill

Age: 29

Occupation: Computer Engineer

Education: Bachelor's Degree

Goals: Bill likes to have the newest technology so when anything new comes out, he is the first to buy it. He likes things simple and efficient since he has a fast-paced life, working long hours and going out with his friends at night. He doesn't have time to go grocery shopping and is not organised enough to make a grocery list.

Concerns: Bill is concerned about his deliveries if he is not home. He also depends a lot on the expiration date alert and its accuracy, since he often has food that goes bad.



Source: Adapted from Genest (2007:1)

When considering *personas* for spas, useful information to include in the persona description includes the number of spa visits per month, level of spa sophistication, travel habits and personal care programmes of the consumers (Spatrade, 2004).

2.3.6.3 Stage 3: Refine the raw data into *personas*

After the interviews have been conducted, the data captured should be analysed and refined to determine whether specific attitude and behaviour patterns can be identified (Calabria, 2005:5). Once the data has been refined and transformed into useful information, *personas* should be developed. The process usually starts with a first draft, which will be changed until the marketer is satisfied that all necessary information is included (Leritz-Higgins, 2004:353).

2.3.6.4 Stage 4: Create scenarios for the *personas*

Stage 4 is used to evaluate the developed *personas*. Leritz-Higgins (2005:354) states that the idea is to create scenarios that will illustrate the way in which a *persona* will typically use the product or service. The process for creating the scenarios should start with defining the reason why the consumer needs the product or service. The next step will be to discuss the interaction of the consumer with the product or service, and finally, a result should be reached in order to determine whether it was a pleasant experience for the consumer.

Once the *personas* have been developed, the marketer will have a clear picture of what the characteristics of the target consumers are. The next stage of the market segmentation process entails designing unique marketing mixes for each of the *personas* that have been developed and planning for the implementation and maintenance of these mixes.

2.3.7 STAGE 7: DESIGN, IMPLEMENT AND MAINTAIN APPROPRIATE MARKETING MIXES

During this final stage of the segmentation process, the marketer will decide how to design, implement and maintain appropriate marketing mixes for each *persona* that has been developed. When designing marketing programmes, marketers should consider whether they are designing these programmes for product or service offerings, since the issues associated with marketing services differ slightly from those associated with marketing products. Since spas provide services it is necessary to look at these differences between products and services.

A basic marketing mix of any business, therefore also including spas, constitutes the *place (distribution)*, *price* and *promotion* of a business and its *product or service offerings*. For services, an extended marketing mix is used which includes three more Ps, namely *people*, *processes* and *physical evidence* (Rowly, 2006:7). Kotler and Armstrong (2008:50) describe the marketing mix as a set of controllable tactical marketing tools that a business combines when it wants to evoke a specific response from the target market.

McDaniel *et al.* (2010:251) define positioning as the development of a specific marketing mix to influence the overall perception of consumers regarding a product or service offering, brand or a business as a whole. The development of the marketing mix, therefore, depends entirely on the way the marketer or business positions the product or service offering of the business or in this case the spa. A clear understanding of both positioning and the marketing mix is therefore needed and each of these topics will subsequently be discussed.

Stage 7 will not form part of the research of the current study, but it has been discussed in this chapter as it forms part of the framework for the process of market segmentation as described throughout this chapter. The sections of this chapter will include a discussion of the unique characteristics of services, followed by a discussion on positioning and the marketing mix.

2.3.7.1 Unique characteristics of services

Service offerings, unlike product offerings are intangible, inseparable, variable and perishable (Rust, Zahorik & Keiningham, 1996:7).

Kotler and Armstrong (2008:239) relate that services are intangible in the sense that they cannot be seen, tasted, felt, heard or smelled before they are purchase.

Inseparability refers to the fact that the production of services cannot be separated from the consumption of the service by the consumer. This means that services are often produced, sold and consumed simultaneously (Pride & Ferrell, 2010:359).

Rust, Zahorik and Keiningham (1996:9) describes services as performances which often involves the cooperation and skill of several individuals. Because of this characteristic, it is unlikely that the service offering will be exactly the same each time and this increases consumer risk.

Perishability is the fourth unique characteristic of services. This means that services cannot be stored for use or sale at a later stage (Kotler & Armstrong, 2008:240). According to Rust, Zahorik and Keiningham (1996:10) the service opportunity happens at a certain point in time and when this point is gone, it is gone forever.

2.3.7.2 Positioning

Jobber and Fahy (2009:121) describe positioning not only as one of the most important, but also one of the most challenging aspects when designing a customer driven marketing strategy. The reason for this is that all businesses offer products or provide services. Consumers, however, purchase a specific benefit and not necessarily only the product or service. Positioning links the product or service of the business (or spa) to the solutions that consumers look for when they have a specific need. Positioning also ensures that the specific product or service of the business is the first to enter the mind of the consumer when they think of their specific needs. In terms of spas, consumers may identify the need for stress relief. When consumers then look for solutions to satisfy this need, the spa marketers will want their specific spa to be the first that consumers consider as a solution.

The following are two definitions required in order to understand the concept of positioning:

- *Positioning* can be defined as the act of designing the offerings of the business so that it occupies a meaningful and distinct position in the minds of target consumers (Jobber & Fahy, 2009:120).
- The *distinct position* can be defined as the place that the product or service offerings or a brand occupies in the minds of consumers relative to competing offerings (McDaniel *et al.*, 2010:251).

2.3.7.2.1 The four C's of positioning

Blythe (2009:203) states that when considering the importance of positioning, marketers must recognise that positioning relies on four factors, referred to as the four C's of positioning. The four C's for successful positioning include *clarity*, *credibility*, *consistency* and *competitiveness*.

- *Clarity* refers to the fact that the positioning of the product or service must be clearly visible to consumers. Consumers should also understand how the product and service offerings compare with the product and service offerings of competing businesses (Mostert & DuPlessis, 2007:130). Spa users should therefore understand the benefit they will gain from visiting a particular spa

instead of another one. This is especially important because most spas offer basically the same services.

- For a position of a product or service offering to be *credible* it must be logical and believable. A consumer may, for example, not believe that a cheap product is a premium brand. In terms of spas, for example, the level of service promised by the spa should be believable (Blythe, 2009:203).
- *Consistency* of the position chosen is important. This means that the position chosen should not be changed frequently, as this may cause confusion among consumers regarding the product or service offering or brand. The message portrayed to consumers should remain the same for a significant period of time (Mostert & Du Plessis, 2007:130). Spa users should, for example, know that the spa they visit on a regular basis will provide the same quality service each time they visit, and that the same benefits will be received with each visit.
- *Competitiveness* implies that the position a product or service offering takes in the minds of a consumers should not be the same as that of a competing product or service offering. Rather, it must be unique and differentiable from competitors (Blythe, 2009:204). The position should, in other words, provide the product or service offering with a competitive edge, which will lead to the consumer receiving a value that the competition fails to supply (Jobber & Fahy, 2009:123). Each spa should, therefore, determine one benefit that they can provide their consumers that competitors do not provide. This may include things such as free gifts or internationally qualified staff.

Keeping the four C's in mind, marketers should determine which differentiating factors to use when positioning a product or service.

2.3.7.2.2 Differentiation

Lamb *et al.* (2009:110) defines differentiation as a strategy used by businesses to position their product and service offerings. For effective positioning, the business must assess the position that competing products or services occupy in the mind of the consumer. The dimensions underlying these positions should also be determined and a position in the market should be chosen where the marketing mix of the business will have the maximum effect.

Businesses can differentiate products based on several factors. The differentiation bases include product, services, personnel and image differentiation.

a. Product differentiation

Marketers use product differentiation when the aim is to distinguish their products from those of competitors. Because some products are easier to differentiate than others, product differentiation takes place along a continuum (Kotler & Armstrong, 2008:204). Mostert and Du Plessis (2007:130) indicate that on the one end of the continuum are those products that allow little variation, such as salt, bottled water, and soap. Marketers make use of packaging, colours and smell to differentiate these products. On the other end of the continuum one can find products such as automobiles, clothing and furniture. Marketers make use of product features, performance, durability, reliability and product range to differentiate between these types of products. Because spas offer services and not products, product differentiation may be difficult. Services are different from products in the sense that they are intangible, perishable, inseparable and variable. These characteristics may also make it difficult to differentiate based on the service offered. The only differentiation in terms of services provided that can be made is based on the quality of the service offered (Zeithaml, Bitner & Gremler, 2006:22).

b. Services differentiation

Many businesses offer services that accompany the products they sell. These services should, however, not be confused with the primary service offering provided by service businesses. When differentiation based on the physical attributes of the product is difficult, or when the market is highly competitive, businesses often make use of service differentiation. For services accompanying products, differentiation can be based on how fast the delivery of the products take place, the types and number of supporting services - such as installation, training offered for consumers in the use of the product and providing free consulting services (Mostert & Du Plessis, 2007:131). In terms of spas, managers and marketers can use service differentiation by providing, for example, shuttle services to and from the spa facilities if the spa is situated in a secluded area.

c. Personnel differentiation

Kotler and Armstrong (2008:206) indicate that businesses can also gain a competitive advantage when they train and hire better employees or personnel than those of their competitors. Spas can especially make use of this type of personnel differentiation as they do not primarily offer physical products to consumers. Personnel differentiation can be based on the trustworthiness, courteousness, competence, communication abilities, reliability and responsiveness of personnel (Mostert & Du Plessis, 2007:132).

d. Image differentiation

Image differentiation is used when differentiation is based on the image of the business or brand. The business or brand image should express the distinct benefits and positioning of the product or service offering. This requires creativity and hard work from business employees. Elements that can be used to build product or brand image include written and audio-visual media, symbols and events (Kotler & Armstrong, 2008:206). Zeithaml *et al.* (2006:324) emphasise that the image of any service business that is portrayed to consumers is very important. For example, the physical appearance of spa facilities portrays an external image of the quality that consumers may expect to get inside.

Depending on the differentiation basis chosen, a business can make use of one of the following methods of positioning.

2.3.7.2.3 Positioning methods

Marketers distinguish between seven methods to use when positioning a product. These methods include *attribute, use or application, product user, benefit, product category, competitor* and *price/quality positioning* (Mostert & Du Plessis, 2007:133).

a. Attribute positioning

Pride and Ferrell (2010:179) describe attributes as the different features that a product offers to the consumer. If the product was planned properly, the attributes will give the product the distinct appeal that is needed for effective positioning. Because spas offer services and not physical products, this will not be an appropriate positioning method to use.

b. Use or application positioning

Products are often positioned based on the way they can be or are used. For example, marketers often link the consumption of sparkling wine to celebrations (Mostert & Du Plessis, 2007:133). In the same way, spa marketers can determine the occasions that spa users link to spa visits - such as weddings and honeymoons - and use this as a method for positioning the spa.

c. Product user positioning

According to Lamb *et al.* (2009:111) product user positioning focuses on personality or a specific type of user. When making use of personas as a way to profile spa users, marketers can apply product user positioning in order to position spas according to the different user types that have been identified during the persona development process (Burton-Taylor, 2006:1).

d. Benefit positioning

Products and services can also be positioned on the basis of the benefits that the product or service promises to deliver (Mostert & Du Plessis, 2007:133). Some of the prime reasons why consumers visit spas are stress relief, pampering and self-indulgence, and to improve mental and physical health. Marketers can make use of this information for benefit positioning by promising these benefits to consumers (Green, 2004:4).

e. Product category positioning

Products and services can be positioned in order for these to be associated with a certain category of products or services. Spas are, for example, often thought of as only a place to go when searching for relaxation; however, medi-spas are also becoming very popular and spas can therefore be associated with healing and not just with relaxation in the form of recreational products or services (Colquhoun, 2008:45).

f. Competitor positioning

Pride and Ferrell (2010:179) state that businesses often position their products in direct competition with competitors. Coca-Cola and PepsiCo is a good example of competitor positioning. This positioning method is popular when the performance

characteristics of the two competing products are at least equal, or if the products of the business perform better than the competing brand and the products are priced lower. Spas may use this tactic when they provide the same services as a competing spa, but provide the services in packages with lower prices than that of the competing spa, for example.

g. Price/Quality positioning

Marketers use price/quality as a positioning method - either when positioning the product according to the lower price that the product offers, or the exceptional quality that the product offers (Lamb *et al.*, 2009:110). Spas can use either price or the higher quality services they offer as a positioning method.

Once the marketer has decided on the differentiating factor of the product or service and has chosen the most suitable positioning method, an appropriate marketing mix can be designed for implementation.

2.3.7.3 The marketing mix

The basic marketing mix of a business consists of four elements, also known as the four P's. These four P's include *product*, *place*, *price* and *promotion*. Marketers blend these four elements of the marketing mix to evoke the desired response from the target market (Kotler & Armstrong, 2008:50). The marketing mix for services, also referred to as the services value mix, comprises more than just the four P's. Because businesses are becoming ever more consumer-driven, the services value mix was extended to include three more P's. The three extra P's are *people*, *processes* and *physical evidence* (Cant *et al.*, 2006:292).

The seven P's that spas as service providers have to consider include the following:

a. Product (service) strategy

According to McDaniel *et al.* (2009:355) the product strategy for businesses refers to what consumers receive in an exchange situation. In the case of spas and other service providers, the product is intangible and consists to a large degree of a process or series of processes. When considering the product strategy for service businesses, the marketer has to consider the type of service process, the core and supplementary services, standardisation or customisation and the service mix.

Spas should therefore consider their core service and determine what supplementary services they can provide to enrich the service experience. They should also strive towards providing services in the same way to all consumers, in this way not leaving room for dissatisfaction by different consumers.

b. Place (distribution) strategy

The place (distribution) strategy includes all those activities that a business performs to make the service available to consumers (Kotler & Armstrong, 2008:50). Marketers need to consider the convenience of the service delivery, the number of businesses available for consumers, whether to use direct or indirect distribution, and the location of the premises (McDaniel *et al.*, 2009:357).

Spa marketers may consider, for example, providing consumers with transportation services if the facilities are not conveniently located.

c. Promotion strategy

Promotional activities include the planning of advertisements, sales promotions, public relations and other sales efforts, to persuasively communicate consumer value and build consumer relationships (Kotler & Armstrong, 2008:398). McDaniel *et al.* (2009:359) discuss four promotional strategies that services businesses can follow. These strategies include stressing tangible cues, using personal information sources, creating a strong organisational image and engaging in post-purchase communication.

Spa marketers must ensure that the image portrayed to consumers through promotional activities emphasises the physical experience that consumers may expect. Images of the spa's relaxing atmosphere can also be used.

d. Price strategy

The price strategy refers to the amount of money that the consumer should pay in exchange for the service. The same price strategies can be followed for both services and products (Kotler & Armstrong, 2008:51). McDaniel *et al.* (2009:359) however, indicate that in the case of services, two aspects should be considered.

The first is the consideration of whether the pricing should be based on the completion of a task; for example, the completion of a spa treatment, or whether it should be based on the time taken to complete a task. The second consideration should be favoured when the service offering is composed of multiple elements. The business should then decide whether a bundle price will be asked or whether each element will be priced separately.

Spas should, for example, consider whether to supply package deals to consumers with one standard price, or whether separate prices will be asked for all services provided and all products used during the treatment(s) depending on the number of specific products used during the treatment(s).

e. People strategy

According to Cant *et al.* (2006:302) the most important element when considering the people strategy of a business is to make sure that contact staff are properly trained to interact with consumers. The responsibility of contact staff is to ensure consumer satisfaction, both in the way that the contact staff themselves behave during contact sessions with the consumers, and in the way that the service is delivered to the consumer.

Spas should therefore ensure that their reception staff, as well as their therapists, are well trained and have the needs of the consumers at heart.

f. Process strategy

Processes in service delivery refer to the various processes that take place from the initial contact with a consumer, through the delivery of the service and the services delivered beyond the delivery of the service (for example, the handling of consumer complaints). In order to enhance the delivery of services, the needs of consumers need to be translated into actual processes. Businesses use different approaches when translating consumer needs into processes. Some businesses make use of service blueprinting, while others make use of quality function deployment (QFD). Service blueprinting entails the indication of time dimensions of activities, the identification of errors, capacity constraints and determining the standard deviations (Cant *et al.*, 2006:304). On the other hand Zeithaml and Bitner (2000:213) define

QFD as a process used to translate consumer requirements into company requirements by means of processes such as service research, development, distribution, marketing and sales.

Spas may use these methods to ensure that consumers feel satisfied when leaving the spa facilities at the end of a relaxing treatment or day at the spa.

g. Physical evidence strategy

The intangibility of services and the difficulty consumers may have with evaluating services, necessitate the provision of tangible evidence of the service by the business (Cant *et al.*, 2006:305). According to Zeithaml and Bitner (2000:282) physical evidence refers to two aspects of a service business. The first is the environment in which the service is delivered. This may include the exterior design, signage, parking, landscaping, interior design and furnishings. The second aspect entails tangible goods that aid towards the communication or performance of a service. These may include business cards, stationery, corporate identity material and brand colours.

Spas should ensure that they provide consumers with a tranquil and relaxing atmosphere with beautiful surroundings that will contribute towards the entire experience that a consumer may have at the spa.

2.4 SUMMARY

This chapter provided a discussion of market segmentation. Furthermore, an explanation of the importance of market segmentation to businesses was offered. This was followed by a discussion of the market segmentation process, with detailed discussions of each stage in the process.

CHAPTER 3: CONSUMER BUYING BEHAVIOUR

3.1 INTRODUCTION

In Chapter 2, the notion of developing *personas* was introduced as part of the market segmentation process. *Personas* are fictional, detailed, concrete, representative user prototypes whose characteristics are based on behaviours, attitudes, motivations and goals of consumers interviewed during the marketing research process (Brechtin, 2002; Calde *et al.*, 2002; Symplicit Pty. Ltd., 2008). From this definition, the key descriptive aspects of *personas*, namely behaviours, attitudes, motivations and goals can be derived. These descriptive aspects are some of the aspects that, when combined, constitute a comprehensive model of consumer behaviour that reflects both cognitive and emotional aspects of consumer decision-making during the purchasing process (Schiffman & Kanuk, 2007:15).

For the development of successful *personas*, and also for the purposes of effective marketing for spas, it is not only vital that spa marketers know exactly who their consumers are but they also need to understand how consumers make their purchase decisions and understand which aspects influence these purchase decisions. This information can be collected by researching consumer behaviour (McDaniel *et al.*, 2010:166).

When developing *personas* for spas, marketers might be interested in the reasons why consumers go to spas, and how they make their purchase decisions regarding which spa to visit and which treatments to purchase. This chapter therefore aims to set out why it is important to study consumer buying behaviour, and to elaborate on this discussion by indicating what consumer buying behaviour entails. The discussion will include aspects such as, the importance of understanding consumer buying behaviour, an explanation of a comprehensive model of consumer buying behaviour, and an explanation of the types of consumer decisions and the involvement of the consumers in the decisions.

The information regarding consumer buying behaviour as well as the information collected as part of the market segmentation process during the empirical research of this study will be used to compile a profile of the respondent group to be used by marketers as input when developing *personas*.

3.2 IMPORTANCE OF UNDERSTANDING CONSUMER BUYING BEHAVIOUR

Consumer buying behaviour is a concept central to the field of marketing communications planning. Consumer buying behaviour is used when deciding on strategy planning and is therefore central specifically to market segmentation and targeting (Blythe, 2009:103). This is because the reactions of consumers to marketing strategies of businesses have a substantial impact on the success of a business (Pride & Ferrell, 2010:194). Understanding consumer buying behaviour is important for the following reasons:

- Knowledge of consumer buying behaviour assists marketers to segment markets, to choose a target market and to adapt marketing elements (Mostert & Du Plessis, 2007:80). When spa marketers, for example, know that most of their consumers are of a certain age or gender, and use the internet to search for available spas to visit, the marketers can use this information to segment their market and to target those specific consumers.
- Knowledge of consumer buying behaviour may also be used to redesign products and services with a view to meet the purchase criteria of consumers. If redesigning is not possible in the short run, marketers may also use their knowledge of consumer buying behaviour to create promotions in an effort to influence the decision-making criteria used by consumers (McDaniel *et al.*, 2010:166). Spa marketers, for example, may find information regarding the reasons why consumers purchase spa treatments useful when redesigning spa packages (consisting of different treatments) offered to their consumers with a view to fulfil that specific need (such as stress relief).
- Knowledge of consumer buying behaviour provides information on what, where, when and how consumers purchase, and this information helps to strategise in order to satisfy target consumers (Pride & Ferrell, 2010:194). Spas are different

from retail stores that offer a multitude of different products. This is because spas offer very specific services and cannot be found conveniently in a mall, where there may be ten different spas to choose from. Therefore, if marketers know where, when and how consumers search for information and make their purchases, they will know how to best satisfy the needs of their consumers.

- Marketers can better predict how consumers may respond to marketing strategies when they understand those aspects that affect the buying behaviour of consumers (Pride & Ferrell, 2010:194). Spa marketers need to research the buying behaviour of spa users with a view to determine whether they have to focus on advertisements on the internet, promotions in popular malls, pamphlets at busy street corners, or something completely different. When marketers are aware of this information, they will best know how to design their marketing mix.

