Determining predictors of brand loyalty in the South African wine industry

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ABSTRACT

The South African wine industry is becoming more competitive, as there is a significant variety of wines and wine brands available to consumers. This makes it difficult to gain loyal consumers and build long-term relationships with them. Wine brands, therefore, need to determine those aspects that influence consumers' loyalty, in order to develop the appropriate marketing and branding strategies to build long-term relationships with consumers.

Branding and brand strategies have been established as tactics to gain and retain loyal consumers and build long-term relationships with them. Branding and brand strategies assist in gaining an understanding regarding what influences consumers' loyalty towards a business. If a business implements a suitable branding strategy, it will be able to improve its brand, leading to consumers becoming satisfied with the brand, ultimately resulting in loyalty.

The primary objective of this study was to investigate brand identity, brand value, perceived quality, and brand trust as predictors of satisfaction and ultimately brand loyalty within the South African wine industry. A quantitative descriptive research design was followed, implementing non-probability convenience and judgement sampling. The data was collected by means of self-administered questionnaires given to respondents in the Western Cape Province who were older than 18 years, and consume wine more than once a month. The sample size included 260 responses.

Structural equation modelling was used to test the formulated hypotheses, indicating that brand identity, perceived brand value, perceived quality and brand trust statistically significantly predict satisfaction, and satisfaction statistically significantly predicts brand loyalty. A confirmatory factor analysis and Cronbach alpha test were conducted to confirm the constructs' validity and reliability respectively.

Considering the results, a model is proposed that directs South African wine brands' brand identity, perceived brand value, perceived quality and brand trust that can be used to enhance consumers' satisfaction toward the brand, which should ultimately result in them becoming loyal towards the brand. Thus, for wine brands to be able to achieve loyalty among their consumers, they need to enhance consumers' satisfaction towards their brand, which can be done by improving their brand identity, perceived brand value, perceived quality and brand trust. In order for wine brands to improve their brand identity, they need to differentiate their brand. To improve perceived brand value, wine brands should have reasonable prices. To improve perceived quality, wine brands should ensure that they are the best brands in the market. To improve consumers'

trust in the wine brand, the brand should be dependable. Lastly, to improve consumers' satisfaction towards the wine brand, they need to present consumers with what they are looking for.

Recommendations for future research consist of working together with wineries and liquor stores to gain access to their consumers for primary data collection. Researchers should also consider making use of larger sample sizes, and include more provinces. Online surveys can be used, as they are more user friendly, cost effective and less time-consuming. Lastly, the model provided in this study can be used in other studies, economies or industries to test how reliable, relevant and applicable this model is.

LIST OF KEY TERMS

- **Brand**

  Ghodeswar (2008:4) and Keller and Lehman (2006) describe a brand as a unique name and/or symbol with the intent to identify the products or services of a business, and to differentiate those products or services from competitors' products or services. Brands provide the foundation so that consumers can identify with a business' product or service (Ghodeswar, 2008:4).

- **Brand identity**

  Aaker and Joachimsthaler (2000), Ghodeswar (2008:5) and He *et al.* (2012:649) define brand identity as the distinctive and relatively lasting characteristics of a brand to consumers. The identity of a brand reflects the business' strategy and how willing the business is to invest in the necessary programmes in order to deliver on the promises made to consumers.

- **Brand loyalty**

  Aaker (1991) and Ghodeswar (2008:7) define brand loyalty as a degree of attachment that a consumer has towards a brand and the possibility that a consumer will move to another brand. Oliver (1999:34) also states that brand loyalty is "a deeply held predisposition to re-patronise a preferred brand or service consistently in the future, causing repetitive same brand purchasing despite situational influences and marketing efforts having the potential to cause switching behaviour".

- **Brand trust**

  Delgado-Ballester and Munuera-Alemán (2005:188) and Erciş *et al.* (2012:1398) define brand trust as the consumer's confidence that the certain brand is dependable, honest, consistent and capable. Brand trust is furthermore also described as the willingness of consumers to have faith in the brand's ability to deliver its promised function (Bianchi *et al.*, 2012:3; Şahin *et al.*, 2011:1290).

- **Perceived brand value**

  Perceived brand value refers to a consumer's perception of the subjective worth of a brand, bearing in mind all costs and benefits of using the brand (Lai *et al.*, 2008:981). Erciş *et al.* (2012:1397) state that perceived brand value contains the evaluations consumers make of the quality and price of a brand after purchasing it.

- **Perceived quality**

  Perceived quality is described as a consumer's perception of the total superiority of a brand relative to alternative brands (Hsu *et al.*, 2012:357).

- **Satisfaction**

  The positive attitude consumers develop because of their experience with a certain brand, product or service is called satisfaction (Oliver, 1980). Consumers' satisfaction ratings are affected by consumers' perceptions of goods, services or brands (Zboja & Voorhees, 2006:386). Therefore, overall satisfaction is consumers' rating of the product, service or brand based on their experiences (Deng *et al.*, 2009:290).

- **Wine industry**

  Within the South African context, the wine industry is much wider than implied. The South African wine industry consists of natural wine, fortified wine, sparkling wine, distilling wine, wine for brandy, brandy and other wine-distilled spirits, grape juice and grape juice concentrate (SAWIS, 2016:4).

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CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

The aim of this study is to investigate the factors predicting brand loyalty in the South African wine industry. This process includes examining the factors that may lead to consumers' satisfaction with wine brands, and whether satisfied consumers are indeed loyal towards a specific wine brand. These predicting factors include the brand's identity, perceived brand value, perceived quality and brand trust. It is vital to continuously conduct research in this field, as it is highly competitive and continuously changing. Therefore, a model was developed, linking the constructs (i.e. brand identity, perceived brand value, perceived quality, brand trust and satisfaction) and brand loyalty together within the South African wine industry.

In the sections that follow, a deeper understanding is provided into the background of the study, and the layout of the dissertation. In this chapter, the background is discussed, the research problem is formulated, a summary of the South African wine industry is presented, and the related literature on branding is discussed. The research objectives and hypotheses for this study are provided, followed by an outline of the research methodology. Lastly, the contribution of this study is highlighted, and an outline of the structure of the chapters to follow, is provided.

1.2 BACKGROUND AND RESEARCH PROBLEM

Creating a brand-focused culture is a time-consuming commitment that requires thorough planning and determination, ultimately resulting in beneficial outcomes to the business, such as less price-sensitive consumers, increased satisfaction, fewer defections, and a higher level of repeat purchases (Baumgarth & Schmidt, 2010; Ghodeswar, 2008:4; Sousa & Silva, 2015:122). High-quality relationships between the business and consumers, where the consumer feels committed towards the brand with a sense of belonging, are an indication of the success of the business. Branding, consequently, assists in transforming functional assets into relationship assets, where the goal of this relationship is building brand loyalty (Ghodeswar, 2008:6; Şahin *et al*., 2011:1288).

The competition in the wine industry has grown increasingly, not just locally but also internationally, and consumers are faced with a much wider variety of wine brands to choose from (PwC, 2015). According to Bianchi *et al*. (2012:2) and Drennan *et al*. (2015:47), due to this

increasing competition, it is important that wine brands understand the aspects affecting consumers' loyalty towards their brands.

South Africa currently ranks as number seven in worldwide wine production, and produced 3.9% of the world's wine in 2016 (WOSA, 2017a; WOSA, 2017b). According to Cape Wine (2017), Fraser (2008), SAWIS (2016) and Wines of South Africa (WOSA) (2017a), the South African wine industry contributes towards the country's economic and sustainable development, advances in tourism, and the happiness of consumers. Therefore, wine brands must target the most suitable and sustainable market and encourage consumers in this market to become loyal towards the brand – the Wine Industry Development Association's philosophy is, after all "once you have a market all the other things will fall into place" (Fraser, 2008). However, consumers' purchasing decisions are becoming increasingly difficult, as the wine industry has such an extensive range of brands to choose from. Therefore, it is important for businesses to have successful marketing and branding strategies in place in order to assess the drivers of consumers' wine brand preferences (Bianchi *et al*., 2012:2; Drennan *et al*., 2015:47; Schäufele & Hamm; 2017:388).

Aaker (1996a) states that one of the aims of brand management is to build a strong brand, as it offers numerous advantages to a business. Businesses are likely to trust that a good and strong brand will result in long-term success and profitability (Ghodeswar, 2008:5; Keller & Lehman, 2006; Yang & Tsou, 2017:926). Wine brands, in particular, are convinced that by having a label, it will result in them becoming successful. However, according to Fraser (2008), the label itself does not determine the success of a business, but rather the message that the label portrays will contribute towards the success of the business. Lockshin *et al*. (2009), McCutcheon *et al*. (2009:213), Metha and Bhanja (2018:42), and Williamson *et al*. (2017:475) also note that a wine's brand is a significant determinant of what consumers will choose, as the brand usually indicates the type of relationship the business would like to build with its consumers (Fraser, 2008).

According to Bianchi (2015:443) and Bianchi *et al*. (2012:2) and Williamson *et al.* (2017:475), numerous factors influence the decisions consumers make when purchasing a wine brand. Some of these factors can include aspects such as the specific wine attributes, brand name, winemaker, brand region, consumers' experience with previous consumption, the identity of the brand, the trustworthiness of the brand, as well as their satisfaction with the brand. Consumers also often seek information such as price, variety, brand name, region, packaging and recommendations, to assist in their decision (Bianchi, 2015:443; Bianchi *et al*., 2012:2; Danner *et al.*, 2017:264; Hussain *et al*., 2007:57). Previous research established that the wine brand is one of the most significant criteria when deciding which wine to purchase (McCutcheon *et al*., 2009:213; Metha & Bhanja; 2018:42).

According to McGechan (2016), most wine brands are trying to copy their competitors in order to become as successful as they are; however, that is not the solution to success. Research in the wine industry has shown that great wine products are a start, but it is not sufficient; it also needs to appeal to the consumer in other ways. However, once good quality wine has been created, good brand management will help turn that hard work into success. By managing a brand properly, loyalty can be developed among consumers, ultimately encouraging a long-term relationship between the business and the consumer (Keller, 1993; Şahin *et al*., 2011:1288).

The growing competition in the South African wine industry has created the need for wine brands to gain a better understanding of the factors that affect consumers' loyalty towards a wine brand (Bianchi *et al*., 2012; Drennan *et al*., 2015:47). Since the wine industry is a varied and comprehensive industry, it is important to establish brand loyalty among consumers in order to build long-term quality relationships with them (Fraser, 2008; Şahin *et al*., 2011:1290).

According to Erciş *et al*. (2012:1396), businesses would like their consumers to develop loyalty towards their brands. To establish loyalty among consumers, it is important that businesses meet and exceed consumers' needs, in order to satisfy them and provide good quality brands. When consumers are satisfied, they show commitment by purchasing the brand continuously, thereby becoming loyal consumers (Ballantyne *et al*., 2006; Deng *et al*., 2009:290; Erciş *et al*., 2012:1396). There, however, is little known research available about the factors determining consumers' loyalty towards a wine brand. Therefore, the literature available on branding and brand loyalty will offer the basis for examining the factors leading to brand loyalty in the South African wine industry.

1.3 PREVIOUS RESEARCH ON BRAND LOYALTY

Over the years, several studies have been conducted in various industries and countries regarding brand loyalty. These studies have identified certain factors, such as brand identity, brand trust, satisfaction, brand equity, perceived quality, perceived brand value, brand experience and brand knowledge as significant predictors of brand loyalty (Bianchi, 2012; Erciş *et al*., 2012; Ghodeswar, 2008; He *et al*., 2012; Matzler *et al*., 2008; Nam *et al*., 2011). Table 1.1 presents an exposition of these previous research studies conducted on the concept of brand loyalty, providing an indication of the key constructs identified as antecedents to brand loyalty, as well as a brief explanation of each study's main contribution.

Table 1.1: Antecedents of brand loyalty

AUTHOR(S)	CONTRIBUTION OF THE STUDY	KEY ANTECEDENTS
Ghodeswar (2008)	This study aimed to identify significant elements of brand building. When building a brand it has to be aligned with business processes helping to deliver the promises made to consumers, as it plays a significant role in the experience consumers have with the brand.	Brand identity
Matzler *et al.* (2008)	This study examined the relationship between the consumer's risk aversion and brand loyalty, and tested whether this relationship is facilitated by brand trust and brand affect. Marketers can enhance their consumers' brand loyalty towards the business by targeting more risk aversive consumers.	Risk aversion; brand trust, brand affect
Deng *et al.* (2009)	The findings confirm that trust, perceived service quality and perceived consumer value help to generate consumer satisfaction with mobile instant messages. The results showed that trust, consumer satisfaction and switching cost increase consumer loyalty.	Trust; service quality; value; satisfaction
He *et al.* (2012)	The study proposed a social identity viewpoint of the consumer-brand relationship and combines brand identity and identification with value, trust and satisfaction in anticipating brand loyalty. The results offer several theoretical implications.	Brand identity; identification; value; trust and satisfaction
Nam *et al.* (2011)	The study proposes that consumer satisfaction partly facilitates the effects of staff behaviour, ideal self-congruence and brand identification on brand loyalty. Consumer satisfaction facilitates the effects of physical quality and lifestyle congruence on brand loyalty.	Consumer satisfaction; staff behaviour; ideal self-congruence; brand identity, brand identification
Şahin *et al.* (2011)	The study proposes the effects of brand experiences to build lasting brand and consumer relationships with brand trust, satisfaction and loyalty. Brand experiences, satisfaction and trust have a positive effect on brand loyalty.	Brand experience; satisfaction; trust
Bianchi *et al.* (2012)	The study tests a model of antecedents of wine brand loyalty. Wine knowledge and wine experience affect brand loyalty indirectly through brand trust and brand satisfaction, with satisfaction being the strongest driver of brand loyalty.	Brand knowledge; brand experience; brand trust; consumer satisfaction
Erciş *et al.* (2012)	The study established that brand satisfaction effects affective commitment, and trust effects affective commitment and continuance commitment. Furthermore, affective commitment effects repurchase intention and loyalty.	Brand satisfaction; commitment; trust
Kuikka and Laukkanen (2012)	The study examined the antecedents of brand loyalty. A model of four antecedents leading to behavioural loyalty and attitudinal loyalty was constructed.	Brand satisfaction; brand equity; brand value; brand trust

From the above table, it is clear that various factors can be considered as potential predictors of brand loyalty. It is, however, important to focus on those predictors that are especially relevant to wine brands. For this reason, the factors from Bianchi *et al*.'s (2012) study on brand loyalty in the Australian wine industry are included, namely brand knowledge and experience (also described as perceived brand value, identity and perceived quality), brand trust and satisfaction.

In addition, Ailawadi *et al*. (2008:20), Berman and Evans (2013:16), Bianchi (2015:446), Bianchi *et al*. (2012:2), Chandrasekar (2010:152), Egner (2008:20), Feng and Yanru (2013:183), Lam and Shankar (2014:27), Nam *et al*. (2011:1009), Oliver (1999), Oliver (2003), Ray and Chiagouris (2009:11,13), and Shimp (2010:64) examined the relationship between consumer satisfaction and brand loyalty, and established a positive relationship between these two constructs.

Businesses should, therefore, pay attention to strategies and measures that will contribute to building brand identity, perceived brand value, perceived quality, and brand trust, as to improve the overall satisfaction levels, and ultimately brand loyalty.

1.4 THE SOUTH AFRICAN WINE INDUSTRY

According to WOSA (2017a), there are 95 775 hectares of vineyard in South Africa, which exports approximately 450 million litres of wine per year. Regarding world wine production, South Africa is ranked as number seven in overall volume production of wine and produced 3.9% of the world's wine in 2016 (WOSA, 2017a; WOSA, 2017b).

According to South African Wine and Brandy Portal (2017), the wine varieties consist of white wine, red wine, rose wine, bubbly wine, jerepigo wine and port wine. White wine varieties make up 55.2% of the plantings for wine, with Chenin Blanc comprising 18.5% of the total, which is also the most widely planted variety in South Africa (WOSA, 2017a). Red wine varieties make up 44.8% of the national vineyard, with Cabernet Sauvignon accounting for 11.1% of the total. Shiraz makes up 10.4%, while Merlot accounts for 5.8% and Pinotage, which is indigenous to South Africa, represents 7.4%. The top five grape varieties in South Africa are Chenin Blanc, Cabernet Sauvignon, Colombard, Shiraz and Sauvignon Blanc (WOSA, 2017a).

Table 1.2 provides a description of the main white and red wine varieties being produced in South Africa, as provided by SAWIS (2016).

Table 1.2: Main white and red wine varieties produced in South Africa

WHITE VARIETIES	RED VARIETIES
Chenin blanc	Pinotage
Colombar(d)	Cabernet Sauvignon
Sauvignon blanc	Shiraz
Chardonnay	Ruby Cabernet
Muscat d'Alexandrie	Merlot
Pinot Gris	Roobernet
Muscat de Frontignan	Port Variety
	Pinot Noir
	Cinsaut

Source: Adapted from SAWIS (2016).

Liberated by the advent of democracy, the South African wine industry has gone from strength to strength, with exports having doubled between 2005 and 2015 (WOSA, 2017a). There are currently more than 3 232 farmers with more than 95 775 hectares of land under vines. Approximately 300 000 people are employed, both directly and indirectly, in the South African wine industry. Furthermore, the annual harvest in 2016 amounted to 1 089.0 million litres, of which 82% were used for wine (WOSA, 2017a).

The economic outlook for emerging South African markets in general is, however, not positive. The local currency and existing account balance are under significant pressure. Although a weakening Rand reflects positively for exports in the short term, it might influence earnings and economic sustainability negatively in the long run (PwC, 2015:3).

Concerning the consumers of the wine industry, SAWIS (2016) and Heyens (2015) state that per capita wine consumption in South Africa has been just below 7 litres in recent years; however, it has risen to 7.8 litres in the 2016 calendar year. Heyns (2015) explains that the wine category has lost market share to ready-to-drink beverages and ciders, which have greater per capita consumption than wine. Moreover, the per capita consumption of beer is more than eight times that of wine. However, the demand has been increasing by approximately 4% per annum due to new consumers entering the market. The numbers of private wine cellars have also increased, to nearly 500 (SAWIS, 2016).

In terms of volume, wine accounts for 8% of the total South African liquor market, and 11.5% in terms of value. The largest category for wine in terms of volume share price point is R20 to R40, representing 42% of total wine sales. To be able to enhance market share in the domestic

beverage market, it is important to prioritise the marketing of wines. However, wine brands are progressively starting to realise that the challenge is not competing with competitors for wine market share, but rather to enhance wine's market share in the liquor trade by increasing the wine category. The marketing structure objectives of wine brands, therefore, should be to create strategies to increase the local market for wine, marketing wine as a lifestyle choice, and targeting current and new consumers (Heyens, 2015).

1.5 IMPORTANCE OF BRAND LOYALTY IN THE WINE INDUSTRY

The success of a brand is dependent on the work of everyone in the business. It is vital to build a brand, especially in the wine industry, where consumers are exposed to too many choices (PwC, 2015; Vrontis & Papasolomou, 2007:159). If businesses have a strong brand, they have access to cost effective marketing campaigns, premium prices, greater trade leverage, higher margins, an increase in earnings, ease of extending lines, differentiation, improved performance, and defence against price competition (Erciş *et al*., 2012:1395; Ghodeswar, 2008:5; James *et al*., 2006; Keller & Lehman, 2006; Leek & Christodoulides, 2011a:831; Trong Tuan, 2014:52; Vrontis & Papasolomou, 2007:159). Businesses enjoy these benefits due to the brand becoming recognisable and established in the minds of the consumers; this will then trigger recognition of the brand name when consumers are in a similar situation. Strong brands lead to strong businesses, consumers becoming loyal towards the brand and to an overall strong industry (Barbu *et al*., 2010:36; Ghodeswar, 2008:4; Leek & Christodoulides, 2011a:831; Muthukrishnan, 2015:4; Vrontis & Papasolomou, 2007:159).

According to Bianchi (2015:446) and Magloff (2016), loyal consumers are often willing to pay more for their favourite brands. This is an advantage in the wine industry, as good quality wine brands are expensive; therefore, loyal consumers will be more willing to pay these high prices. Consumers are also inclined to enhance their spending on the brand intensively and extensively, and therefore this will ultimately enhance wine brands' marginal cash flow and profitability (Bianchi *et al*., 2012:3; Giddens, 2010:1; Hundre *et al*., 2013:703; Mostert *et al*., 2016:27).

Branding is becoming more important in the wine industry, since a strong brand leads to high brand equity. Wine brands with high brand equity can enjoy several competitive advantages, such as high levels of consumer brand awareness, performance, quality, reputation and loyalty (Keller, 2009:143; Severi & Ling, 2013:126; Vrontis & Papasolomou, 2007:165). Brand equity is the incremental value added to a product because of its brand name (Farhana, 2012:226; Li & Ellis, 2014:435). This value can be reflected in the willingness of consumers to pay premium prices for

a certain wine brand, or this value can be a loyalty towards the brand (Anselmsson *et al*., 2014:91; Nowak *et al*., 2006:317).

Bruwer and Buller (2013:55) state that in order to gain an understanding of consumers' behaviour, wine brands need to have knowledge of the level of involvement of the wine consumer. The challenge for wine marketers is knowing how to enhance the consumer's involvement to be able to realise an enhancement in consumption and loyalty towards a specific wine brand.

This study, therefore, investigates the influencers, brand identity, perceived brand value, perceived quality, brand trust, and satisfaction that affect brand loyalty among consumers in the South African wine industry. The literature on branding and brand loyalty will set the basis for examining these constructs.

1.6 RESEARCH PROBLEM, OBJECTIVES AND HYPOTHESES

Limited research has been conducted in terms of brand identity, brand trust, perceived brand value, perceived quality, satisfaction and brand loyalty among consumers in the wine industry, with no apparent research conducted in the South African wine industry. A study concerning these constructs within a South African wine brand context can better help wine brands to become more successful. Clarity within this context may assist wine brands in establishing their brand identity and perceived brand value. Once their brand identity and value are established they will be able to promote trust and satisfaction among their consumers with a good quality brand (Dennis *et al.*, 2016:3052; Erciş *et al.*, 2012:1397; He *et al.*, 2012:650; Kim *et al.*, 2013:365; Lee *et al.*, 2015:298). Once consumers identify with the brand identity, and perceive the brand as being of good quality and brand value, consumers can trust the brand and know that it satisfies their needs. Then, consumers will ultimately become loyal towards the brand, resulting in wine brands being able to build loyal long-term relationships (Bianchi, 2015:446; Buil *et al.*, 2016:6; He *et al.*, 2012:652; Howat & Assaker, 2013:269; Krivic & Loh, 2016; Shirazi *et al.*, 2013:159; Xue *et al.*, 2015:24; Yeh *et al.*, 2016:245).

1.6.1 Research objectives

Based on the abovementioned discussion, literature review and problem statement, the primary objective of this study is to investigate brand identity, perceived brand value, perceived quality, and brand trust as predictors of satisfaction and ultimately brand loyalty within the South African wine industry.

To support the primary objective and research problem, the secondary objectives of this study are as follows:

1) Determine the brand identity respondents' associate with selected wine brands.
2) Determine respondents' value perceptions of selected wine brands.
3) Determine respondents' quality perceptions of selected wine brands.
4) Determine respondents' trust in selected wine brands.
5) Determine respondents' satisfaction with selected wine brands.
6) Determine the brand loyalty of respondents towards selected wine brands.
7) Determine whether significant differences exist between different groups of respondents in terms of each of the constructs.
8) Determine the interrelationship between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

1.6.2 Hypotheses

Based on the literature discussion, research problem and formulated objectives, various alternative hypotheses are proposed for this study. H_1 to H_6 are formulated to specifically address secondary objective seven:

H_1: Respondents of different age groups differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{1a}: Respondents of different age groups differ statistically significantly in terms of their brand identity.

H_{1b}: Respondents of different age groups differ statistically significantly in terms of their perceived brand value.

H_{1c}: Respondents of different age groups differ statistically significantly in terms of their perceived quality.

H_{1d}: Respondents of different age groups differ statistically significantly in terms of brand trust.

H_{1e}: Respondents of different age groups differ statistically significantly in terms of their satisfaction.

H_{1f}: Respondents of different age groups differ statistically significantly in terms of their brand loyalty.

H_2: Respondents of different genders differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{2a}: Respondents of different genders differ statistically significantly in terms of their brand identity.

H_{2b}: Respondents of different genders differ statistically significantly in terms of their perceived brand value.

H_{2c}: Respondents of different genders differ statistically significantly in terms of their perceived quality.

H_{2d}: Respondents of different genders differ statistically significantly in terms of their brand trust.

H_{2e}: Respondents of different genders differ statistically significantly in terms of their satisfaction.

H_{2f}: Respondents of different genders differ statistically significantly in terms of their brand loyalty.

H_3: Respondents of different ethnicities differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{3a}: Respondents of different ethnicities differ statistically significantly in terms of their brand identity.

H_{3b}: Respondents of different ethnicities differ statistically significantly in terms of their perceived brand value.

H_{3c}: Respondents of different ethnicities differ statistically significantly in terms of their perceived quality.

H_{3d}: Respondents of different ethnicities differ statistically significantly in terms of their brand trust.

H_{3e}: Respondents of different ethnicities differ statistically significantly in terms of their satisfaction.

H_{3f}: Respondents of different ethnicities differ statistically significantly in terms of their brand loyalty.

H_4: Respondents with different levels of education differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{4a}: Respondents with different levels of education differ statistically significantly in terms of their brand identity.

H_{4b}: Respondents with different levels of education differ statistically significantly in terms of their perceived brand value.

H_{4c}: Respondents with different levels of education differ statistically significantly in terms of their perceived quality.

H_{4d}: Respondents with different levels of education differ statistically significantly in terms of their brand trust.

H_{4e}: Respondents with different levels of education differ statistically significantly in terms of their satisfaction.

H_{4f}: Respondents with different levels of education differ statistically significantly in terms of their brand loyalty.

H_5: Respondents with different employment levels differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{5a}: Respondents with different employment levels differ statistically significantly in terms of their brand identity.

H_{5b}: Respondents with different employment levels differ statistically significantly in terms of their perceived brand value.

H_{5c}: Respondents with different employment levels differ statistically significantly in terms of their perceived quality.

H_{5d}: Respondents with different employment levels differ statistically significantly in terms of their brand trust.

H_{5e}: Respondents with different employment levels differ statistically significantly in terms of their satisfaction.

H_{5f}: Respondents with different employment levels differ statistically significantly in terms of their brand loyalty.

H_6: Respondents with different levels of income differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:

H_{6a}: Respondents with different levels of income differ statistically significantly in terms of their brand identity.

H_{6b}: Respondents with different levels of income differ statistically significantly in terms of their perceived brand value.

H_{6c}: Respondents with different levels of income differ statistically significantly in terms of their perceived quality.

H_{6d}: Respondents with different levels of income differ statistically significantly in terms of their brand trust.

H_{6e}: Respondents with different levels of income differ statistically significantly in terms of their satisfaction.

H_{6f}: Respondents with different levels of income differ statistically significantly in terms of their brand loyalty.

Ghodeswar (2008:4) and Leek and Christodoulides (2011a:831) state that if a business has a strong brand, they are more likely to have loyal consumers. According to He *et al*. (2012:649) and Shirazi *et al*. (2013:156), managing a brand's identity must be a priority for businesses, as it helps to build brand loyalty. Furthermore, brand identity relates to satisfaction. Brand identity can increase satisfaction, either by improving the brand's performance or through positive evaluations due to consumers being attached to the brand (He *et al*., 2012:650). Satisfaction facilitates brand identity's effect on brand loyalty, as a brand with a good identity usually satisfies consumers

(Dennis *et al*., 2016:3052; He *et al*., 2012:649; Kazemi *et al*., 2013:11; Shirazi, *et al*., 2013:159), and that has an effect on developing brand loyalty as consumers repeat their purchases due to them being satisfied (Bianchi, 2015:446; Deng *et al*., 2009:290). The following alternative hypothesis was consequently formulated:

H_7: Brand identity statistically significantly predicts respondents' satisfaction with their wine brand.

According to He *et al*. (2012:649), brand identity also positively affects perceived brand value. Brands with greater identity increase consumers' perceptions of the brand's value. A brand that creates perceived brand value increases satisfaction (Erciş *et al*., 2012:1397; Xu *et al*., 2015:172). According to Erciş *et al*. (2012:1397), Kim *et al*. (2013:365), Kuo *et al*. (2009:889) and Lai *et al*. (2008:984), researchers examined the relationship between perceived brand value and satisfaction and the result showed that perceived brand value significantly predicts satisfaction. When perceived brand value is high, consumers' satisfaction levels will also be high. Therefore, satisfaction facilitates the effect of perceived brand value on brand loyalty (He *et al*., 2012:652; Lai *et al*., 2008:984; Xu *et al*., 2015:172). The following alternative hypothesis was consequently formulated:

H_8: Perceived brand value statistically significantly predicts respondents' satisfaction with their wine brand.

Businesses need to provide consumers with high quality brands in order for them to become successful (Deng *et al*., 2009:291). Howat and Assaker (2013:269) and Nowak *et al*. (2006:319) state that perceived quality could be seen as the greatest predictor of brand equity, which helps in gaining greater brand loyalty from consumers. Brands that have high perceived quality determine satisfaction and loyalty (Dennis *et al*., 2016:3053; Huang & Huddleston, 2009:983). Perceived quality can, therefore, be seen as a significant predictor of satisfaction (Erciş *et al*., 2012:1397; Kassim & Abdullah, 2010:362; Rubio *et al*., 2013:290), leading to consumers repurchasing the brand. Therefore, the greater the brand's perceived quality is, the greater consumers' intentions will be to repurchase the brand, ultimately leading to behavioural loyalty (Kassim & Abdullah, 2010:354; Nowak *et al*., 2006:319). The following alternative hypothesis was consequently formulated:

H_9: Perceived quality statistically significantly predicts respondents' satisfaction with their wine brand.

According to Erciş *et al*. (2012:1398), it is difficult to satisfy consumers' needs before the business has gained their trust. Trust has an effect on how satisfied consumers are going to be, because if consumers trust the brand, they will be more satisfied (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Shirazi *et al*., 2013:158). Trust is important, as a consumer who trusts a brand will become satisfied with that brand and will most likely commit to the brand (Erciş *et al*., 2012:1398). According to Deng *et al*. (2009:291), Lee *et al*. (2015:298) and Shirazi *et al*. (2013:158), when consumers trust a brand, they will become satisfied with it, and then most likely repurchase the brand, thereby leading to consumers gaining greater loyalty towards the brand. The following alternative hypothesis was consequently formulated:

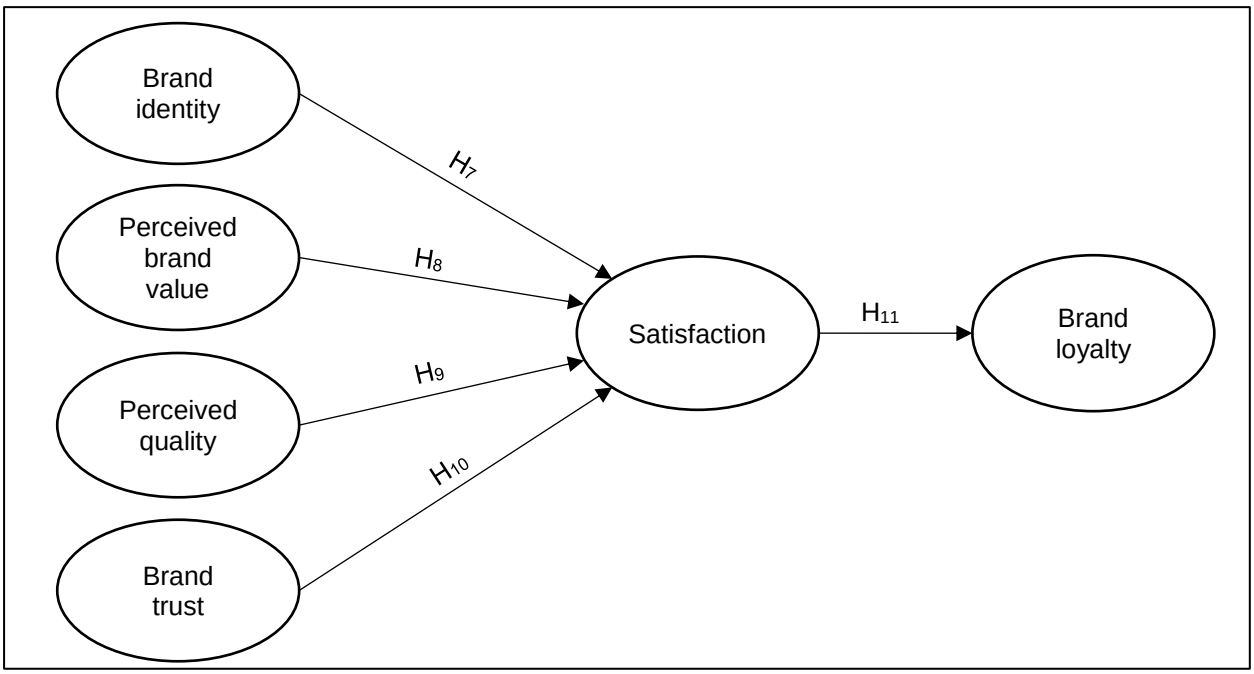
H_{10}: Brand trust statistically significantly predicts respondents' satisfaction with their wine brand.

Nam *et al*. (2011:1009) specify that consumers who are satisfied with a brand are less sensitive to price changes, not easily influenced by the competition (Ailawadi *et al*., 2008:20; Nam *et al*., 2011:1009; Pokalsky, 2014:1 Ray & Chiagouris, 2009:11,13) and have greater loyalty towards the business (Ailawadi *et al*., 2008:20; Bianchi, 2015:446; Feng & Yanru, 2013:183). It is, therefore, evident that if the brand satisfies the consumers, they will more likely repeat their purchase, consequently enhancing their loyalty towards the brand (Egner, 2008:20; Eid, 2015:252; Pokalsky, 2014:1; Sharifi & Esfidani, 2014:561; Shimp, 2010:64; Xue *et al*., 2015:24). Therefore, satisfaction leads to brand loyalty (Berman & Evans, 2013:16; Bianchi, 2015:446; Bianchi *et al*., 2012:2; Chandrasekar, 2010:152; Nam *et al*., 2011:1017). The following alternative hypothesis was consequently formulated:

H_{11}: Satisfaction statistically significantly predicts respondents' loyalty towards their wine brand.

Figure 1.1 depicts the conceptual model developed for this study, based on the literature overview and formulated hypotheses.

Figure 1.1: Conceptual model



The following section presents a brief discussion on the research methodology followed in this study to be able to reach the abovementioned objectives and hypotheses.

1.7 RESEARCH METHODOLOGY

This section serves as a description of the methods used to gather and assess the necessary data for this study (Chapter 5). The research design, questionnaire design and pre-testing, target population and sample plan, measurement instrument, data collection and data analysis are subsequently discussed, specifying the process that was followed in order to achieve the primary and secondary objectives of this study.

1.7.1 Research design

The research design is the framework specifying the methods and procedures that will be used to gather and examine the necessary data. It also ensures that data is accurate, relevant and consistent with the research objectives (Feinberg *et al*., 2013:54). This study followed a descriptive research design. A descriptive research design is suitable as the focus of the study is in familiar areas, just not in the South African wine industry. The study also has a clear problem statement and hypotheses (Malhotra, 2010:106). Moreover, the study aims to gain an understanding of the population, rather than explaining causes or discovering ideas (Sousa,

2014:214). The study furthermore made use of a quantitative research method, as it is more concerned with gaining a better understanding of how humans behave and experience certain aspects based on cases (Bölte, 2014:67). It is designed to collect and analyse primary data form a large sample to, later on, share the results with a bigger audience. Surveys are the most common form of quantitative research (Hair *et al*., 2006:171). For this study, a structured self-administered questionnaire was used to gain the necessary data, and quantity is important to ensure that enough credible data is obtained.

1.7.2 Questionnaire design and pretesting

This study aimed to gather quantitative data; therefore, data was obtained through structured, self-administered questionnaires. The key aims of a questionnaire are to transform information needed or research objectives into certain questions that the respondents have to answer (Bajpai, 2011:75, Malhotra, 2010:335). After the questionnaire was finalised, it was pre-tested (McDaniel & Gates, 2010:310) to ensure that respondents understood the questions and could complete each section of the questionnaire. The questionnaire was pre-tested among 30 respondents from the target population. After the questionnaire had been pre-tested, the final questionnaire was compiled, consisting of the following sections:

- Section A: Patronage habits
- Section B: Demographic information
- Section C: Research constructs

1.7.3 Target population and sample plan

A target population is the group of people to whom the research results should apply and who meet the set of criteria that are suitable for the study (Vonk, 2015). According to Hult *et al*. (2014:116), a population is the overall components, units or individuals a researcher wants to include in a certain study. The target population of this study consisted of adults, 18 years or older, living in the Western Cape Province of South Africa, who consume wine on a regular basis (more than once a month). The Western Cape Province was chosen for the study due to convenience for the researcher. Table 1.3 presents a summary of the target population of this study.

Table 1.3: Summary of target population

SAMPLING ASPECT	SAMPLE DESCRIPTION
Target population	Consumers in South Africa, who buy and consume wine on a regular basis (more than once a month).
Time period	2016
Sample size	260 respondents
Sample elements	Respondents in the Western Cape Province of South Africa who the fieldworkers had access to, who consume wine more than once a month.

1.7.3.1 Sampling method

This study made use of non-probability sampling. Zikmund *et al*. (2013:395) state that non-probability sampling is where the chances for elements to be included in the sample are unknown and depend on the judgement of the fieldworkers to choose the specific element (Aaker *et al*., 2013:682; Burns & Bush, 2014:254; Malhotra, 2010:341). Furthermore, non-probability sampling methods consist of convenience sampling, quota sampling, snowball sampling and judgement sampling (Sarstedt & Mooi, 2014:42). This study made use of convenience and judgement sampling, as a sampling frame was not available for this study. Convenience sampling also costs less and takes up less time (Sarstedt & Mooi, 2014:42; Babin & Zikmund, 2016a:348).

1.7.3.2 Sample size

The sample size can be seen as the number of respondents included in a study (Malhotra, 2010:374). According to Wilson (2010:201), the nature of the research influences the selected sample size. If the study requires problem-solving research, Malhotra (2009:374) proposes a minimum sample size of 200 respondents. For this study, the sample size consisted of 260 respondents, which falls within the cut-off point as specified by Malhotra (2009:374).

1.7.4 Data collection

For this study, a self-administered questionnaire was used to gather the data from respondents who consume wine on a regular basis. Trained fieldworkers collected the data from the sample elements. The researcher made use of four fieldworkers to collect the data from the sample elements. The fieldworkers gathered the data from respondents in the Western Cape Province by using screening questions (“Are you 18 years or older?” and “Do you consume wine more than once a month?”), which helped to narrow down the target population. The end goal was to gather at least 250 completed questionnaires.

1.7.5 Data analysis

After the data had been collected, the data was captured, analysed and interpreted (Babin & Zikmund, 2016a:393; Gravetter, 2011:60), which was done by making use of the Statistical Package for Social Sciences (SPSS Inc., 2012). The sample profile was analysed by calculating frequencies and percentages to examine the sample profile and wine patronage habits of respondents. Descriptive statistics (means and standard deviations) were calculated for each of the constructs (perceived quality, perceived brand value, brand identity, brand trust, brand satisfaction and brand loyalty). A confirmatory factor analysis (CFA) was conducted to confirm the constructs' (i.e. perceived brand value, brand identity, perceived quality, brand trust, satisfaction, brand loyalty) validity. Furthermore, the reliability of these constructs was assessed by means of Cronbach alpha reliability values. The skewness and kurtosis were determined to assess the distribution of the data. Independent samples t-tests were conducted to determine the differences between the means of two independent groups, and one-way ANOVAs were conducted to determine the differences between the means of more than two independent groups. Structural equation modelling (SEM) was used to test the conceptual model – thereby ultimately proposing a brand loyalty model for the South African wine industry.

1.8 CONTRIBUTION OF THE STUDY

As from the above literature review and research problem, it can be seen that building a strong brand is significant for any business if their main aim is to build loyalty among their consumers. Therefore, this study contributes by helping the South African wine industry to be able to build long-term relationships with their consumers, where the consumers become loyal towards the brand. The literature of this study shows wine brands how and why consumers become and remain loyal towards a brand. It also provides wine brands with different ways to build a strong brand, with numerous branding strategies that they can implement in order to develop long-term loyal relationships with consumers.

This study helps the South African wine industry in the branding of their products to be able to brand their products in such a way that the wine brand will create a unique brand identity that consumers can identify with, with good quality and value, that consumers can trust and that will satisfy their needs, ultimately leading to them becoming loyal towards the brand. Furthermore, the study contributes to the marketing literature by providing a perspective on the South African wine industry. The study also contributes a reliable multi-item scale to measure the effect of brand identity, trust and satisfaction on brand loyalty in the South African wine industry. Ultimately, this

study will be to the benefit to the South African wine industry by assisting them to measure these constructs in their market and improve their relationship with their consumers.

1.9 OUTLINE OF THE CHAPTERS

This study is divided into the following seven chapters:

- **Chapter 1**: This chapter includes a discussion of the background of the industry, a brief literature review, the problem statement, the primary and secondary objectives, the hypotheses, a conceptual model, an explanation of the research methodology followed in this study, and presents the structure of the study.
- **Chapter 2**: This chapter consists of the theoretical basis of the study. It focuses on the discipline of the study (i.e. branding), including definitions of brands and branding. Furthermore, the importance, benefits and challenges of branding are discussed, followed by how to build a strong brand, designing a brand and different brand strategies businesses can follow in order to manage their brand correctly. The chapter ends with an overview of the South African wine industry and the importance of branding within this industry.
- **Chapter 3:** This chapter consists of an extension of the theoretical foundation of the study. It will include a detailed discussion of the constructs of this study, namely brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty. This includes definitions, how to measure satisfaction and loyalty, the importance of satisfaction and loyalty, the different types of loyalty, brand loyalty antecedents and the importance of satisfaction and brand loyalty in the South African wine industry.
- **Chapter 4:** This chapter provides the conceptualisation of the conceptual model by giving a summary of the relevant literature for each hypothesis shown in the conceptual model.
- **Chapter 5:** This chapter provides a detailed discussion of the research methodology implemented in this study. It addresses and provides explanations of the research problem, the primary and secondary objectives, the research design, the research method, the sample plan, data collection method and fieldwork, data analysis methods, and reporting the results and formulating conclusions.
- **Chapter 6:** This chapter provides the results of this study gathered from the data that was collected by making use of the analysis methods. The main findings from these results are also summarised.

- **Chapter 7:** This chapter concludes the study by providing recommendations to the South African wine industry, based on the empirical results and findings. Furthermore, limitations encountered throughout the study are presented, and recommendations for potential future research ideas are provided. Lastly, a summary of the whole study is included.

1.10 CONCLUSION

This chapter highlighted the research topic of this study. Consequently, this included the background and the research problem, a brief literature review, an overview of the industry, the primary and secondary objectives and the hypotheses formulated for this study. Moreover, a brief discussion of the research methodology implemented in this study was provided, followed by the contribution of the study towards the South African wine industry. Lastly, the structure of this study is provided with an indication of further discussions. The following chapter provides an in-depth discussion of brands, branding and brand strategies.

CHAPTER 2

BRANDS, BRANDING AND BRAND STRATEGY

2.1 INTRODUCTION

This chapter explores the nature of brands, branding and brand strategy. Subsequently, brands and branding are defined, the evolution of branding is discussed, brands are compared with traditional products, and the dimensions and functions of brands are explained. Furthermore, brand building and brand strategies are addressed, concluding the chapter with insights into branding in the South African wine industry.

2.2 DEFINING A BRAND

Every business wants to have a brand, and going beyond the producers and distributors whose brands are competing with others, branding has become a strategic issue (Klopper & Smith, 2011:3). Spieler (2010:1) states that the market would become a perplexing mass of products and services without brands to guide consumer buying decisions, and therefore a good brand can be seen as the most valuable asset a business can have (Jin & Cedrola, 2017:2; Jones, 2005:13).

Kornberger (2010:10, 12) further explains that a brand is a mechanism to engineer the relationship between the business and its environment, as it becomes the internal organising principle of the business that aligns the different functional areas and redefines the task of leadership. According to Pike (2013:320), a brand is made up of values, which include facets such as associations, brand loyalty and perceived quality. As indicated in Table 2.1, various definitions of the brand concept have been developed over the last decade by different researchers.

Table 2.1: Definitions of brands

AUTHOR(S)	DEFINITION
Kotler and Keller (2006:274)	"A brand is a product or service that adds dimensions that differentiate it from other products or services designed to also satisfy the same need."
Keller (2008:290)	A brand is referred to as "something that has created a certain amount of awareness, reputation, and importance in the marketplace."
Miletsky and Smith (2009:2)	"A brand is the sum total of all user experiences with a particular product or service, building both reputation and future expectations and benefit."

Table 2.1: Definitions of brands (cont.)

AUTHOR(S)	DEFINITION
Steward (2010:1)	A brand can be seen as the perceptions that are held about a business or a product.
Du Toit and Erdis (2013:17)	"A brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."
Keller (2013:31)	"A brand is more than a product, it has dimensions that differentiate it in some way from other products designed to satisfy the same need."
Chapleo (2015:152)	"A brand is a multidimensional construct whereby managers extend products or services with values and this facilitates the process by which consumers recognise and appreciate these values."

From the above definitions in Table 2.1, it can be derived that:

> *A brand is a product or service offered by a business that resides in consumers' minds, as it has created an importance in the marketplace by adding value to consumers that ultimately satisfies their needs.*

Branding, on the other hand, is connected to brands by means of brand management, and can be seen as a process that describes the creative side of production to make the products unique and make them mean something to consumers. Brands and branding are, therefore, essential to the value and meaning of 'economic' representations in markets (Pike, 2013:318).

Branding can be described as the activities that affect consumers' perceptions about a business (Steward, 2010:1). Healey (2008:6) describes branding as all the characteristics of a product or service that leave an impression in a consumer's mind. Branding is, therefore, about promising consumers to deliver a satisfying experience at an excellent performance level, and enhancing the strength of those brands over time (Keller, 2013:30; Miletsky & Smith, 2009:3).

Kornberger (2010:13) emphasises that branding is not just an image of cultural change in society or a collection of new business tools, but rather a new kind of thinking that has deeply infiltrated the way businesses, markets, productions and consumptions are managed. Therefore, the management of brands and branding has become a vital priority for any business (Keller, 2013:30; Keller & Lehman, 2006).