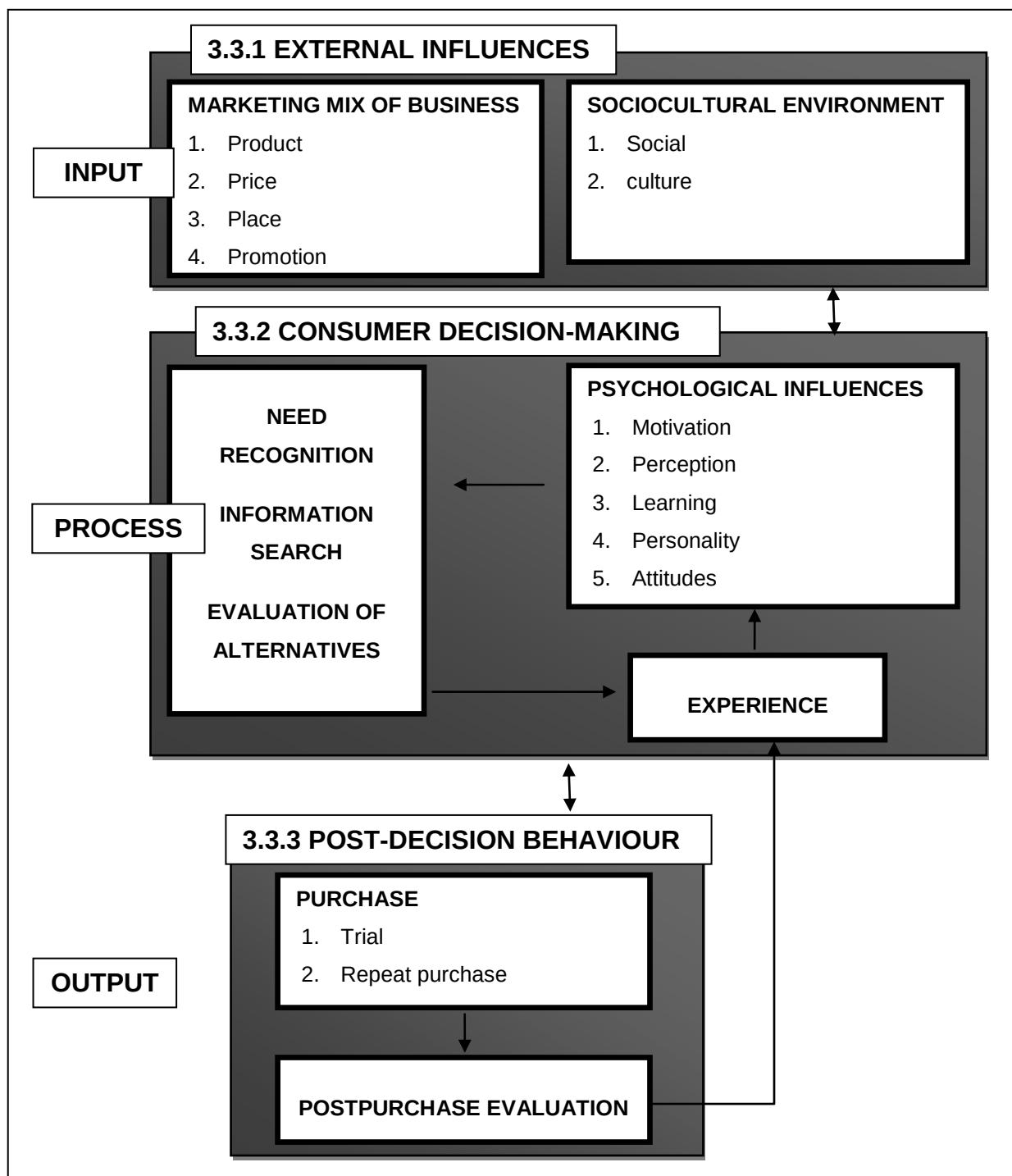
These reasons for understanding consumer buying behaviour are regarded as eminently significant and cannot be underestimated. Next, the model of consumer buying behaviour will be set out to explain why consumers react in certain ways to specific stimuli they receive.

3.3 MODEL OF CONSUMER BUYING BEHAVIOUR

Consumer buying behaviour can be defined as the activities that decision-making units undertake when they obtain, consume and dispose of products, services, experiences, people and ideas (Blackwell, Miniard & Engel, 2006:4; Hoyer & Macinnis, 2008:3). Consumer buying behaviour therefore comprises three primary activities, namely obtaining, consuming and disposing. According to Blackwell *et al.* (2006:4) obtaining refers to the activities that lead up to and include the purchase or receipt of a product. Consuming, on the other hand, is concerned with how, when where and under what circumstances consumers use the acquired product. Disposing of the product takes place after consumption and refers to the way in which consumers get rid of the product and its packaging (Hoyer & Macinnis, 2008:4). Schiffman and Kanuk (2007:531) explain consumer behaviour by means of the model depicted in figure 3.1 and this model will be used to explain consumer buying behaviour for this study.

Figure 3.1 indicates that consumer buying behaviour can be divided into three components, namely an input component, a process component and an output component. Each of these components will be discussed in detail in the sections that follow. The numbers preceding the headings of each component relates to the section where it will be discussed.

FIGURE 3.1: MODEL OF CONSUMER BUYING BEHAVIOUR



Source: Adapted from Schiffman and Kanuk (2007:531)

3.3.1 INPUT: EXTERNAL INFLUENCES

The input component is concerned with external influences. These external aspects include the marketing mix of businesses as well as the socio-cultural environment of the consumer. Both of these aspects serve as sources of information about specific products and may influence the product related values, attitudes and behaviour of consumers (Schiffman and Kanuk, 2007:531).

Each of these aspects will subsequently be discussed.

3.3.1.1 Marketing mix

As noted above, the marketing mix for services consists of the traditional four P's as well as the extended 3 P's. These seven P's were discussed in section 2.3.7.2, and therefore will not be discussed in detail again.

According to Schiffman and Kanuk (2007:7) the traditional four P's include product, place, price and promotion. The first P, product, refers to the product or service that a business is offering to its consumers. In the case of spas, the product offering comprise the treatments and other services offered to spa-goers. The other three P's are the tools the business use to ensure that an exchange takes place between the business and its consumers. These three P's are the price of the product or service, the place where the product or service can be purchased and promotion is the efforts that the business go through to build awareness for the business, and its products or services (Schiffman & Kanuk, 2007:7). The extended marketing mix as it is used for services also includes people, processes and physical evidence (Rowly, 2006:7). The fifth P, people, refers to every person who has a part in the delivery of the service and who may affect the perception of the consumer. These may include the personnel of the business (spa), the consumer, as well as other consumers who are present in the service environment. Process is the sixth P and refers to the actual delivery of the service and the operating systems. This includes aspects such as the procedures, mechanisms and flow of activities. In the case of spas, these include the actual process of receiving consumers at the spa facility, making them comfortable, performing the treatments and seeing the consumers off after (a) relaxing treatment(s). The final P of the seven P's is physical evidence (Zeithaml *et al.*, 2006:26). Physical evidence refers to the physical surroundings within which a

service is delivered. Features that spa marketers should take into account include the presentation of their personnel, the atmosphere, ambience and design of the premises, the cleanliness, colour palettes, tidiness of the facilities as well as the signage, heating, seating, accessibility and lighting that may affect the perception of consumers (Rowly, 2006:11).

3.3.1.2 Sociocultural environment

Schiffman and Kanuk (2007:532) relate that the sociocultural environment consists of a wide range of non-commercial influences. The sociocultural environment can be divided into two broad categories, namely social aspects and group aspects.

3.3.1.2.1 Social

Social influences refer to the influences that other people exert on the purchasing behaviour of consumers (Pride & Ferrell, 2010:206). Consumers will seek out the opinions of others for several reasons, such as to:

- reduce consumer search and evaluation effort;
- reduce uncertainty, especially if the consumer perceives the decision to have high risk; and
- obtain guidance and opinions from other regarding new products or services, products or services with image-related attributes or products where attribute information is lacking or uninformative (McDaniel *et al.*, 2010:73)

For the purpose of this study, social influences are categorised into three groups namely reference groups, family, and roles and status.

3.3.1.2.1.1 Reference groups

Schiffman and Kanuk (2007:312) explain that a group is formed when two or more people come together to accomplish either their own or mutual goals. A reference group in general will then consist of two or more people who serve as a reference point for individuals when they are forming their general or specific values or attitudes. Individuals may also refer to them for guidance in terms of behaviour. In terms of marketing, the reference group will act as point of reference for individuals in terms of their purchase and consumption patterns. Most people do not have only one reference group, but instead look to different reference groups in different

situations or areas of their lives. These areas may include family, work or church, among others (Pride & Ferrell, 2010:208).

McDaniel *et al*, (2010:182) identify two broad categories of reference groups. The first category comprises direct reference groups, while the second category includes indirect reference groups.

- **Direct reference groups**

Direct reference groups refer to groups that an individual actually belongs to, in other words the individual is a member of the group. People will usually identify with the group in such a way that they will assume the values, attitudes and behaviours of the group as their own (Pride & Ferrell, 2010:208). People may belong to groups either in an informal way (family, friends and co-workers) or in a formal way (clubs, professional groups or religious groups). When people belong to groups in a formal way, they will associate less consistently than in informal groups (Babin & Harris, 2010:171). Spa users may be part of a direct reference group that encourages spa visits. They may therefore, be strongly influenced by the group to visit spas as often as possible.

- **Indirect reference groups**

Indirect reference groups refer to groups that people do not belong to, but still use as a point of reference. Indirect reference groups include both aspirational groups and dissociative groups. The groups that individuals aspire to are called aspirational reference groups. Individuals want to be more like the people within these groups. When individuals try to avoid a certain group or do not wish to belong to a certain group, the group is known as a dissociative group (Babin & Harris, 2010:171). Hoyer and Macinnis (2008:393) defines dissociative groups as those groups whose attitudes, values and behaviours consumers disapprove of and do not wish to follow. In terms of marketing, consumers will usually try to avoid purchasing the same clothes or cars as the dissociative group; they will also avoid staying in the same neighbourhood as the dissociative group in order to avoid association with that group (McDaniel *et al.*, 2010:184).

Some spa users may not be part of a direct reference group, but may aspire to be like the consumers in an indirect reference group. They may then use spa

treatments as a way to be associated more profoundly with the indirect reference group.

3.3.1.2.1.2 Family

Lantos (2010:260) defines a family as an informal, primary, membership group. The family is small in size and members have frequent face-to-face interaction. Arnould *et al.* (2004:553) add that the members of a family should be related by blood, marriage, adoption or emotional commitment. Family members are considered to be among the most influential social aspects of consumer behaviour. This is because family members are the first influencers of group behaviour due to close and frequent contact (Blythe, 2008:233).

Different types of families exist. According to Lantos (2010:260) the most basic families that marketers refer to are nuclear families and extended families. Nuclear families refer to the immediate family group and consist of a heterosexual adult couple and their own or adopted children who are all living together. The extended family group consists of a nuclear family and one other relative such as a grandmother, grandfather or an aunt.

The reason why marketers look at the influence of families on consumers is because they are interested in the different roles and influences the wife, husband and children of the family have on the purchase of different products and services (Kotler & Armstrong, 2008:138). The decision-making roles among family members will differ according to the type of item purchased. These roles that the family members may take on include the role of initiator, influencer, decision-maker, purchaser and consumer (McDaniel *et al.*, 2010:186). Spa marketers should therefore determine which family member is the initiator or influencer, in order to know which family member to target through advertising.

3.3.1.2.1.3 Roles and status

Each person will occupy a certain position in the groups that they belong to. One person can belong to more than one group, and may therefore occupy more than one position. Each of these positions will be associated with a specific role. A role, in turn, can then be defined as the set of actions and activities that a person is supposed to perform in accordance to the position they occupy, based on the

expectations of the individual as well as the surrounding persons (Pride & Ferrell, 2010:206). On the other hand, each role that a person occupies also carries a status, which reflects the general esteem that a society allocates to it (Kotler & Armstrong, 2008:139).

The reason why marketers consider status is because status is often associated with purchasing power (Schiffman & Kanuk, 2007:358). In other words, the more purchasing power a consumer has, or the higher the ability to purchase products and services are, the more status the person will have. Spa marketers should therefore try to associate some status value to spa visits, which will encourage status-conscious consumers to visit spas on a more regular basis.

The sections that follow is concerned with the group aspects that may affect the buying behaviour of consumers

3.3.1.2.2 Group

Group aspects form part of the external stimuli that influence consumers in their decision-making process when making a purchase. Group aspects refer to the influences that consumers experience when interacting with other people (Mostert & Du Plessis, 2007:101).

The group influences that will be discussed in this chapter include culture, subculture and social class influences.

3.3.1.2.2.1 Culture

McDaniel *et al.* (2010:176) describe culture as the fundamental character of a society that distinguishes the specific society from other societal groups. The elements of culture include the learnt beliefs and values of consumers, as well as those customs that are shared by the members of a society that serve to direct these members of a society in their daily lives. Beliefs and values are regarded as the mental images of consumers that affect their specific attitudes. These attitudes, in turn, influence the way consumers are likely to respond in a specific situation. In other words, beliefs and values guide the behaviour of consumers. Customs, on the other hand, are unconcealed modes of behaviour that represent culturally approved or acceptable ways of behaving in specific situations. Customs are therefore usual

and acceptable ways of behaving in terms of everyday and routine behaviour (Schiffman & Kanuk, 2007:394).

All cultures share a number of attributes, namely that culture is learnt, culture satisfies needs, culture is dynamic, culture is all-encompassing and culture is functional.

- **Culture is learnt**

According to McDaniel *et al.* (2010:176) culture is not something a person is born with, but rather something a person is born into. The elements of a culture are usually learned from family and friends. For example, children learn the values that will govern their behaviour in different situations from parents, teachers and peers. Learning can take place in three ways. The first is formal learning, which entails that adults and siblings will teach young members of the family how to behave. The second way of learning is informal learning. Informal learning takes place when children start imitating others who reflect their own culture. The third way of learning is technical learning, which is a situation where people are taught in an educational environment what things they should do as well as why and how specific things are done (Mostert & Du Plessis, 2007:107).

- **Culture satisfies needs**

Culture satisfies needs through giving order, direction and guidance about solving personal, psychological and social needs within cultural bounds (Mostert & Du Plessis, 2007:107).

- **Culture is dynamic**

Even though culture is seen as a constant aspect which is transferred from generation to generation, it is also regarded as an aspect that is required to change by the society it serves. Culture is required to change by society because changes in terms of the everyday needs of the members of that society take place. These changes, in turn are brought about by the evolving environment in which the society lives. The faster the environment changes, the faster culture will change (McDaniel *et al.*, 2010:176).

- **Culture is all-encompassing**

McDaniel *et al.* (2010:176) relate that most consumers are unaware of the influences that their cultural values have on them. Culture encompasses everything that consumers do without making a conscious choice, because the values, customs and rituals of their culture are embedded in their daily habits.

- **Culture is functional**

The functionality of culture is lodged in the fact that it prescribes the acceptable behaviour for a specific societal group, and it gives order to society by establishing common expectations (McDaniel *et al.*, 2010:176).

Having knowledge of the cultures of spa users can aid spa marketers in making decisions regarding segmenting spa user markets. Spa marketers should study the cultures of their consumers with a view to determine whether a spa culture already exists or whether it can be created among consumers. For some consumers, spa visits may already be part of a healthy lifestyle culture that they are building.

3.3.1.2.2 Sub-culture

According to Solomon (2009:472) a subculture refers to a group of individuals whose characteristics, values and behavioural patterns within their group are similar. They usually share beliefs and common experiences that set them apart from others. Consumers may be part of more than one sub-culture. Several bases for the division of a larger culture exist. These bases may include demographic characteristics, geographic regions, national and ethnic background, political beliefs and religious beliefs.

Marketers may focus on subcultures because the differences between these subcultures may be indicative of considerable variation within a culture in terms of which, how, when and where people purchase their goods and services (McDaniel *et al.*, 2010:176).

As with culture, spa marketers may find that an entire cultural group may not have a culture of visiting spas on a regular basis; however, a subculture within this culture may be identified to use as a target market.

3.3.1.2.2.3 Social class

Social class is a result of the division of members of a society into a hierarchy of distinct status classes. This is manifested in the fact that the members within each class have roughly the same status, and members of other classes have either more or less status (Schiffman & Kanuk, 2007:358). Status is, however, not the only measurement of social class. Arnould *et al.* (2004:480) measure social class in terms of power, authority, wealth, income, prestige, working conditions, lifestyle and culture. Not all marketers, however, use as many elements to measure social class. The most common elements used by marketers to measure social class include income, occupation and education (Mostert & Du Plessis, 2007:106; Schiffman & Kanuk, 2007:363).

O'Dougherty, Haynes, Venter-Davies and O'Conner (2007:42) explain that when using income, education and occupation to divide a community into classes, the most common classes that result from such a division are the upper, middle, and lower classes. A number of characteristics can identify each of the social classes. Each of these classes will subsequently be discussed.

- **Upper class**

People who form part of the upper-class are usually fairly rich. They are seen as the social élite and usually live on inherited wealth or acquire their wealth through exceptional ability (Kotler & Armstrong, 2008:134). The consumers are very aware of their physical appearance and the way others see them, and they are therefore more willing to contribute to society in ways such as doing charity work (Mostert & Du Plessis, 2007:106). Upper-class consumers usually spend their wealth on expensive homes, education and cars (Kotler & Armstrong, 2008:134).

- **Middle-class**

The middle-class usually includes professionals, independent businesspeople and corporate managers. However, people of this class do not possess family status or unusual levels of wealth (Kotler & Armstrong, 2008:134). They are therefore mostly concerned with achieving their goals, prestige and status on their own. Middle-class people usually take an interest in national and international news and have a global perspective (Mostert & Du Plessis, 2007:106). Middle-class members in many

countries around the world have a tendency to adopt values that are very familiar to Americans. These values may include education, upward mobility, a future orientation and material self-improvement, all of which usually lead to increased expenditures on education and culture (Arnould *et al.*, 2004:490).

- **Lower class**

The lower class refers to people who live either on or below the poverty line. The majority of the people in this class are unemployed and therefore have to rely on welfare grants to support them. Most members of this social class are also illiterate because of little or no schooling, they tend to suffer poorer health than people from other classes, and they have a shorter life-expectancy (Mostert & Du Plessis, 2007:107).

Arnould *et al.* (2004:480) relate that when considering the different social classes, it becomes clear that people who are part of the same social class will tend to associate more with one another than they associate with members of other social classes. People from similar classes would also tend to display similar consumption patterns.

The reason why marketers consider social class when deciding on marketing strategies is because consumers in different social classes may differ in the degree to which they use various products and services. Consumers also differ from each other in terms of their leisure activities, shopping patterns and media habits. Marketers can use this information to most suitably position their products or services (Belch & Belch, 2007:127).

In the USA, the profile for a typical spa user includes that they have at least a college degree and that they earn between US\$50 000 and US\$150 000 a year. This will place them either in a middle or upper social class. Marketers can therefore make use of social class to segment markets, with a view to determine how the consumers within these social classes are likely to behave in certain purchase situations and to determine which media to use in terms of advertising.

3.3.2 PROCESS: CONSUMER DECISION-MAKING

The process component of the model of consumer buying behaviour, as depicted in figure 3.1 is concerned with how consumers make decisions and the psychological aspects that may influence these decisions (Schiffman & Kanuk, 2007:532).

In the sections that follow the decision-making process will be discussed as well as the psychological aspects that may influence this decision-making process.

3.3.2.1 Decision-making process

According to Schiffman and Kanuk (2007:532) the consumer decision-making process consist of three stages, namely need recognition, information search and evaluation of alternatives (see figure 3.1).

3.3.2.1.1 Stage 1: Need recognition

Need recognition takes place when a consumer senses a difference between what the consumer perceives as the ideal versus the actual state of affairs (Blackwell, Miniard and Engel, 2006:71). According to Hoyer and Macinnis (2008:195) the ideal state is the way that consumers would like a situation to be, whereas the actual state refers to the real situation as the consumer perceives it.

The recognition of a need may be due to a stimulus such as a feeling of hunger or an external marketing stimulus such as a McDonald's advertisement. The need may also be more complex and may include the need for a new washing machine due to the old one being broken or worn-out (Wright, 2006:27).

3.3.2.1.2 Stage 2: Information search

Hoyer and Macinnis (2006:198) relate that once the need has been recognised the consumer will start to search for information regarding the satisfying of the unmet need. During this stage the consumer will determine the number and types of alternatives available to satisfy the need or want recognised in stage 1 (McDaniel *et al.*, 2010:168). The search may be internal or external. There are also certain aspects that may affect the consumer's search for information.

3.3.2.1.2.1 Internal information search

Blackwell, Miniard and Engel (2006:74) define the internal search for information as the retrieving of knowledge from memory. The internal search may vary widely. The search may simply be the recalling of a brand name or it may be more extensive to encompass an extensive search through memory for relevant information, feelings and experiences.

Spa users may for example, review information in their memory regarding a previous visit to a specific spa to determine whether they want to revisit the same spa in future. Spa users may also compare different visits to different spas to determine which visit was more satisfying, or they may refer to previous visits to compare the prices of different spa facilities.

According to Belch and Belch (2007:112) if the internal search for information does not provide sufficient answers for solving the problem, consumers will resort to an external search for information.