Although brands and branding are not new ideas, the role of branding is becoming more significant as businesses are applying them to more diverse situations (Du Toit & Erdis, 2013:17; Wentz & Suchard, 1993:45). The purpose of any branding strategy is to attract, maintain and retain brand loyal consumers to ensure that the business becomes sustainable (Ryan, 2010:49). The ability of a business to attract consumers to its brand will determine the success of the business, and it is therefore important for a business to retain its existing consumers, and to create loyalty among them toward the brand. Subsequently, it is important to enforce branding (Jensen & Hansen, 2006:442; Keller, 2013:36; Martinelli *et al*., 2015:105).

2.3 EVOLUTION OF BRANDING

According to Hampf and Lindberg-Repo (2011:1), the use of brands can be tracked to the Stone Age. The evolution of brands, similar to what is used today, started during the 16th century. Since the 18th century, however, the knowledge, procedures and theories of branding have evolved, and in the mid-20th century, contemporary branding principles originated, mainly due to the development of advertisements in mass media.

According to Rindell and Strandvik (2010:276), brand evolution is based on two concepts, namely image heritage and image-in-use. The study about the two concepts illustrates how consumers use prior events stored in their memory to help them in the interpretation of new events (Braun-La Tour *et al*., 2007:57; Rindell, 2013:201; Zaltman, 2003:51). Brand evolution recognises that consumers' images of the brand are constructed and re-constructed as relational processes every time that image is in use (Rindell, 2013:205).

The research by Hampf and Lindberg-Repo (2011:1-3) highlights three distinct milestones in the evolution of branding:

(i) Recognising the importance of branding – which made researchers more attentive to the theories where the concept is concerned.

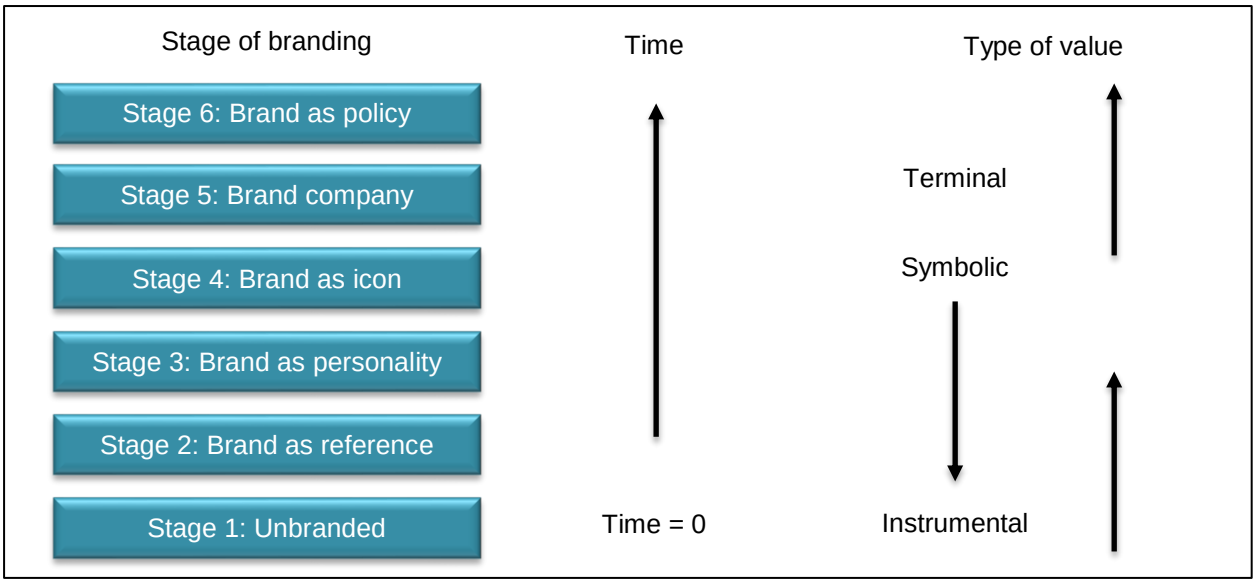
(ii) Realising the value and importance of segmentation to branding. When looking at a heterogeneous market, businesses realise that it consists of diversified consumers with diversified demands. Therefore, by implementing different segmentation variables, it could establish different market segments. However, during the process of segmentation, many variables have been neglected; therefore, new variables were recommended to be included, such as motive, buying behaviour, consumer patterns, values, and aesthetic preferences.

(iii) Identifying and implementing positioning strategies. The marketer's aim is to put the product into the mind of consumers. The business now tries to find more innovative ways to reach consumers by focusing on better campaigns to make consumers react more strongly towards the business' attempts.

Apart from evolving branding literature, consumers are also undergoing an evolution in interests, attitudes, perceptions and overall psychology. Consumers are driving the shift in the top-down relationship to a bottom-up relationship, where the consumer has become as important as the product or service (Okonkwo, 2009:287).

It is, therefore, clear that branding has gone through a transformation, as it has evolved from a rather unknown concept to actual businesses over the years. Goodyear (1996:109) has developed a model (see Figure 2.1), to understand the transformation of branding. There are six stages in this model, and a product category may contain a variety of these branding "stages" all at once; however, branding may not occur in all these stages (Goodyear, 1996:109).

Figure 2.1: The branding model



Source: Adopted from Goodyear (1996:111).

According to McEnally and De Chernatony (1999:2) and Ruzzier and Ruzzier (2013), the model shows how the concept of the brand has changed from the unbranded stage to the stage of brand as policy. The first four stages describe the classical approach to brand marketing, while the genre of post-modernism is described in the last two stages. The six stages of the branding model are described as follow (Goodyear, 1996:111; McEnally & De Chernatony, 1999:2):

(i) **Unbranded:** Consists of commodities, packaged goods, a major proportion of goods within a non-industrialised context, where the supplier has the power. For example, an inexpensive wine that is mostly purchased because it serves a purpose, like milk or sugar.

(ii) **Brand as reference:** The name of the brand is often the name of the producer, where the name is used for identification, such as advertising, and the name eventually becomes a promise of consistency and quality. For example, KWV wines, as KWV started out as the name of the producer and is now the identifying name of the wine products as well. KVW is also well known for the brandy they peoduce, therefore the KWV brand is associated with good quality.

(iii) **Brand as personality:** The brand name may be a "stand alone" brand; marketing focuses on an emotional appeal and on the product's benefits, and advertising is used to put the brand into context. For example, Nederberg wines, as they are known for being rated 36th on the "World's Most Admired Wine Brands" top 50 list. Their marketing is targeted to specific target markets, and they focus on the benefits of their wine by placing emphasis on all the awards they have one for their steller wine collection, such as their Chenin brand being voted the best in Sout Africa.

(iv) **Brand as icon:** The brand is now owned by the consumer, the brand is introduced into higher-order values of society, advertising undertakes a close relationship between the brand and the consumer, and the brand can also be recognised internationally. For example, Moët & Chandon Champagne, as they place a lot of emphasis on values, accomplishments, success, glamour and innovation. They praise themselves on being the world's most loved champagne.

(v) **Brand as company:** The complicated identities that brands have are assessed by the consumer, and therefore businesses should place attention on corporate benefits in order to diversify consumers as well as integrate a viable communication strategy. For example, Franschhoek Cellar. They are not only known for their fine wine, they also have event venues for conferences, weddings and business functions, a restaurant, and a beer and bistro garden.

(vi) **Brand as policy:** Social and political issues are associated with businesses and brands, consumers vote on these issues, and they now own the brands, businesses and policies.

2.4 BRANDS VERSUS PRODUCTS

The terms brand and product are sometimes used interchangeably. However, Keller (2013:31) and Warayuanti and Suyanto (2015:76) state that “a product is anything that can be offered to a market for attention, possession, use, or consumption that might satisfy a need or want”; where a brand can be described as being “more than a product, having dimensions that differentiate it from other products to satisfy the same need”. These differences may be related to the product performance of the brand, or to what the brand signifies (Kotler & Keller, 2006:274).

A product is a bundle of attributes or features, functions, uses, and benefits that can be exchanged in either tangible or intangible form (Miletsky & Smith, 2009:9). According to Chisa (2014:49), products are more consumer targeted, and businesses are realising the wisdom in applying some of the principles of consumer product management to their products. According to Fornerino and D'Hauteville (2010:34, 35), a product has tangible, objective and intrinsic attributes, with sensory dimensions such as consumers’ quality perceptions.

Barnham (2015:840) and Ries and Ries (2004:4) describe a brand as a perceptual entity that resides in the minds of consumers. Keller (2013:31) also states that brands often provide the key points of differentiation between the offerings of competitors, which can be crucial for the success of businesses. According to Brower and Mahajan (2013:318) and Hatch and Schultz (2003:1042), brands are important to businesses to help them be more visible, recognisable and have a better reputation. Not only does the brand help the business with its consumer-based images, but also the images of other stakeholders, such as employees, consumers, investors, suppliers, partners, regulators, special interest groups, and local communities. The differences between a brand and a product are highlighted in Table 2.2.

Table 2.2: Differences between a brand and a product

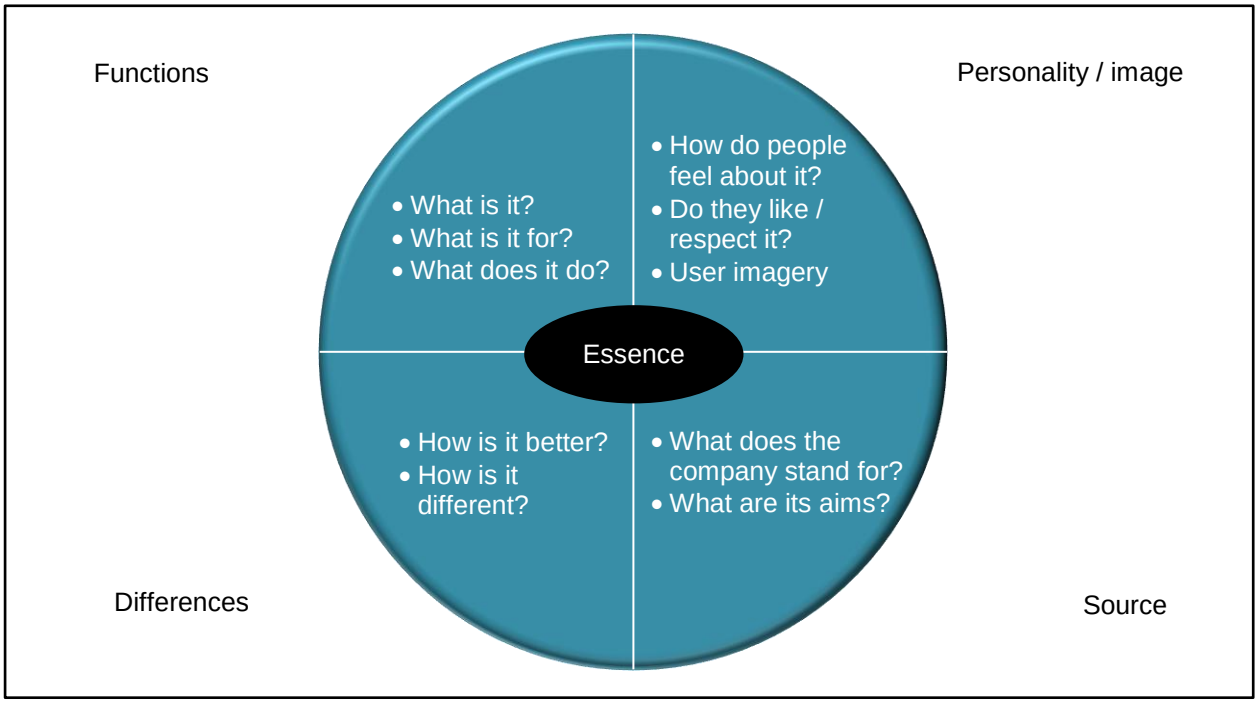
BRAND	PRODUCT
A symbol or cognitive aspect surrounding the product	A commodity all about attributes and benefits
The physical attributes and benefits International image Upbeat mood Sophistication Lifestyle Guarantee Trust	The shape of the container Weight Colour Price Content

Source: Adapted from Verma (2006:37).

2.5 DIMENSIONS OF BRANDS

Many models of brands have evolved over the years, and each model possesses unique dimensions. The most popular model of brand dimensions is the Burnett model (see Figure 2.2). The Burnett model consists of four dimensions that form the brand's essence, namely functions, personality/image, differences and source. According to Randall (2001:8), the brand's identity will be strong when there is consistency between these four dimensions and they support each other.

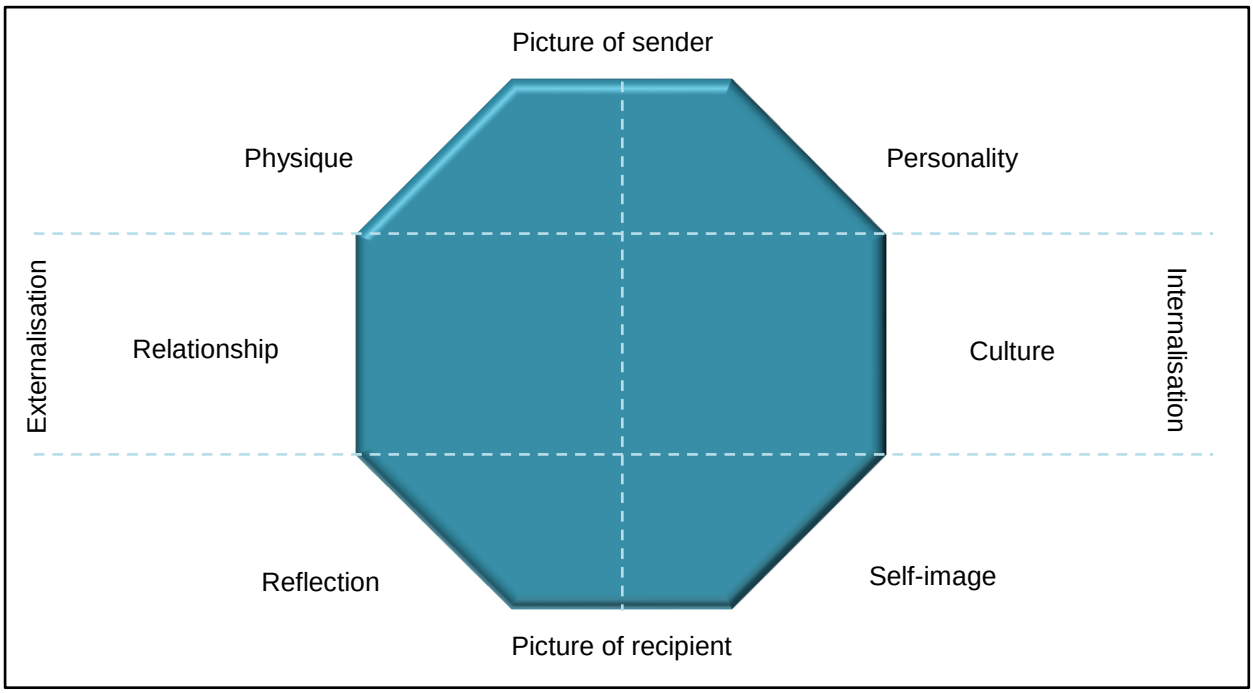
Figure 2.2: The Burnett model of brand dimensions



Source: Adopted from Randall (2001:7).

Another brand model is offered by Kapferer (2008:182) – the Kapferer prism of identity, shown in Figure 2.3 – providing similar dimensions, namely physique, personality, culture, relationship, reflection and self-image.

Figure 2.3: Kapferer's prism of identity



Source: Adopted from Kapferer (2008:138).

Kapferer (2008:182) describes the six dimensions of the Kapferer prism in more detail:

- **Physique:** A brand has physical specificities and qualities, called its physique. Physique is the functions that the brand performs. It is not just the physical features of the brand, but it is also the fundamental purpose of the brand (similar to “What does it do” in the Burnett model). A brand’s physique is both the brand’s pillar and its tangible added value.
- **Personality:** Defining the brand’s personality can be accomplished by measuring various human personality characteristics that are applicable to the brands. If businesses are able to communicate the personality of its brand to their consumers, it will gradually build up a character (similar to “How do people feel about it” and “User imagery” in the Burnett model). Personality is a straightforward attribute, and is broadly used as a key dimension in markets.
- **Culture:** Brand culture refers to the set of values feeding the brand’s inspiration; the source of the brand’s aspirational power. Brands cannot exist without culture, as it helps to differentiate the brand from competitors and indicates the character of the brand by portraying the values in the products and services of the brand (similar to the “How is it different” in the Burnett model).
- **Relationship:** Brands are frequently at the core of interactions between people. The relationship aspect is vital for brands, in that it defines the mode of conduct that primarily

identifies the brand (similar to “What does the company stand for” and “What are its aims” in the Burnett model). This influences the way the brand performs, delivers services, and connects with consumers.

- **Reflection:** A brand is a consumer reflection. The opinions that consumers have of certain brands are according to how the consumers perceive the brand. Because a brand’s communication and its most popular products build up over time, a brand will always tend to build a reflection or an image of the buyer or user that it seems to be addressing (similar to “How do people feel about it”, “Do they like/respect it” and “User imagery” in the Burnett model).
- **Self-image:** Reflection is the target’s outward mirror; therefore, self-image is the target’s internal version of reflection. Through consumers’ attitudes towards certain brands, they develop a certain type of inner relationship with themselves (similar to the “User imagery” in the Burnett model). In promoting a brand, the business pledges allegiance, demonstrating both a community of thought and of self-image, which facilitates or even stimulates communication.

2.6 THE FUNCTIONS OF A BRAND

According to Kotler and Keller (2006:274), past experiences that consumers have with a product or service, and that product or service’s marketing programmes, will help consumers to learn about that brand. Consequently, businesses develop brands with good value, image or prestige as a means to attract and retain consumers.

Dudley (2010:3) and Rooney (1995:55) state that objects and various collections of symbols can have meanings and feelings attached to them, given by humans. Once consumers find a liking in a specific brand, they will most likely not willingly accept other brands. Businesses, therefore, will use these human characteristics to their benefit; making branding a powerful method to become more competitive (Wu & Lo, 2009:188).

Kapferer (2008:22) also explains that a brand does not only provide information to the consumer, but also executes additional functions that validate its likability and competitive pricing when evaluated by consumers, and these functions can be categorised into eight functions of a brand (as indicated in Table 2.3). The first two functions (i.e. identification and practicality) are mechanical, and entail the core of the brand – functioning as a known symbol to make choices possible. The following three functions (i.e. guarantee, optimisation and characterisation) reduce the perceived risk for consumers when purchasing the brand, and the last three functions (i.e.

continuity, hedonistic and ethical) are related to the pleasure contents of brands (Kapferer, 2008:22; Koirala & Shrestha, 2015:17).

Table 2.3: Brand functions and benefits

FUNCTION	CONSUMER BENEFIT
Identification	To be clearly seen, to quickly identify the sought-after products, to make sure the consumer understands the offer, to structure the shelf perception.
Practicality	To help with the saving of time and energy through repurchasing and loyalty.
Guarantee	Ensuring identical quality no matter the place or time you purchase the brand.
Optimisation	Ensuring the purchasing of the best brands in its category, offering the best brand for a certain purpose.
Characterisation	Having assurance of the image that you present to others or your self-image.
Continuity	Being satisfied because of the ongoing familiar and intimate relationship with the brand.
Hedonistic	Ensuring satisfaction due to ongoing attractiveness of the brand, its logo, its communication and its benefits.
Ethical	Ensuring satisfaction due to the brand's responsibility and relationship towards society.

Source: Adopted from Jensen and Hansen (2006:442) and Kapferer (2008:20).

These functions can be useful for wine consumers in the sense of orientation, guarantee of good wine brand products or services, personalisation of wine brand products and services, practicality and lucid functions of wine brand products or services, and for wine brands in the sense of protection against their brand, positioning of their brand and capitalisation (Aiello *et al*., 2008:326). Investigating certain functions of the wine brand will help to explain the influence the brand has over wine consumers' perceptions and purchasing decisions, as well as the usefulness of the brand for businesses (Godey *et al*., 2011:1463).

Consumers buy wine brands for their own pleasure, and therefore the wine brand is the main vehicle for connecting with the consumer and encouraging loyalty among them towards the wine brand (Godey *et al*., 2011:1463; Thomé *et al*., 2016:373). It is therefore important that wine brands understand the importance of branding, as well as the benefits and challenges of branding, for both the consumer and the business, in order to encourage this loyalty among consumers towards the wine brand.

2.6.1 Importance of branding

According to Ambavale and Surti (2015:1), businesses are highly dependable on the strength of their brand. Businesses create and use brands to give their consumers meaningful experiences

that will ultimately benefit the business. According to Healey (2008:10), a brand exists mainly in the minds of consumers. If a product is better than consumers realise, then branding can help to make consumers aware of this fact.

Riesenbeck and Perrey (2007:3) further explain that brands might influence consumers' budgets, as well as businesses investments. Brands not only shape millions of consumer and business decisions, price setting and profit determination, brands also play a role in how the consumer perceives and behaves towards brands, how they estimate other brands, their own self-esteem as well as their value judgements (Keller, 2013:35).

Ghodeswar (2008:4) and Keller (2013:34) state that in order to have a successful brand, the brand should be presented in such a manner that consumers perceive the product or service with relevant, unique benefits that relate to their wants and needs. Brands, therefore, reflect the connection between the consumers and the products or services of a business. Brands help to determine how effective the business' marketing efforts are, and also form a financial asset to the business (Keller & Lehman, 2006:740). A successful brand wants to establish a high-quality relationship with consumers, where they feel a sense of commitment and belonging towards the business. Branding, therefore, enables the process of transforming functional assets into relationship assets (Ghodeswar, 2008:6 & Cohen, 2014:26).

According to Subhani *et al*. (2012:108), consumers generally believe that a branded item is worth more and is of better quality than a generic item, even if they might be similar. Consumers perceive a brand as good when they see that a business invests numerous resources in reinforcing the brand. According to Healey (2008:10), the perceived quality of the brand can be high just by having a familiar name and label, as consumers make an association that if the packing is of good quality, then what is inside must also be good quality.

Healey (2008:10) and Subhani *et al*. (2012:110) explain that consumers generally buy a brand for self-assurance and approval. It gives the consumer entry into an imaginary world, built by advertising and publicity, in which aspirations are fulfilled and values reaffirmed. Therefore, consumers might ignore the cheaper prices and similar quality of generic items, and rather buy name brands, because they make consumers feel special.

Furthermore, a brand also engages consumers and businesses in a long-term relationship from which the key objective is to create brand loyalty among consumers (Keller 1993; Şahin *et al*., 2011:1288). Consequently, brand management and branding have become a significant management priority (Keller & Lehman, 2006:754).

2.6.2 Benefits of branding

Consumers anticipate a brand as was promised to them (Healey, 2008:72; Keller, 2013:30, 278). Brands are aimed at earning consumers' trust, and therefore are considered a tool through which consumers can hold businesses accountable (Chang, 2009:77). Keller and Lehman (2006:740) explain that brands serve as indicators for the offerings of a business, and have benefits for the consumer as well as the business.

Benefits of brands to the **consumer** (Keller & Lehman, 2006:746-750):

- Brands simplify a choice for consumers. Consumers will seek out specific characteristics such as name, colour and shape to distinguish between brands that satisfied them in the past and use them to make more effective choices.
- Brands promise a certain level of quality to consumers. Consumers will probably use well-known brands if they convey a high quality image.
- Brands engender trust among consumers. A brand will make up certain images that are associated with brand trust in the consumers' minds.
- Brands establish key brand associations in the minds of consumers to differentiate the brand and establish competitive superiority.

Benefits of brands to the **business** (Ambavale & Surti, 2015:15; Chang, 2009:77; Erciş *et al*., 2012:1395; Ghodeswar, 2008:5; James *et al*., 2006; Kapferer, 2008:45; Keller, 2013:53; Keller & Lehman, 2006:746-750; Leek & Christodoulides, 2011a:830-381; Odunlami & Ogunsiji, 2011:9):

- Brand positioning helps to direct the brand's marketing activities and programmes. It guides the brand with regard to what the brand should and should not do.
- Branding helps to differentiate the brand from competitors by distinguishing the businesses' products and presenting good values.
- Branding helps a business to establish a competitive advantage by offering unique, innovative and quality products through their identity and their potential.
- Brands provide significant contributions to businesses, enabling them to create and retain loyal consumers in the market, and loyal consumers perform repeat purchases and recommend the brand to those around them.
- Branding helps to determine the effectiveness of marketing efforts by customising the messages and products being presented to consumers.

- Branding allows businesses to be able to ask premium prices because the brand is strong and consumers trust the brand above competitors.
- Branding helps businesses to have higher sales volumes and higher profits by making use of sales promotional tools.
- Branding helps to provide long-term security and growth to businesses through consumer focus and innovation.
- Branding helps to provide higher sustainable profits and brand value by constantly accumulating value and delivering profits by means of corporate focus and consistency.
- Branding helps to provide image enhancement for businesses with consumers and create a relationship of trust and credibility with consumers by being affective in nature and by coinciding well with a potential transfer of brand satisfaction and trust.
- Branding expands the consumer base, meaning more consumers for the business.
- Branding creates new consumer-perceived value.
- Brands help to decrease marketing costs and ensure that marketing practices are consistent.

Barbu *et al*. (2010:36) explain that wine brands can ensure their consumers' loyalty toward their wine brand if their branding is in order, even if the wine brand is facing quality issues, or other brands have more appealing offers. Aaker (1991), Ghodeswar (2008:6), and Leek and Christodoulides (2011a:831) state that branding positively influences the perceived quality of the wine brand. It also provides the wine brand with an identity, a steady image and uniqueness. Consumers expect and request a strong wine brand, and therefore wine brands can demand premium prices (Ghodeswar, 2008:5; James *et al*., 2006; Keller & Lehman, 2006; Leek & Christodoulides, 2011a:831).

According to Leek and Christodoulides (2011a:831), wine brands first have to establish a strong brand and then they can build upon that brand. If consumers perceive a product category of a wine brand as good and satisfying, consumers can transfer that positivity to other product categories of that same wine brand. The wine brand will gain more strength in their distribution networks, and will have better opportunities for licensing if they have a strong brand. It may also increase the difficulty for other wine brands to enter the market. Having a strong brand will increase the value of the wine brand, increasing the amount it can be sold for (Erciş *et al*., 2012:1395).

2.6.3 Challenges of branding

According to Castellion (2007) and Tybout and Calkins (2005:4), developing and building brands can be seen as two of the most significant obstacles for businesses. Subsequently, these authors identified three major challenges to branding, namely the “three C’s” of branding:

- **Cash:** Brands are seen as long-term assets; however, managers are required to produce short-term financial results. Brand development is important, but accomplishing short-term goals should take precedence. Often when managers are faced with having to choose between brand investment and not reaching short-term financial targets, most result in achieving short-term goals (Sampson & Shi, 2018). A major challenge of branding that is faced by managers is dealing with short-term financial constraints. Those managers, who choose to rather invest in brand building without having set achievable expectations, are less likely to see the benefits of their investment if the short-term turnouts are low (Castellion, 2007:185). It is therefore important that managers balance building a long-term brand along with achieving short-term goals (Tybout & Calkins, 2005:4).
- **Consistency:** Embracing the brand and living up to the promises made by the brand are significant challenges for the business to face (Castellion, 2007:185). Every time there is an interaction between consumers and the brand, consumers form opinions about the brand within their minds. The brand message needs to be effectively promoted within the business so that it becomes consistent in every interaction with its consumers (Gregory, 2016). The message, brand and product need to be consistent, otherwise the business will not achieve its vision. What the consumer thinks of the brand is what ultimately makes the brand what it is (Tybout & Calkins, 2005:4).
- **Clutter:** Every day, consumers are exposed to hundreds of advertisements and promotions. Breaking through this clutter is extremely difficult for businesses in order to get their consumers’ attention (Burke, 2018). To stand out, brands need to be unique and focus on what it is that consumers want. Businesses should, therefore, focus on making their brand positioning strategy unique (Castellion, 2007:185), because if brands want consumers to notice them, the brand needs to be creative (Tybout & Calkins, 2005:4).

Ambavale and Surti (2015:16) and Leek and Christodoulides (2011a:831) also mention a few problems that branding brings forth:

- In order to build the equity of the brand, long-term financial investments are needed. With the current economic climate, long-term commitments aimed at building the brand equity

are not a compromise many businesses would easily make due to the expense of potential short-term profitability. This would leave the business with possible financial problems.

- The brands that consumers want, need, and use differ from consumer to consumer, and therefore make the management and protection of their brand assets, and to provide consumers with stable experiences, an obstacle for businesses. A business cannot utilise the same brand features in all markets.
- The differences in how consumers react to the marketing mix elements of the business make it difficult for the business to be able to satisfy and keep all their consumers happy.
- The dissimilarities in brand and product development, as well as competition, make it difficult for businesses to always be consumers' first choice, meaning that businesses need to work harder to be consumers' first choice and keep their competitive advantage.

According to Ghodeswar (2008:4), brands can be seen as a reflection of consumers' complete experience with the business, the benefits and the challenges. By having a strong brand, it will provide businesses with long-term security and growth. Branding, therefore, transforms functional assets into relationship assets.

It is, therefore, imperative that wine brands understand the importance, benefits and challenges of branding, so they can optimise these benefits and challenges to develop a strong wine brand that consumers are willing to purchase, ultimately forming a relationship with and becoming loyal towards this wine brand.

2.7 BRAND BUILDING

According to Urde (2003:22) and Yeboah *et al*. (2014:231), the brand-building process exists of two parts, namely the internal and external process. The internal process is concerned with the relationship between the business (managers and employees) and the brand, with the aim of the business 'living' its brand. The external process describes the relationship between the brand and consumer, aiming to build value and develop meaningful relationships with consumers.

Aaker (2014:10) and Ghodeswar (2008:5) note that strong brands survive economic crises more easily than weak brands do. Brands not only add value and help the business to gain advantages, but also guard the business in difficult situations, which is attained by developing strong relationships with all the business' stakeholders. Furthermore, in order to build a strong brand, the business has to follow some steps as proposed by the brand resonance pyramid (Keller, 2013:108). This model suggests that consumer awareness plays a role in giving meaning to the

brand; this will have an impact on how consumers respond towards the brand, which, in turn, will help to create a relationship between the consumer and the brand. This model directs marketers on how to build strong brands. The brand plays a significant role in managing the relationship that the business has with consumers (Aziz & Yasin, 2010:185).

Based on the above explanation of branding and its associated benefits, it is clear that building strong brands should be a priority for businesses. In order to build a strong brand, consumers must have the correct knowledge to react positively to the business' marketing activities and programmes (Keller, 2009:140).

2.7.1 Brand building blocks

According to Aziz and Yasin (2010:182), Farhana (2012:223), Keller (2013:107), and Kotler and Keller (2006:280), the following four steps need to be followed and implemented to build strong brands:

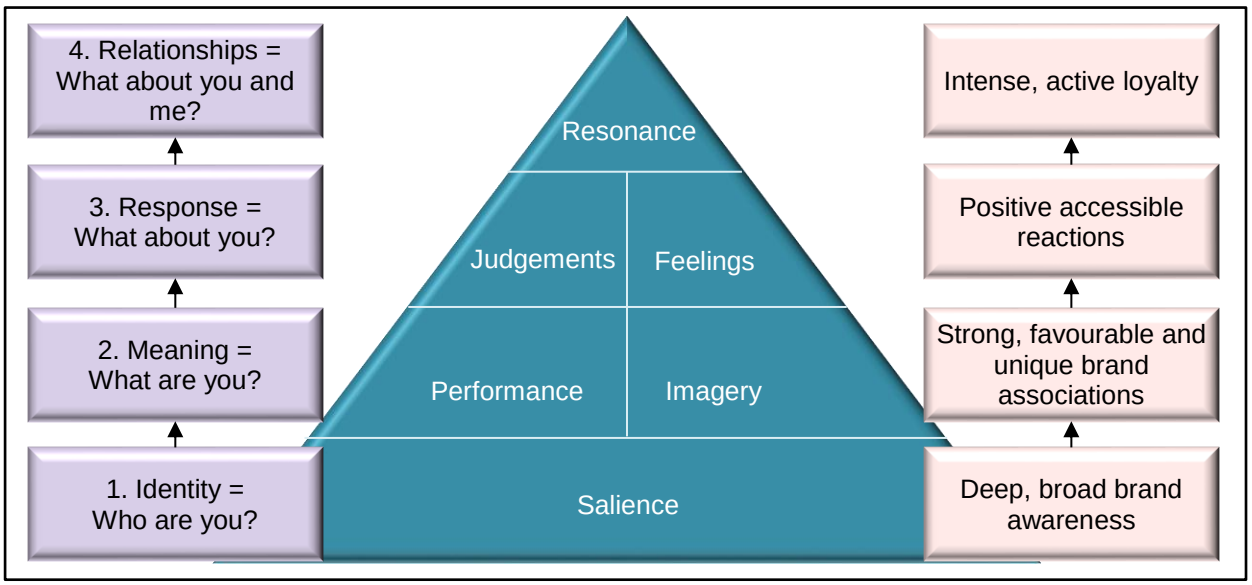
- **Step 1:** Businesses must make sure that consumers identify with the brand and form an association of the product or service in their minds. This is called brand salience, which is to make the consumers aware of the brand.
- **Step 2:** Using tangible and intangible brand associations to entrench brand meaning in consumers' minds. Brand meaning is related to performance and imagery.
- **Step 3:** Using consumers' judgement and feelings about the brand to draw the proper response from consumers.
- **Step 4:** Changing the brand response to develop a loyalty relationship between consumers and the brand.

According to Keller (2013:142), brand elements must be chosen after the completion of the steps to improve consumers' awareness of the brand, enabling consumers to form strong and positive associations toward the brand, or to provoke positive judgements and feelings toward the brand. Consumers will eventually be able to recognise the brand by the brand elements being used. Therefore, the purpose is to develop brand elements that will be able to communicate about the brand and what differentiates it from competitors.

In the Brand Resonance Pyramid (see Figure 2.4), consumers with true brand resonance tend to be severely loyal to the brand, looking for ways to interact with the brand and share their experiences with others (Keller, 2013:108; Raut & Brito, 2014:5, 7). According to Aziz and Yasin

(2010:182), the steps to build a strong brand form the basis of implementing the building blocks that make up the Brand Resonance Pyramid. Figure 2.4 illustrates the Brand Resonance Pyramid in terms of the building steps, the building blocks, and the related outcomes of each level of the pyramid.

Figure 2.4: The Brand Resonance Pyramid



Source: Adopted from Keller (2009:144) and Keller (2013:108).

The principle of the Brand Resonance Pyramid is that the power of a brand is found in what consumers experience in all aspects about the brand over a period of time. Brand equity will exist if the top of the brand resonance pyramid is reached. The six building blocks can be described as follow (Keller, 2013:108: Kotler & Keller, 2006):

- **Brand salience** is how easily and often the brand is evoked in numerous occasions where the brand is bought or consumed.
- **Brand performance** is how well the brand can satisfy the functional needs of the consumer.
- **Brand imagery** describes the extrinsic properties of the brand, including the attempts of the brand to satisfy the psychological or social needs of the consumer.
- **Brand judgements** are concerned with consumers' personal opinions and evaluations of the brand.
- **Brand feelings** are consumers' emotional reactions regarding the brand. According to Keller (2008:296) and Keller (2013:119-120), the following can be seen as six important types of brand feelings:

- **Warmth:** Calming types of feelings; the brand must make consumers feel calm or peaceful. Consumers may feel sincere, sentimental or affectionate towards the brand.
- **Fun:** Optimistic types of feelings; consumers feel amused, carefree, spirited and cheerful when they use the brand.
- **Excitement:** Another form of optimistic feeling; consumers feel energised, and experience something special when they use the brand. Brands that create these feelings may result in consumers feeling a sense of being alive.
- **Security:** The brand produces a feeling of safety, comfort and self-assurance. By using the brand, consumers will not feel troubled.
- **Social approval:** When using the brand, consumers generate positive feelings about how others will react towards them; consumers will feel that others approve of their appearance or behaviour.
- **Self-respect:** When using the brand, consumers feel good about themselves; consumers get a feeling of pride, accomplishment or fulfilment.

- **Brand resonance** refers to the bond between the consumers and the brand, and the intensity of this bond, as well as the level of activity this loyalty creates (Keller, 2013:120-121). Certain product or service categories permit more resonance as these categories have high levels of interest and activities (Keller, 2009:144-145). Keller (2013:120) states that there are four dimensions in brand resonance, each capturing a number of different aspects of brand loyalty:
  - **Behavioural loyalty:** consumers enhance their purchases and the volume they purchase of the brand.
  - **Attitudinal attachment:** consumers perceive the brand as being extraordinary within a broader context.
  - **Sense of community:** consumers feel a connection with other people also using the brand.
  - **Active engagement:** consumers invest their personal resources (time and money) in the brand – beyond those resources already used when purchasing or using the brand.

With a foundation for a business to build upon, marketers can improve the four dimensions of brand resonance. The dimensions of resonance can be affected if the business makes use of the correct marketing activities. To maximise brand resonance, it is important to enhance the intensity and activity of loyal consumer relationships (Keller, 2013:122).

2.7.2 Components of branding

According to Balakrishnan (2009:613), branding revolves around certain components that need to be implemented in order to successfully secure the business' target consumers. Balakrishnan (2009:613) and Healey (2008:8) identified the following branding components:

- **Storytelling:** Good, expressive stories attract people. When consumers purchase brands, they share in the brand's story. Great brands emphasise to consumers how important they are in the brand's story.
- **Design:** Design refers to all aspects of how a product, label and name are crafted.
- **Price:** Price is an important aspect of a brand. Price jockeying is vital in brand competition; however, businesses have come to the conclusion that short-term price-cutting strategies may have shocking effects in the long-term on a brand's image.
- **Consumer relationship:** When businesses manage the relationships they have with consumers it shows the efforts of businesses to make the consumer feel special. Excellent branding will be able to identify the truth, have its story told, make it attractive, and create a valuable and emotional bond between the business and consumers.
- **Vision and stakeholder management:** By understanding the business' long-term objectives, the vision will result in stakeholder satisfaction by providing in their expectations. It also drives brand positioning, and is the initiation of a brand strategy. According to Kapferer (2008:50), this position energises the brand and helps the brand transform to match the products or services of the brand with its principles. Because of this idea, the brand's existence is validated, and provides it with a guideline for its lifecycle.

Relevant stakeholders should have updated knowledge regarding the business' vision in order for the business to make decisions and to develop a culture that will contribute to the business gaining a competitive advantage (Balakrishnan, 2009:613). Branding has become rather difficult due to a greater variety of stakeholders and their needs (Banerjee & Bonnefous, 2011:5). The knowledge of who the business is (internal and external stakeholders' needs and perceptions) plays an important role in the vision of the business. Banerjee and Bonnefous (2011:3) state that by managing the different stakeholders, the business will help in sustaining the economic growth strategy of the business. For a business, vision assimilation is vital, as translating the vision will assist in delivering consumers the experience they are promised (Balakrishnan, 2009:616).

- **Target consumer and product portfolio matching:** Adaption to new economic policies, exploiting natural resources, investing in infrastructure, as well as a strategic location are all factors that products require. Diversification of the business' portfolio can not only reduce their risks, but also lead to an encouragement of loyalty among consumers as well as increasing the business' target base (Balakrishnan, 2009:618; Morgan & Rego, 2009:59). Creating a brand portfolio strategy includes goals that aim to create synergy, clarity and leverage within the portfolio and associated brands. Through external validation and the halo effect, the value, ability to increase purchase intention and competitive position can be leveraged using any ingredient of the brand of greater worth. Using dominant target segments to match product portfolios can lead to effective spending, and the reach and loyalty can increase, which, in turn, can inhibit the entry of various competitors as well as lead to a greater efficiency in the business' deployments of resources (Balakrishnan, 2009:618; Morgan & Rego, 2009:59).
- **Positioning and differentiation strategies using branding components:** Brand identity can be defined as an image that creates a sustainable advantage by differentiating the brand from competitors via the positioning statement (Aaker & Joachimsthaler, 2000; Ghodeswar, 2008:5). Positioning is a definition of the brand within the consumer's mind, separating it from competing brands. It is vital that businesses pay attention to what consumers think, and respond accordingly (Healey, 2008:8). Successful positioning helps to justify the decision-making process and is ideally based on the consumers' previous experiences. Positioning can be achieved via symbolic or functional brand components, as well as tangible or intangible components. Through effective positioning, consumers are reassured of the desired benefits that make up the core of the brand. It also moves consumers from functional benefits and attributes up the brand value pyramid to self-expression and emotional benefits (Balakrishnan, 2009:613; Kapferer, 2008:41).
- **Communication strategies:** Having a consistent image and communication across media and product portfolios is something all businesses should have. Most would consider newspapers, magazines, televisions and radios as a more trustworthy form of advertising; however, with the internet growing in usefulness, it could work out to be a more effective form of advertising (Jothi *et al.*, 2011:234). Balakrishnan (2009:619), however, reports that most consumers prefer word-of-mouth.
- **Feedback and response management strategies:** Having effective feedback can assist businesses to understand what consumers would like and also how the business can improve what they have to offer (Sadler, 2010:535). When businesses manage their brand,

the gap between communicated, conceived, ideal and desired identities must be reduced, and this can be done by making use of market research. Advertising false information can decrease consumer loyalty, also leading consumers to report bad word-of-mouth (Balakrishnan, 2009:619).

Therefore, Balakrishnan (2009:622) states that when businesses are designing their branding strategy, they must start with their vision. Businesses must also consider the type of relationships they want to build with their stakeholders, both internal and external (Browne & Nuttall, 2013:5; Tybout & Calkins, 2005:151). Businesses must identify the main target consumers by considering their location, the possibility of them to purchase the brand and their mind-set. Businesses have changed their vision from one where only tangible assets have value, to brands being the most important assets (Kapferer, 2008:18). Therefore, a strategy must be developed that differentiates the business from competitors, and leaves a strong and unique image in the mind of the consumers (Balakrishnan, 2009:622).

By tangibilising the experience of consumers with the brand, businesses can encourage word-of-mouth and strengthen the brand's image (Brakus *et al*., 2009:65). If the brand does not deliver on its promise of offering consumers good quality and experiences when using the brand, it will lead to the consumers being dissatisfied. Therefore, businesses must use different brand components to attract consumers, help consumers to make a decision and develop loyalty among the consumers (Balakrishnan, 2009:622-623).

2.7.3 Brand development process

The brand development process is an analysis of the brand's strengths and weaknesses, to find out what consumers like or dislike about the brand, and identify ways of improving the brand (Healey, 2008:16). The steps of the brand development process can be seen as the following:

(i) **Research the current situation:** This step involves researching what has been done before, and why it was or was not successful. This step is also called 'discovery'.

(ii) **Imagine an ideal future:** This step involves combining all the ideas and research, and brainstorming ideas on how to change the specific product category to become something greater. This step is usually called 'innovation' or 'imagination'.

(iii) **Combine strategy and creativity:** Brand managers will achieve success in establishing a brand by utilising people, business processes, technology, marketing, investment, and all the other areas that will play a role in the outcome. This can be done through creative

identity that engages the senses appropriately, and sufficient publicity and advertising to create a need for the brand.

(iv) **Wait to let it catch on, then repeat step one:** Not only are research, analysis, and testing critical, but so is reading the results correctly. Allowing consumers' their own discovery and adoption of an innovation is also vital.

2.7.4 Designing brands

Design can be described as the process of giving something an intentional attractive form. Design starts with the design of the product, and progresses from packaging and labelling to advertising and marketing material. Design covers the visual and the tangible (Healey, 2008:22). According to Keller (2013:144) and Keller and Lehmann (2006:743), brands give identity to a brand and differentiate its offerings from competitors. When it comes to branding, brand elements such as logos and symbols, packaging and slogans play a vital role, making a brand more than just a name.

Brand elements differ in their verbal versus visual content (Keller & Lehmann, 2006:743). Content and formats that are known to the consumer should be chosen, placing an emphasis on mutual interests and values beyond those directly related to the brand (Tybout & Calkins, 2005:148). Therefore, the following elements are relevant to designing brands.

2.7.4.1 Name

A brand name is the basis upon which brand equity is built (Farhana, 2012:226). A brand needs a name, as it is considered as an integral element of the brand (Aaker, 1991; Keller, 2013:147; Round & Roper, 2012:940). The brand name is what makes the brand memorable. A "good name" represents a good reputation. A brand name can affect how consumers look at the brand and the inferences made about quality (Vinzi *et al*., 2010:453). Consumers turn to the brand as an indication of brand quality, and if consumers perceive the brand as high quality they are willing to pay more for the brand (O'Neill & Mattila, 2010:29).

If a brand has a good name, half of the business' marketing and branding will be done for them, as the best names need the least advertising – they are advertisements (Healey, 2008:86). A brand name can help the business achieve increased market share and profitability. Consumers respond more positively to the marketing of a brand of which they know the name than to unbranded products or services, creating value for the brand (Christodoulides & De Chernatony,

2010:6-8). Therefore, a well-managed brand can discourage competition (O'Neill & Mattila 2010:29).

If a name is short, likeable and easy to pronounce in different languages, it has a huge advantage. Healey (2008:86) identified four types of brand names:

- Functional or descriptive names that describe what the brand offers.
- Invented names, with Latin or Greek meanings, or with fun, rhythmic sounds.
- Experiential names, similar to functional names, but focusing on the experience rather than what the brand offers.
- Evocative names, used to evoke self-assurance or strength.

Furthermore, Healey (2008:89) states that the most memorable names tend to be both invented and evocative; sometimes, functional and experiential too. Such names dominate their brand category, making it almost impossible for competitors to develop a better name. The brand name can also serve as a category cue, for when the name is extended to a new product that is unknown, then consumers will trust that the extension is also of high quality (Dens & De Pelsmacker, 2010:52).

According to Healey (2008:90) and Keller (2013:155), a brand is what binds a vision and its name, but although people communicate verbally, they position themselves in their surroundings mainly by visual means. Therefore, besides a name, a brand needs a visual system, starting with a logo.

2.7.4.2 Logo

A logo is a graphic symbol or image that triggers the associations consumers have with a brand stored in their memory. Logos feature on various communication methods of the business, such as packaging, promotional materials, letterheads and business cards (Walsh *et al*., 2010:76-77). Healey (2008:90) and Park *et al*. (2012:181) furthermore state that the logo is the name made visual. Some logos are just a word, others are just a symbol, and some are a combination of the two. Many logos have numerous shapes or colours (Keller, 2013:155).

Consumers consider the brand logo as the most salient visual brand element (Mininni, 2005; Park *et al*., 2012:180). What is more important is that logos evoke emotions in consumers, such as pride and trust. Logos can become a central part in triggering associations about the brand in the minds of consumers (Keller, 2005:20, Keller, 2013:155). Logos contribute to the identification of the brand and its differentiation from competitors (Park *et al*., 2012:180). However, logos can also

communicate what the brand stands for. Logos represent the image and meaning of the brand. Therefore, logos can form the brand's reputation, as well as consumers' attitudes toward the brand, their intentions to buy the brand and their loyalty toward the brand (Müller *et al*., 2011:83; Van den Bosch *et al*., 2005:109; Woo *et al*., 2008:396).