3.3.2.1.2.2 External information search

Blackwell, Miniard and Engel (2006:74) define external information search as the collecting of information from peers, family and the marketplace. Two different types of external information searches exist, namely pre-purchase search and ongoing search. The pre-purchase search for information occurs in response to the activation of need recognition. Ongoing search for information, on the other hand takes place on a relatively regular and continual basis, even when need recognition has not been activated (Hoyer & Macinnis, 2008:205).

Consumers may choose to consult different sources of external information. McDaniel *et al.* (2010:68) divide these external sources of information into 2 categories, namely non-marketing controlled sources and marketing controlled sources.

A. Non-marketing controlled sources of information

Non-marketing controlled sources of information may include sources such as friends, family, opinion leaders and the media. Most of these sources influence consumers by means of word-of-mouth. Consumers are, however also influenced when consulting objective product rating sources such as consumer reports,

government and industry reports or news stories in the mass media or on the internet (Blackwell, Miniard & Engel, 2006:75). The three major categories of non-marketing controlled sources of information are subsequently discussed.

- **Personal sources**

Personal sources refer to those people close to the consumers that they will first consult when collecting information. These people include family, friends, neighbours and colleagues. Personal sources are among the most important external sources, as consumers trust information received from close acquaintances (Mostert & Du Plessis, 2007:85).

When considering the provision of services - which includes the provision of spa services - personal sources of information is one of the most important non-marketing controlled sources of information. This is because marketing-controlled sources such as mass and selective media can provide a great deal of information about the physical attributes of products, but cannot really communicate what the consumer will feel when experiencing a service. Consumers also perceive higher risk when purchasing services, and trust personal references from friends and family more than marketing-controlled information (Zeithaml *et al.*, 2006:55).

- **Public sources**

Public sources refer to unbiased, third-party reports. These may include product-testing reports in print and online media reports (Blythe, 2009:107). These media reports or ratings are produced by external businesses that operate independently from marketers (Mostert & Du Plessis, 2007:85). Public sources may also include magazine and newspaper articles as well as television reports (Belch & Belch, 2007:112).

- **Personal experience sources**

Personal experience refers to the experience that a consumer acquires while shopping for a specific product (Mostert & Du Plessis, 2007:85). While shopping, consumers will observe a new product in different ways such as smelling, tasting, handling, examining and testing the product (Belch & Belch, 2007:112). In the case

of services, it is difficult to obtain personal experience before making a purchase, because consumers are part of the production process (Zeithaml *et al.*, 2006:23).

B. Marketing controlled sources of information

- **Commercial sources**

Blackwell, Miniard and Engel (2006:75) define marketing controlled sources of information as everything the suppliers of products and services do for the purpose of information and persuasion. This may include advertising, salespeople, infomercials, websites and point-of-sale materials. Consumers may be cautious of commercial information, since marketing campaigns emphasise the attributes of a product or services and ignore their faults. Commercial sources include mass-media advertising on the radio and television as well as in newspapers and magazines. Marketers can also make use of sales promotions such as contests, displays and premiums. Commercial sources further include the use of sales people, product labels and product packaging by marketers (McDaniel *et al.*, 2010:168).

3.3.2.1.2.3 Factors affecting the search for information

The reason why consumers seek information before making a purchase is to enable them to reduce the risk they associate with the purchase of a product or service and to make them more confident about the choice they make (Zeithaml *et al.*, 2006:55).

Not all purchasing situations are the same in terms of the amount and extent to which information is searched for (Blythe, 2009:107). The factors that will affect the search for information include perceived risk, perceived value and cost of the search, available knowledge, prior experience and level of interest in the product or service.

- **Perceived risk**

All purchases include some degree of risk. The amount of risk perceived, however, varies depending on the person, the product and/or the situation (Schiffman & Kanuk, 2007:187). When consumers perceive a high level of risk for a purchase situation, the need for information will also be greater. This is because consumers will be more confident regarding the decision they make when they have more information (Mostert & Du Plessis, 2007:86). The amount of risk is believed to be higher when considering services, which would include spa services. Higher risk is perceived for service offerings because services are intangible, variable and

perishable. Intangibility refers to the fact that services cannot be touched. When considering *personal experience sources*, as explained in section 3.3.2.1.2.2 as part of non-marketing controlled sources of information, it seems clear that consumers, especially spa users, will be limited in their search for information because they cannot feel, touch or see the service they are about to purchase. This will increase the risk they perceive when purchasing the spa service (Zeithaml *et al.*, 2006:55).

Perceived risk can assume many forms, including functional risk, physical risk, financial risk, social/psychological risk and time risk. Functional risk refers to a situation where a product does not perform in the way that it was expected to perform (Schiffman & Kanuk, 2007:187). Physical risk refers to the risk that a consumer may be injured if he or she does not use the product in the right way. Consumers may face financial risk if the product proves to be a waste of money (Blythe, 2009:107). Social/psychological risk refers to a situation where the consumer may feel socially embarrassed or experience a bruised ego when purchasing a certain product or service and, finally, some consumers may perceive high risk when they feel that the time they will spend on searching for the information will be wasted if the product does not perform as expected (Schiffman & Kanuk, 2007:187).

- **Perceived value and cost of the information**

The value and cost of information for consumers are determined by the ratio between the perceived benefits the consumer will receive from searching for additional information, and the resources used to obtain the necessary information (Schiffman & Kanuk, 2007:8). The costs of searching for information may include time, money and psychological costs. When the perceived value of the additional information is high and the cost of searching for the information is low, consumers will make a greater effort to search for additional information (Blythe, 2009:107).

- **Knowledge**

Knowledge refers to the information stored in the mind of the consumer. When a consumer is said to *know* the product or service, it means that the consumer

recognises the product or service and understands what it is like and what it means (Arnould *et al.*, 2004:342).

The amount of knowledge a person has about a product or service will influence the extent to which consumers will search for more information. The more knowledge consumers have about a product or service, the less their need for additional information will be when making a decision (McDaniel *et al.*, 2010:169).

For example, there are many different types of spas. These types of spas include resort/hotel spas, destination spas, wellness centres and health farms, among others. The more knowledge consumers have about each of these types of spas, the easier it will be for them to make a decision regarding the type of spa to visit. However, if they do not have knowledge of the different spa types, they will require a great deal more information in order to make a decision (ANON, 2008).

- **Prior experience**

Experience can be defined as the physical, cognitive and emotional interactions that people have with their environment. Experience can include feelings such as joy, pain, interest or boredom, among others, and is stored in the mind as information. Experience, in the context of this study, will therefore refer to the physical, cognitive and emotional interactions that consumers have had with the spa environment (Arnould *et al.*, 2004:341).

Prior experience is the experience that consumers have had on previous occasions, and the information stored during that experience will affect the decision of consumers in the current decision-making situation. As the experience levels of consumers increase, the need for additional information for decision-making will decrease (Mostert & Du Plessis, 2007:86).

- **Level of interest in the product or service**

The extent to which a consumer is interested in a product, i.e. the extent to which consumers feel that the product or service in question can satisfy their needs, will affect the amount of information the consumer seeks. Consumers who are more

interested in a product or service will use more time and effort to search for information about the product or service (McDaniel *et al.*, 2010:170).

After searching for the necessary information, consumers will decide on a number of alternatives that they consider as acceptable options in a given product or service category. This group of alternatives is referred to as the evoked set or consideration set of the consumer. The evoked set refers to the set of alternatives that will be evaluated during the following stage in the consumer decision-making process (Zethaml *et al.*, 2006:57).

3.3.2.1.3 Stage 3: Evaluation of alternatives

During stage three consumers will start to evaluate the alternative options they identified during the information search stage. During stage three consumers seek answers to questions such as what their options are and which option is the best when evaluating and selecting from various products or services (Blackwell, Miniard & Engel, 2006:80).

Schiffman and Kanuk (2007:534) relate that consumers tend to use two types of information when they evaluate potential alternatives. The first is a list of the potential alternatives from which consumers plan to make their selection (the evoked set) and secondly the criteria they will use to evaluate each potential alternative. The evoked set refers to the specific brands a consumer considers to purchase within a specific product or service category. The evoked set of consumers is distinguished from their inept and inert sets. The inept set refers to those brands that consumers deem unacceptable and are excluded from their purchase considerations, whereas the inert set refers to those brands that consumers are indifferent to as they are not perceived as having any particular advantage or disadvantage (Hoyer & Macinnis 2008:225).

The size of the evoked set depends on the importance of the purchase to the consumer and the time and energy the consumer wants to spend comparing the alternatives. The evoked set for services tends to be smaller than the evoked set for products.

- In the case of services, consumers may visit an establishment that usually only offers one brand for sale. For example, spa users will visit one spa for all their

spa needs. The possibility that consumers would visit different spas for the different treatments they want is not a likely one. On the other hand, in the case of products, consumers can visit retail stores where several alternatives can be found in close proximity.

- The likelihood of consumers finding more than one or two businesses offering the same services in a specific geographic area is not very high. However, in the case of products, consumers may find numerous retail stores carrying identical products of manufacturers within a small geographic area.
- Consumers also tend to find it difficult to obtain adequate pre-purchase information about the services they want to purchase (Zethaml *et al.*, 2006:57).

In order to evaluate the alternatives in the evoked set, consumers will decide on evaluative criteria. These criteria are usually the dimensions or attributes of the products or services in question. However, consumers have a propensity to think of products and services in terms of their consequences. Consequences refer to the specific events or outcomes that consumers experience when they purchase and/or consume the product or service. The reason why marketers should distinguish between product or service attributes and consequences is because the consequence of consuming a product or service determines the importance and meaning that consumers assign to product attributes (Belch & Belch, 2007:114).

In this study, considering consequences rather than only service attributes is important since the development of *personas* is based on the goals and motivations of spa users. In other words, the consequence that the consumer expects from purchasing and/or consuming a spa treatment is related to the goal or motivation for the consumer purchasing a specific spa treatment (Burton-Taylor, 2006:1).

When evaluating alternatives, consumers may use one of the following methods:

- Consumers may select only one product or service attribute to evaluate alternatives, and will therefore discard all products or services that do not have that attribute.
- Cut-offs can also be used. A cut-off is a maximum or minimum level of an attribute that a product or service may not exceed in order to be considered.

Consumers may, for example, not consider purchasing a day spa package that costs more than a certain amount of money.

- Finally, consumers may rank the different evaluative criteria under consideration in order of importance. The alternative products or services are then evaluated according to how well each performs on the most important attributes (McDaniel *et al.*, 2010:170).

Making decisions are not always easy. In order to reduce the burden of making complex decisions, consumer decision rules exist which provide guidelines or routines that make the process less challenging (Schiffman & Kanuk, 2007:539).

Hawkins, Mothersbaugh and Best (2010:565) divide the consumer decision rules into two broad categories, namely compensatory and non-compensatory decision rules.

3.3.2.1.3.1 Compensatory decision rule

When using a compensatory decision rule, consumers evaluate brand options in terms of each relevant attribute and compute a weighted score for each brand. The computed score reflects the relative merit of the brand as a potential purchase choice. The assumption is made that the consumer will choose the brand that scores the highest among the alternatives that were evaluated (Schiffman and Kanuk, 2007:539).

The compensatory decision rule can be illustrated as follows (Hawkins *et al.*, 2010:571):

$$R_b = \sum_{i=1}^n W_i B_{ib}$$

Where R_b = overall rating of brand b

W_i = importance or weight attached to evaluative criterion i

B_{ib} = evaluation of brand b on evaluative criterion i

n = number of evaluative criteria considered relevant.

By using the compensatory decision rule consumers can average out some very good features with some very bad features of a product.

3.3.2.1.3.2 Non-compensatory decision rules

When using non-compensatory decision rules the consumer does not allow high performance on one attribute to compensate for a low rating on another criterion. This decision rule also considers only the most important and not all brand attribute information (Lantos, 2010:135). According to Schiffman and Kanuk (2007:539) the different non-compensatory rules that can be used by consumers are the conjunctive decision rule, the disjunctive decision rule and the lexicographic decision rule.

The conjunctive decision rule establishes the minimum required performance standards for each evaluative criterion and then the consumer selects the first or all of the brands that meet or exceed these minimum standards (Hawkins *et al.*, 2010:565).

Schiffman and Kanuk (2007:540) describe the disjunctive decision rule as the mirror image of the conjunctive decision rule. The disjunctive decision rule establishes a minimum level of performance for each important attribute (often a fairly high level). All brands that meet or exceed the performance level for *any* key attribute are considered acceptable (Hawkins *et al.*, 2010:565).

When using the lexicographic decision rule consumers rank the criteria in order of importance and then eliminate all brands that do not meet or exceed a cut-off on the most important criterion (Lantos, 2010:135).

In the section that follows the psychological aspects that may influence the decision-making process of consumers will be discussed.

3.3.2.2 PSYCHOLOGICAL ASPECTS

The purchase decision of consumers is also partly influenced by psychological aspects (Pride & Ferrell, 2010:199). The aspects that will be discussed in this study include motivation, perception, learning, personality and attitudes (see Figure 3.1). Psychological aspects are seen as tools that consumers use to recognise their feelings, to collect and analyse information, to formulate their thoughts and opinions and to take action. In other words, consumers use these tools to interact with their world (McDaniel *et al.*, 2010:77).

3.3.2.2.1 MOTIVATION

Lantos (2011:361) defines motivation as an activated internal need state that leads to goal-directed behaviour to satisfy that need. Marketers study motivation since this analysis aid them towards understanding those aspects that drive consumers to satisfy their unfulfilled need (McDaniel *et al.*, 2010:194).

The driving forces that motivate consumers to make a purchase are called needs. Needs arise as the result of a gap between the actual and ideal/desired state of consumers. In other words, a need is something that can benefit the consumer when satisfied. In this regard, different motivational theories exist in marketing theory. One of the most commonly used theories is Maslow's hierarchy of needs. The hierarchical approach of this theory implies that the lowest level of needs should be satisfied before the next level of needs will arise. Each level of needs will therefore introduce new needs that can motivate certain behaviour (Mostert & Du Plessis, 2007:93). The different levels of the hierarchy include physiological needs, safety needs, social needs, esteem or ego needs and self-actualisation needs (Kotler & Armstrong, 2008:141).

In terms of spas, marketers need to determine in which of these needs categories spa services fall, and further determine what will motivate consumers to visit a spa.

3.3.2.2.2 PERCEPTION

No two people perceive situations in exactly the same way. Lantos (2011:19) defines perception as a process whereby consumers select, organise and interpret sensory information in order to form a meaningful picture of their world.

When considering the definition of perception, one can propound that this concept consists of a three-stage process, namely selecting, perceptual organisation, and interpreting. Stage one implies that consumers receive information but that not all information is used. Some inputs are selected while others are ignored, because it is not possible for a person to be aware of all inputs at one time. Stage two is perceptual organisation, which is not something that happens naturally. Each person must mentally organise the information they receive in order to make sense or provide meaning to the information. Interpretation is the third stage in the

perceptual process and takes place when the person assigns meaning to the information which was organised (Pride & Ferrell, 2010:200).

Perception has two characteristics, namely that it is selective and subjective. Selectivity refers to the fact that consumers consciously and subconsciously choose to which sensory stimuli they will attend to. Perception is subjective due to the fact that people comprehend things differently and that consumers organise and interpret information individualistic and biased (Lantos, 2011:390).

3.3.2.2.3 LEARNING

Wright (2006:156) defines learning as a relatively permanent change in behaviour and ways of thinking, which is brought about by perceptual and cognitive experiences and social and cultural changes.

The elements that constitute the learning process include drives, cues, responses and reinforcement. A drive refers to an internal stimulus that encourages a consumer to take action. The environmental stimuli that influence a particular action are known as cues. Responses are those reactions of consumers regarding the drives and cues they are experiencing, while reinforcement takes place when a drive is reduced due to a positive response experience (Levens, 2010:60).

Two methods through which consumers can learn include conditioning and cognitive learning. Conditioning is a process where a consumer uses an established relationship between a stimulus and a response to cause learning. Cognitive learning, on the other hand, is the learning of knowledge and the development of beliefs and attitudes without reinforcements such as rewards (Jobber & Fahy, 2009:66).

Spa marketers should determine the best possible way to make learning, in terms of the products and services they offer, possible for consumers. This should then take place either in a conditioning or cognitive learning manner.

3.3.2.2.4 PERSONALITY

Schiffman and Kanuk (2007:116) describe personality as the inner psychological characteristics of individuals that firstly determine and secondly reflect how

individuals respond to their environment. The inner psychological characteristics refer to specific attributes, qualities, traits, factors and manners that distinguish one individual from another. Blythe (2008:73) adds that personality is a composite of subordinate processes such as attitude, motivation and perception.

Marketers research personality with a view to identify the way in which this aspect will affect the consumption behaviour of consumers. Such knowledge will enable marketers to better understand their consumers and aid towards segmenting and targeting the right consumers in such a way that they react positively to product and service communications (Schiffman & Kanuk, 2007:116). The most common consumer related personality research approach is the one that focuses on identifying specific personality traits. These traits are used to explain differences in the purchase, use and disposition behaviour of consumers (Hoyer & Macinnis, 2008:374).

Spa marketers need to research which personality traits will cause a positive reaction and perception towards spa service purchases. This knowledge can be helpful to determine who to target and how to target them. Personality is an important aspect to include when developing *personas* (see section 2.3.6.2.1)

3.3.2.2.5 ATTITUDES

Wright (2006:256) defines attitudes as feelings and beliefs that people develop about specific objects, events, people and issues. This happens as a result of learning and experiential interacting with people and the environment over a lifetime.

Attitudes may involve likes, dislikes or ambivalences (being in two minds) toward an idea. An attitude usually consists of three components. The first includes the way one feels about a product or service; the second, what one does (purchasing it or not) in terms of a product or service; and thirdly, what one knows about a product or service (Levens, 2010:60).

Marketers are concerned with the attitudes of consumers regarding their products or services as these may have a significant influence on the success or failure of their businesses. When consumers have strong negative feelings regarding spas, they may stop supporting the specific spa or spas in general, which can cause havoc through negative word-and-mouth advertising (Pride & Ferrell, 2010:202).

3.3.3 OUTPUT: POSTDECISION BEHAVIOUR

The third component of the model of consumer buying behaviour is concerned with output. This is the behaviour of the consumer that takes place after a decision has been made regarding which alternative to purchase. The component consists of two closely related post-decision activities, namely purchase behaviour and post-purchase evaluation (Schiffman and Kanuk, 2007:545).

3.3.3.1 Purchase behaviour

Once consumers have evaluated all the different alternatives in stage three of the decision-making process, they have to make a decision: whether to purchase or not to purchase one of the alternatives. After evaluation, consumers may find that the desired product or service is not available. Other reasons, such as the product or service being too expensive or unavailable, may also lead to a purchase decision being negative (Mostert & Du Plessis, 2007:88).

If consumers do decide on an alternative to purchase, the actual purchase will be made. One must remember that the purchase decision is not the same thing as the actual purchase. Once the purchase decision has been made, the implementation of the purchase still has to take place. A time-delay usually exists between the time the purchase decision is made and the time the actual purchase takes place (Belch & Belch, 2007:119).

Schiffman and Kanuk (2007:545) relate that consumers can make one of three types of purchases, namely trial purchases, repeat purchases and long-term commitment purchases. A trial purchase takes place when a consumer purchases a product for the first time. The consumer will usually purchase a smaller amount of the product. When a consumer purchases a product without much thought about the purchase this usually signifies a repeat purchase. This concept is closely related to brand loyalty. A repeat purchase is usually made because the consumer approves of the product and is willing to use it again and in larger quantities. Long-term commitment purchases are made when purchasing durable goods, such as washing machines, refrigerators and cars. With these types of purchases a trial purchase will not be feasible.

In terms of the purchase of services, the risk of making the purchase is higher than with products. Products can often be seen, tested and tried before the purchase is made. This is not the case with services. The purchase implementation and the providing of the service most of the time happens simultaneously, which is also the case with spas. In order to reduce the risk perceived by consumers about services, some businesses choose to offer free initial trials for consumers or extensive tours of their facilities (Zeithaml *et al.*, 2006:57).

3.3.3.2 Post-purchase behaviour

Blackwell, Miniard and Engel (2006:83) relate that after purchasing and consuming a product, the consumer will experience a feeling of either satisfaction or dissatisfaction. Satisfaction will occur when the expectations of the consumer is met or exceeded by the perceived performance of the product, whereas dissatisfaction will occur when the experience of the performance falls short of the expectations of the consumer.

Post-purchase evaluation is important for consumers as this may reduce any uncertainty or doubt that may have existed about the product or service. The degree of the post-purchases analysis will however depend on the importance of the product decision and the experience acquired in using the product or experiencing the service (Schiffman and Kanuk, 2007:547).

Blackwell, Miniard and Engel (2006:88) relate that that the extent to which each stage of the consumer decision-making process (see figure 3.1) is followed may vary from one situation to the next. Three types of decisions have been identified by marketers. These decisions may be explained by means of a continuum and will be discussed in the section that follows.

3.4 TYPES OF CONSUMER PURCHASE DECISIONS AND CONSUMER INVOLVEMENT

Consumers purchase and keep products to satisfy their current and future needs. To ensure that they make the right decision, consumers engage in one of three types of consumer purchasing decisions. These types of consumer purchasing decisions all fall along a continuum (see Table 3.1) and include routine response behaviour,

limited decision-making and extensive decision-making (Pride & Ferrell, 2010:194). Products and services can be classified into these three types of consumer purchasing decisions based on the level of consumer involvement, length of time to make a decision, cost of the product or service, the degree of information search and the number of alternatives considered. Of these aspects, consumer involvement is the most important (McDaniel *et al.*, 2010:173). The level of consumer involvement refers to the degree of interest that a consumer has in a product and the importance of the product for that person (Pride & Ferrell, 2010:194).

With reference to Table 3.1, each of the above-mentioned types of consumer purchasing decisions will be discussed.

TABLE 3.1: CONTINUUM OF CONSUMER PURCHASING DECISIONS

	3.5.1.1 Routine response behaviour	3.5.1.2 Limited decision-making	3.5.1.3 Extensive decision-making
			
Involvement	Low	Low to moderate	High
Time	Short	Short to moderate	Long
Cost	Low	Low to moderate	High
Information search	Internal only	Mostly internal	Internal and external
Number of alternatives	One	Few	Many

Source: McDaniel *et al.* (2010:173)

3.4.1 ROUTINE RESPONSE BEHAVIOUR

Routine response behaviour occurs when consumers associate a well-developed process with fulfilling a specific need or a want. In terms of spas, this behaviour will, for example, happen when a consumer decides to go for a full-body massage once every month for purposes of stress-relief. The consumer knows the problem and the outcome of the routine response taken once a month (Levens, 2010:64).

According to Table 3.1, routine response behaviour can be explained as requiring low involvement from consumers; furthermore, the time taken to make the decision is short. The cost of the product or service will probably be relatively low; only an

internal search for information will take place and only one product or service will be considered (no alternatives) (McDaniel *et al.*, 2010:173).

3.4.2 LIMITED DECISION-MAKING

When engaged in limited consumer decision-making, consumers have already established the basic criteria for evaluating the product or service category and the brands for consideration. A final selection has, however, not been made (Schiffman & Kanuk, 2007:526). Limited decision-making can therefore be used when products are purchased occasionally or when consumers have to collect information regarding an unfamiliar brand in a familiar product category. In terms of spas, this type of decision-making may take place when consumers purchase spa services on a regular basis. Consumers will probably be familiar with the services available at the specific spa they visit, but they might want to try out a new spa facility. The other possibility may be that the consumer is satisfied with the facility, but may want to try out a new treatment available at the facility and may need extra information.

According to Table 3.1, limited decision-making takes place with low to moderate involvement from consumers and a short to moderate time taken to make a decision. The cost of the product or service will also be low to moderate, the information used will be mostly internal and a few alternatives will be considered when making a decision (McDaniel *et al.*, 2010:173).

3.4.3 EXTENSIVE DECISION-MAKING

Extensive decision-making is the most complex type of decision-making and is used when consumers purchase expensive, unfamiliar or infrequently bought products or services (Mostert & Du Plessis, 2007:81). When engaging in this type of decision-making, consumers are willing to commit a substantial amount of effort to make a purchase decision.

According to Table 3.1, extensive decision-making requires high-involvement from consumers. Consumers will take a long time to make a purchase decision and the cost of the product or service is very high. Consumers will make use of both internal and external resources when searching for information, and many alternatives will be considered before making a final decision (McDaniel *et al.*, 2010:173).

Spa users may use extensive decision-making when visiting a spa for the first time or when searching for a spa facility when going on holiday. Consumers will need a substantial amount of information regarding the available spas, the available treatments, the prices of each spa, and the locations of all of the spas.

The type of decision-making that consumers use does not necessarily remain the same for every product. A consumer may use extensive decision-making to make the first purchase in a product category, but will change to routine or limited problem-solving when making repeat purchases of the same product or product category. In the same way, when a consumer switches to a new brand, he or she may resort to limited or extensive decision-making after routine decision-making was typically applied (McDaniel *et al.*, 2010:173).

The next section presents an overview of the stages of the decision-making process through which consumers proceed, regardless of the type of consumer decision taking place.

3.5 SUMMARY

In this chapter, a discussion of the importance of understanding consumer buying behaviour was provided. This was followed by an explanation of the model of consumer buying behaviour which included the input component concerned with external influences, the process component concerned with consumer decision-making and the output component concerned with post-decision behaviour. The last part provided a discussion on the types of consumer purchase decisions and the level of involvement by consumers in these decisions.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

In Chapters 2 and 3 of this study, the theoretical principles of market segmentation and consumer buying behaviour were discussed with the focus on how these principles could be used as part of the process of developing *personas*. In Chapter 4, a detailed discussion of the research methodology, as applied in this study, will be given.

4.2 MARKETING RESEARCH PROCESS

Marketing research is necessary when marketers require formal studies of specific marketing situations that they encounter. Businesses can either use their own marketing research department or purchase the results from an independent research business (Kotler & Armstrong, 2008:100). For this study, marketing research was needed in order to determine the aspects that can be used to describe spa users and the aspects that will affect their buying behaviour.

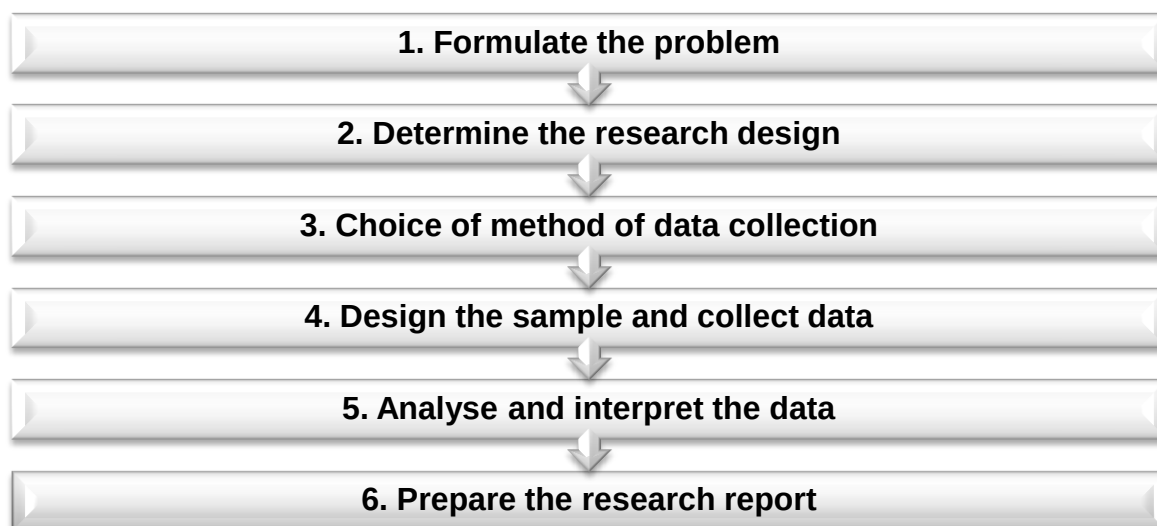
McDaniel and Gates (2007:7) define marketing research as the planning, collection and analysis of data relevant to marketing decision-making and the communication of the results of this analysis to management. Management can then use the results to make better decisions regarding the marketing activities of the specific business. Parasuraman, Grewal and Kishnan (2007:9) add that this process of marketing research should be conducted systematically.

Every research problem is unique in some way. There is, however, a sequence of steps to follow, which can be tailored to fit each problem. This sequence of steps is referred to as the research process (Iacobucci & Churchill, 2010:29). Hair, Wolfinbarger, Ortinau and Bush (2010:30) emphasise that the marketing research process is a scientific method, which means that the research procedures should

remain logical, objective, systematic, reliable and valid (Hair *et al.*, 2010:30). For **this study**, the procedures used were logical, objective and systematic; these attributes were achieved by following the research process steps as set out in Figure 4.1. The manner in which reliability and validity was ensured is explained in section 4.2.5.1.

The research process consists of six major stages, as indicated in Figure 4.1. These six stages include formulating the problem, determining the research design, choosing the method of data collection, designing the sample and collecting the data, analysing and interpreting the data and preparing the research report (Iacobucci & Churchill, 2010:31). The stages will subsequently be discussed.

FIGURE 4.1: SIX STAGES OF THE RESEARCH PROCESS



Source: Adapted from Iacobucci and Churchill (2010: 31) and McDaniel and Gates (2007:71)

4.2.1 STAGE 1: FORMULATE THE PROBLEM

The first stage of the research process is to formulate the problem. According to Iacobucci and Churchill (2010:29) this means that the researcher should define the problem carefully and precisely in order to allow for the research design to provide the relevant information. This *problem* may also refer to the reason for undertaking the research, rather than merely a specific problem. Some businesses may perform marketing research merely to track sales and to monitor market share, whereas others will use it to solve a specific problem or to collect information regarding, for

example, information needed to launch a new product. The marketing manager and the researcher usually work together, since the marketing manager knows what the management decision problem is. The researcher will, however take this problem and translate it into a marketing research problem. This enables the researcher to identify what information is needed by the decision maker to solve the decision problem (Tustin *et al.*, 2005:78). Part of this process of formulating the problem is to specify the research objectives (Iacobucci & Churchill, 2010: 29). McDaniel and Gates (2007:62) emphasise the importance of defining the problem correctly, since an incorrect definition will lead to faulty research objectives and these, in turn, will lead to the research study being a waste of time and money.

The problem statement for **this study** was already formulated in section 1.2 and the research objectives can be found in section 1.3.

4.2.2 STAGE 2: DETERMINE THE RESEARCH DESIGN

Zikmund and Babin (2010:56) define research design as the master plan, specifying the methods and procedures for collecting and analysing needed information. This master plan will provide the researcher with a framework that will be used to answer the research problem (McDaniel & Gates, 2007:71).

Iacobucci and Churchill (2010:59) indicate that a research project can follow any one of three research design approaches, depending on the problem and the objectives of the study. The three research design approaches include an exploratory approach, a causal approach and a descriptive approach. These will subsequently be discussed.

4.2.2.1 Exploratory research

When choosing to perform exploratory research, the researcher usually has one of two major objectives in mind. According to Hair *et al.* (2010:36) the first is to gain insights that will aid the researcher in defining the problem situation that is faced by the business. The second objective may be to deepen the understanding of the researcher regarding consumer motivation, attitudes and behaviour. These motivations, attitudes and behaviour may not be easy to assess when using other

research design approaches such as the causal approach or the descriptive approach.

Malhotra (2007:83) also states that the samples used for exploratory research are usually very small (between 20 to 40 respondents) and non-representative and the data collection method associated with the design is of a qualitative nature.

The exploratory research design is not ideal for this study, since larger quantities of data are required from a larger representative sample.

4.2.2.2 Causal research

Causal research is conducted when it is necessary to indicate that one variable causes or determines the value of other variables (Aaker, Kumar & Day, 2007:81). The effect that one variable has on another is commonly referred to as a cause-and-effect relationship. When a marketer understands the cause-and-effect relationships among market performance factors, this will enable him or her to make “If-then” statements about the variables. An “If-then” statement is, for example, when the researcher makes a statement that “*If* fast music is played in a supermarket, *then* consumers will tend to shop faster than when slower music is played” (Hair *et al.*, 2010:36).

Causal research is not appropriate for this study, since the objectives do not require the researcher to observe any particular cause-and-effect relationships.

4.2.2.3 Descriptive research

When using a descriptive research design approach, quantitative data is usually collected to answer the research question. The information collected through this design can answer questions regarding the who, what, where, when and how of the research problem (Hair *et al.*, 2010: 36). Descriptive research may also be used to establish whether two variables are associated, but can however not provide detail that states that high levels of one variable causes high levels of other variables. The relationship identified during descriptive research may be used by the researcher to assist with the selection of variables of a causal study (McDaniel & Gates, 2007:72).

For the purpose of **this study**, a descriptive research design was followed. This design helped to determine the who, what, when, where and how of the respondent

group and also to determine relationships between certain variables. The design aided, for example, in determining demographics such as the gender, age and income of the respondent group. The design also assisted towards determining aspects such as when the respondent group visits spas, why they visit spas and how far they are willing to travel to visit spas. Different relationships, such as the relationship between the reason for visiting spas and the life-cycle stage of the respondent group, could also be determined.

4.2.3 STAGE 3: CHOICE OF METHOD OF DATA COLLECTION

After the research design has been established, the researcher must choose an appropriate method of data collection. Iacobucci and Chirchill (2010:31) relate that during this stage, the researcher must first decide whether to make use of primary or secondary data. When the answer to this question is primary data, the researcher has to answer questions regarding how primary research should be conducted. Questions may include whether to collect data by means of observation or questionnaires; whether the questionnaire questions need to be structured or open-ended; or whether the purpose of the study should be made clear to the respondents or not.

In the sections that follow, the difference between primary and secondary research, as well as between qualitative and quantitative research, will be discussed. The design of the questionnaire as it relates to this study will also be considered.

4.2.3.1 Primary and secondary data

Iacobucci and Churchill (2010:142) state that secondary data should be the first type of data collection method to consider. Secondary data refers to pre-existing data that had been collected for a previous purpose. If secondary data is already available, it will not be necessary for the researcher to conduct time-consuming and costly primary research. If relevant secondary data is, however, not available, the researcher will have to follow a primary data collection method.

Since no previous data was available for **this study**, primary research was conducted in order to collect relevant data. When collecting primary data, the

researcher has to determine whether to use a qualitative or quantitative method of collecting data (Tustin *et al.*, 2005:89).

4.2.3.2 Qualitative and quantitative data

Drummond and Ensor (2005:53) define qualitative research as the collection, analysis and interpretation of data obtained by studying the behaviour and language that individuals display when in a particular situation. The aim of researchers, when using qualitative research, is to obtain a rich insight into the perceptions, attitudes and motivations of consumers. Several different qualitative data collection methods exist, namely in-depth interviews, focus groups, observations and expert consultations (Hair *et al.*, 2010:80).

A qualitative method of collecting data was considered, but was not applied for this study, since qualitative data is not subject to quantification or quantitative analysis, and these were necessary for this study when drawing conclusions regarding the descriptive statistics of the respondent group (McDaniel & Gates, 2007:128). Qualitative research would also not have been the only data collection method used, but would have followed the quantitative research. It was decided that the available resources in terms of time and money were not sufficient to perform both quantitative and qualitative research. A descriptive research design was also followed, which is usually associated with a quantitative method of collecting data rather than a qualitative method of collecting data (McDaniel & Gates, 2007:128).

Quantitative research, on the other hand, attempts to answer the research objectives through empirical assessments that involve numerical measurement and analysis approaches (Zikmund & Babin, 2010:94). When conducting quantitative research, formal questions are used with predetermined response options in questionnaires which are administered to large numbers of respondents (Hair *et al.*, 2010:77). Surveys constitute the general method of collecting data associated with quantitative data. Two main types of surveys can be used, namely interviewer-administered surveys and self-administered surveys. Self-administered surveys may include, among other, regular mail surveys and faxed surveys. When making use of a self-administered survey, a self-administered questionnaire is used (McDaniel & Gates, 2007:128).

For the purpose of **this study**, a quantitative research approach was followed, which was aided by a self-administered questionnaire. A quantitative approach was followed because a large number of respondents were needed to fill in self-administered questionnaires in order to collect sufficient descriptive data for satisfying the research objectives. Quantitative data can also be analysed by computers and summarised in tables to aid with the interpretation of the results.

4.2.3.3 Questionnaire design

A questionnaire is a measuring instrument used by researchers to collect primary data. The measuring instrument consists of a set of questions and scales specifically formulated to collect the necessary data (Hair *et al.*, 2010:178). Kent (2007:152) relates that the reason for making use of a questionnaire is because this helps to systemise the data collection process so that the data obtained from the questionnaire is consistent and can be analysed in a logical way. The questionnaire design process, according to Hair *et al.* (2010:179) and Kent (2007:152), is a five-step process. The steps in this process are first to confirm research objectives and specify the information needed and, secondly, to decide on a method of questionnaire administration. Step three of the questionnaire design process includes the development of questions and scaling, step four the determining of the layout and the evaluation of the questionnaire and step five concludes the design process when the questionnaire is tested.

Hair *et al.* (2010:180) state that two different types of question formats can be used to obtain the desired information from respondents. These two formats are open-ended (unstructured) and closed-ended (structured) questions. Open-ended questions can be used in both qualitative and quantitative research; these allow respondents to reply to the questions in their own words (Bradley, 2010:194). Closed-ended questions, in turn, are questions with fixed, predetermined responses from which respondents have to choose (McDaniel & Gates, 2007:341). Iacobucci and Churchill (2010:214) identify three broad types of closed-ended questions, namely dichotomous questions, multiple-choice questions and scale-response questions. Dichotomous questions are questions for which there are only two possible responses are provided. Multiple-choice questions are questions with three or more possible responses. Respondents are usually asked to select one of the alternatives or, in some cases, all applicable alternatives (McDaniel & Gates,

2007:342). With scaled response questions, the researcher provides a continuum upon which measured objects are located. Types of scales that may be used include simple itemised rating scales, Likert scales and semantic differential scales (Bradley, 2010:197).

In Chapters 2 and 3 of this study, a literature review was conducted which identified market segmentation variables, as well as consumer behaviour variables which can be used to develop *personas*. These chapters provided input into the designing of the questionnaire. The questionnaire used in this study included different types of closed-ended questions such as dichotomous, multiple-choice and scaled response questions. The questionnaire used in this study can be found in Appendix A.

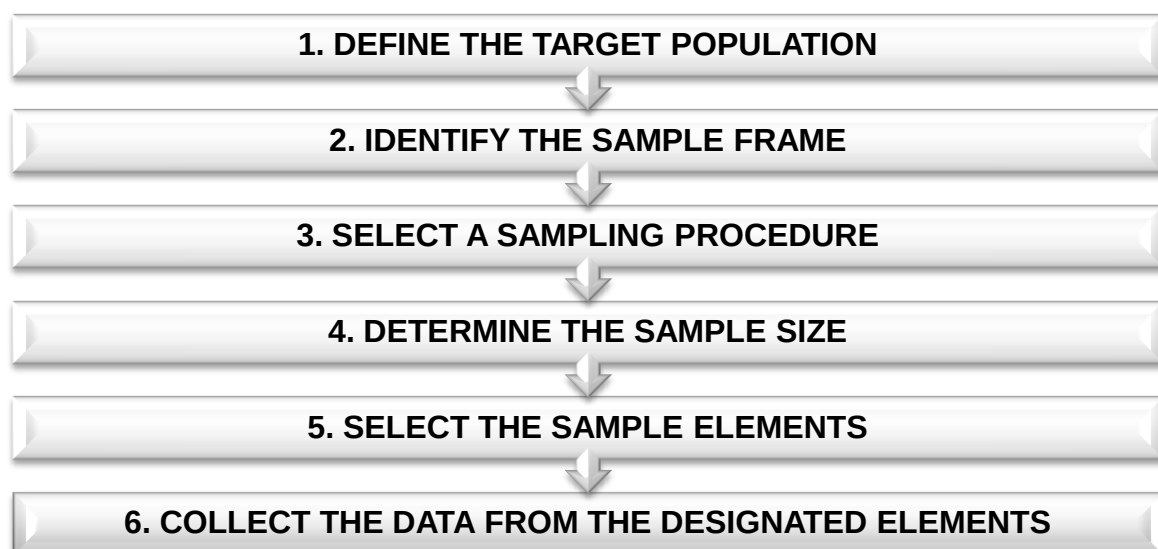
The questionnaire used in **this study** consisted of four sections. Section A was aimed at obtaining information about the demographic and geographic background of the respondents who participated in the study. This included, among other things, information regarding their age, gender, and income. Questions in Section A were aimed at compiling a basic demographic profile of the respondent group. Section B included questions regarding the usage of spa facilities by the respondents. Questions on the frequency and reasons for spa visits by the respondents were asked. These questions aimed to determine how often the respondents visit spas, how often they would like to visit spas, and to supply reasons for the difference between the two. The information obtained from these two sections will be used to describe the respondents, which will form part of the process of developing *personas*. Section C included questions concerned with economic aspects, reference groups and promotional material. Certain external aspects may influence the choices that respondents make, and the questions of Section C were aimed at identifying some of these aspects. Section D included questions about the lifestyle of spa users as well as their living standard. These questions were asked to determine which internal aspects exist that may influence the choices that the respondents make concerning spa visits. Sections C and D therefore focused more on the behaviour of the respondents and aimed to respectively collect information on the external and internal/personal aspects that may influence the decision of the respondents to visit a spa.

4.2.4 STAGE 4: DESIGN THE SAMPLE AND COLLECT DATA

Sampling is used when it is impossible or unreasonable to conduct a census (Hair *et al.*, 2010:130). A census takes place when all the elements of a population are investigated (Zikmund & Babin, 2010:303). Sampling can therefore be defined as a selection of the total number of elements of interest to decision-makers. The purpose of using a sample is to draw general conclusions about the entire body of elements (Parasuraman *et al.*, 2007:333).

Iacobucci and Churchill (2010:283) describe sampling as a six-step process that is followed by researchers with a view to determine the final sample of elements from whom the data should be collected. These six steps (see Figure 4.2) are defining the target population, identifying the sample frame and selecting a sampling procedure. The next step necessitates the determining of the sample size, which is followed by selecting the sample elements. The final step is to collect the data from the designated elements.

FIGURE 4.2: SIX STEPS OF THE SAMPLING PROCESS



Source: Adapted from Iacobucci & Churchill (2010:283)

Each of the six steps will subsequently be discussed, together with a discussion and an explanation of how the specific step has been implemented during this study.