Logos create value to consumers by helping the consumer identify with the brand and making decisions faster. Brand logos can communicate and reinforce a brand's promise by contributing to consumers' daily lives, and will then strengthen consumers' relationships with the brand (Park *et al*., 2012:182).

2.7.4.3 Brand personality

Healey (2008:82) and Keller (2013:333) explain that brands have a set of characteristics that consumers can relate to as if the brand were a person. People tend to see human attributes, which are similar to their personality, in things they want to have a relationship with.

According to Riesenbeck and Perrey (2007:146), the brand personality emerges from the interactions of all direct and indirect contacts the consumer has with the brand. Typically, each contact involves a range of associations in the consumer's mind regarding the product category, brand name, advertising and price. However, the indirect reports, observations and opinions of other users of this brand can also play an important part. All these experiences ensure that the brand assumes human-like features in the minds of consumers (Choi *et al*., 2011:2; Garretson & Niedrich, 2004:27).

Riesenbeck and Perrey (2007:146) also describe that the more a consumer can identify with the personality of a brand, the higher the likelihood that the brand will become a preferred brand in his/her day-to-day life. Through the consumption of brands, they help the consumer associate the brand personality with the consumer's desired self-expression (Pradhan *et al*., 2016:457).

Healey (2008:82) and Keel and Nataraajan (2012:696) state that a celebrity endorsement is the fastest way to ascribe a personality to a brand. A celebrity gives a face to the brand, differentiating the brand from others with similar attributes (De Mooij & Hofstede, 2010:98). Chan *et al*. (2013:4) mention that the use of a celebrity to endorse the brand will have an impact on brand recall, brand recognition, and consumers' purchase intentions. However, the credibility of the celebrity endorser transfers to the brand, risking some of the signals of the brand being compromised (Spry *et al*., 2011:885). For example, the South African pro-golf champion Ernie Els is developing his wine portfolio from his own vineyards situated in Stellenbosch. The House of Mandela wine range

also have personalities such as Nelson Mandela's eldest daughter, Makaziwe, her daughter, Tukwini and the chief of the BaThembu clan, Mandla Mandela.

According to Malär *et al*. (2011:35, 37), it is important to create an emotional attachment between the brand and the consumer, and to accomplish this, the business must match the brand's personality with the consumer's self. The brand's personality humanises the brand to gain affection from consumers toward the brand. Aaker (1997:352), Keller (2013:334), Keller and Lehmann (2006:741), and Riesenbeck and Perrey (2007:146) mention five dimensions of brand personality, namely:

- **Sincerity:** When the brand personality is down-to-earth, truthful, healthy and joyful.
- **Excitement:** When the brand personality is bold, spirited, creative and modern.
- **Competence:** When the brand personality is dependable, intellectual and successful.
- **Sophisticated:** When the brand personality is cultivated, upper-class and appealing.
- **Ruggedness:** When the brand personality is tough.

The targeted brand personality profile serves as the basis for the creative process of market communication. A brand's personality helps a business to achieve high brand loyalty among consumers (Keel & Nataraajan, 2012:696; Pradhan *et al*., 2016:458; Riesenbeck & Perrey, 2007:153).

2.7.4.4 Product design

According to Jindal *et al*. (2016:72), product design can be defined as putting the technological, operational, financial and emotional pieces together to be able to differentiate the product from competitors. Due to heavy competition in the market and the importance of competitive advantage, businesses are investing in product design as a strategic tool rather than just a stage in the development process (Srinivasan *et al*., 2012:1).

Businesses should start thinking about the branding and design early in the development process; businesses can start by sending out engineers and designers to learn about what appeals to different cultures, and determine what distinguishes original and innovative design from the generic look that is typical (Healey, 2008:84). The design is, therefore, the only thing that differentiates one product from another (Homburg *et al*., 2015:41).

Furthermore, product design contributes to developing a strong identity and value for a brand (De Mozota, 2004; Homberg *et al*., 2015:50; Stompff, 2003:27, 28). In product design, the message the brand wants to convey consists of various product features that represent the main brand values and the identity of the brand. If the design features convey this desired message, it will contribute to effectiveness and efficiency of communication forms such as advertising (Karjalainen & Snelders, 2010:8).

Product design is also a source of competitive advantage, as product design can improve the business' revenues and thereby increase business performance (Candi, 2010:1060). The design positively influences consumers' willingness to pay for the product or design and also has a positive effect on the purchase intention and word-of-mouth of consumers. Therefore, product design is important for the business' success (Homburg *et al*., 2015:41).

2.7.4.5 Packaging

According to Orth and Malkewitz (2008:64), design is the combination of various elements into a whole to achieve a specific sensory effect. Packaging is the activities of designing and manufacturing containers or wrappers for a product (Keller, 2013:164). Package design ranges from protecting contents and the facilitation of distribution to communicating the product's emotional and rational functions and benefits. Design elements create a package's visual appearance, and this appearance is essential to the brand's image. Package design helps to build strong brands by differentiating offerings and evoking positive consumer impressions (Farhana, 2012:228; Orth & Malkewitz, 2008:64). According to Healey (2008:106), packaging can achieve several functions, it can:

- Communicate brand identity. Achieved by differentiating a product, telling a story, portraying an image of value, and making an emotional impression;
- Attract attention in a busy retail space. The package serves as a symbol and advertisement;
- Position a product within a certain category or price range;
- Perform a useful function, even supplanting the product itself in importance. The package aids as a container and protector of the product, and conveys instructions of how to use the product and information on nutrition, health and safety; and
- Fulfil some corollary function. The package can serve as keepsake merchandise.

Brand design helps to achieve all of these functions. Brand design should employ a wide array of cues. Verbal and visual cues should get equal attention when designing brands (Allen *et al*.,

2013:271; Tybout & Calkins, 2005:32, 34). Brands use a variety of packaging attributes, such as combining colours, shapes, designs, symbols and messages, and this will attract and sustain the attention of consumers, helping them to identify with the images presented. Packaging is important and acts as a means of communication and branding for businesses. Packaging ultimately plays an important role in helping businesses remain competitive (Farhana, 2012:228-229; Silayoi & Speece, 2007:1495, 1497). Packaging inspires some of the strongest associations consumers have with a brand. Therefore, marketers should choose the visual and functional components of packaging carefully to achieve the business' marketing objectives and meet the needs of the consumers (Keller, 2013:164-165).

2.7.5 Brand image

As soon as the market segment target groups that are likely to prove the most attractive have been identified, the next step is to ascertain the image of the brand (Riesenbeck & Perrey, 2007:77). Brand imageries are developed to address emotional challenges and to project the personality traits of the brand while brand preferences are being established (Germain *et al*., 2010:386).

Chan-Olmsted and Cha (2008:32) and Keller (2013:77) state that businesses need to establish distinctive and meaningful images of the brand in the minds of consumers. Integrating marketing communications includes combining various communication options to establish the brand in the mind of consumers and creating that brand image (Keller, 2009:139,141).

Brand image is the consumers' perceptions about a brand as reflected by brand associations held in their memory. Consumers form associations about the meaning that the brand holds for them by means of the perceptions they hold about the brand in their memory (Gómez *et al*., 2015:212; Torres & Bijmolt, 2008:629). Favourable and unique brand associations are vital as these associations contribute to brand equity to help differentiate the brand from competitors, ultimately leading to the business being able to ask premium prices; they have greater communication with consumers; businesses have more growth opportunities; and consumers becoming more loyal to the business (Keller, 2009:143). Favourable brand images may influence consumers' decisions to purchase the brand (Da Silva & Alwi, 2008:1039).

Riesenbeck and Perrey (2007:79) further mention an empirically-based structuring approach to analyse brand image. Using this method, the quality and benefit associated with brand image can be divided into four elements, including the factors that are integral in the brand, and the benefits it provides to the consumer. These factors and benefits can be seen as follow:

- **Tangible factors:** The associations in this category are usually those that arise first in the perception of the consumer. This category contains all the features that can be perceived by the senses of the consumer, helping to form the brand's image in the minds of the consumers. They can be physical or functional in nature.
- **Intangible factors:** The intangible factors include all the characteristics related to a brand's origin, reputation and personality that cannot be sensed directly, but are nonetheless important to the consumer's understanding of the brand. These include associations such as a brand with tradition, or an innovative brand.
- **Rational benefits:** This category contains all the measurable benefits that the brand brings the consumer. Rational benefits can be expressed in the product or its function, the transaction process, or in the relationship of the consumer to the brand or provider.
- **Emotional benefits:** Consumers associate an emotional advantage with a brand if it strengthens their personal self-image or self-expression. Brands can be used in this manner to gain status.

According to Salinas and Pérez (2008:51), businesses use various resources to develop positive brand images. A positive image simplifies business expansion through brand extensions. Thus, if a new product is introduced under an established brand name, it will be able to adopt the brand image, brand awareness and brand equity achieved in the established markets of the brand.

2.8 MANAGING BRANDS

The branding strategy of a business is a reflection of the unique brand elements of each of the products presented by the business. An effective branding strategy is vital for a business as it helps consumers understand and arrange the products or services of the business in their minds (Keller *et al*., 2008:433). It is, therefore, important for businesses to efficiently manage their brand and brand strategies.

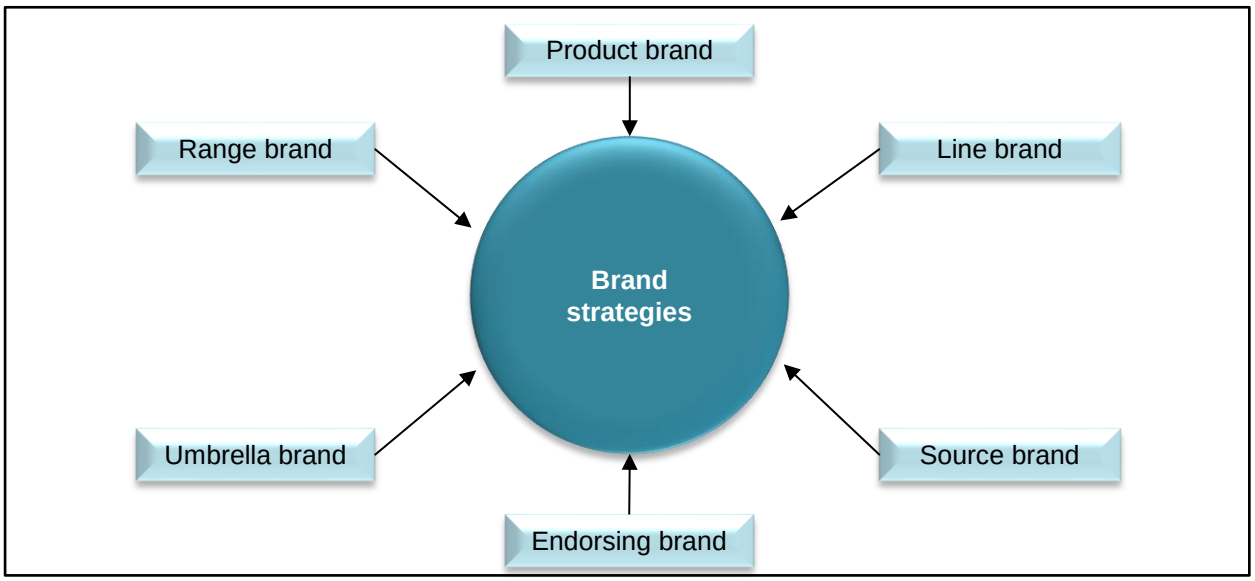
Kavaratzis and Hatch (2013:79) describe brand management as a repetitive process that consists of four sub-processes, namely expressing, impressing, mirroring and reflecting. According to Ambavale and Surti (2015:15), brand management means stating a brand, positioning the brand, and delivering the brand. Therefore, brand management creates and maintains the brand. A business that can manage its brand is better protected from competitors as well as potential crises. Brand management also requires the total commitment of all staff within a business to deliver the brand promise to the consumers (Foster *et al*., 2010:402).

According to Aaker (1996a) and Aaker (2014:10), building a strong brand is one of the most significant objectives of brand management, as it provides numerous benefits to a business (as discussed in section 2.6.2). By managing a brand correctly, loyalty can be established among consumers, creating long-term relationships (Ghodeswar, 2008:6; Keller 1993; Şahin *et al*., 2011:1288). Hemsley-Brown *et al*. (2016:3020) explain that, in order to increase brand loyalty, businesses need to develop a brand identity that consumers can relate to. Once this is done, consumers will be able to see that the brand satisfies their needs and will begin to trust the brand. Once consumers trust the brand, they will become loyal to the brand, thereby increasing brand equity (Erciş *et al*., 2012:1396; Nam *et al*., 2011:1014). It is therefore important that brand strategies are in place for the effective management of the brand.

2.8.1 Brand strategies

It is a complex task when it comes to choosing a branding strategy, as the business needs to adopt a situational perspective in order to find a strategy that best matches the needs of the business (Verma, 2006:428). According to Kapferer (2008:352), one can distinguish between six generally accepted brand strategies, as shown in Figure 2.5 and subsequently discussed.

Figure 2.5: Brand strategies



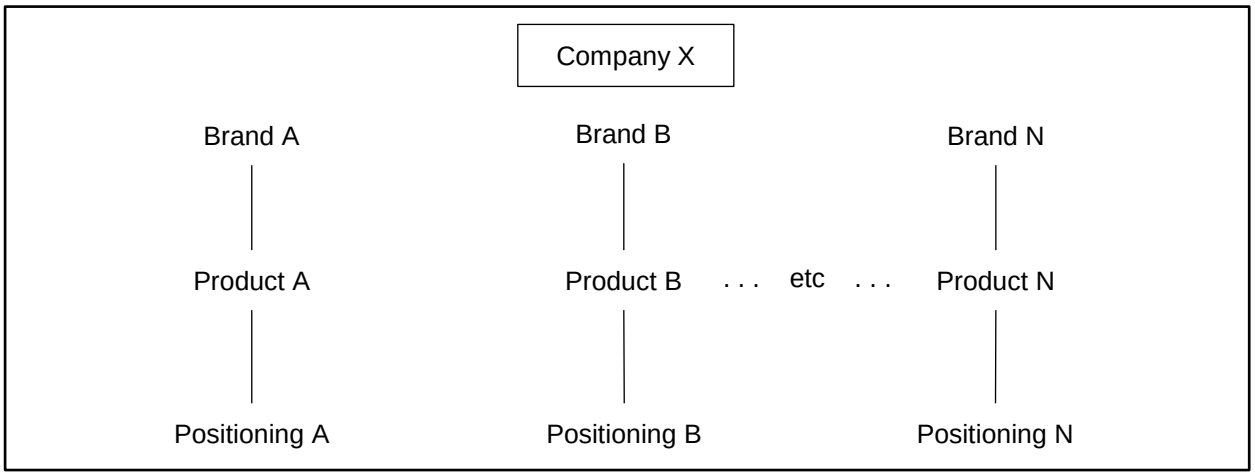
Source: Adopted from Kapferer (2008:356).

(i) Product brand strategy

The product brand strategy (illustrated in Figure 2.6) involves the assignment of a particular brand name to only one product or product line as well as one exclusive positioning strategy.

The result of such a strategy is that each new product receives its own brand name. Businesses then have a brand portfolio that corresponds to their product portfolio (Kapferer, 2008:356). Businesses use product branding as a risk reduction strategy when they are launching a new innovation that is yet to establish fortitude and a competitive advantage in the marketplace (Verma, 2006:430). For example, within the wine industry, the Saint's wines use a product brand strategy. As the the brand is known as The Saint's wines, however, each new wine variety receives its own brand name. Their natural sweet rosé wine is known as St Claire, their natural sweet white wine is known as St Anna, and their natural sweet red wine is known as St Celine.

Figure 2.6: Product brand strategy



Source: Adopted from Kapferer (2008:356).

(ii) Line brand strategy

According to Davis and Halligan (2002:10), the line brand strategy places a brand name on a line of related products. The line brand strategy is concerned with offering new products introduced in an existing category under an existing single brand name (Allman *et al.*, 2016:41). These products are entirely different for the producer; however, the consumer perceives the products as related. The selling power of the brand, a strong brand image, the facilitation of distribution for each line extension and reduced launching costs are a few advantages of this strategy (Kapferer, 2008:260, 359). For example, within the wine industry, Four Cousins uses a line brand strategy. Four Cousins produces wines, sparkling wine, whiskies and liqueurs, all using the Four Cousins brand name.

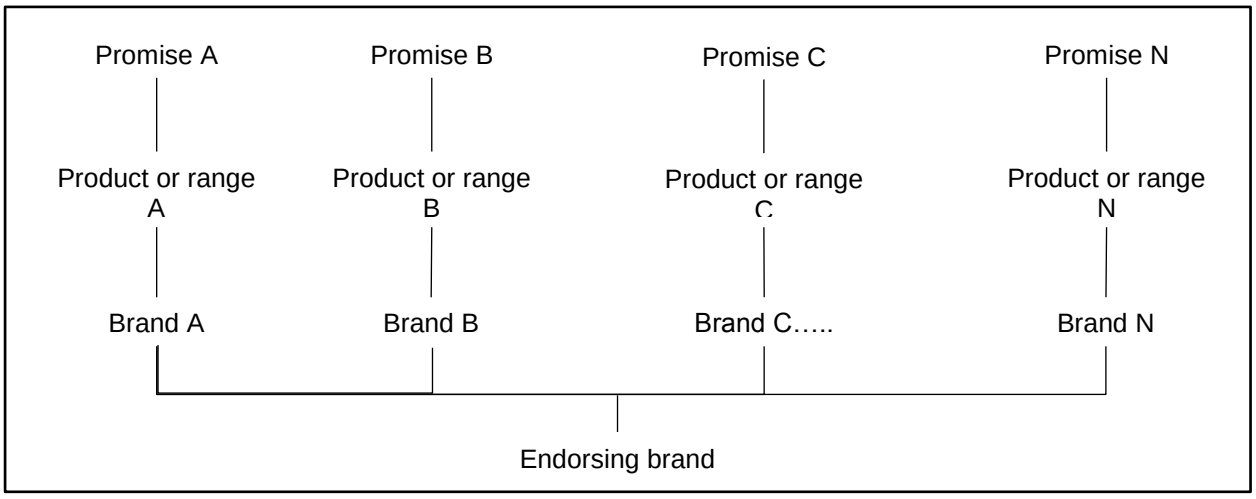
(iii) Source brand strategy

According to Kapferer (2008:367), a source brand strategy can be seen as being identical to the umbrella brand strategy. However, the products are no longer called by one general name; rather, each product has its own name. This enables the new product to benefit from the reputation of the established brand (Deslandes, 2015:11). According to Verma (2006:427), source branding combines the product and the business image equally. The source brand strategy is also known as double-branding, and provides differentiation and depth. For example, within the wine industry, Spier uses a source brand strategy. Spier produces different types of wine brands, each with their own name, like Spier 1692, 21 Gables, 2/3/5 Creative Block, Frans K. Smit, Secret Sparkling and Spier Arts.

(iv) Endorsing brand strategy

Davis and Halligan (2002:11) describe an endorsing brand strategy (illustrated in Figure 2.7) as an adapted version of the source brand strategy. According to Kapferer (2008:363), the endorsing brand gives its approval to a wide range of products grouped under product, line and range brands. Gupta (2009:12) states that endorsed brands benefit from their mother brand, and save a business marketing expenses by virtue of promoting all the linked brands whenever the mother brand is advertised. For example, within the wine industry, KVW uses a source brand strategy. KVW not only produces wines, but also spirits, liqueurs and ready-to-drink beverages. All of these have their own brand name, such as Hootch, Ciao, Laborie wines, Wild Africa Cream liqueur, Ponchos tequila, and Republic Rum Infusions.

Figure 2.7: Endorsing brand strategy

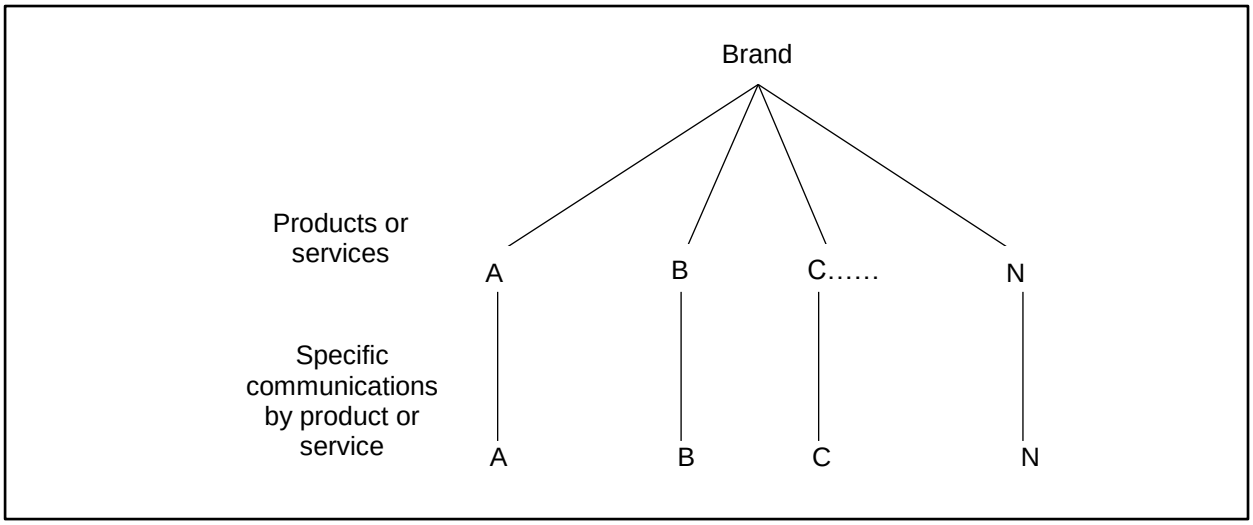


Source: Adopted from Kapferer (2008:363).

(v) The umbrella brand strategy

The umbrella brand strategy (illustrated in Figure 2.8) is the practice of labelling more than one product with a single brand name (Cabral, 2009:206). This is the principal advantage of this strategy – offering a common name (umbrella) to a highly diversified range (Kapferer, 2008:364). Businesses also benefit from umbrella branding in the sense that investing in a single brand is less costly than building a number of brands (Verma, 2006:41). Umbrella branding also helps businesses to successfully introduce their new products by convincing consumers that the new and existing products are of the same or similar quality (Miklos-Thal, 2012:335). For example, within the wine industry, Nederburg wines make use of an umbrella brand strategy. Nederburg produces different wine products and varieties in conjunction with the Nederburg brand name, like Nederburg One of a Kind, Nederburg 56Hundred, Nederburg The Winemaster, Nederburg Heritage Heroes, Nederburg ii Century, and Nederburg 1791.