4.2.4.1 Step 1: Define the target population

Step one entails defining of the target population. The target population is the group of elements from which the researcher wants to draw conclusions. They may consist of individuals, households, businesses, credit-card transactions, web pages or other units (Iacobucci & Churchill, 2010:283).

For **this study** the target population included all the consumers visiting spas which are situated in the Pretoria area.

4.2.4.2 Step 2: Identify the sampling frame

Aaker *et al.* (2010:154) define the sampling frame as a list of the target population members who may be used to obtain a sample. The description of a sampling frame does not have to enumerate all the population members. It may be sufficient to specify the procedure by which each sampling unit can be located. In other words, the sampling frame may include the specific names of every possible sample element, or only the names of businesses or schools where the sample elements may be contacted. The sampling frame forms the basis upon which respondents are selected, and should therefore include detail such as telephone numbers or addresses where the respondents can be reached (Bradley, 2010:154).

No list of the spa users of Pretoria was available for **this study**. 10 Spas were selected at random at which the data were collected.

4.2.4.3 Step 3: Select a sampling procedure

Bradley (2010:160) states that sampling may be administered using either a probability or a non-probability procedure. The differences between these two methods are summarised in Figure 4.3. Each of these will also be discussed in brief.

FIGURE 4.3: DIFFERENCES BETWEEN PROBABILITY AND NON-PROBABILITY SAMPLING PROCEDURES

PROBABILITY SAMPLING	NON-PROBABILITY SAMPLING
•A member has a positive, calculable probability of being chosen •Response rate is important •It is expensive •Objective	•Uses human judgement •Subject to errors •Also known as purposive •Subjective

Source: Adapted from Bradley (2010:160)

4.2.4.3.1 Probability sampling

Probability sampling is a procedure that allows each population element an equal chance to be selected to be part of the sample elements (McDaniel & Gates, 2007:381). The different probability sampling procedures from which researchers can choose include simple random sampling, systematic, stratified and cluster sampling procedures (Iacobucci & Churchill, 2010:285 and Bradley, 2010:161).

4.2.4.3.2 Non-probability sampling

According to Tsutin *et al.* (2005:344) non-probability sampling relies on the discretion of the researcher. Sampling error, which is an error that occurs because the sample selected is not perfectly representative of the population, cannot be determined for this type of sampling. Different non-probability sampling methods exist, namely convenience sampling, judgemental sampling and quota sampling procedures (Iacobucci, 2010:285).

For **this study** a non-probability sampling approach was used. The specific procedure used was a convenience sampling procedure. When using convenience sampling, respondents are chosen on the basis of being easily accessible (McDaniel & Gates, 2007:392). For this study, this meant that those spa users at the ten participating spas who were available and willing to complete the questionnaires, were asked to participate in the study.

4.2.4.4 Step 4: Determine the sample size

The determination of sample size differs for probability and non-probability sampling procedures. In both cases, the researcher must consider the precision of the estimates as well as the amount of time and money available for the collection of data (Hair *et al.*, 2010:139).

When making use of probability sampling procedures, formulas are used to calculate the required sample size, given the target levels of acceptable error and the levels of confidence. For each type of probability sampling procedure, as referred to in

section 4.2.4.3, a unique formula exists according to which the adequate sample size is calculated (McDaniel & Gates, 2007:282).

When making use of non-probability sampling procedures, as is the case with **this study**, no fixed formulas exist for determining an adequate sample size. When determining sample size for non-probability sampling procedures, a subjective, intuitive judgement is made by researchers. This judgement is usually based on previous studies, industry standards or the amount of resources available (Hair *et al.*, 2010:142).

Since **this study** used a non-probability sampling procedure, no formula could be used to determine an adequate sample size. With the assistance from the Statistical Consultation Services (SCS) of the North-West University (Potchefstroom Campus) and based on the available resources such as time and money, it was decided that 140 questionnaires would be handed out. Of these 140 questionnaires, 98 were completed. This means that the size of the respondent group for **this study** comprised of 98 respondents. (Refer to section 6.4, where a discussion of the limitations of the study provides reasons for the smaller sample size.)

4.2.4.5 Step 5: Select the sample elements

Hair *et al.* (2010:144) explain that after the sample size has been determined, an operating plan for selecting the sample elements (respondents) should be devised. While devising this plan, the researcher must decide on the manner of contacting prospective respondents in the sample (Hair *et al.*, 2010:144).

For **this study** the operating plan for selecting the respondents included the following:

- The sampling frame was used to contact the listed spas until ten of the spas accepted the invitation to participate in the survey.
- A specific date for drop-off and pick-up of the questionnaires was communicated to the participating spas.
- Each of the ten participating spas received 14 questionnaires with instructions on how the respondents should be selected.
- The instructions included that the survey should be carried out over a period of seven days. The spas therefore had to ask two respondents per day to fill in the

questionnaire with which they were supplied, which would result in a total of 14 questionnaires being completed over the seven-day period.

4.2.4.6 Step 6: Collect the data from the designated elements

The final step of the sampling process is to actually collect the data (Iacobucci & Churchill, 2010:285). The operating plan devised in the previous step should therefore be implemented in order to ensure consistency and control throughout the collection process (Hair *et al.*, 2010:144).

For **this study** this meant that the 36 spas in the sampling frame were contacted until ten of them have accepted the request granted to them to participate in the survey. Dates for drop-off and pick-up of the questionnaires were communicated, and on the specific dates questionnaires were distributed and collected. Each of the ten spas received their 14 questionnaires together with the instructions on how the respondents should be selected. After the seven-day period, a total of 98 completed questionnaires were collected and these 98 questionnaires will be referred to as the respondent group for the rest of study.

4.2.5 STAGE 5: ANALYSE AND INTERPRET THE DATA

After the data has been collected it needs to be analysed, meaning the data needs to be coded, edited and tabulated. The editing of the data refers to the scanning of the data-collection forms (questionnaires) to ensure the forms are complete and consistent and that the instructions were followed. Once the forms have been edited, numbers are assigned to all the possible responses on the questionnaire so that they can be analysed. This process is called coding. After data coding has taken place, the data needs to be tabulated, i.e. the data needs to be arranged in an orderly manner. The statistical tests applied to the tabulated data are specific to the sampling procedures and the data collection instrument used in the research design (Iacobucci & Churchill, 2010:32).

For the purpose of **this study**, the questionnaires were pre-coded, meaning the possible responses had numbers assigned to them before the questionnaires were handed out to the respondents. This facilitated the capturing of the data.

While conducting the analysis and interpretation of the data, the reliability and validity of results need to be determined and certain statistical analyses needs to be done.

4.2.5.1 Reliability and validity

Hair *et al.* (2010:368) define reliability as the extent to which the measurements taken by a particular instrument are repeatable.

Anastasi and Urbina (1997:113) state that validity of a test is firstly concerned with what the test is measuring and secondly with how well the test does this. McDaniel and Gates (2007:278) defines validity of a measuring instrument as the degree to which the measuring instrument actually measures what it was intended to measure. If the instrument is valid it therefore measures what it is intended to measure (Anastasi & Urbina, 1997:113).

As a result of the fact that the questionnaire did not include specific target constructs, no reliability and validity were assured by means of any statistical procedure. However, content validity was assured by giving the questionnaire for evaluation by subject specialists. Thus, after testing the fill-out procedure of the questionnaire among other respondents that were not included in the study population, the usability of the questionnaire was assured. For the purpose of reliability, the cover letter emphasised the importance of completing the questionnaire honestly.

4.2.5.2 Statistical analysis

Different procedures for analysis can be followed; these all vary in terms of sophistication and complexity. The procedures range from simple frequency distributions such as percentages to summary statistics such as mean, median and mode (Hair *et al.*, 2010:38).

For **this study**, a non-probability sample was used - which means the sample was not representative of all spa users in the Pretoria area. The results of the statistical analysis therefore only apply to the respondent group. For the statistical analysis, the services of the SCS of the North-West University (Potchefstroom Campus) were again requested (see Appendix B); they made use of Statistical Analysis Software (SAS Institute Inc., 2007) to perform the analysis. The descriptive statistical

analyses performed in this study included frequency distributions, percentage distributions and means. Thus all the conclusions were made either on summary statistics (such as means and frequency tables) or on Cohen's effect sizes *d* (Cohen, 1988:158).

4.2.5.2.1 Descriptive statistical analyses

The descriptive statistical analyses used for **this study** will subsequently be defined:

- **Frequency distributions:** Frequency refers to the number of times a response is in a data set and is calculated by adding up the number of times the response is in the data set (Hair *et al.*, 2010:250). Frequency distribution refers to the summary of the frequencies in a frequency table (Zikmund & Babin, 2007:431).
- **Percentage distribution:** Percentages refer to the representation of the frequency distributions in relative terms (Tustin *et al.*, 2005:523). Percentage distributions are calculated by dividing the frequency of each value by the total number of observations and then multiplying the result by one hundred (Zikmund & Babin, 2007:431).
- **Means:** The mean is a measure of central tendency and refers to the mathematical average of all the relevant responses (Hair *et al.*, 2010:160).

When analysing data, the researcher interprets data with a specific level of significance. Significance testing will subsequently be discussed and explained how it was incorporated into this study.

4.2.5.2.2 Significance testing

According to Bradley (2010:514) Significance testing is done when making use of samples rather than of all members of a population. The tests that are used to determine significance are a way of showing how accurate the results may be. Researchers rely on two broad types of significance tests, namely statistical significance and practical significance.

For the purpose of **this study**, statistical significance was not calculated since no random sampling was done. Interpretations were made on Cohen's effect sizes. However, p-values, in case of random sampling for ANOVAS/t-tests, are reported for the sake of completeness.

a. Practical significance

According to Rubin (2010:142) practical significance refers to different effect size statistics. Hardy and Bryman (2004:180) explain that practical significance is also used since statistical significance only offers significance between results, whereas practical significance is used to determine the strength or the importance of the significance obtained.

For **this study**, the effect size for the difference between means was calculated. The most common calculation used to determine the effect size for the difference between means is Cohen's d-value. Cohen's d-value effect-size statistic describes the relationship strength between variables in terms of standard deviation terms (Rubin, 2010:140). The formula for calculating Cohen's d is (Cohen, 1988:25-26):

$$d = \frac{|\bar{x}_1 - \bar{x}_2|}{S_{max}}$$

Where:

- d = effect size;
- $\bar{x}_1 - \bar{x}_2$ is the difference between means of two compared groups; and
- S_{max} is the maximum standard deviation of the two compared groups.

When interpreting Cohen's d, $d=0.2$ is considered to be a small effect, $d=0.5$ is considered to be a medium effect and $d=0.8$ is considered as a large effect. Therefore, when $d \geq 0.8$, the difference is said to be practically significant (Ellis & Steyn, 2003:51-53).

For the purpose of **this study**, Cohen's d-value was used for the interpretation of effect size between means.

4.2.6 STAGE 6: PREPARE THE RESEARCH RESULT

During the final stage of the research process, the analysed data needs to be interpreted and prepared in the form a report. From this report conclusions need to be made, as well as further recommendations (McDaniel & Gates, 2007:75). The reporting of the results needs to be done by integrating several aspects of the

findings into conclusions that can be used to answer research questions (Hair *et al.*, 2010:39).

4.3 SUMMARY

This chapter presented the research methodology that was used to conduct the empirical research for this study. The marketing research process was also discussed with specific reference to how each of the research process stages was implemented for the purpose of this study.

CHAPTER 5: DISCUSSION AND INTERPRETATION OF RESULTS

5.1 INTRODUCTION

In Chapters 2 and 3, the concepts market segmentation and consumer buying behaviour were discussed with a view to provide a clear understanding of what these concepts entail and also to emphasise the importance of these concepts to any business. The concept of *personas* was also introduced and a discussion followed of how collecting information on market segmentation and consumer behaviour can assist towards developing such *personas*. For the purpose of **this study**, the focus of the questionnaire was on obtaining information regarding spa users, with the aim of providing marketers with a profile to use as input when developing *personas*.

The results of the questionnaire will subsequently be discussed by providing a description of each question and the results that were collected. The first results presented concern the demographic and geographic information of the respondents. This will be followed by a discussion of the consumer behaviour of the respondents as it pertains to their usage of spa facilities. Sections 5.2.3 and 5.2.4 will deal with the internal and external aspects that may or may not affect the decision of the respondents to visit a spa or not and section 5.2.5 discusses the ANOVA and t-tests computed for this study.

The main findings regarding the results are reported at the end of each subparagraph by using a letter and a number (e.g. Main finding A1). The letter refers to the section of the questionnaire and the numbers thereafter follow each other numerically.

5.2 DISCUSSION AND INTERPRETATION OF RESULTS

5.2.1 DEMOGRAPHIC AND GEOGRAPHIC DESCRIPTION OF RESPONDENTS

The demographic and geographic information collected from the respondents in Section A of the questionnaire included gender, age, education, life-cycle stage, family size, personal and household income, population group, employment status, occupation, distance travelled to spa locations and home language. The data collected from the respondents will now be discussed with the aid of tables within which the relevant data will be presented.

5.2.1.1 Gender

The first demographic information that was collected for the respondent group was the gender distribution. This distribution is depicted in Table 5.1.

TABLE 5.1: GENDER DISTRIBUTION OF RESPONDENT GROUP

	F	%
Male	19	19.38
Female	79	80.61
Total	98	100.00

Frequency missing = 0

The data depicted in Table 5.1 indicates that the majority (80.61%) of the respondents were females.

Main finding A1: The respondents consisted predominantly of females.

5.2.1.2 Age

The second question asked respondents to indicate their age group. The age groups were chosen in order to divide the respondents into groups that would indicate whether they are part of the Baby boomers, Generation X, Generation Y or Millennials. These groups correlate with the time periods in which the participants grew up and may indicate cohort effects of the respondents. These groups were discussed in section 2.4.2.2.1.

TABLE 5.2: AGE DISTRIBUTION OF RESPONDENT GROUP

	F	%
16-33 (Gen Y)	53	54.08
34-45 (Gen X)	24	24.49
46-64 (Baby boomers)	17	17.35
65 + (Matures)	4	4.08
TOTAL	98	100.00

Frequency missing = 0

Table 5.2 indicates that the Millenials group were not represented among the respondents and, furthermore, that more than half of the respondents were between the ages of 16 and 33 and therefore form part of the Generation Y group. It is also clear from Table 5.2 that the frequency of the respondents within each age group decreases as the ages of the groups increase.

Main finding A2: Generation Y was the largest represented age group of the respondents.

5.2.1.3 Level of education

The level of education was requested with a view to determine whether the respondent group included typically high school graduates or whether they hold higher qualifications.

TABLE 5.3: LEVEL OF EDUCATION OF THE RESPONDENT GROUP

	F	%
High school	14	14.29
Diploma	27	27.55
University degree	30	30.61
Postgraduate degree	27	27.55
Total	98	100.00

Frequency missing = 0

As indicated by Table 5.3, the level of education for the respondents seems advanced. Of these participants, 85.71% had some kind of tertiary education, such as a diploma degree or a postgraduate degree, with the majority (30.61%) of the respondent group in possession of a university degree.

Main finding A3: The majority of the respondent group had a tertiary qualification.

5.2.1.4 Life-cycle stage

As stated in section 2.4.2.2.1, life-cycle stage refers to the age and family situations consumers find themselves in while going through life. The purpose of asking this question was not only to determine the frequency of respondents within each life-cycle stage, but also to use the information to determine whether respondents in different life-cycle stages might have different spa needs (see section 5.2.5.2). The data collected in terms of life-cycle stage is depicted in Table 5.4.

TABLE 5.4: LIFE-CYCLE STAGES OF THE RESPONDENT GROUP

	F	%
Single	28	28.57
Married or living together (without children)	20	20.41
Married or living together (with dependent children)	29	29.59
Married or living together (with no dependent children)	14	14.29
Divorced or widowed (with no dependent children)	3	3.06
Single parent	4	4.08
Total	98	100.00

Frequency missing = 0

Table 5.4 indicates that three quarters of the respondents (78.57%) fell within the first three life-cycle stage categories, namely single, married or living together (without children) and married or living together (with dependent children). The majority (29.59%) of the respondents, however, were married or living together (with dependent children) with the least respondents being divorced or widowed (with no dependent children).

Main finding A4: The majority of the respondents were either married or living together (with dependent children), single or married or living together (with no dependent children).

Further analysis was conducted in order to determine the number of respondents who fell in both a specific life-cycle stage, as well as a specific age group. This information is shown in Table 5.5.

TABLE 5.5: LIFE-CYCLE STAGES AS RELATED TO AGE GROUPS

	GEN Y	GEN X	BABY BOOMERS	MATURES	TOTAL
Single	24	4	0	0	28
Married or living together (without children)	19	1	0	0	20
Married or living together (with dependent children)	7	15	6	1	29
Married or living together (with no dependent children)	2	2	9	1	14
Divorced or widowed (with no dependent children)	0	0	1	2	3
Single parent	1	2	1	0	4

The table indicates that for the first two life-cycle stage groups, which are single and married or living together (without children), the majority of respondents belong to the Generation Y group (the first age group). The majority of the group of respondents that were married or living together (with dependent children) belongs to the Generation X group (the second age group).

Main finding A5: The majority of the Generation Y respondents did not have children (falling into the first two life-cycle stages), whereas the majority of the Generation X respondents were married or living together (with dependent children).

5.2.1.5 Family size

Question 5 was asked with a view to determine the number of family members that live with the respondent in one household.

From Table 5.6 it can be seen that the majority (39.80%) of respondents lived only with one other family member. The table also shows that almost three quarters (73.48%) of the respondents lived with between one and three of their family members.

Main finding A6: Almost three quarters of the respondents lived with between one and three family members.

TABLE 5.6: NUMBER OF FAMILY MEMBERS LIVING WITH THE RESPONDENT

	F	%
Alone	14	14.29
Consumer + one family member	39	39.80
Consumer + two family members	17	17.35
Consumer + three family members	16	16.33
Consumer + four family members	8	8.16
Consumer + five family members	3	3.06
Consumer + six family members	1	1.02
Total	98	100.00

Frequency missing = 0

5.2.1.6 Annual gross personal income

Annual gross personal income refers to the income that the respondent as an individual receives during the period of twelve months.

Table 5.7 presents the distribution of this income as it relates to the respondents. When considering this table, the data indicates that the majority of the respondents earned less than R70 000 per annum. The table also indicates that the remainder of the respondents are spread fairly evenly across the rest of the possible responses, which ranges up to a possible of more than R400 000 per annum.

TABLE 5.7: ANNUAL GROSS PERSONAL INCOME DISTRIBUTION OF RESPONDENT GROUP

	F	%
> R 70 000	24	24.74
R70 000 - R110 000	8	8.25
R110 001 - R150 000	13	13.40
R150 001 - R200 000	12	12.37
R200 001 - R250 000	8	8.25
R250 001 - R350 000	10	10.31
R350 001 - R400 000	9	9.28
R 400 001 +	13	13.40
Total	97	100.00

Frequency missing = 1

However, the reported results seem contradictory. When further analysis was done it was found that of the 24 respondents who earn less than R70 000 per annum, 23 were female and 1 was male. When looking at the employment statistics for women, it is apparent that 59 of the 79 female respondents were full-time employed. Of these 59 women, 26 were professionals, 9 were in management positions and 9 were self-employed. When considering these results, the possibility for the majority of the respondent group earning less than R70 000 seems fairly improbable.

Main finding A7: The majority of the respondents earned less than R70 000 per annum.

5.2.1.7 Annual gross household income

In the questionnaire, a distinction was made between the annual *personal* and annual *household* income of the respondents. This information was collected for use together with *family size* and *life-cycle stage* information to determine whether disposable income can affect spa visits.

TABLE 5.8: ANNUAL GROSS HOUSEHOLD INCOME

	F	%
> R70 000	17	17.53
R70 000 - R110 000	1	1.03
R110 001 - R150 000	6	6.19
R150 001 - R200 000	6	6.19
R200 001 - R250 000	7	7.22
R250 001 - R350 000	10	10.31
R350 001 - R400 000	5	5.15
R400 001 - R500 000	6	6.19
R500 001 - R600 000	15	15.46
R600 001 - R700 000	7	7.22
R700 001 +	17	17.53
TOTAL	97	100.00

Frequency missing = 1

Table 5.8 indicates that three major income groups can be distinguished among the respondents. They include the group earning less than R70 000 per household per annum, those earning between R500 001 and R600 000 per household per annum

and those earning more than R700 001 per household per annum. However, no clear pattern could be deduced from the given data.

Main finding A8: In the respondent group three major groups could be identified, namely those households earning less than R70 000 per annum, those earning between R500 001 and R600 000 per annum and those households where the income exceeds R700 001 per annum.

5.2.1.8 Population group

Question 8 was asked in order to facilitate the process of compiling the profile of a typical study population respondent. The data will help to establish the distribution of the different population groups for the respondents.

From Table 5.9 it can be concluded that the majority (77.55%) of the respondents were White. The second largest group was African with Asian/Indian and Coloured groups not really being represented.

TABLE 5.9: DISTRIBUTION OF POPULATION GROUPS FOR THE RESPONDENTS

	F	%
African	17	17.35
Asian/indian	2	2.04
Coloured	3	3.06
White	76	77.55
Total	98	100.00

Frequency missing = 0

Main finding A9: The respondent group consisted mainly of White respondents.

5.2.1.9 Employment status

Question 9 was included in order to determine the employment status of the respondent group. For this question, respondents had to answer yes or *no* to all the possible alternatives with which they were supplied. Table 5.10 shows the results of the frequency and percentage of respondents who answered yes to every question. Respondents were allowed to answer yes to more than one question, and therefore no total columns are provided.

TABLE 5.10: EMPLOYMENT STATUS OF THE RESPONDENT GROUP

	<i>F</i> YES	% YES
Full-time employed	75	76.53
Part-time employed	9	9.18
Not employed	11	11.22
Student	10	10.20

From Table 5.10 it becomes apparent that more than three quarters (76.53%) of the respondents were employed on a full-time basis, with only 9.18% of the respondents being part-time employed and 11.22% not being employed.

Main finding A10: The majority of the respondents were employed on a full-time basis.

Further analysis of the data showed that of the 75 respondents who answered yes for being full-time employed, 59 were female and 16 were male (table 5.11). This means that 74.68% of the females and 84.21% of the males were employed on a full-time basis.

TABLE 5.11: EMPLOYMENT STATUS AS RELATED TO GENDER

	MALE	FEMALE
Full-time employed (<i>F</i>)	16	59
Full-time employed (%)	84.21	74.68
Total	19	79

Main finding A11: The majority of both male and female respondents were employed on a full-time basis.

Table 5.12 depicts the employment statistics of the respondents as it relates to age. When comparing employment with age groups, the majority (57.33%) of the full-time employed respondents fell into the 16-33 year age group (Generation Y).

Main finding A12: The majority of the respondents who were full-time employed belonged to Generation Y.

TABLE 5.12: EMPLOYMENT STATUS AS RELATED TO AGE

	GEN Y	GEN X	BABY BOOMERS	MATURES
Full-time employed (F)	43	19	13	0
Full-time employed (%)	57.33	25.33	17.33	0.00
Total	53	24	17	4

5.2.1.10 Occupational groups

For this question, an answer was required only by those respondents who answered yes to being either full-time or part-time employed in the previous question. Since there are too many individual occupations to list, only broad categories such as professional, self-employed and sales personnel were supplied as possible responses to the question. These occupational groupings are shown in Table 5.13.

TABLE 5.13: DISTRIBUTION OF RESPONDENT GROUP AMONG OCCUPATIONAL GROUPS

	F	%
Professional	39	44.38
Management	11	12.64
Self-employed	10	11.49
Technical personnel	1	1.15
Sales personnel	7	8.05
Farmer	1	1.15
Mining	1	1.15
Administrative	8	9.20
Public servant	6	6.90
Education	2	2.30
Other	1	1.15
Total	87	100.00

Frequency missing = 11

From Table 5.13 it can be seen that the three major occupational groups were professional, management and self-employed. The table also shows that the majority (44.38%) of the full-time and part-time employed respondents belong to the professional group.

Main finding A13: The majority of the respondents were in professional occupations.

Further analysis was conducted regarding the professional/ occupational group. Table 5.14 indicates in which age groups the 39 respondents that chose professional found themselves in. The table indicates that the majority (61.54%) of the professionals fell into the Generation Y age group.

TABLE 5.14: AGE GROUPS OF THE PROFESSIONAL OCCUPATION

OCCUPATION	AGE GROUP	F
Professional (39)	Gen Y (16 – 33)	24
	Gen X (34 – 45)	7
	Baby Boomers (46 – 64)	7
	Matures (65+)	1

Main finding A14: In the respondent group, the majority of those respondents choosing professional as their occupational grouping belonged to Generation Y.

5.2.1.11 Distance travelled to spa destination

Each spa user had to travel from a specific departure point to their specific spa destination. This distance referred to in the questionnaire is the distance travelled by respondents from that specific departure point to their specific spa destination. Table 5.15 indicates that almost half (48.45%) of the respondents travelled less than 10km to their specific spa destination. A further finding is that more than three quarters (78.35%) of the respondents travelled 30km or less to their spa destination.

TABLE 5.15: DISTANCES TRAVELLED TO SPA DESTINATIONS BY THE RESPONDENT GROUP

	F	%
5km - 10km	47	48.45
11km - 30km	29	29.90
31km - 60km	11	11.34
61km - 100km	6	6.19
100km +	4	4.12
TOTAL	97	100.00

Frequency missing = 1

Main finding A15: The majority of the respondents travelled 30km or less to their specific spa destination.

5.2.1.12 Distance prepared to travel to spa destination

Section 5.2.1.11 referred to the distance that the respondents actually travelled to their specific spa destinations. The follow-up question then asked how far the respondents were prepared to travel.

Table 5.16 indicates that the majority of the respondents (31.96%) were prepared to travel 11 – 30 km to a spa destination. Almost another quarter (24.47%) of the respondents was prepared to travel between 31km and 60km to a spa destination.

TABLE 5.16: DISTANCES PREPARED TO TRAVEL TO SPA DESTINATIONS BY RESPONDENT GROUP

	F	%
5km - 10km	21	21.65
11km - 30km	31	31.96
31km - 60km	24	24.74
61km - 100km	13	13.40
100km +	8	8.25
TOTAL	97	100.00

Frequency missing = 1

Main finding A16: The majority of the respondents were prepared to travel between 11km and 30km to a spa destination.

5.2.1.13 Home language

The final demographic question in Section A of the questionnaire determined the home language of respondents. The information collected from this question may help to determine the language in which marketing material should be produced and distributed, specifically with reference to the current respondent group.

Table 5.17 indicates that more than half (56.84%) of the respondents selected Afrikaans as their home language and a quarter (25.26%) of the respondents selected English as their home language.

TABLE 5.17: HOME LANGUAGE DISTRIBUTION AMONG RESPONDENT GROUP

	F	%
Afrikaans	54	56.84
English	24	25.26
Isixhosa	5	5.26
Sepedi	1	1.05
Setswana	10	10.53
Other	1	1.05
Total	95	100.00

Frequency missing = 3

Main finding A17: The two major languages spoken by the respondents were Afrikaans and English.

Further analysis was conducted with a view to establish the relationship between population group and home language. Table 5.18 indicates that 62.50% of the African respondents were Setswana-speaking, whereas 70.27% of the White respondents were Afrikaans-speaking and 27.03% of this population group were English-speaking.

TABLE 5.18: HOME LANGUAGE AS RELATED TO POPULATION GROUP

	AFRICAN (%)	ASIAN/ INDIAN (%)	COLOURED (%)	WHITE (%)
Afrikaans	0.00	0.00	66.67	70.27
English	6.25	100.00	33.33	27.03
Isixhosa	25.00	0.00	0.00	1.35
Sepedi	6.25	0.00	0.00	0.00
Setswana	62.50	0.00	0.00	0.00
Other	0.00	0.00	0.00	1.35

Main finding A18: The main language spoken by the White respondents – who made up the majority of the respondents – was Afrikaans.

5.2.2 CONSUMER BEHAVIOUR OF RESPONDENTS REGARDING USAGE OF SPA FACILITIES

The questions included in Section B of the questionnaire were aimed at gathering information about the usage of spa facilities by respondents. These included, among others, questions addressing the frequency of spa visits by respondents, persons with whom they visit spas, and their reasons for visiting spas.

5.2.2.1 Frequency of actual and preferred spa visits and the reason for the difference between the two aspects

The first three questions of Section B were aimed at determining how often respondents visited spas, how often they would prefer to visit spas, and the reason for the difference between the actual and preferred spa visits. The information collected for these three questions is presented in Tables 5.19, 5.20 and 5.21.

When considering Table 5.19, it is evident that the majority (25.77%) of the respondents visited a spa less than twice a year. The table also shows that only about one fifth (20.62%) of the respondents visited a spa twice a year, whereas another fifth (21.65%) of the respondents visited a spa once in three months.

TABLE 5.19: DISTRIBUTION OF FREQUENCY OF ACTUAL SPA VISITS BY RESPONDENT GROUP

	F	%
Weekly	6	6.19
Monthly	16	16.49
Once every three months	21	21.65
Twice a year	20	20.62
Less than twice a year	25	25.77
First spa visit	9	9.28
Total	97	100.00

Frequency missing = 1

Main finding B1: 68.04% of the respondents visited a spa less than twice a year, two times a year or once every three months.

TABLE 5.20: DISTRIBUTION OF FREQUENCY OF PREFERRED SPA VISITS BY RESPONDENT GROUP

	F	%
Weekly	23	23.71
Monthly	39	40.21
Once every three months	22	22.68
Twice a year	9	9.28
Less than twice a year	4	4.12
Total	97	100.00

Frequency missing = 1

Table 5.20, on the other hand, indicates that 39 (40.21%) respondents preferred to visit spas on a monthly basis, 23 (23.71%) respondents preferred to visit spas on a weekly basis and 22 (22.67%) respondents preferred to visit spas once every three months. The reasons for the difference between these two tables are shown in Table 5.21.

Main finding B2: The majority of the respondents (86.6%) would have preferred to visit spas on a weekly or monthly basis or once every three months.

The third question in this section, as indicated above, required respondents to indicate the reasons for the differences between their actual and preferred frequency of spa visits. Since respondents could feel that there was more than one reason for the difference between their actual and preferred frequency of spa visits, they were allowed to choose more than one answer. Table 5.18 depicts this information as the frequency and percentage of those respondents who answered yes to each possible response.

When considering Table 5.21 the deduction can be made that more than half (58.16%) of the respondents stated that one of their reasons for not visiting a spa more often was that spas are very expensive. 50% of the respondents felt strongly about not having enough time to visit spas more often.

TABLE 5.21: REASONS FOR DIFFERENCE IN ACTUAL AND PREFERRED SPA VISITS BY RESPONDENT GROUP

	<i>F</i> YES	% YES
Spa visits are very expensive	57	58.16
The spa venue is situated too far from home	16	16.33
The spa venue is in an unsafe area	3	3.06
I do not have time to visit more often	49	50.00
Visiting a spa is not priority in my lifestyle	20	20.41
Do not have someone to accompany me to the spa	10	10.20
Other	2	2.04

Main finding B3: The two main reasons for the difference in actual and preferred spa visits were that spa visits are very expensive and that respondents do not have time to visit spas more often.

5.2.2.2 With whom respondents visit spas

The following two tables indicate with whom the respondents actually visited a spa and with whom they would have preferred to visit a spa. Since respondents do not necessarily visit a spa with the same people every time, they were allowed to answer yes to more than one of the alternatives provided.

TABLE 5.22: PERSONS WITH WHOM RESPONDENT GROUP VISITS SPAS

	<i>F</i> YES	% YES
Alone	64	65.31
With one or two good friends	38	38.78
With a group of friends	4	4.08
With colleagues (when organised through work)	6	6.12
With my husband or wife or life partner	32	32.65
With my children	9	9.18
With the whole family	1	1.02

Table 5.22 indicates that the majority (65.31%) of the respondents visited a spa alone. The two other popular ways were to visit spas with one or two good friends (38.78%) or with a husband/wife/life partner (32.65%).

Main finding B4: The majority of the respondents visited a spa alone.

TABLE 5.23: PREFERRED WAY OF VISITING A SPA BY THE RESPONDENT GROUP

	<i>F</i> YES	% YES
Alone	56	57.14
With one or two good friends	64	65.31
With a group of friends	17	17.35
With colleagues (when organised through work)	9	9.18
With my husband or wife or life partner	42	42.86
With my children	9	9.18
With the whole family	11	11.22

When comparing Table 5.23 with Table 5.22, however, the results indicate that the majority (65.31%) of the respondents would have preferred to visit the spa with one or two good friends. Visiting spas alone does, however, still seem to have been a popular option, as more than half (57.14%) of the respondents stated that they prefer going in this manner. Visiting with husband, wife or life partner also increased with 10.21%.

Main finding B5: The three most popular preferred ways of visiting spas by respondents were with one or two good friends, alone or with their husband, wife or life partner.

5.2.2.3 Reasons for visiting spas and the perception of spa visit effects

The next four tables are concerned with the information collected regarding the reasons why the respondents visit spas and their perceptions of whether these spas actually fulfil these needs.

5.2.2.3.1 Reasons for visiting spas

The first three tables present, firstly, the results of the reasons why the respondents visited spas; secondly, these same reasons as they relate to the top three occupational groups and, thirdly, the specific special occasions for which the respondents visited spas.

Table 5.21 shows possible reasons the respondents may have had for visiting spas. The majority (84.69%) of the respondents selected stress relief as one of their reasons for visiting spas. The other reasons are all rated very closely by the

respondent group with the next two most popular reasons including overall wellness and feeling better about themselves.

TABLE 5.24: REASONS FOR VISITING SPAS BY RESPONDENT GROUP

	<i>F</i> YES	% YES
Stress relief / reduction	83	84.69
Soothe sore joints or muscles	51	52.04
Feel better about myself	54	55.10
Mental / emotional health	42	42.86
Improve my appearance	52	53.06
Overall wellness	58	59.18
Special occasion	50	51.02
Other	5	5.10

Main finding B6: The most popular reason indicated by the respondents for visiting spas was to relieve/reduce stress.

Further analysis of the reasons why the respondents visited spas pointed towards a difference between the reasons provided by male and female respondents.

TABLE 5.25: DIFFERENCE IN REASONS FOR VISITING SPAS PROVIDED BY MALE AND FEMALE RESPONDENTS

	<i>Female</i> % YES	<i>Male</i> % YES
Stress relief / reduction	84.81	84.21
Soothe sore joints or muscles	50.63	57.89
Feel better about myself	63.29	21.05
Mental / emotional health	49.37	15.79
Improve my appearance	60.76	21.05
Overall wellness	63.29	42.11
Special occasion	54.43	36.84
Other	3.80	10.53

The responses related to stress relief/reduction as well as soothing sore joints/muscles for men and women seem to be fairly similar. The percentage of males responding yes to the remainder of the responses was, however, much lower than the percentages of yes responses made by the female respondents (see Table

5.25). It therefore seems that the main reason for male spa visits were for stress relief/reduction and the soothing of sore joints/muscles, whereas female respondents visited spas for a wider range of reasons.

Main finding B7: The major reasons for male spa visits were to relief/reduce stress, while female respondents visited spas for a wider array of reasons.

A further analysis was also conducted regarding the reasons why the top three occupational groups (professionals, those in management positions and the self-employed) visited spas. Table 5.26 indicates that the top three reasons for the professional occupational group to visit spas were firstly to relieve/reduce stress, secondly to soothe sore joints/muscles and joint thirdly were to feel better about themselves and to ensure overall wellness. The top three reasons for respondents in management positions also include stress relief/reduction, then mental/emotional health and lastly overall wellness. Finally, the top three reasons for the self-employed respondents to visit spas were again stress relief and, then secondly and thirdly, to improve appearance and for overall wellness, respectively.

TABLE 5.26: REASONS WHY TOP THREE OCCUPATIONAL GROUPS VISIT SPAS

	Professional %	Management %	Self- employed %
Stress relief / reduction	92.31	100.00	70.00
Soothe sore joints or muscles	66.67	27.27	50.00
Feel better about myself	64.10	63.64	40.00
Mental / emotional health	46.15	90.91	20.00
Improve my appearance	46.15	45.45	60.00
Overall wellness	64.10	72.73	70.00
Special occasion	53.85	54.55	30.00

Main finding B8: The top three occupational group respondents, namely the professionals, those in management positions and those being self-employed, all felt that stress relief/reduction and overall wellness were important reasons for visiting spas, and then respectively went to spas to feel better about themselves, for mental and emotional health, and to improve their appearance.

One of the response possibilities in Table 5.26 is special occasions. Table 5.27 indicates the possible special occasions that the respondents may have visited a spa for or would visit a spa for in the future. Some of the possible responses include being pregnant, when on holiday/vacation and for birthdays.

TABLE 5.27: SPECIAL OCCASIONS FOR WHICH RESPONDENTS WOULD VISIT A SPA

	F YES	% YES
Kitchen tea / bachelorette's party / baby shower	22	22.45
Wedding	32	32.65
Birthday	44	44.90
Being pregnant	19	19.39
Job promotion	18	18.37
Holiday / vacation	41	41.84
I received a gift card	36	36.73
Public/annual holidays	18	18.37
Other	5	5.10

When considering Table 5.27, it seems that the majority (44.90%) of the respondents visited a spa on their birthdays. Two other popular special occasions for the respondents included when they were on holiday/vacation (41.84%) or when they received a gift card (36.73%).

Main finding B9: The respondents indicated that when visiting a spa for a special occasion, the majority of them would visit spas for their birthdays, when on holiday or when they receive a gift card.

5.2.2.3.2 Perceptions of spa visit effects

Table 5.28 is concerned with the perception of the respondents regarding whether a spa visit actually cured or relieved their problems for which they went to the spa in the first place.

When considering table 5.28, the means indicate that respondents perceive stress relief as the most effective spa result. Second and third most effective result is the soothing of sore muscles and the soothing of sore joints. Spas are however not perceived as an ideal location/venue for hosting special occasions.

TABLE 5.28: PERCEPTION OF WHETHER SPA VISITS ARE EFFECTIVE FOR RESPONDENTS

	MEAN	SD
Spa visits relief stress	3.66	0.69
Spa visits help to soothe sore joints	3.40	0.82
Spa visits help to soothe sore muscles	3.50	0.68
Spa visits improve mental or emotional health	3.23	0.83
Spa visits improve appearance	3.21	0.89
Spa visits improve overall health	3.24	0.79
Spas are ideal locations/venues for hosting special occasions	3.00	0.86

Main finding B10: The respondents indicated that they perceive spa visits to be most effective for relieving stress and soothing sore muscles and joints.

5.2.3 EXTERNAL ASPECTS AFFECTING SPA CHOICES

External aspects that may have affected the decision of the respondents regarding which spa to visit or whether to visit a spa at all include aspects such as a recession, reference groups, promotional material and aspects relating to the spa itself.

5.2.3.1 Cutting costs when in financial difficulty or during RECESSION

The first external aspect related to cutting costs is a recession. The respondents received a list of expenditures for which they had to indicate to what extent they agreed or disagreed that they would cut costs on the specific expenditure when they find themselves in financial difficulty or when the country may be in recession.

When considering the means of each response table 5.29 indicates that respondents would first cut costs on going to the theatre/movies. Second on their list is restaurants and joined third are holidays, spas and other.

Main finding C1: Spa visits are joined third as an expenditure on which to cut costs should respondents find themselves in financial difficulty or when the country is in a recession.

TABLE 5.29: EXPENDITURES TO CUT COSTS ON WHEN EXPERIENCING FINANCIAL DIFFICULTY OR RECESSION

	Mean	SD
Holidays	3.06	1.14
Clothes shopping	3.03	1.08
Restaurants	3.10	1.05
Theatre / Going to the movies	3.35	0.98
Social events	2.82	1.13
Hair Salon	2.73	1.09
Beauty Salon (E.g. getting nails done etc)	3.05	1.08
Spa visits	3.06	1.00
Reading material (Magazines, books, newspapers etc)	2.70	1.10
Other, please specify ...	3.06	0.88

5.2.3.2 Reference groups

The second external aspect that was researched among the respondents was reference groups. The respondents had to indicate whom they would consult/refer to when making a decision on which spa to visit. Table 5.30 shows the results for this question.

TABLE 5.30: PEOPLE TO CONSIDER CONSULTING WHEN MAKING DECISIONS REGARDING SPA VISITS

	F YES	% YES
Spouse / life partner	52	53.06
Children / family member	33	33.67
Good friend	60	61.22
Work colleague	29	29.59
Member of a club, association, religious group or organisation consumers belong to	13	13.27
Other	2	2.04

Table 5.30 indicates that the majority (61.22%) of the respondents indicated that they would consult a good friend when making decisions regarding a spa. The

second and third most popular reference group/person was the spouses/life partners of the respondents and their families/children.

Main finding C2: The respondents indicated that they would mostly trust a good friend when making decisions regarding which spas to visit and treatments to get.

5.2.3.3 Promotional material consulted

The third external aspect that may influence the decision of the respondents regarding which spa to visit is promotional material. Table 5.31 indicates the different types of promotional material and the frequencies of respondents who consult these materials when considering different spas to visit.

When consulting Table 5.31, it can be seen that the respondents felt that a personal recommendation from a friend or family member was worth more than consulting a specific type of promotional material. The most popular promotional material, after personal recommendations, seemed to be internet websites, with almost two thirds (61.22%) of the respondents answering yes to this response.

TABLE 5.31: PROMOTIONAL MATERIAL CONSULTED BY THE RESPONDENT GROUP

	<i>F</i> YES	% YES
Internet website	60	61.22
Outdoor advertising	31	31.63
Direct advertising	32	32.65
Sales promotions	52	53.06
Promotional exhibit in a mall	40	40.82
Radio advertisement	21	21.43
Television advertisement	28	28.57
Magazine advertisement	44	44.90
Newspaper advertisement	9	9.81
Personal recommendation from a friend or family member	68	69.39
Promotional material was not consulted	13	13.27

Main finding C3: The majority of the respondents indicated they would firstly consult a friend or family member regarding information about spas, rather than consulting

promotional material. When promotional material was consulted, however, internet websites were the most popular option.

5.2.3.4 Specific spa aspects affecting respondent group

The final question of Section C listed a number of aspects specifically related to spas that may or may not affect the choice of the respondents to visit a spa. The list included aspects such as price, location, types of services and products available, professionalism, friendliness and helpfulness of spa therapists, atmosphere of the spa and aesthetics of the spa.