Figure 2.8: Umbrella brand strategy



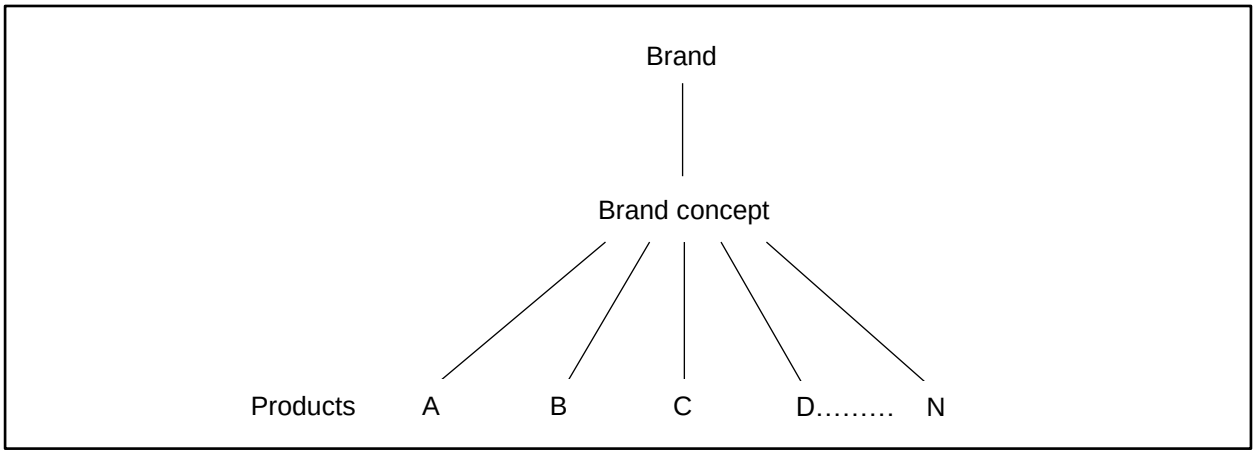
Source: Adopted from Kapferer (2008:364).

(vi) The range brand strategy

Verma (2006:427) explains that range brands (illustrated in Figure 2.9) bestow a single brand name, and a range of products belonging to the same area of competence are promoted through a single promise. From the outside, the nature of products may differ, but they are all encompassed under a single banner. In range branding, the brand signifies an area of expertise. Furthermore, Kapferer (2008:360) states that although the products may be unrelated at times, they are combined through a unique principle of a brand concept. For

example, within the wine industry, Swartland Winery uses a range brand strategy. Swartland Winery's expertice is wine and they only focus on producing different wine varieties and cultivates, promising the consumer good quality wine. Swartland consist of different wine ranges all produced by Swartland and branded in conjunction with the Swartland brand name, such as Swartland Idelia, Swartland Bush Vines, Swartland Reserve Range, Swartland Founder's Collection, Swartland Winemaker's Collection White and Red, Swartland Limited Releases, Swartland D'Vine Range, and Swartland Contour Collection.

Figure 2.9: Range brand strategy



Source: Adopted from Kapferer (2008:360).

The choice of which brand strategy to use is a calculated decision intended to encourage consumers to use the individual products and ranges, as well as getting the most out of the brand in the long-term (Kapferer, 2008:372).

2.8.2 Brand strategy choices

When introducing a new product, there are three main choices that a business should consider. Businesses should decide whether to create new brand elements for the new product, whether to apply some of its current brand elements to the new product, or whether to use a combination of new and existing brand elements (Kapferer, 2008:372).

Keller (2013:269) and Völckner and Sattler (2006:18) explain that if a business uses its already established brand to present a new product, it is called a brand extension. Kapferer (2008:295) states that brand extension is on the increase. Such development is the reflection that brands are the actual capital of a business and help to give the business a competitive advantage. According

to Monga and John (2010:80), the success of brand extensions depends on extension fit, as consumers tend to respond more favourably to extensions that fit with their perceptions of the head brand. A brand extension strategy can be used as a way to optimise relationships with consumers (Martinez *et al*., 2008:112). Brand extensions can be divided into two categories. Allman *et al*. (2016:41) describe them as follow:

- **Line extension:** Line extensions are when the brand launches new products in an existing category under an existing brand name.
- **Brand line extension:** A brand line contains all products, the original products of the brand and all the line and category extensions are sold under the brand.

It is important to know the advantages and challenges of brand extensions, as brand extensions can either help keep consumers loyal or result in consumers not trusting the brand anymore (Aaker, 1991:221; Martinelli *et al*., 2015:107, 115). The advantages and challenges of brand extensions are highlighted in Table 2.4.

Table 2.4: Advantages and challenges of brand extensions

ADVANTAGES OF BRAND EXTENSIONS	CHALLENGES OF BRAND EXTENSIONS
Brand extensions present loyal consumers with a variety of products, so that these consumers can extend their loyalty to these new products.	If the extensions fail, it may result in consumers losing trust in the parent brand.
Businesses can benefit from the brand's value.	Extensions may convert sales away from the parent brand.
Brand extensions are cheaper than launching a freestanding brand.	Managers' time and the business' budget will be divided between the current and new products.
Successful extensions will set the foundation for further extensions.	Stores have restricted space, making it difficult to add extra products from the same brand.
Brand extensions may revitalise the parent brand.	Some brands are tied so closely to a certain product or category that the consumer does not accept the brand in any other category.
As the brand is already established, brand extensions reduce the risk and costs of the launch campaign; there is no need to develop a new name, and the packaging and labelling can be done effectively.	Line extensions may cause that consumers do not identify the brand name with any one product anymore. This is called the line-extension trap. If consumers deem the extensions as unsuitable, they may question the reliability and capability of the brand.
Brand extensions identify logical new product possibilities.	Different line extensions may confuse and frustrate consumers, and if the extension fails, it may harm the image of the brand.
Brand extensions decrease the risk of the business failing, because consumers already know and trust the businesses.	Cannibalising can arise; this is where consumers prefer to use the extension rather than the existing product offerings.

Table 2.4: Advantages and challenges of brand extensions (cont.)

ADVANTAGES OF BRAND EXTENSIONS	CHALLENGES OF BRAND EXTENSIONS
Brand extensions allow a business to enter new categories at extremely lower cost.	When businesses create brands, they give them certain expertise. Therefore, all brand extensions are within the boundaries of this expertise.
Brand extensions can help the brand establish itself in a value or premium market with a larger consumer base, with higher margins and a quality brand image.	
Brand extensions can portray the brand's values or improve how consumers perceive the credibility of the business.	
Brand extensions strengthen the consumers' insights of the parent brand name.	

Source: Adapted from Aaker (2014), Keller and Aaker (1992) and Uggla (2015:10).

2.8.3 Branding decisions

A brand is created by management on a continuous basis because of the decisions made about the business and also through creating brand images in the minds of consumers. Branding includes making various decisions, namely about the business' identity, brand personality and brand promise, and how it will be portrayed to consumers (Abratt & Kleyn, 2012:18).

2.8.3.1 Brand names

The first branding decision for a business should be developing a brand name. The correct brand name is vital, as it captures the key associations of the brand (Keller, 2013:147). There are three main naming strategies that businesses can choose from, namely (Schmitt & Zhang, 1998:110):

- **Family brand names:** All the products have the same name, and therefore all brands can benefit by making the brand trustworthy and making consumers loyal to the family brand name (De Mooij, 2009:23)
- **Individual brand names:** According to Edwards and Day (2005:41) and Sood and Keller (2012:376), an individual brand name does not classify a brand with a specific business; individual brand names are given to new products that are not linked to any existing parent brand.
- **Combination brand names:** A combination brand name ties a family brand name and an individual brand name. This is done so that the product has a connotation with the family brand name, but also has a uniqueness (Saxena, 2009:177).

2.8.3.2 Brand portfolios

A brand portfolio can be seen as a set of all brands and brand lines a business offers to consumers in a specific category (Aaker, 2004:92; Godey & Lai, 2011:402). Brand portfolio is also defined as a branded house, which includes a single main brand and its sub-brands (Wang & Finn, 2012:255). According to Brown (2009:1), a brand will never be seen equally favourably by all the segments of the business, and therefore there are some reasons why it would be wise to present several brands in a category, including:

- To take up more shelf space and create a need for the product in the store among retailers;
- Attracting consumers who want a diversity of products;
- To help the competition within the business grow; and
- Gaining economies of scale in advertising, sales, promotion and distribution.

A brand portfolio is seen as successful if it is able to maximise brand equity. The ideal brand portfolio is where each brand in the portfolio maximises equity (Aaker, 2004:23, 92). Therefore, in order to gain the benefits of branding and premium pricing, it is important that a business manages its brand portfolio to ensure that consumers can identify the unique differentiated brand values that are sustained over time (Davcik & Sharma, 2015:5).

2.9 BRANDING, ADVERTISING AND MARKETING

The practice of branding includes functions such as marketing, public relations, graphic design and corporate identity. These functions deal with sales, recognition, reputation and consumer loyalty. These functions are all aspects of branding, as their purpose is to build and promote the brand (Healey, 2008:26).

As of a few years ago, mass media marketing communication, although important, has been described as wasteful marketing (Bacile *et al*., 2014:119). Traditional news sources are making way to new technology – emerging platforms for reporting on issues and perspectives on social disagreements. Businesses are therefore in a continuing process of adjusting to and accepting new modes of communicating by means of social media (Sayre *et al*., 2010:9). Businesses are looking harder for new ways of communicating that enable them to reach consumers, engage with them in dialogue, and maximise the power of their marketing. Spending on new media, events, promotions, sponsorships and direct marketing has increased significantly in recent years, and research shows that this is likely to continue (Riesenbeck & Perrey, 2007:170).

Keller (2013:178) and Keller and Lehmann (2006:743) explain that for a business to be able to achieve a desirable brand position and build brand equity, it needs to conduct various branding and marketing activities. The ultimate success depends not only on how well these activities work individually, but also on how they work together. Marketing further requires the management of demand, attracting consumers by offering products or services at an affordable price, making the product accessible, and communicating with them in an effective manner (Colbert, 2009:14).

According to Clifton (2009:220), modern marketing can be seen as a world-wide dialogue between millions of consumers in various social networks, such as discussion groups, review sites and other word-of-mouth forums, where consumers evaluate, accept or reject, embrace and recommend the brands they use. Subsequently, businesses no longer have the power to regulate the marketing message; it is now shared by consumers (Sayre *et al*., 2010:9).

Businesses use advertising to build relationships and trust with consumers (De Mooij & Hofstede, 2010:97). Western models explaining advertising propose that consumers want to be informed, gather information and solve problems (Stern & Resnik, 1991). However, advertising should also focus on influencing positive feelings rather than just providing information (De Mooij & Hofstede, 2010:97; Miracle *et al*., 1992).

According to Healey (2008:26) and Semenik *et al*. (2012:6), advertising was seen as the leading tool for brand building. However, the power of traditional advertising is declining because of new technologies emerging and the will of consumers to have more control over the information they receive, and this has radically changed the role of mass media in consumers' lives.

Dens and De Pelsmacker (2010:52) explain that advertising execution strategies include informational and transformational/emotional appeals. Informational appeals use advertisements to inform consumers about the benefits they can gain from the brand, whereas emotional appeals try to evoke feelings or emotions in consumers towards the brand (Cohen, 2014:26). Businesses make use of negative feelings, such as fear, in their advertising, to draw consumers' attention (Wansink & Pope, 2015:4; Shehryar & Hunt, 2005:276). On the other hand, positive emotional appeals entice interest among consumers towards the advertisement, which leads to consumers being more likely to purchase the brand, ultimately resulting in consumers developing loyalty towards the brand (Cohen, 2014:26; Morris *et al*., 2002:14). Research has shown that marketing activities can lead to more differentiated products or services, characterised by lower own-price elasticity. In turn, this enables businesses to charge higher prices, reach greater market share and sales, and gain consumer loyalty (Srinivasan *et al*., 2009:28).

Advertising enhances innovations, which can lead to greater cashflows for the business (Rubera & Kirca, 2017:744). In addition, advertising creates awareness among consumers of the innovation, which helps a new product to be accepted and become successful. Businesses that invest more in marketing resources should, therefore, be able to sustain the innovation and thereby fast-track consumers' adoption of the new products (Chandy & Tellis, 2000:11, 12; Xiong & Bharadwaj, 2013:708). As such, differentiating the brand by means of advertising may lead to monopolistic power, which can be used to extract superior product-market performance, thereby enabling the business to earn more in the future, and increase the residual value of the business (Srinivasan *et al*., 2009:28).

Effective advertising requires that consumers give their input on the information given forth in the advertising and link that information to the brand being advertised. Therefore, in evaluating whether the advertising is effective, the business should focus on consumers' knowledge about the brand and how consumers feel about this information, rather than their memory of the advertisement (De Mooij & Hofstede, 2010:97; Tybout & Calkins, 2005:148).

It can, therefore, be seen that brands and branding are important in any given situation. Leek and Christodoulides (2011a:831) state that once a business has established a strong brand, it can be built upon. That is why it is important to consider the effect of branding in the South African wine industry, as a strong brand increases the business' power and opens up opportunities. The wine brand may then perceive its consumers to have an increased level of satisfaction (Erciş *et al*., 2012:1395; Leek & Christodoulides, 2011a:831); and as brands provide significant contributions to the business, it will enable them to create and retain loyal consumers (Barbu *et al*., 2010:36; Erciş *et al*., 2012:1395; Leek & Christodoulides, 2011a:831).

2.10 THE IMPORTANCE OF BRANDING IN THE WINE INDUSTRY

Many factors influence a consumer's decisions when purchasing wine. According to Bianchi *et al*. (2012:2), some of these factors can include aspects such as the specific characteristics of the wine, prior consumption of the wine and characteristics internal to the individual, such as the quality and value of the wine, the identity of the wine brand, the trustworthiness of the wine brand, and whether the wine brand satisfies their needs. After good quality wine has been created, professional brand management will help turn the business into a success (McGechan, 2016).

The wine brand is among one of the most important decision criteria of consumers (Lockshin *et al*., 2009; McCutcheon *et al*., 2009:213). When it comes to consumers' decisions of which wine to purchase, consumers often seek certain information such as price, variety, brand name, region,

packaging and recommendations (Bianchi *et al*., 2012:2, Hussain *et al*., 2007:57). Wine brands should, therefore, communicate to consumers in ways that are important to them, because consumers make brand decisions based on the criteria the business offers to them (McGechan, 2016).

The South African wine industry contributes towards the country's economic and sustainable development, tourism advances and consumer happiness. Wine brands should, therefore, target the most suitable market and encourage brand loyalty among these consumers (Cape Wine, 2017; Fraser, 2008; SAWIS, 2016; WOSA, 2017a). According to Bianchi *et al*. (2012:2) and Drennan *et al*. (2015:47), purchase decisions in the wine industry are becoming more complex for consumers because of the extensive range of brands that are being offered to them. For this reason, wine brands should have successful marketing strategies in place in order for them to assess the drivers of consumers' wine brand preferences.

Due to the growing competition in the wine industry, a need for wine brands to know and understand the aspects that have an influence on consumers' loyalty towards their wine brands has been created (Bianchi *et al*., 2012:2; Drennan *et al*., 2015:47). In order to create loyal wine consumers, wine brands should focus on perceived quality, perceived brand value, brand identity, brand trust and brand satisfaction (these are all antecedents of brand loyalty) (Ballantyne *et al*., 2006; Deng *et al*., 2009:290; Erciş *et al*., 2012:1396; Ghodeswar, 2008:6; Keller 1993; Sahin *et al*., 2011:1288).

Successful branding can have a number of benefits for wine brands. Branding can benefit consumers by simplifying their choice of which wine brand to choose, it promises them a certain level of quality, it provides the products with an identity, it engenders trust, and it establishes key brand associations in their minds (Keller & Lehman, 2006; Leek & Christodoulides, 2011a:831). Branding can also result in greater consumer satisfaction, leading to referrals, reduced price sensitivity, fewer consumer defections, raising the barriers to entry for other wine brands, and a higher percentage of repeat business (Baumgarth & Schmidt, 2010; Ghodeswar, 2008:4; Sousa & Silva, 2015:122).

Branding can also benefit the business by setting the direction of marketing activities and programmes, it can differentiate the brand from other wine brands, establish a competitive advantage, wine brands would be able to ask premium prices for their wines, they might have higher sales volumes and higher sustainable profits, and wine brands might be able to develop a relationship of trust and credibility with their consumers (Chang, 2009:77; Ghodeswar, 2008:5; James *et al*., 2006; Keller & Lehman, 2006). wine brands will also be able to facilitate access to

financial resources, expand the wine brand's consumer base, strengthen the wine brand's competitive position through a higher market share, enhance the brand image of wine brands, and generate innovation and long-term growth for the wine brands (Ambavale & Surti, 2015:15; Barbu *et al*., 2010:36; Chang, 2009:77).

Lastly, branding leads to consumer loyalty being enhanced (Leek & Christodoulides, 2011a:831), and therefore consumers are more likely to continue being loyal to their wine brand (Barbu *et al*., 2010:36).

2.11 CONCLUSION

This chapter examined the theory of brands and branding by providing an overview of these concepts. Firstly, the chapter defined brands and branding, provided the benefits and challenges of branding, and provided insight into the various characteristics, drivers, dimensions and stages of brands and branding. The chapter also discussed brand building and brand strategies, as well as had a look at the international and South African wine industries, and how branding contributes towards the South African wine industry.

CHAPTER 3

SATISFACTION AND BRAND LOYALTY

3.1 INTRODUCTION

In Chapter 2, various benefits associated with building strong brands were highlighted, of which satisfied, loyal consumers are regarded the ultimate accomplishment. This chapter, therefore, aims to provide a better understanding of the concepts of satisfaction and brand loyalty from a broad review of applicable literature in the field of branding and marketing. This is done by defining satisfaction and brand loyalty, and explaining consumers' expectations and perceptions. In addition, the importance and advantages of satisfaction and brand loyalty are discussed, followed by ways to measure them. In conclusion, the antecedents of brand loyalty are discussed, specifically addressing the constructs (brand identity, perceived brand value, perceived quality, brand trust and satisfaction) included in the empirical investigation of the study.

3.2 SATISFACTION AND BRAND LOYALTY IN PERSPECTIVE

According to Nam *et al*. (2011:1009), satisfaction is vital in helping businesses achieve continuing success, and is a topic that is most commonly researched. Most studies on the concept of satisfaction examine the influence that it has on consumers' evaluations after they have used the brand (such as behavioural and attitudinal loyalty), as satisfied consumers are willing to pay more, are less influenced by competitors and are generally more loyal to the business (Deng *et al*., 2009:290; Nam *et al*., 2011:1009; Oliver, 1999; Yee & Mansori, 2016:14).

Torres-Moraga *et al*. (2008:303) emphasise that even though satisfaction and loyalty are strongly related to each other, they differ significantly. Satisfaction is regarded as a main determinant of consumers' future purchasing behaviour and their intention to purchase the brand again, and can be seen as a precondition for loyalty (Arokiasamy, 2013:14; Shimp, 2010:64). Loyalty, on the other hand, can be established by complete consumer satisfaction and pleasure. However, if consumers are not truly satisfied they will not be committed to the business, even though they continue purchasing the brand (Petzer *et al*., 2014:457; Verma, 2012:357). Therefore, to attain loyalty, positive consumer experiences with the business must be obtained in order to ensure satisfied or delighted consumers (Nam *et al*., 2011:1010, Srivastava & Kaul, 2016:279).

Based on the above perspective on satisfaction and brand loyalty, it is evident that these two distinct constructs deserve separate investigation and explanation. The following sections, therefore, provide an in-depth discussion on both satisfaction and brand loyalty.

3.3 CONCEPTUALISATION OF SATISFACTION

From the above discussion, it is clear that satisfaction is instrumental in establishing brand loyalty among consumers. Within this section, satisfaction is defined based on the work of various authors from existing literature, followed by a combined definition of satisfaction, as well as a description of the importance and advantages of satisfaction.

3.3.1 Defining satisfaction

Different definitions of the concept of satisfaction, specifically from a marketing perspective, are portrayed in Table 3.1.

Table 3.1: Definitions of satisfaction

AUTHOR(S)	RESEARCH FOCUS
Oliver (1981:24)	"Satisfaction refers to the psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience."
Hansemark and Albinsson (2004:41)	"Satisfaction is an overall consumer attitude towards a business, or an emotional reaction to the difference between what consumers anticipate and what they receive, regarding the fulfilment of some need, goal or desire."
Espejel *et al.* (2008:867)	"Satisfaction is a summary affective response of varying intensity; with a time-specific point of determination and limited duration; and directed toward focal aspects of product acquisition and/or consumption."
Raab *et al.* (2008:60)	"Satisfaction is the correspondence between a potential consumer's expectations of a product or service, and his/her perceptions of the product or service that is in fact provided."
Wong *et al.* (2008:529)	"Satisfaction refers to the consumer's emotional evaluation of their experiences with the consumption or ownership of specific goods and services."
Ekinci and Dawes (2009:508)	"Overall satisfaction is a consumer's global cognitive and affective response to the entire experience of a single transaction at the post-purchasing point."
Kuo *et al.* (2009:888)	"Satisfaction is defined as the total consumption perception of consumers when using value-added services."
Harris (2010:2)	"Satisfaction is the consumer's overall feeling of content with an interaction."

Table 3.1: Definitions of satisfaction (cont.)

AUTHOR(S)	RESEARCH FOCUS
Oliver (2010:8)	"Satisfaction is the consumer's pleasurable level of consumption-related fulfilment response regarding the product/service – and/or its features – offered."
Kamaruddin *et al.* (2011:433)	"Satisfaction is the consumer's response to the product or services. It is an overall consumer attitude towards a business which has different levels of specificity in various studies."
Angelova and Zekiri (2011:238)	"Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations."
Nam *et al.* (2011:1015)	"Satisfaction is a consumer's overall emotional response to the entire brand experience following the last purchase."
Xue *et al.* (2015:25)	"Satisfaction is the collected experience of a customer's purchase and consumption experiences."

Based on the above definitions, the following definition has been compiled for this study regarding the concept of satisfaction:

> *Satisfaction is the consumer's emotional response resulting from post-purchase evaluation of the difference between prior expectations and the actual performance of the product, service or encounter with a business.*

According to Keiningham *et al*. (2007:363) and Meeks (2016:33), consumers' expectations have a strong influence on their satisfaction with the business. Consumers form expectations of how they would like their experience with a business' products or services to turn out. The degree to which the business meets consumers' expectations will have an influence on how consumers will ultimately evaluate their experience with the business (Bhandari *et al*., 2007:175). Therefore, consumer expectations can lead to satisfaction (Coye, 2004:56; Omo-Diagi *et al*., 2015:178).

3.3.2 The importance and advantages of satisfaction

Businesses are increasingly influenced by consumers' expectations, and it is important for them to meet the demands of consumers, especially as the market is competitive for businesses (Cengiz, 2010:78). Without consumers, a business has no reason to exist; therefore, satisfying these consumers is regarded highly important (Hoffman & Bateson, 2011:288; Mackay *et al*., 2015:47; Martin *et al*., 2008:224). According to Hanif *et al*. (2010:45), consumers' satisfaction with the products and services of a business is considered as the most important factor leading toward

competitiveness and success. The following specific advantages are associated with establishing high levels of satisfaction, and consequently competitiveness and success:

- **Repeat purchase**

  Satisfaction holds the potential for increasing the business' consumer base and increasing the business' reputation by encouraging consumers to repurchase, purchase more, and to be willing to pay more for the specific brand (Angelova & Zekiri, 2011:233; Machado & Diggines, 2012:150; Mosahab *et al.*, 2010:73; Negi, 2009:32; Sharifi & Esfidani, 2014:561; Xue *et al.*, 2015:24). The intention of consumers to repurchase a product or service will lead to increased revenues and profitability for the business (Kim *et al.*, 2008b:11; Pokalsky, 2014:1).