TABLE 5.32: ASPECTS PERTAINING TO SPAS THAT MAY AFFECT CHOICE OF SPA

	MEAN	SD
Price	3.40	0.78
Location	3.30	0.81
Types of products available	2.86	0.88
Types of services available	3.61	0.53
Professionalism of therapists	3.64	0.60
Friendliness of therapists	3.61	0.55
Helpfulness of therapists	3.57	0.58
Atmosphere of spa	3.44	0.67
Aesthetics of spa facilities (I.e. How it looks in terms of decor)	3.35	0.56

When considering the means in table 5.32 it is clear that the professionalism of therapists is the aspect that will influence choice of spa the most. Joined second is the types of services available and the friendliness of therapists. The helpfulness of therapists is the fourth aspect that will influence choice of spa.

Main finding C4: The three most important aspects affecting the choices respondents make regarding which spas to visit is the professionalism of the therapists, the types of services available and the friendliness of therapists.

5.2.4 INTERNAL ASPECTS AFFECTING SPA CHOICES

The final section of the questionnaire was aimed at gaining information on the internal or personal aspects that may affect the choice of the respondents regarding spas. Internal aspects such as personality are, however, difficult to quantify (see section 2.4.2.3.3) and therefore this section comprised of only two questions. These questions were concerned with lifestyle and living standard.

The first question enquired about the lifestyle of the respondents. The aim was to determine whether the respondents, who already visit spas, also lead healthy lifestyles in terms of exercise and eating habits. Table 5.33 indicates the number of times a week the respondents participated in certain healthy or unhealthy lifestyle habits.

TABLE 5.33: HEALTHY LIFESTYLE OF THE RESPONDENT GROUP

	MEAN	SD
Eat a healthy, balanced meal	1.73	0.87
Eat fast food (e.g. KFC or McDonald's)	3.39	0.75
Exercise (gym or taking part in a sport)	2.38	1.05
Exercise (walking or jogging)	2.37	1.07
Get in at least 8 hours of sleep at night	2.33	0.83
Take part in a stress-relieving activity	3.39	0.92

Only one unhealthy lifestyle habit, namely eating fast food, was included in Table 5.30. With a mean of 3.39, respondents indicate that they do not eat fast food on a regular basis. On the other hand respondents the means indicate that respondents regularly eat a healthy, balanced meal (1.73), exercise at the gym (2.38) or by walking/jogging (2.37) and sleep for 8 hours at night (2.33).

Main finding D1: The results indicated that the respondents lead a healthy lifestyle when taking into consideration their eating habits, amount of exercise and amount of sleep.

The last question of Section D as well as that of the questionnaire is a standard questionnaire which was set up by SAARF. This is the LSM questionnaire that aims to determine the standard of living of the respondents.

The LSM, as discussed in section 2.3.2.5, is a measure that divides the consumers of the South African population into groups according to things such as their degree of urbanisation and their ownership of cars and major appliances. Consumers belong to one of 12 LSM groupings, with the highest group, LSM 10 high (see section 2.3.2.5), representing the most affluent consumers. SAARF has compiled general descriptions of each of these LSM groupings which can be used by spa owners and marketers to collect information such as their average monthly income levels, the type of reading materials consumers purchase and the television channels they watch. Since annual gross personal income and annual gross household income results for this study seemed contradictory, the LSM results will aid towards providing a general result for the South African population for each LSM grouping.

TABLE 5.34: LIVING STANDARD MEASURE AS CALCULATED FOR RESPONDENT GROUP

	F	%
LSM 6	3	3.09
LSM 7 HIGH	3	3.09
LSM 8 HIGH	3	3.09
LSM 9 LOW	2	2.06
LSM 9 HIGH	6	6.19
LSM 10 LOW	8	8.25
LSM 10 HIGH	72	74.23
TOTAL	97	100.00

Frequency missing = 1

Table 5.34 shows that the majority (74.23%) of the respondents were part of the 10 high LSM grouping. The lowest LSM level for the respondent group was LSM 6.

Main finding D2: The majority of the respondents fell in the LSM 10 high grouping.

5.2.5 ANOVA AND T-TEST

Both ANOVAS and t-tests were computed for the purpose of *this study*. ANOVAS and t-tests were both discussed in section 4.2.5.5.2. The tests, however, did not

produced practical significance worth reporting. The different tests conducted will therefore only be mentioned for the sake of comprehensiveness.

5.2.5.1 ANOVAS

Two ANOVAS were conducted. Both ANOVAS were conducted with reference to the annual gross household income results of the respondents. The respondents were given 11 possible responses to choose from when answering question 7 regarding their annual gross household income. For the purpose of the test, the results from these responses were divided into three groups. The first group included those households earning less than R70 000 per annum to those earning R200 000 per annum. The second group included those households earning from R200 001 per annum to those earning R500 000 per annum and the third group included those earning from R500 001 per annum to those earning more than R700 001 per annum.

The first ANOVA was conducted with a view to determine the role that annual gross household income played in the frequency of spa visits by the respondents. However, the ANOVA indicated that p-values were not significant at the 0.05 level and that no practical significance could be reported.

Main finding E1: No relationship could be reported between the level of annual gross household income and the frequency of spa visits.

The second ANOVA was again conducted using annual gross household income. This time, the test was performed with a view to determine whether the level of income affected the respondents when answering question 25 (relating the aspects that may affect the choice of the respondents on which spa to visit). The ANOVA was conducted only to determine whether gross household income affected the respondents when answering whether price was important to them.

Once again, the test indicated that p-values were not significant at the 0.05 level and therefore the results were also not practically significant.

Main finding E2: No relationship between the level of annual gross household income and price could be reported.

5.2.5.2 T-tests

T-tests were conducted with a view to determine whether respondents with children and respondents without children responded differently to the specific questions. The questions for which the test was conducted were 12, 14, 22 and 25. For question 22, the test was only conducted for responses 1, 3 and 8, and for question 25, the test was only conducted for the first response.

Question 12 asked about the distance the respondents were prepared to travel, while question 14 enquired about the frequency of respondents' actual spa visits. Question 22 concerned those expenditures that respondents would consider cutting on when in financial difficulty, with specific reference to the responses *holidays*, *restaurants* and *spas* for the test. Finally, question 25 inquired about the aspects that may affect the choice of spa of respondents with specific reference to price, for purposes of the test. The results of these tests are shown in Table 5.35.

From Table 5.35 the deduction can be made that not one of the tests showed practical significance. As stated in section 4.2.5.5.2 a, for a result to be practically significant, a d-value of 0.8 needs to be reported. The following main findings can therefore be deduced.

Main finding E3: There is no significant difference between respondents with children and respondents without children with respect to the distance they are prepared to travel to a spa.

Main finding E4: There is no significant difference between respondents with children and respondents without children with respect to their actual frequency of spa visits.

Main finding E5: There is no significant difference between respondents with children and respondents without children with respect to whether they cut costs on holidays, restaurants or spas.

Main finding E6: There is no significant difference between respondents with children and respondents without children with respect to whether price is an aspect for them to consider when choosing a spa to visit.

TABLE 5.35: DESCRIPTIVE STATISTICS AND EFFECT SIZES ON Q12, Q14, Q22N1, Q22N3, Q22N8, AND Q24N1 FOR RESPONDENTS WITH CHILDREN (1) AND RESPONDENTS WITHOUT CHILDREN (2)

Variable	Group	n	mean	std	p-value (in case of random sampling)	d-value
Q12	1	61	2.44	1.2	0.46	0.16
	2	33	2.64	1.19		
Q14	1	61	3.87	1.48	0.04*	0.4
	2	33	3.27	1.18		
Q22N1	1	61	3.1	1.12	0.79	0.06
	2	33	3.03	1.21		
Q22N3	1	60	3.1	3.36	0.68	0.09
	2	32	3	3.42		
Q22N8	1	60	3.03	1.01	0.99	0.00
	2	31	3.03	1.02		
Q24N1	1	59	3.51	0.8	0.06	0.4
	2	32	3.19	0.74		

*Statistical significant at the 0.05 level according to t-test results for independent groups

5.3 SUMMARY

This chapter provided a discussion of the results obtained from the empirical research conducted for *this study*. The presentation of results was facilitated by means of tables, and main findings were supplied for all of the data that has been obtained.

CHAPTER 6: OVERVIEW, CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

6.1 INTRODUCTION

In the previous chapter, a discussion and interpretation of the research results were provided. Chapter 6 will conclude the dissertation by presenting a short overview of the study as well as conclusions and recommendations regarding the results obtained during the course of the research. Sections 6.4 and 6.5 will respectively provide the limitations that were experienced in the study and supply recommendations for future research.

6.2 OVERVIEW OF THE STUDY

The South African spa market has shown significant growth between 2002 and 2008. As a result, competition has also increased among the different spas (Intelligent Spas, 2009). During times of increased competition, spa marketers have to accept their responsibility to ensure that their spa or spa group remains competitive. Spatrade (2004) suggests the development of *personas* as one way to enhance market segmentation for spas which in turn will aid in improving the marketing of spas and its services. In order to develop *personas*, marketers need certain information regarding the spa user, namely demographic, psychographic and buying behaviour information (Spatrade, 2004). In order to collect all the information necessary for the development of *personas*, both quantitative and qualitative research methods are required. ***This study***, however, concentrated on a quantitative research method and collected all the quantitative data required for developing *personas* as these could be drawn up in future studies. From the data

obtained, a profile of the respondent group was drawn to be used as input by spa marketers for the development of *personas*. The basic marketing principles on which **this study** was therefore based upon were market segmentation and consumer buying behaviour (see section 1.2).

Chapter 1 of **this study** provided an introduction and background to the study; the problem statement was also provided, as this problem supplied the reason for performing **this study**. The primary and secondary objectives were also introduced, and these were followed by a short discussion of the research methodology followed during **this study**. Each of the objectives could be related with a particular chapter of this study; these relations are shown in Table 6.1. A chapter division was also supplied in Chapter 1 to indicate the structural layout of the entire study.

TABLE 6.1: RELATIONS BETWEEN STUDY OBJECTIVES AND RESPECTIVE CHAPTERS

OBJECTIVE	CORRELATING CHAPTER
1. Describe the traditional market segmentation criteria that may be used to segment spa markets	Chapter 2
2. Describe those aspects that may affect the behaviour of spa users.	Chapter 3
3. Determine those aspects that can be used to describe spa users who participated in the study and the aspects that will affect their buying behaviour.	Chapter 5
4. Provide a profile that marketers can use as input when developing <i>personas</i> as basis for market segmentation.	Chapter 6

Chapter 2 related to the first secondary objective, which was to describe the traditional market segmentation criteria that may be used to segment spa markets. This chapter started by emphasising the importance of market segmentation and then provided a detailed discussion of the market segmentation process. This process, as discussed in **this study** included seven stages. Each of these stages

was discussed with reference to how each of them related to, and could be implemented by spa managers and marketers.

Chapter 3 continued the theoretical exposition by means of a detailed discussion of consumer buying behaviour. This chapter also related to the second secondary objective of **this study**, which was to describe those aspects that may affect the purchasing behaviour of spa users. After providing insights regarding the importance of understanding consumer buying behaviour, an explanation of the model of consumer buying behaviour was provided. This included topics such as the input component concerned with external influences, the process component concerned with consumer decision-making and the output component concerned with post-decision behaviour. The last part provided a discussion on the types of consumer purchase decisions and the level of involvement by consumers in these decisions.

Chapter 4 set out the research methodology that was followed for the purpose of **this study**. The discussion introduced the seven stages of the research process and indicated how these stages were implemented for this specific study. Stage seven, which entails preparing the research results, was only briefly explained as it pertains to the study. The final results of the study were discussed and interpreted in Chapter 5.

Chapter 5 related the third secondary objective of this study, namely to determine those aspects that can be used to describe the respondents who participated in the study and the aspects that will affect their buying behaviour. In this chapter, the statistically analysed data was portrayed by means of tables, and the results were discussed and interpreted. The structure of the questionnaire was used as a basis for the layout of the chapter, and from these results the aspects that marketers could use to describe spa users were identified.

The final objective of **this study** will be addressed in this chapter (see section 6.3.4) when a profile, which can be used as input when developing personas will be provided for spa marketers to use when segmenting their markets.

6.3 CONCLUSIONS AND RECOMMENDATIONS

The primary objective of **this study** was to obtain the information necessary for developing *personas* as basis for market segmentation. The current chapter will focus on drawing conclusions regarding the results of **this study** with a view to determine whether secondary objectives have been met and whether these objectives will lead to the accomplishment of the primary objective.

In order to collect all necessary information required to develop *personas*, both quantitative and qualitative research would be required. For the purpose of **this study**, the focus was on the information which could be collected by means of a quantitative research method by making use of a self-administered questionnaire.

6.3.1 CONCLUSIONS REGARDING OBJECTIVE 1

The first objective was to describe the traditional market segmentation criteria that may be used to segment spa markets.

This objective was achieved by conducting a literature review of traditional market segmentation. The literature review indicated that five basic bases exist upon which markets may be segmented, namely geographic, demographic, psychographic, behavioural and multiple segmentation bases (see section 2.3.2). Because of the extended amount of information necessary to develop *personas*, a multiple segmentation bases approach was followed when collecting data on spa users. The descriptors therefore included geographic, demographic, behavioural and psychographic elements. The elements used in the questionnaire included only those which could be collected by means of a quantitative research method, such as age, gender, life-cycle stage, employment and frequency of spa visits, among others.

The following general conclusions can be drawn with reference to the traditional market segmentation aspects and elements to use when segmenting spa markets.

- The literature review on market segmentation indicated that five possible segmentation bases existed for use in this study, namely geographic, demographic, behavioural, psychographic and multiple segmentation bases. Due to aspects explained in Chapter 2, the conclusion was drawn that the most

appropriate segmentation base to use for the purpose of this study would be a multiple segmentation bases approach, which includes descriptors from the geographic, demographic, behavioural and psychographic segmentation bases.

- In light of the fact that a quantitative research method was followed, the decision was made to research the following market segmentation descriptors by means of the questionnaire to assist towards properly describing the respondent group: gender, age, level of education, life-cycle stage, family size, personal and household income, population group, employment, home language, distance travelled, usage rate, purchase and usage occasions, expected benefits, lifestyle and living standard.

6.3.2 CONCLUSIONS REGARDING OBJECTIVE 2

The second objective of the study was to determine those aspects that may affect the buying behaviour of spa users.

In order to achieve this objective, a literature review was conducted on consumer buying behaviour. Consumer buying behaviour was defined and the importance of the understanding thereof was established. In order to satisfy the objective, a detailed discussion of the model of consumer buying behaviour was provided (see section 3.2). The model indicated that both external influences and individual/personal aspects exist that may affect the buying behaviour of the consumer. Once again, only information that could be collected by means of a quantitative research method was included in the questionnaire.

The following general conclusions can be drawn regarding the aspects that may affect the buying behaviour of spa users, and which were included in the questionnaire.

- The literature review conducted in Chapter 3 indicated that both external and internal aspects exist that may or may not affect the buying behaviour of spa users. From the discussions of these aspects, and after taking into consideration that only those aspects that can be researched by means of a quantitative research method can be tested, the conclusion was drawn that the following external and internal elements should be included in the questionnaire: economic elements, reference groups and marketing mix elements such as promotional

material, people, processes and physical evidence, family size, age and life-cycle stage, occupation, perception, lifestyle and living standard.

6.3.3 CONCLUSIONS AND RECOMMENDATIONS REGARDING OBJECTIVE 3

Objective three of *this study* was to determine those aspects that can be used to describe spa users who participated in this study and the aspects that will affect their buying behaviour. This objective was achieved by conducting empirical research, including the distribution of questionnaires in order to obtain the necessary information.

The conclusions and recommendations for objective 3 are set out in the sections that follow.

6.3.3.1 Conclusions and recommendations regarding the descriptive aspects of the respondent group

Main findings A1 to A18 (see section 5.2.1) were all concerned with the demographic and geographic characteristics of the respondent group, which assisted towards describing the respondent group.

The research results indicated that the respondent group consisted predominantly of female Generation Y consumers who have a tertiary qualification. These respondents also seemed to be in one of three life-cycle stages, namely being single, married/living together (with no dependent children) or married/living together (with dependent children). Research results further indicated that the majority of the Generation Y respondents did not have children; however, the results showed the respondent group as a whole as having family sizes between two and four members, with the majority of the individuals earning less than R70 000 per annum and the majority of the households earning less than R70 000 per annum, R500 001 and R600 000 per annum or more than R700 001 per annum. The remaining results described the respondent group as being mainly white, full-time employed professionals who have travelled less than 30km to their spa destinations, but who are nonetheless prepared to travel up to 60km to a spa destination. The last

description indicates that the two main languages of the respondent group were Afrikaans and English.

With regard to objective 3, the **conclusion** of the above results is that the following aspects should be included as descriptors of the respondent group: gender, age, level of education, life-cycle stage, family size, population group, employment, language and distance travelled.

Main findings B1 to B10 (see section 5.2.2) described the respondent group in terms of their behaviour regarding the usage of spa facilities.

The research results indicated that the majority of the respondents visit a spa less than twice a year, twice a year or once every three months, although two thirds of the respondents would prefer to visit a spa on a weekly or monthly basis or once every three months. The reason for the difference between the actual and preferred frequency in spa visits of the respondent group were indicated as the spa visits being very expensive and the respondents not having sufficient time to visit more often. The majority of respondents also indicated they visit spas alone, but that they would prefer to visit a spa with one or two good friends, alone or with their husband, wife or life partner. Further results indicated that the most popular reason for the respondents to visit spas is for stress relief/reduction. A distinction can, however, be made between the reasons why male and female respondents visited the spas. The male respondents mainly visited spas to relief/reduce stress, whereas female respondents visit spas for a wider array of reasons. Further analysis also showed that the reasons why the top three occupational groups (professionals, management and self-employed respondents) visit spas were stress relief/reduction, overall wellness and then respectively to feel better about themselves, for mental/emotional health and to improve their appearance. One of the reasons why respondents visit spas is to celebrate special occasions, and according to the research results the most popular special occasions that respondents visit spas, would be birthdays, holidays or when they receive a gift card. The final descriptive information indicated that the respondents perceived spa visits to be most effective for relieving stress and to soothe sore joints and muscles.

The **conclusion** with regard to objective 3 for the above results is that the following aspects should be included as descriptors of the respondent group in terms of their buying behaviour: usage rate, purchase and usage occasion and expected benefits.

The **recommendations** for spa managers and marketers based on the above research results and conclusions regarding the geographic, demographic and behavioural descriptive characteristics of the study are the following:

- When spa managers and marketers use the descriptive aspects as identified in **this study** for further development of *personas*, they can focus on female respondents who are between the ages of 16 and 45 and who do not have children.
- Male respondents currently make up only 19.38% of the respondent group. However, results indicate that those males who do visit spas do so in order to relieve/reduce stress. Spa managers and marketers can view this as an opportunity to more specifically target male consumers by introducing them to stress-relieving or reducing treatments and packages through marketing.
- The majority of the respondents for **this study** were white Afrikaans and English-speaking consumers. The African Setswana-speaking respondents made up 17.35% of the respondent group. Spa managers and marketers can once again identify this group as an unexploited opportunity; it may be profitable for them to tailor-make a marketing mix to target this group of respondents.
- The majority of the respondents were employed on a full-time basis. Respondents also stated that one of the reasons they do not visit spas as often as they would like to, is because they do not have enough time. Spa managers and marketers can consider providing businesses with tailor-made packages for employees to visit spas at least once a month during office hours, since this would decrease the stress levels of employees. Spas may also consider offering mobile services by providing (if possible) some of their treatments at different office blocks, making it more accessible for employees during office hours.
- The most popular special occasion for respondents to visit a spa for is birthdays. Spa managers and marketers may either see this as an opportunity and emphasise this tendency by means of advertising, or they could launch an

advertising campaign to emphasise that their spa can also be an ideal location for other special occasions.

6.3.3.2 Conclusions regarding aspects that may affect the buying behaviour of the respondent group

Main findings C1 to C4 (see section 5.2.3) gave an indication of those external aspects that may affect the buying behaviour of the respondent group regarding spas.

The research results indicated that spas was joined third as an expenditure on which respondents would cut costs on when the country is in recession or when they find themselves in financial difficulty. The results also indicated that good friends would be a preferable reference when making purchase decisions regarding spas. Also, with regard to promotional material, respondents would rather consult a good friend or family member, and then consult an internet website when making spa purchase decisions. Other external aspects that may influence the buying behaviour of the respondent group include the extended marketing mix. Among these aspects, the professionalism of spa therapists, the helpfulness of the spa therapists and the types of services available are the most important to the majority of the respondent group.

The **conclusions** that may be drawn from the main findings in terms of aspects that may affect the buying behaviour of the respondent group regarding spa services are the following:

- The state of the economy is a aspect that will affect the buying behaviour of the respondent group.
- In terms of reference groups, good friends or family seem to be the aspect that affects buying behaviour the most.
- Regarding promotional material, recommendations from friends and internet websites should be considered as aspects affecting the buying behaviour of respondents.
- The external aspects that are part of the extended marketing mix of spas and which were indicated as having an effect on the buying behaviour of the respondent group include the professionalism of spa therapists, the helpfulness of the spa therapists and the types of services available.

The two internal aspects that may affect the buying behaviour of respondents were summarised under **Main findings D1 & D2** (see section 5.2.4).

The research results regarding the eating habits, the amount of exercise and the amount of sleep of respondents get indicated that the majority of them led healthy lifestyles. The results also indicated that the majority of the respondent group falls in the LSM 10 High group, which means they are fairly affluent citizens.

From the above-mentioned main findings, the following **conclusions** can be drawn regarding the internal aspects that may affect the buying behaviour of the respondent group:

- Leading a healthy lifestyle is important to the respondents; this finding indicates an internal aspect that may affect the buying behaviour of the respondent group, because visiting a spa can have a positive effect on the health of the respondent.
- The fact the majority of the respondent group falls into LSM 10 High, indicates that the affluence of the respondent group is another aspect that will affect their buying behaviour, because more affluent respondents may be able to afford spa visits.

The **recommendations** to spa managers and marketers based on these conclusions regarding the external and internal aspects affecting the buying behaviour of the respondent group are the following:

- Based on the results indicating that respondents turn to friends and family for recommendations and information on spas and treatments, spa managers and marketers should encourage current spa users to share their positive spa experience with friends and family. This can be achieved by means of a sales promotion. The spa may, for example, print cards on which current consumers can write their names and contact details. These cards can be handed out by consumers to friends or family members who, in return, should bring the card with when they visit the specific spa. The friend or family member could then receive a 5% discount on one treatment when presenting the card, and the consumer whose name is on the card could also receive a free treatment for every ten reference cards brought to the spa.

- Spa managers and marketers can use the information that the majority of the respondent group lead healthy lifestyles as grounds to specifically target potential spa users. They can, for example, advertise in magazines promoting healthy living, hand out flyers at supermarkets such as *Woolworths food* or organic food markets, or have sales promotions at the gym.
- Since annual gross personal income and annual gross household income results were not reliable, managers and marketers can make use of the SAARF description of the LSM groups for an indication of average household income. The average household income of a LSM 10 high consumer is for example R28 467 per month (see table 2.3). This information can also form part of the framework provided to spa managers and marketers to supply them with a comprehensive profile of the respondent group.

6.3.4 CONCLUSIONS REGARDING OBJECTIVE 4

The fourth objective of the study was to provide a profile that marketers can use as input when developing *personas* as a basis for market segmentation. The profile can serve as a starting point for a further qualitative study, where the remaining information required to develop *personas* more fully should be collected. The final *personas* can then be used by the marketers and managers of spas as the fictional, detailed, archetypical characters that represent distinct market segments.

This objective was achieved by using the information collected from the questionnaires to draw up a profile which could be used by marketers as input when developing *personas*. The profile is provided in Table 6.4, but is also described in paragraph form, and can be regarded as the conclusion for this objective. The following observation pertains to the profile provided:

- While discussing and interpreting the results of **this study**, it was found that the results for annual gross personal income and annual gross household income were contradictory and therefore not reliable. Income levels will therefore not be included in the profile provided in Table 6.4.

The **recommendations** that can be made in terms of the profile are the following:

- The basic idea of the profile is to provide spa managers and marketers with a starting point for the development of *personas* in order to enhance their market segmentation. This basic profile of the respondent group may also be used by marketers for marketing activities until the *persona(s)* have been developed.
- The profile indicates that the majority of the respondents belong in the LSM 10 High group. The SAARF description of this group may also be used in addition to the profile set out in Table 6.4 to describe the respondent group in more detail. The LSM description will, for example, provide average monthly income levels for the group and will indicate the radio stations and media they use (see Table 2.3).
- The profile was compiled using the information from the main findings of the study. This information can be used to draw up a *persona(s)*. The research may, however, be used to draw up other profiles, for example a profile of a potential new market (such as men) which can again be used to develop a *persona(s)*.

TABLE 6.2: PROFILE OF RESPONDENT GROUP

DEMOGRAPHIC AND GEOGRAPHIC DESCRIPTORS	
GENDER	Female
AGE	16-33 years
EDUCATION	Tertiary education
LIFE-CYCLE STAGE	Single ; married or living together (without children)
FAMILY SIZE	1 – 4 persons
POPULATION GROUP	White
HOME LANGUAGE	Afrikaans, English
EMPLOYMENT STATUS	Full-time employed
OCCUPATION	Professional
ACTUAL DISTANCE TRAVELLED	5 – 30 km

DISTANCE PREPARED TO TRAVEL	11 – 30 km
BEHAVIOURAL DESCRIPTORS	
FREQUENCY OF ACTUAL SPA VISITS	Less than twice a year; twice a year; once every three months
FREQUENCY OF PREFERRED SPA VISITS	Monthly; weekly; once every three months
REASONS FOR DIFFERENCE IN ACTUAL AND PREFERRED SPA VISITS	Expensive; no time
RESPONDENTS VISIT AND PREFER TO VISIT SPAS WITH:	Alone; 1 or 2 good friends; husband/wife/life partner
REASONS FOR VISITING SPAS	Stress relief/reduction; overall wellness; feel better about oneself
SPAS ARE VISITED FOR DIFFERENT SPECIAL OCCASIONS	Birthdays; holidays/vacation; received gift card
PERCEPTION OF SPA VISIT EFFECTS	Spa visits relief stress; help soothe sore muscles; help soothe sore joints
EXTERNAL ASPECTS AFFECTING SPA CHOICES	
WHEN RESPONDENTS ARE IN FINANCIAL DIFFICULTY OR COUNTRY IS IN RECESSION, THEY WILL CUT COSTS ON CERTAIN EXPENDITURES	Spas are joined third as expenditure to cut costs on.
RESPONDENTS WILL REFER TO THE FOLLOWING PEOPLE WHEN LOOKING FOR ADVICE AND INFORMATION REGARDING SPAS:	A good friend

RESPONDENTS WILL TURN TO THE FOLLOWING PROMOTIONAL MATERIAL WHEN SEARCHING FOR INFORMATION REGARDING SPAS:	Personal recommendation from family and friends; internet website
RESPONDENTS POINTED OUT THE FOLLOWING ASPECTS AS BEING THE MOST IMPORTANT WHEN VISITING SPAS:	Professionalism of therapists; types of services available; friendliness of therapists
INTERNAL ASPECTS AFFECTING SPA CHOICES	
RESPONDENTS LEAD HEALTHY LIFESTYLE BASED ON THE FOLLOWING:	Get 8 hours of sleep; eat a healthy balanced meal; exercise (jogging, walking, gym cycling); eat little or no junk food
LIVING STANDARD	LSM 10 High

- **Profile of respondent group**

The typical study group respondent can be described as a White Generation Y female who is either single or married/living together without any children. She speaks Afrikaans or English and is a full-time employed professional living with between 1 and three family members. She leads a healthy lifestyle, has a high living standard and is willing to travel up to 30km to a spa.

Her actual spa visits are less than twice a year, twice a year or once every three months. However, she would like to visit a spa more frequently, such as monthly or weekly. The reason she cannot visit more often is because spa visits are expensive and she does not have time to visit more often. Her major reasons for visiting a spa are to relief/reduce stress, to feel better about herself, for overall wellness or for special occasions such as birthdays, holidays or when she receives a gift card. When visiting a spa she would prefer to go alone, with one or two good friends or with her husband/life partner. Her perception of spa visits is positive for the relieving of stress and the soothing of sore joints and muscles.

The buying behaviour of the typical study group respondent will be affected by aspects such as recession or financial difficulty, the reference of a good friend, the recommendation of a family member and friend, information on a website, the professionalism and friendliness of the spa therapists and the types of services a spa offer.

6.4 LIMITATIONS OF THE STUDY

All research studies have limitations. The limitations for **this study** included the following:

- *Personas* are still a relatively new concept in the field of marketing and do not yet feature in recent text books. Reliable literature to support the effective implementation of *personas* as a marketing tool was therefore difficult to find.
- Due to a lack of resources in terms of time, manpower and money, the empirical research was only conducted for selected spas in the Pretoria area and the respondents were chosen by means of convenience sampling. This means that the results of the study cannot be used to generalise for all spa users, but are only relevant for the respondent group.
- The questionnaire was fairly long, which made some respondents reluctant to participate. Reluctance of respondents to participate in the study also occurred due to the perception of consumers that they visit spas to relax, which does not include completing lengthy questionnaires.

6.5 RECOMMENDATIONS FOR FUTURE RESEARCH

After completion of the study, the following recommendations can be made for future research:

- Due to a lack of resources, the study population was small. In order to ensure larger study population and to ensure that results can be generalised to a broader population, available resources should be assessed and required resources should be determined. If available resources are not sufficient, additional resources should be engaged to ensure that the generalisation of collected data is possible.

- A shorter questionnaire may be considered with a view to ensure a better response from spa users, as they seem to prefer not to be disturbed for a long period of time when visiting a spa.
- Future research may focus on collecting psychological data from respondents. It is advisable that a qualitative approach should be followed - such as focus groups or personal interviews - to ensure in-depth insight into personalities. This will assist with creating fully developed *personas*.
- When collecting information regarding personal and household income, the phrasing of the questions in the questionnaire should be kept simple, and respondents should rather be asked to indicate their monthly income instead of their annual income, since the word “annual” may be misleading and because consumers may be better informed of their monthly personal and household income figures than their annual personal and household incomes. An extra response in the form of “not specified” can also be added.
- Only the main findings of the study were used to draw up the profile of the respondent group. Marketers may use the research results to draw up more profiles, for example to develop *personas* for potential markets (such as male and African respondents).

6.6 CONCLUSION

Chapter 6 indicated that all four of the secondary objectives were achieved. Literature reviews provided the necessary information for compiling a questionnaire for empirical research, and the empirical research provided results and main findings that could be used to compile a profile that spa marketers can use as input when developing *personas* once the necessary qualitative information is also collected. The main objective of using *personas* as basis for market segmentation was therefore also achieved, since *personas*, throughout this study, were the underlying aspect that guided decisions regarding whether to include descriptors for research in the marketing research process.

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APPENDIX A: QUESTIONNAIRE



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Pretoria – Spa Survey

Determining profiles of the Pretoria spa user



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2 March 2010

TO WHOM IT MAY CONCERN

SPA MARKET SEGMENTATION QUESTIONNAIRE

This serves to confirm that Ms Anri Kotzee is completing her MCom degree in Marketing Management at the above university. The attached questionnaire serves as part of her research on market segmentation.

The questionnaire aims to collect quantitative information of the Pretoria spa consumer. This information will be used in conjunction with qualitative information from a further study to design personas for spa consumers. Once these personas have been designed they can be used by spas to enhance their marketing by directing it making activities to specific types of consumers. This will benefit both the business (spa) and the consumer of the spa.

It would be appreciated if you could complete this questionnaire as honestly as possible. The information collected by means of this questionnaire will be treated with the utmost confidentiality.

Thank you for your understanding and cooperation in this regard.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JO Lotz'.

Dr JO Lotz
Study leader and Senior Lecturer in Marketing Management
Potchefstroom Campus

Please mark all your answers with an ☒

SECTION A

The following questions are aimed at obtaining information about your demographic and geographic background.

1. Gender

	Male	1
	Female	2

2. Age

	Younger than 15 years	1
	16 – 33	2
	34 – 45	3
	46 – 64	4
	65 + years	5

3. What is your highest level of education?

	Primary school	1
	High-school	2
	Diploma	3
	University degree	4
	Post-graduate degree	5

4. In which life-cycle stage do you find yourself?

	Single	1
	Married or Living together (without children)	2
	Married or Living together (with dependent children)	3
	Married or Living together (with no dependent children)	4
	Divorced or Widowed (without children)	5
	Single parent	6

5. How many persons, of your *CORE FAMILY*, other than yourself are living at your home?

	One	1
	Two	2
	Three	3
	Four	4
	Five	5
	Six	6
	More than six	7

6. What is your own *ANNUAL GROSS PERSONAL* income?

	Less than 70 000	1
	70 0001 – 110 000	2
	110 001 – 150 000	3
	150 001 – 200 000	4
	200 001 – 250 000	5
	250 001 – 350 000	6
	350 001 – 400 000	7
	400 001 and above	8

7. What is your ANNUAL GROSS HOUSEHOLD income? E.g.: The total income of both you and your husband, wife or life partner. (Household income may be the same as personal income if you are, for example, in a situation where you are the only member of the household)

	Less than 70 000	1
	70 0001 – 110 000	2
	110 001 – 150 000	3
	150 001 – 200 000	4
	200 001 – 250 000	5
	250 001 – 350 000	6
	350 001 – 400 000	7
	400 001 – 500 000	8
	500 001 – 600 000	9
	600 001 – 700 000	10
	700 001 and above	11

8. To which population group do you belong?

	African	1
	Asian/Indian	2
	Coloured	3
	White	4
	Other	5

9. What is your employment status? Please mark YES or NO for every statement.

		Yes	No
1	Full-time employed		
2	Part-time employed		
3	Not employed		
4	Student		

If you answered **YES** to either **full-time** or **part-time employed** in question 9, please answer the following question and then continue with question 11. If you answered **NO** to **BOTH Full-time AND Part-time employed** in question 9, then please continue with question 11.

10. In which occupational group do you categorise yourself?

	Professional	1
	Management	2
	Self-employed	3
	Technical Personnel	4
	Sales personnel	5
	Farmer	6
	Mining	7
	Administrative	8
	Public servant	9
	Education	10
	Other, please specify.....	

11. How far did you travel to visit the spa you are at NOW?

	5 – 10km	1
	11 – 30km	2
	31 – 60km	3
	61 – 100km	4
	More than 100km	5

12. What is the FARTHEST distance that you are prepared to travel for spa visits in general?

	5 – 10km	1
	11 – 30km	2
	31 – 60km	3
	61 – 100km	4
	More than 100km	5

13. What is your home language?

	Afrikaans	1
	English	2
	Ndebele	3
	Xhosa	4
	Zulu	5
	Sepedi	6
	Sesotho	7
	Tswana	8
	SiSwati	9
	Venda	10
	Tsonga	11
	Other, please specify ...	12

SECTION B

The following questions are aimed at obtaining information regarding your usage of spa facilities.

14. How often do you visit a spa?

	Weekly	1
	Monthly	2
	Once every three months	3
	Twice a year	4
	Less than twice a year	5
	This is my first visit to a spa	6

15. How often would you like to visit a spa?

	Weekly	1
	Monthly	2
	Once every three months	3
	Twice a year	4
	Less than twice a year	5

If your answer in question **14 DIFFERS** from the one in question **15**, please answer the question that follows and then go to question **17**. If your answer in question **14 DOES NOT DIFFER** from the one in question **15**, please go to question **17** and then continue with question **18**.

16. What is the reason for the difference in the number of times that you actually visit a spa and the number of times that you would like to visit a spa? Please mark YES or NO for every statement.

		Yes	No
1	Spa visits are very expensive		
2	The spa venue is situated too far from home		
3	The spa venue is in an unsafe area		
4	I do not have time to visit more often		
5	Visiting a spa is not priority in my lifestyle		
6	I do not have someone to accompany me to the spa		
7	Other, please specify...		

17. When visiting a spa, I usually go (Please mark YES or NO for every statement.)

		Yes	No
1	...alone		
2	...with one or two good friends		
3	...with a group of friends		
4	...with colleagues (when organised through work)		
5	...with my husband or wife or life partner		
6	...with my children		
7	...with the whole family		

18. When visiting a spa how would you prefer to go? Please mark YES or NO for every statement.

		Yes	No
1	Alone		
2	with one or two good friends		
3	with a group of friends		
4	with colleagues (when organised through work)		
5	with my husband or wife or life partner		
6	with my children		
7	with the whole family		

19. Why do you go to a spa? Please mark YES or NO for every statement.

		Yes	No
1	Stress relief / reduction		
2	Soothe sore joints or muscles		
3	Feel better about myself		
4	Mental / emotional health		
5	Improve my appearance		
6	Overall wellness		
7	Special occasion		
8	Other, please specify ...		

If you answered **YES** to **Special occasion** in question **19** then please answer the following question and then continue with question **21** (Section C). If you answered **NO** to **Special occasion** in Question **19** then please go to question **21** (Section C) and then continue with question **22**.

20. For which of the following *Special occasions* have you visited a spa or will you visit a spa in future? Please mark YES or NO for every statement.

		Yes	No
1	Kitchen tea / Bachelorette's party / Baby shower		
2	Wedding		
3	Birthday		
4	Being pregnant		
5	Job promotion		
6	Holiday / Vacation		
7	I received a gift card		
8	Public/Annual holidays (E.g. Valentine's day, women's day, mothers/fathers' day)		
8	Other, please specify		

21. In question 17 you were asked what your specific reason is for visiting a spa. The following statements relate to these reasons, but this time please indicate to what extent you agree or disagree IN GENERAL with the given statements. Use the scale provided.

		Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
		1	2	3	4
1	Spa visits reliefs stress				
2	Spa visits help to soothe sore joints				
3	Spa visits help to soothe sore muscles				
4	Spa visits improve mental or emotional health				
5	Spa visits improve appearance				
6	Spa visits improve overall health				
7	Spas are ideal locations/venues for hosting special occasions				

SECTION C

The following questions are aimed at obtaining information regarding external factors that may affect your decision of which spa to visit, or whether to visit a spa at all.

22. The following is a list of expenditures. Indicate to what extent you agree or disagree with the following statements. "When you find yourself in financial difficulty or when the country is in a recession you will cut costs on....."

		Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
		1	2	3	4
1	Holidays				
2	Clothes shopping				
3	Restaurants				
4	Theatre / Going to the movies				
5	Social events				
6	Hair Salon				
7	Beauty Salon (E.g. getting nails done etc)				
8	Spa visits				
9	Reading material (Magazines, books, newspapers etc)				
10	Other, please specify ...				

23. Whom would you consider consulting when making a purchase decision regarding a spa to visit or a treatment to get? Please mark YES or NO for every statement.

		Yes	No
1	Spouse / Life partner		
2	Children / family member		
3	Good friend		
4	Work colleague		
5	Member of a club, association, religious group or organisation you belong to		
6	Other, please specify		

24. Which promotional material, if any, did you consult to obtain information regarding spas?
Please mark YES or NO for every statement.

		Yes	No
1	Internet website		
2	Outdoor advertising (e.g. billboards, motor vehicles, posters)		
3	Direct advertising (e.g. e-mail, mail, cell-phone calls or an SMS)		
4	Sales promotions (e.g. pamphlets, competitions, special packages)		
5	Promotional exhibit in a mall		
6	Radio advertisement		
7	Television advertisement		
8	Magazine advertisement		
9	Newspaper advertisement		
10	Personal recommendation from a friend or family member		
11	Promotional material was not consulted		

25. The following list contains factors that may or may not affect your choice of spa to visit. Indicate to what extent these factors will affect your choice of spa. Use the scale provided.

		Not important at all	Not important	Important	Very important	Not applicable
		1	2	3	4	5
1	Price					
2	Location					
3	Types of products available					
4	Types of services available					
5	Professionalism of therapists					
6	Friendliness of therapists					
7	Helpfulness of therapists					
8	Atmosphere of spa					
9	Aesthetics of spa facilities (I.e. How it looks in terms of decor)					

SECTION D

The following questions are aimed at obtaining information regarding internal/personal factors that may affect your decision of which spa to visit, or whether to visit a spa at all.

26. Please indicate the number of times a week you do the following activities. Use the scale provided.

		Daily	3 to 4 times a week	Once a week	Less than once a week	Not applicable
		1	2	3	4	5
1	Eat a healthy, balanced meal					
2	Eat fast food (e.g. KFC or McDonald's)					
3	Exercise (gym or taking part in a sport)					
4	Exercise (walking or jogging)					
5	Get in at least 8 hours of sleep at night					
6	Take part in a stress relieving activity					

27. Answer true or false to the following questions. (LSM)

			True	False
1		I have the following in my household:		
	1.1	TV Set		
	1.2	VCR		
	1.3	DVD player		
	1.4	M-net / DSTv subscription		
	1.5	Hi-fi / music centre		
	1.6	Computer / Laptop		
	1.7	Vacuum cleaner / floor polisher		
	1.8	Dishwashing machine		
	1.9	Washing machine		
	1.10	Tumble dryer		
	1.11	Home telephone (excluding a cell)		
	1.12	Deep freezer		
	1.13	Fridge / freezer (combination)		
	1.14	Electric stove		
	1.15	Microwave oven		
	1.16	Built-in kitchen sink		
	1.17	Home security service		
	1.18	3 or more cell phones in household		
	1.19	2 cell phones in household		
	1.20	Home theatre system		
2		I have the following amenities in my home or on the plot:		
	2.1	Tap water in house / on plot		
	2.2	Hot running water from a geyser		
	2.3	Flush toilet in / outside house		
3		There is a motor vehicle in our household		
4		I am a metropolitan dweller		
5		I live in a household, cluster or town house		
6		I live in a rural area outside Gauteng or the Western Cape		
7		There are no radios, or only one radio (excluding car radios) in my household		
8		There is no domestic workers or household helpers in my household (both live-in and part time)		

APPENDIX B: ASSISTANCE IN STATISTICAL ANALYSIS



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Statistical Consultation Service

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Fax: (018) 299 2557

16 November 2010

To whom it may concern

Re: Dissertation A Kotzee, student number: 12974870

We hereby confirm that the Statistical Consultation Service of the North-West University has analysed the data and assisted with the interpretation of the results.

Kind regards

Mrs J W Breytenbach (MSc)