- **Positive word-of-mouth**

  Word-of-mouth communication takes place when consumers share their experiences of a business with others, thereby influencing other or potential consumers' purchase behaviours (Kim *et al.*, 2008b:12). According to Lang (2011:583) and Verma (2012:558), it is more cost efficient for businesses to utilise word-of-mouth (through dedicated consumers) to gain new consumers, rather than making use of different advertising mediums. When new consumers are attracted by means of word-of-mouth, it can improve the business' revenue streams and increase the number of repeat consumers (Berman, 2016:22; Kim *et al.*, 2008b:12; Pokalsky, 2014:1). Word-of-mouth also has an enduring influence on sales, consumer lifetime value and share prices (Lang, 2011:584).

  Based on research by Angelova and Zekiri (2011:233), Boshoff and Du Plessis (2009:15), Hanif *et al.* (2010:45), Kim *et al.* (2008b:12), Lang (2011:592), Negi (2009:32), Siddiqi (2011:13) and Yee and Mansori (2016:17), satisfaction is regarded as a determinant of word-of-mouth communication. Therefore, high levels of satisfaction encourage positive word-of-mouth communication.

- **Retaining consumers**

  Retaining consumers while focusing on the factors that satisfy them significantly increases retention rates, as the cost of gaining a new consumer has been projected to be five to ten times the cost of retaining an existing (satisfied) consumer (Han & Hyan, 2015:20; Hundre *et al.*, 2013:703; Naik *et al.*, 2010:234; Negi, 2009:32; 235). Long-term consumers also tend to take up less of a business' time and are less sensitive to prices and price changes (Negi, 2009:33).

According to Hanif *et al.* (2010:45), satisfaction is likely to encourage consumers' loyalty to one business. Satisfaction of the consumer can, therefore, help the brand to build long and profitable relationships with their consumers (Irshad *et al.*, 2015:96; Martin *et al.*, 2008:224; Mohsan, 2011:264). Therefore, a business should concentrate on the improvement of quality and charge appropriate prices in order to satisfy their consumers, which would ultimately help them to retain their consumers (Han & Hyan, 2015:23; Hanif *et al.*, 2010:45; Kim *et al.*, 2008b:12).

- **Increased profitability**

  Satisfaction can also be seen as a good indicator of a business' future profits (Negi, 2009:33; Qadri & Khan, 2014:3). According to Naik *et al.* (2010:234), Pokalsky (2014:1) and Raab *et al.* (2008:64), consumers will be more likely to pay a higher price to be satisfied by a brand with superior quality. Hundre *et al.* (2013:703) and Naik *et al.* (2010:234) also state that a small percentage point improvement in consumers' satisfaction and loyalty can increase the business' profits by 25% or more.

Based on the above discussion, it is clear that satisfaction is an important concept that businesses must comprehend in order to grow and sustain their competitiveness in the market. Satisfied consumers form the basis for businesses to be successful, as satisfaction leads to positive word-of-mouth communication, repeat purchases, consumer retention and higher profits, ultimately resulting in loyal and long-term relationships (Angelova & Zekiri, 2011:232). Satisfaction should, therefore, be an important goal of all business activities.

3.4 MEASURING SATISFACTION

As businesses' main goal is to build and maintain long-term relationships with consumers, businesses need to measure and enhance consumers' satisfaction, as satisfaction is critical to establish loyalty among consumers (Arokiasamy, 2013:15; Larivière *et al*., 2011:40). According to Szwarc (2005:12), businesses need to measure and manage satisfaction in a holistic way. Consumers are the only judges of the quality of a business' performance, and therefore the business should determine its critical quality attributes by interviewing their main consumers (Yang, 2003:312) in order to help improve the quality of their performance (Howell, 2006:161).

According to Al-Eisa and Alhemoud (2009:259), Cengiz (2010:83) and Pizam *et al*. (2016:3), measuring satisfaction makes it possible to provide information to businesses regarding their actual performance compared to consumers' expectations. Having access to such information will help managers to alter their efforts in such a way to improve the quality of their products or

services, or deliver products or services that consumers find attractive. By measuring satisfaction, businesses do not only have consumer knowledge, but also competitors' knowledge (Cengiz, 2010:76). It is estimated that measuring satisfaction will improve the business' reputation and image, enabling it to pay more attention to consumer needs and to decrease consumer attrition, ultimately increasing profitability (Al-Eisa & Alhemoud, 2009:295; Dani, 2013:467; Muffato & Panizzolo, 1995).

According to Ferrell and Hartline (2011:379), businesses have gained more powerful ways of tracking consumers' satisfaction by means of their actual behaviour. In order to determine consumers' satisfaction levels, businesses can make use of several direct or indirect methods (Cascetta & Cartenì, 2014:85; Hoffman & Bateson, 2011:293; Machado & Diggines, 2012:154). Direct measures of satisfaction are regarded the most straightforward method, as this method uses simple rating scales measuring performances across numerous aspects (Ferrell & Hartline, 2011:378). Direct measures of satisfaction involve asking consumers for their opinions through the use of surveys containing questions about satisfaction, with a focus on business image, consumer perception, or brand satisfaction (Cascetta & Cartenì, 2014:85; Hoffman & Bateson, 2011:293; Machado & Diggines, 2012:154; Sarlak, 2011:212).

According to Sarlak (2011:212), when businesses make use of the indirect method, consumers do not have a direct involvement with the examination process. Indirect measures of satisfaction are gained by means of tracking and monitoring the evidence of interactions, such as sales records, market share, consumer retention, profits and consumer complaints (Cascetta & Cartenì, 2014:85; Hoffman & Bateson, 2011:293; Machado & Diggines, 2012:154). Hoffman and Bateson (2011:301) state that direct methods provide the most in-depth information; however, they take up more time and are more expensive than indirect methods.

According to Cengiz (2010:82) and Kärnä (2014:68), all studies based on satisfaction have the same fundamental principle: how consumers perceive the business' products or services forms the basis to assess the performance of these products or services. Having a clear understanding of consumers' perceptions will help businesses understand consumers' future behaviour.

Considering the above discussion of how important satisfaction is, it has become clear that businesses are endlessly evaluated by their consumers. This evaluation is based on consumers' expectations before the purchase and their perceptions after the purchase. Machado and Diggines (2012:148) make use of an equation to summarise satisfaction: "Satisfaction = perceptions – expectations". According to Golder *et al*. (2012:12) and Pizam *et al*. (2016:5), satisfaction is measured using the expectancy-disconfirmation paradigm (also known as the

disconfirmation paradigm), through the discrepancy between expectations and perceptions. Cengiz (2010:38) adds that measuring satisfaction provides a comprehensive insight into consumers' behaviour before and after purchasing a product or service. These measures allow businesses to:

- Have knowledge of how effective the business process is;
- Know what adjustments to make in order to reinforce improvement, and whether it is necessary to make adjustments; and
- Determine whether the adjustments contributed towards improvement.

Knowledge of consumers' expectations, perceptions and attitudes regarding a business and its products or services is critical, as it will enable the business to determine whether it is meeting consumers' expectations. Subsequently, this provides the business with the opportunity to improve future decision-making (Cengiz, 2010:83; Machado & Diggines, 2012:139).

3.4.1 Satisfaction and the disconfirmation paradigm

Golder *et al*. (2012:12) and Gorla and Somers (2014:323) state that the disconfirmation paradigm can be seen as comparing consumers' expectations with their perceptions, where satisfaction is measured by the difference between consumers' expectations and perceptions. Therefore, satisfaction entails that expectations and perceptions are compared with each other.

Based on studies by Deng *et al*. (2009:290-291), Erciş *et al*. (2012:1397-1398), Ghodeswar (2008:4), He *et al*. (2012:649-652), Huang and Huddleston (2009:983), Kassim and Abdullah (2010:354), Kim *et al*. (2013:365), Kuo *et al*. (2009:889), Lai *et al*. (2008:984), Nowak *et al*. (2006:319), Pizam *et al*. (2016:9), Rubio *et al*. (2013:290) and Zameer *et al*. (2015:443) concerning satisfaction, it was found that consumers' satisfaction with a brand is mostly influenced by their perceived quality of the brand, the brand's perceived value, their trust in the brand, and the brand's identity. Zhao *et al*. (2011:646) note that the disconfirmation paradigm is specifically used to investigate the antecedents of satisfaction, where quality is often seen as one of the key drivers of satisfaction or dissatisfaction (Babin & Harris, 2011:255; Pereira *et al*., 2015:333). Thus, to determine a business' sustainability, the business must determine the aspects that influence consumers' satisfaction.

According to Taplin (2013:238) and Zehrer *et al*. (2010:108), the disconfirmation paradigm proposes that after experiencing a product or service's actual performance, the consumer's expectations serve as a benchmark for the formation of a satisfaction judgement. The

disconfirmation paradigm works best when consumers have adequate information and knowledge to choose a brand that they expect will satisfy their needs the best (Wells & Foxall, 2012:166).

Two types of disconfirmation can be distinguished, namely positive and negative disconfirmation. Positive disconfirmation takes place when the business' performance perceptions and the consumers' experiences exceed their expectations (Chen, 2008:710; Siddiqi, 2011:16; Pizam *et al*., 2016:5; Taplin, 2013:239; Wong *et al*., 2008:529), which typically results in consumers being satisfied and their attitudes towards the brand being strengthened (Bigné *et al*., 2008:308; Espejel *et al*., 2008:867; Jiboye, 2012:237; Taplin, 2013:239; Wong *et al*., 2008:529; Zhao *et al*., 2011:646).

On the other hand, negative disconfirmation takes place when the business' performance perceptions and consumer experiences do not meet consumers' expectations, which ultimately results in dissatisfaction, weakening the consumer's relationship with the business (Espejel *et al*., 2008:867; Jiboye, 2012:237; Pizam *et al*., 2016:5; Siddiqi, 2011:16; Taplin, 2013:239; Wong *et al*., 2008:529; Zhao *et al*., 2011:646). However, if the performance just matches expectations, then zero disconfirmation occurs, where product or service performance is equal to the consumer's expectations (Kaski *et al*., 2017:50; Siddiqi, 2011:16); this is when the consumer's expectations are confirmed, and the consumer is just satisfied (Wong *et al*., 2008:530).

Therefore, it is imperative that businesses understand consumers' expectations and perceptions regarding their offerings, then businesses can increase their performance quality and gain benefits from their satisfied consumers. The disconfirmation paradigm, therefore, predicts that consumers will be satisfied when their initial expectations are met (Kaski *et al*., 2017:48; Zehrer *et al*., 2010:108). It is thus clear that consumers' expectations and perceptions go hand-in-hand with satisfaction in businesses. These two concepts are subsequently discussed in more detail.

3.4.2 Consumer expectations

Considering the above discussion and definition of satisfaction, it is clear that consumers' expectations play a big role when examining satisfaction. According to Angelova and Zekiri (2011:239), consumers expect quality products and services to be delivered to them; therefore, businesses try to offer these quality products and services. It is, therefore, important for businesses to know and understand consumers' expectations so that businesses can meet and even exceed these expectations, in order to gain maximum consumer satisfaction and to be able to deliver a superior brand (Angelova & Zekiri, 2011:239; Dutta & Dutta, 2009:33; Kaski *et al*., 2017:46).

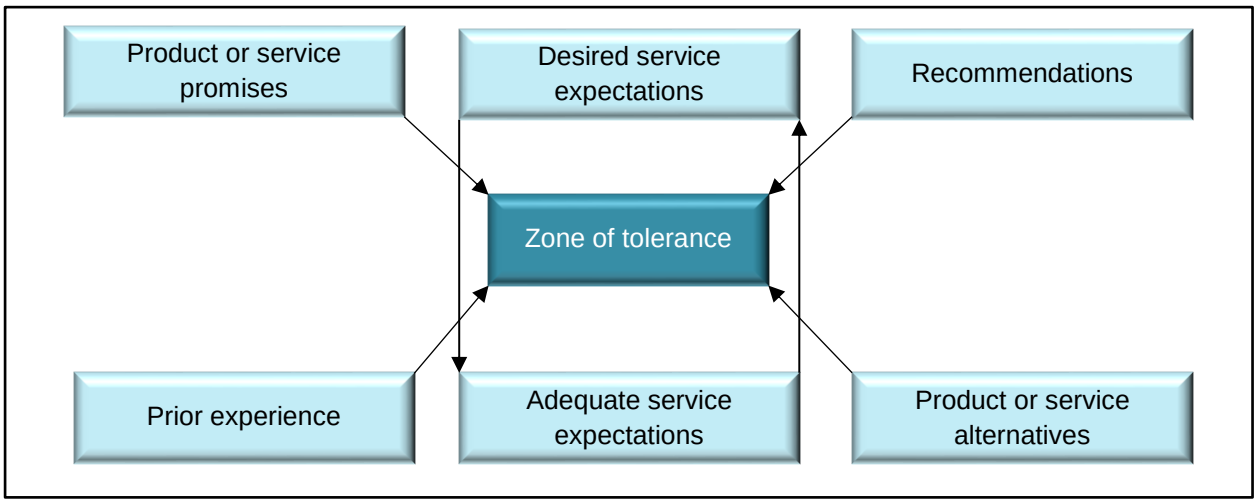
Expectations can be seen as consumers' predictions about what they think will possibly happen during an exchange with a business (Angelova & Zekiri, 2011:239; Kamaruddin *et al*., 2011:432, Pereira *et al*., 2015:334). According to Oliver (1981:25), expectations are consumers' ideas of the possibilities of positive and negative outcomes when they engage in certain behaviours (Angelova & Zekiri, 2011:239). Consumer expectations can also be seen as the consumer's needs or wants, and are derived from previous experiences in similar circumstances, the promises businesses have made in advertisements or through word-of-mouth, and a prediction of the business' potential to provide quality brands over time, and on what the consumer feels the results should be (Angelova & Zekiri, 2011:240, 243; Barnes, 2006:18; Gorla & Somers, 2014:323; Jiboye, 2012:237). Furthermore, Kamaruddin *et al*. (2011:432) define expectations as an expectancy of what will happen derived from previous experiences, existing conditions, or additional sources of information.

According to Bayraktar *et al*. (2011:100), consumers' expectations have a direct influence on satisfaction. Consumers will be satisfied when the actual performance exceeds their expectations (i.e. positive disconfirmation). This implies that it will be more difficult to satisfy consumers who have higher expectations (Taplin, 2013:238). Therefore, businesses can increase satisfaction by decreasing consumers' expectations (Angelova & Zekiri, 2011:240). Rafinejad (2007:111) identified the following factors that might help shape consumers' expectations:

- The promises businesses make when the brand is purchased;
- During the process, when relationships are developed and built upon; and
- During communication of the value of the brand and branding.

According to Brink and Berndt (2008:63), consumers are receptive to variations in product or service delivery (from one site to another or, from one day to the next). This receptivity of varying quality standards – the acceptable difference between consumers' desired expectations and the minimum level of adequate expectations – is known as the zone of tolerance (Bhandari *et al*., 2007:176; Gorla & Somers, 2014:322). Aspects such as projected services, the promises businesses make regarding their products or services, references from others, previous experiences, product or service substitutes, and personal needs can all have an influence on the zone of tolerance (as indicated in Figure 3.1) (Fisk *et al*., 2008:160; Ho *et al*., 2015:5). The tolerance zone differs from consumer to consumer with regard to the factors they consider as important and unimportant. Rao (2011:105) mentions that when consumers perceive the factors as important, the zone of tolerance is low and where consumers perceive the factors as unimportant, the zone of tolerance is high.

Figure 3.1: Zone of tolerance



Source: Adapted from Brink and Berndt (2004:52) and Ho *et al*. (2015:32).

Rao (2011:105) states that when the performance of the product or service falls outside the zone of tolerance, it attracts consumers' attention in either a positive or a negative manner. If the performance level of the preferred product or service is below the acceptable level of consumers' expectations, consumers become extremely dissatisfied and perhaps even irritated (Ferrell & Hartline, 2011:372; Rao, 2011:105). If the performance level of the preferred product or service is above the acceptable level of consumers' expectations, they will become satisfied and pleased (Rao, 2011:105). Due to a broader acceptable performance level in the zone of tolerance, consumers are less likely to be dissatisfied with poor product or service performance (Wu, 2011:322). Consumers remember poor performance of businesses; however, when the performance of the product or service is within the tolerance zone, consumers do not necessarily notice it, which means the consumer will still accept the product or service (Ferrell & Hartline, 2011:372; Lamb & Dunne, 2011:207; Rao, 2011:105). According to Fuller and Matzler (2008:116) and Shukla (2015:51), only product or service perceptions that do not fall within the zone of tolerance and exceed the consumer's expectations generate loyalty-driven profit.

Thus, if a business can determine its consumers' zone of tolerance, and its performance level is above this zone, consumers' needs will be satisfied. Furthermore, if a business can match consumers' minimum tolerable levels with the levels consumers desire, the business will be able to measure and increase consumers' satisfaction levels (Hoffman & Bateson, 2011:319).

According to Martin *et al*. (2008:224) and Shukla (2015:51), businesses generally aim to meet and/or exceed consumers' expectations in an attempt to not only satisfy consumers, but also to encourage loyalty among consumers. To ensure satisfied consumers, businesses should ensure

that the overall performance of the business corresponds with consumers' expectations (Petzer & Mackay, 2014:5; Raychaudhur & Farooq, 2013:35).

3.4.3 Consumer perceptions

According to Kasper *et al*. (2006:186) and Tukamushaba *et al*. (2016:4), consumer perceptions can be seen as the procedure where consumers select, organise and interpret stimuli into a relevant and logical depiction. Consumers' perceptions are formed by comparing their expectations with their actual experience (Naik *et al*., 2010:232). The performance of a business' products or services is assessed by considering how they are perceived by the consumer. Whether those perceptions are misplaced or accurate, consumers' perceptions are important. Therefore, understanding these perceptions provides a critical understanding for businesses of consumers' future behaviour (Cengiz, 2010:82).

According to Zeithaml *et al*. (2009:32), consumers' perceptions should be considered relative to their expectations. Therefore, in order to obtain a clear indication of consumers' overall satisfaction levels, both their expectations and perceptions should be taken into account (Pereira *et al*., 2015:335).

3.5 CONCEPTUALISING BRAND LOYALTY

Within this section, brand loyalty is defined, a discussion of the three degrees of brand loyalty is presented, and the importance and advantages of brand loyalty are explained.

3.5.1 Defining brand loyalty

Table 3.2 provides several definitions of brand loyalty, as derived from existing literature sources.

Table 3.2: Definitions of brand loyalty

AUTHOR(S)	DEFINITION
Jacoby and Olson (1970)	"Brand loyalty is the result of non-random, long-term behavioural responses, and is a mental purchase process formed by decision units who considered more than one brand."
Aaker (1991)	"Brand loyalty is the measure of attachment that a consumer has towards a brand and how likely the consumer will be to switch to another brand."
Oliver (1999:34)	"Brand loyalty is a deeply held predisposition to re-patronise a preferred brand consistently in the future, causing repetitive same brand purchasing despite situational influences and marketing efforts having the potential to cause switching behaviour."

Table 3.2: Definitions of brand loyalty (cont.)

AUTHOR(S)	DEFINITION
Kaynak *et al.* (2008:342)	"Brand loyalty is the core of a brand's equity, which signifies a measure of attachment that a consumer has to a brand."
Yee and Sidek (2008:222)	"Brand loyalty is the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behaviour or price sensitivity."
Chi *et al.* (2009:137)	"Brand loyalty is consumers' attitude on a brand preference from previous use and shopping experience of a product, and it can be measured from repurchase rate on a same brand."
Tong and Hawley (2009:264)	"From a *behavioural perspective*, brand loyalty is defined as the degree to which a buying unit (such as a household) concentrates its purchases over time on a particular brand within a product category." "From an *attitudinal perspective*, brand loyalty is defined as the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice."
Lin (2010:6)	"Brand loyalty is the repeated purchase behaviour based on consumers' satisfaction with their accumulated experiences in purchasing the same brand."
Severi and Ling (2013:127)	"Brand loyalty is defined as symbolising a constructive mind-set toward a brand, leading to constant purchasing of the brand over time."
Hsu *et al.* (2014:80)	"Loyalty is defined as the continual purchasing of a brand of interest."
Cha *et al.* (2016:238)	"Loyalty is a behavioral expression of a consumer's attitude toward, and affection for, a brand."

According to Aaker and McLoughlin (2010:175) and Rai and Srivastava (2014:50), brand loyalty is of significant importance to a business, as it enables the business to be competitive, and also signifies the value proposal of the business' strategy. The success of a business strategy is measured by means of how much loyalty the strategy creates among consumers. In order for businesses to develop loyalty, they need consumers who will repeat their purchases of the brand and who will not be inclined to switch to other brands (Ahmed *et al*., 2014:307; Anandan, 2009:159), and businesses should also build relationships and create consumer intimacy, as this will lead to stronger loyalty (Roberts-Lombard *et al*., 2014:28; Ruiz-Mafe *et al*., 2014:364).

For the purpose of this study, and considering the above discussion and definitions, brand loyalty can be defined as:

> *The consumer's commitment towards a brand, due to the consumer's preference for a certain brand from previous use, which leads to repeated purchase behaviour over time.*

3.5.2 Degrees of brand loyalty

According to Chi *et al*. (2009:136) and Pappu and Quester (2016:3), when managing a brand, the main aim is to create brand loyalty, and if a business wants to determine its consumers' loyalty, it can observe whether consumers still favour its products or services above those of competitors. Pride and Ferrell (2011:400) and Pride *et al*. (2011:202) explain that the degree of brand loyalty a consumer has towards a product or service will not necessarily be the same from one product or service category to the next. Ogba and Tan (2009:134), Pride and Ferrell (2011:400) and Ruiz-Mafe *et al*. (2014:365) also mention that if a consumer repeatedly purchases the same brand, it does not necessarily mean the consumer is loyal towards the brand; however, it could be as a result of strong necessity for an offering at the point in time and, therefore, may not necessarily imply that the consumer is loyal to a brand as there may be limited alternatives. Hoyer and MacInnis (2010:258) state that the degree of a consumer's brand loyalty tends to increase as the consumer's evaluation of a brand becomes stronger. One can distinguish between three degrees of brand loyalty, namely brand recognition, brand preference and brand insistence (Cant *et al*., 2007:215; Ferrell & Hartline, 2011:204; Mostert *et al*., 2016:27; Pride & Ferrell, 2011:400).

3.5.2.1 Brand recognition

Brand recognition can be seen as the lowest form of brand loyalty and occurs mostly because consumers are aware of the brand and not because they have a desire to actually purchase the brand, as consumers consider that brand as one of the numerous substitutes in a group (Ferrell & Hartline, 2011:204; Mostert *et al*., 2016:27; Pride *et al*., 2012:202, Roets *et al*., 2014:77). Recognition, therefore, refers to consumers being able to identify a brand when there is a brand cue and to simply remember that there was past exposure to this brand (Chi *et al*., 2009:135; Huang & Cai, 2015:433; Walsh *et al*., 2008:202). Pride and Ferrell (2011:400) further explain that brand recognition aids as a substitute when consumers' favoured brand is not available or when other brands are not familiar to the consumer and they would rather not purchase them.

A number of variables can have an impact on brand recognition, such as consumers' age, level of identification with the brand, consumption levels, and previous attitude toward the brand (Walsh *et al*., 2008:202). It is, therefore, important to improve brand recognition, as it can also strengthen the brand's position in the market as well as develop the business' marketing activities (Delassus & Descotes, 2012:124).

3.5.2.2 Brand preference

According to Mostert *et al*. (2016:27), Pride and Ferrell (2011:400) and Roets *et al*. (2014:77), brand preference is a stronger degree of brand loyalty (as compared to brand recognition), and occurs when consumers prefer one specific brand over that of competitor brands. Therefore, if the brand that consumers favour is available, consumers will usually prefer to purchase it (Ferrell & Hartline, 2011:204). If the brand that consumers hold a preference towards is not available, the consumer will usually accept a substitute for that brand, rather than making an effort to find and purchase the preferred brand (Ferrell & Hartline, 2011:204; Pride *et al*., 2012:202). Based on the brand's personality and consumers' own personality traits, consumers will then form their own preference for a brand, but brand preference does not develop any purchase behaviour (Lin, 2010:5). Therefore, businesses can only hope to constantly promote band preference due to its potential importance, as it is likely that consumers' levels of brand loyalty will be higher towards the preferred brand (Alamro & Rowley, 2011:475; Paswan *et al*., 2007:77).

3.5.2.3 Brand insistence

According to Ferrell and Hartline (2011:204) and Mostert *et al*. (2016:27), brand insistence can be seen as when consumers will do whatever it takes to find and purchase a certain brand; consumers will not use any alternatives. If consumers are brand insistent, they will spend a great deal of time and effort to find their favourite brand and purchase it. Samani *et al*. (2011:791) explain that brand insistence can be introduced as a continuum of attitudes, with brand recognition being on the extreme end. Brand insistence is the strongest degree of brand loyalty, and therefore all businesses should strive to establish this degree of loyalty among their consumers (Pride & Ferrell, 2011:400; Roets *et al*., 2014:77).

3.5.3 Importance and advantages of brand loyalty

Hoyer and McInnis (2010:259) state that because there is no general profile of a loyal consumer towards a brand and its product or service categories, it is difficult to identify the characteristics of brand loyal consumers. According to Morgan *et al*. (2015:2), Palmer (2011:279), and Zolkiewski (2004:27), the characteristics, needs and wants of consumers must be understood, as a consumer might want to build a relationship with a business in a certain situation, but not necessarily in another. To develop a unified consumer base is important to develop strong brand loyalty, as brand loyalty can help to enhance the business' sustainable competitive advantage (Hew *et al*., 2016:144; Mostert *et al*., 2016:27; Pride & Ferrell, 2011:401; Sharma *et al*., 2010:239).

According to Kim *et al*. (2008a:99) and Mostert *et al*. (2016:27), brand loyalty can provide essential benefits to the businesses. Brands can convey familiar and favourable signals; therefore, consumers are more comfortable to purchase the brand as they believe the brand will be able to live up to their expectations. The following main advantages of brand loyalty can be identified for the business:

- **Decreased costs**

  According to Ferenčić and Wölfling (2015:8), Reichheld *et al.* (1996:165), and Yee and Sidek (2008:226), loyal consumers can help a business to reduce their ongoing expenses, as loyalty can help businesses to gain a positive operating cost advantage. Businesses with loyal consumers do not have to bestow as many resources and effort on marketing activities for these loyal consumers (Bianchi, 2015:446; Jang *et al.*, 2008:62; Levins, 2009:1), as these consumers seek the brand by themselves (Wankel, 2009:181). Brand loyal consumers are also not easily convinced to change to competitive brands. Therefore, servicing existing loyal consumers, who are familiar with the business' offerings and processes, costs less (Lin, 2010:7; Yee & Sidek, 2008:222). Brand loyalty also helps businesses to save on consumer acquisition or replacement costs, as it costs five to ten times more to obtain new consumers compared with retaining current loyal consumers (Han & Hyan, 2015:20; Hundre *et al.*, 2013:703; Kaynak *et al.*, 2008:343; Sanz, 2009:2; Yee & Sidek, 2008:226). Brand loyalty also helps businesses to get free-of-charge recommendations to new consumers from current consumers, which may have been expensive (Bianchi, 2015:446; Kaynak *et al.*, 2008:343). Brand loyalty, therefore, reduces the cost of products or services sold and ultimately enhances the brand's profit and sustainability (Bianchi *et al.*, 2012:2; Malik *et al.*, 2013:167; Şahin *et al.*, 2011:1290; Wankel, 2009:181).

- **Reduced price sensitivity**

  Another benefit of brand loyalty to businesses is premium pricing. Allaway *et al.* (2011:190), Bianchi (2015:446), Iglesias *et al.* (2011:573), Şahin *et al.* (2011:1290), Yee and Sidek (2008:222), Magloff (2016), and Simon (2015:70) state that consumers who are loyal to a brand are usually willing to pay more for a product or service if it is of higher quality and value. Brand loyal consumers will generally purchase a product or service without waiting for promotions or price reductions (Kaynak *et al.*, 2008:344). Loyal consumers are also likely to discriminate less towards different costs (Wankel, 2009:182); they accept increases in prices and have consumer longevity (Ham & Han, 2013:733; Yee & Sidek, 2008:226).

- **Consumer recommendations**

  Brand loyal consumers are beneficial to businesses because they tend to communicate positively about the brand and recommend their favourite brand to other consumers, thereby spreading positive word-of-mouth (Allaway *et al.*, 2011:190; Bianchi 2015:446; Cha *et al.*, 2016:238; Ham & Han, 2013:733; Jang *et al.*, 2008:62). The benefits of word-of-mouth communication entail that potential consumers obtain first-hand testimonies from existing consumers, resulting in more people buying the brand, ultimately bringing in new consumers to the business (Bianchi *et al.*, 2012:2; Deng *et al.*, 2009:290; Erciş, 2012:1395; Ghodeswar, 2008:7; Hur *et al.*, 2011:1195; Kaynak *et al.*, 2008:343; Lin, 2010:7; Şahin *et al.*, 2011:1290; Yee & Sidek, 2008:222). Creating more sales volumes through earning more consumers is a desirable effect of brand loyalty, as it also saves the business money in decreased costs of gaining new consumers (March, 2006:752; Wankel, 2009:182).

- **Repeat purchase**

  According to Şahin *et al.* (2011:1290), a brand helps to engage the buyer and seller in a lasting consumer-brand relationship. Brand loyalty can result in the commitment of the consumer to consistently purchase the business' products over time, thereby resulting in repeat purchases (Cha *et al.*, 2016:238; Hur *et al.*, 2011:1195; Jang *et al.*, 2008:62; Kaynak *et al.*, 2008:343; Tong & Hawley, 2009:264; Utami, 2015:647). Malik *et al.* (2013:168) state that due to brand loyalty, consumers' occasional purchases become normal by increasing frequency of purchase, as consumers are inclined to continue purchasing brands they have a good experience with (Aaker, 1996a:149). Therefore, loyal consumers buy more products or services more often (Allaway *et al.*, 2011:190; Lin, 2010:7), which reduces the possible shift to competitors' brands (Severi & Ling, 2013:127).

- **Increased profitability**

  Loyal consumers are there to generate more profits and to improve the long-term performance of the business (Bianchi, 2015:446; Kaynak *et al.*, 2008:343; Mostert *et al.*, 2016:27). If a consumer remains loyal to a business, a business can generate more profits from that consumer (Hundre *et al.*, 2013:703; Reichheld *et al.*, 1996:44). Loyal consumers may create economic value for businesses. Loyal consumers are more likely to purchase more categories and volumes of their favoured brand, and therefore generate a greater return over time for the business (Giddens, 2010:1). Kim *et al.* (2008a:99) and Nahum (2016:7) explain that increasing consumer loyalty by 5% can increase a business'

profitability by 25 to 95%, and increasing consumer loyalty by 1% is equal to reducing costs by 10%.

- **Competitive advantage**

  Hew *et al.* (2016:144) and Matzler *et al.* (2008:159) explain that consumers' loyalty towards a brand is vital for businesses to gain a sustainable competitive advantage, as it helps protect them from competitors and increase their power in designing their marketing programmes. As a result, the rate of adoption of competitors' brands is slowed, and the ability of competitors to establish an advantage in the market is reduced by being first to the market (Iglesias *et al.*, 2011:573; Thompson & Sinha, 2008:65). Therefore, retaining current consumers and building upon consumer loyalty are vital for businesses to attain a sustainable competitive advantage and build long-term relationships with consumers (Deng *et al.*, 2008; Hew *et al.*, 2016:144; Lee *et al.*, 2015:298; Matzler *et al.*, 2008:159; Mostert *et al.*, 2016:27). Loyalty, furthermore, influences product development, helping businesses to plan for the long-term and be able to deal with competitive incidents. Therefore, enabling businesses to react to consumers' needs differentiates the brand from the competition, and creates and retains lasting loyalty among consumers (Kaynak *et al.*, 2008:343). Loyalty also increases business' control in planning their marketing programmes and strategies (Allaway *et al.*, 2011:190; Iglesias *et al.*, 2011:573; Matzler *et al.*, 2008:159).

Taking the above advantages of brand loyalty into consideration, it is clear that consumer loyalty increases brand equity by making consumers less vulnerable towards competitors' marketing activities, enhancing margins, enhancing the efficiency of the business' marketing communication, and likely producing greater brand licensing or opportunities to extend (Kim *et al*., 2008a:99). Brand loyalty also creates a positive preference, commitment and allegiance among consumers towards the brand (Şahin *et al*., 2011:1290). Furthermore, brand loyalty creates benefits such as making it substantially difficult for competitors to enter the market, being able to react better to the threats of competitors, selling more and generating more revenue, and the consumer is less sensitive to competitors' marketing activities (Matzler *et al*., 2008:154).

3.6 TYPES OF BRAND LOYALTY

It became clear from the existing body of research on brand loyalty that there is no single loyalty that can be stated. One can, therefore, distinguish between different types within loyalty itself (Erciş *et al*., 2012:1395; McKean, 2010:102). In order for marketers to develop the best possible

strategies to generate brand loyal consumers, they must first take different types of brand loyalty into consideration (McMains, 2009:1).

3.6.1 Contractual loyalty

Contractual loyalty takes place when a formal agreement is used in order to purchase the product or service, such as subscriptions for magazines, mobile telephones or broadband services (Aurifeille *et al*., 2005:207; Bass & Bass, 2008:429; Nahum, 2016:7; Orgad, 2014:107; 7; Prasad & Mishra, 2014:39). Contractual loyalty can be very profitable for businesses because of the net present value the business receives from the contract. However, this can also be less profitable for businesses, because when these contracts with consumers need to be renegotiated, competitors usually sweep in with aggressive promotional tactics to try to steal these consumers (Jones *et al*., 2002:442). Contractual loyalty can also lead to consumers not being satisfied anymore, as consumers may feel they are stuck in this formal agreement with businesses, and consumers are less able to adjust their preferences, as the contract may restrict their actions (McKean, 2010:110; Nahum, 2016:5; Ou *et al*., 2014:342). However, Ou *et al*. (2014:342) mention that contracts with businesses also have advantages to consumers, as they reduce performance risks of the brand and uncertainties about future transactions with the business.

3.6.2 Transactional loyalty

According to Osman *et al*. (2009:240), transactional loyalty refers to the functional interactions between the consumer and the brand, and the goal is to attain high sales volumes. In transactional loyalty, loyalty towards a business is based on factors such as the prices of the products or services, consumers' perceptions of the value of the brand, and how convenient it is to search for, and purchase the brand (Ahuvia, 2005:174; Prasad & Mishra, 2014:39). Businesses make use of transactional loyalty with a focus on the short term, and the main purpose is to enhance sales. The number of transactions, revenue and profitability the business generates during this period are used as measurements to determine whether the business was successful (Osman *et al*., 2009:240). However, if consumers find a better offer, they will generally not hesitate to switch to another brand (Ahuvia, 2005:174).

3.6.3 Behavioural loyalty

Behavioural loyalty refers to a specific behaviour, and is a result of the former types of loyalty (Forgas *et al*., 2010:229). Behavioural loyalty is defined as the degree of the consumer's intention to continue purchasing a certain brand (Huang & Cai, 2015:433; Ong *et al*., 2016:4). Behavioural

loyalty considers loyalty as the function of the share of total purchases, the function of buying frequency or pattern, or the function of buying probability (Akhter *et al*., 2011:1168). Akhter *et al*. (2011:1168) and Kuusik and Varblane (2009:67) explain that although behaviourally loyal consumers seem loyal to the business, they have no emotional bond with the brand or the business. According to Dekimpe *et al*. (1997:406), the defining element of the behavioural approach is that a consumer's degree of brand loyalty is concluded from his or her observed purchase behaviour. Therefore, behavioural loyalty can be seen as how frequently consumers repeat their purchases (Bianchi *et al*., 2012:3).

One can distinguish between sub-divisions of behaviourally loyal consumers, namely: forced to be loyal, loyal due to inertia, or functionally loyal (Akhter *et al*., 2011:1168, Kuusik & Varblane, 2009:68). Businesses that spend a great deal of time and effort on branding may have highly satisfied consumers, but the business does not necessarily have highly loyal consumers. Therefore, businesses can establish a sense of forced loyalty by making it difficult for consumers to terminate their relationship with the business. Consumers can also portray loyal behaviour due to inertia. Inertia can be seen as consumers' lack in changing to another business because the consumers are comfortable with their current situation or it is not important for them to move, and therefore there is no purpose in spending time and energy to search for substitutes. Consequently, as consumers have faith that the exciting brand is suitable for them, consumers will continue to use it without searching for substitutes (Akhter *et al*., 2011:1168; Kuusik & Varblane, 2009:68). According to Ong *et al*. (2016:4), if businesses want to enhance their market share or profits, they should spend more time on making consumers behaviourally loyal.

3.6.4 Functional loyalty

The functionally loyal consumer perceives the brand's attributes as superior, thereby preferring it above other brands (Barnes, 2006:19; Prasad & Mishra, 2014:40). Functional loyalty is developed by functional values such as price, quality, distribution, how convenient it is to use the product or service, or through different loyalty programmes, giving the consumer a solid reason to choose that specific brand over competitors'. Unfortunately, it is easy for competitors to duplicate these functional values (Akhter *et al*., 2011:1168; Kuusik & Varblane, 2009:68). As a result, developing functional value helps businesses to gain a competitive advantage, and allows businesses to make the effort to differentiate their offerings, so that businesses can offer consumers something different, but still relevant to the category purchase (Akhter *et al*., 2011:1168; Kim *et al*., 2008a:115; Kuusik & Varblane, 2009:68).

3.6.5 Attitudinal loyalty

Attitudinal loyalty can be seen as the degree of how committed the consumers are, how willing consumers are to pay more, and their word-of-mouth recommendations towards a certain brand (Mubarik *et al*., 2016:47; Ong *et al*., 2016:4). Attitudinal loyalty establishes consumers' intentions. As consumers develop a more positive attitude towards a brand, their intentions to purchase that brand will become greater. How strong this attitude is will play a role in consumers' purchases and repeat patronage (Kassim & Abdullah, 2010:357).

According to Back and Parks (2003:421) and Hew *et al*. (2016:144), attitudinal loyalty does not only emphasise transactional strategies, such as programmes for users who frequently purchase the brand and gifts for consumers who repeat their purchases, but also focuses on attitudinal elements, such as consumers being committed to the brand and trusting the brand. Tanford (2013:287) notes that attitudinal loyalty consists of emotional commitment towards a brand, and that emotional commitment may lead to consumers becoming loyal. Commitment is related to trusting the brand, and effective relationship marketing needs both. According to Ong *et al*. (2016:4), if a business' aim is to charge higher prices, they need to focus on attitudinal loyalty.

3.6.6 Emotional loyalty

Kim and Lee (2010:334) explain that emotional loyalty is the "feeling" part of loyalty, where consumers develop a preference towards the brand based and how businesses show interest in consumers' values, ego, sensibilities or other intangibles. Consumers identify with the brand, as they are looking for some non-functional advantage from the association or experience (Hartel & Bennett, 2010:2). Emotional loyalty can also be seen as a growing emotional reaction; it is the satisfied consumer's overall emotional attachment he/she has with a specific business due to his/her experience with the business over time (Chinomona & Sandada, 2013:581; Kim & Lee, 2010:334). Compared to behavioural loyalty, emotional loyalty is stronger and lasts longer. It is a continuing desire to sustain a valuable and lasting relationship with a business, and therefore consumers make an effort to maintain this relationship as they perceive it as important (Akhter *et al*., 2011:1168; Kuusik & Varblane, 2009:68).

Consumers perceive emotions and involvement as important, and therefore businesses that are able to tap into those emotions will be able to build a stronger brand (Allaway *et al*., 2011:192). McKean (2010:117) states that one of the main advantages of emotional loyalty is its potential to resist obstacles to the economic or service relationship. Emotionally loyal consumers will forgive the business more easily for slight errors, will repeat their purchases from a business they prefer,

recommend the business to others, and defend their choices to others (Akhter *et al*., 2011:1168; Chinomona & Sandada, 2013:579; Kuusik & Varblane, 2009:68). In addition, emotional loyalty is related to price increases in influential brands that have no discernible dissimilarities in how it looks, functions, its values, or how convenient it is (McKean, 2010:117).

Brand loyalty is therefore regarded as a function of both behaviour and attitudes. It is the preference a consumer has towards purchasing a certain brand, as he/she feels that the brand offers the right features, image, and quality at the right price. These perceptions lead to consumers gaining new purchasing habits. Consumers will first use the brand as a trial and, if they are then satisfied, they tend to form habits and continue to purchase that brand because it is safe and familiar to them (Picón *et al*., 2014:747; Yee & Sidek, 2008:223).

3.7 MEASURING BRAND LOYALTY

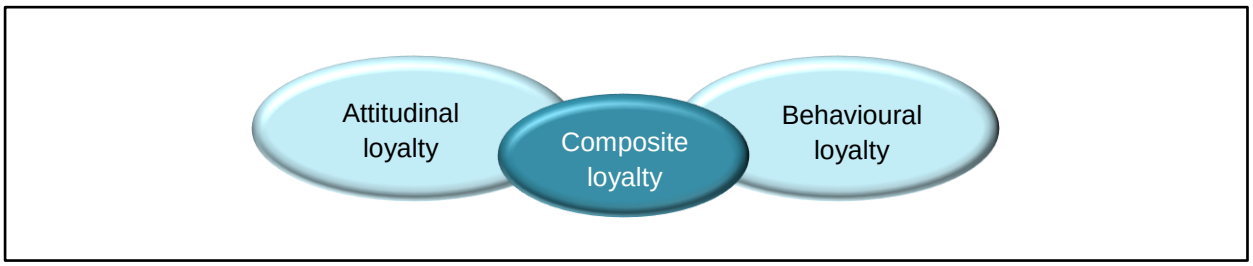
Numerous research on brand loyalty focuses on defining and measuring the factors that influence brand loyalty, as well as its connotation with lasting relationships between consumers and businesses. Brand loyalty can be grounded on the belief, attitude and intention structure that consumers have for a particular brand. A consumer who is loyal will show commitment towards a certain brand, leading to the consumer purchasing the same brand every time he/she uses the same product or service (Albert & Merunka, 2013:260; Buil *et al*., 2013:64; Lee *et al*., 2009:309).

Loyalty is usually measured with its operational definition, referring to repeat purchasing, preference towards a certain brand, commitment towards a certain brand, retention and allegiance (Kaynak *et al*., 2008:344). Joshi *et al*. (2015:45) and Mellens *et al*. (1996:507), additionally, identified the following four measures of brand loyalty:

- **Brand-oriented attitudinal measures:** The number of consumers who plan to purchase a brand at the next occasion.
- **Individual-oriented attitudinal measures:** The result on an agreement-disagreement scale with a statement.
- **Brand-oriented behavioural measures:** The number of consumers who repeat their purchases of the brand.
- **Individual-oriented behavioural measures:** Consumers are brand loyal if they buy their favourite brand in more than 50 percent of their purchase occasions.

Kaynak *et al*. (2008:344) distinguish between three categories for measuring loyalty (also known as the Composite Model), namely behavioural, attitudinal and a composite of both. The Composite Model, illustrated in Figure 3.2, forms the foundation of various research on loyalty measures, and is subsequently discussed (Al-Hawari, 2015:42; Rundle-Thiele, 2005:494; Punniyamoorthy & Raj, 2007:224).

Figure 3.2: The Composite Model



Source: Adopted from Rundle-Thiele (2005:495).

3.7.1 Behavioural approaches

Earlier studies on consumer loyalty only considered the behavioural dimension of loyalty. A consumer was seen as being behaviourally loyal to a brand if he or she consistently purchased the same brand over time, resulting in repeat purchasing (Bandyopadhyay & Martell, 2007:35; Bianchi *et al*., 2012:3; Huang & Cai, 2015:433; Kaynak *et al*., 2008:344; Leenheer *et al*., 2007:32; Ong *et al*., 2016:4). A direct measurement of behavioural loyalty considers the consumer's actual purchasing habits, such as purchase rates, percentage of purchases, number of brands purchased, purchasing sequences, and proportion of purchases (Leenheer *et al*., 2007:32; Morgan *et al*., 2002:111).

According to Keller (2013:120), however, behavioural loyalty is important, but it is not sufficient for resonance to take place. To be able to create resonance, consumers should be strongly attached to the brand beyond just having a positive attitude towards seeing the brand as being special within a broader context. Major limitations of behavioural measures are being unable to recognise the motive and the subsequent misunderstanding among brand loyalty and other forms of repeat purchasing, as merely purchase behaviour is not enough (Day, 1969; Kaynak *et al*., 2008:344; Obermiller, 2015:33).

3.7.2 Attitudinal approaches

As consumers may be committed to a certain brand for a long period, it is imperative to take into consideration that those consumers may have positive attitudes towards that brand (Kaynak *et al*., 2008:345). Attitudinal loyalty can be defined as a consumer's attitude towards the brand of interest, it can be loyal or disloyal behaviour (Bianchi *et al*., 2014:217; Kim *et al*., 2003:25). Attitudinal loyalty can be described as a consumer's tendency towards a brand as a function of emotional processes, including attitudinal preference and being committed to the brand (Biscaia *et al*., 2013:290; Das, 2014:408; Jacoby & Chestnut, 1978). To create better loyalty among consumers requires a deeper attitudinal attachment (Keller, 2013:121).

Since behavioural models cannot distinguish between true (intentional) loyalty and spurious loyalty (Backman & Crompton, 1991:17; Bakti & Sumaedi, 2013:399; Pritchard & Howard, 1997:2), an attitudinal conceptualisation of consumer loyalty was proposed in order to understand it better. A consumer who demonstrates brand loyalty is suggested to repeat his/her purchases based on cognitive, affective, evaluative and pre-dispositional factors; the main components of an attitude (Al-Hawary & Harahsheh, 2014; Bandyopadhyay & Martell, 2007:9; Pritchard & Howard, 1997:3).

The consumer's intention to participate in positive word-of-mouth or repeating his/her purchases, can be seen as attitudinal loyalty measures (Albert & Merunka, 2013:261; Leppäniemi *et al*., 2017:272; Shankar *et al*., 2003:18). Other measures can also include asking consumers whether they have a liking towards the brand, whether they feel a commitment towards the brand, whether they will recommend the brand to others, whether they portray favourable beliefs and feelings towards the brand, as well as their perceptions of their evaluation of the brand (Bandyopadhyay & Martell, 2007:16; Kaynak *et al*., 2008:345). By measuring consumers' attitude toward a brand, or attitude towards their intention to purchase that brand, helps to calculate their attitudinal loyalty. Attitudinal loyalty can, therefore, be assessed by capturing the consumer's propensity to be loyal (Bennett & Rundle-Thiele, 2002:193; Biscaia *et al*., 2013:290).

3.7.3 Composite measure

According to Al-Hawari (2015:42), Bandyopadhyay and Martell (2007:8) and Day (1969), both attitudinal and behavioural criteria should be used to evaluate loyalty. This is known as a two-dimensional conceptualisation of loyalty, where both behavioural and attitudinal components are integrated. To let this relationship between attitude and behaviour take place, the relationship should be moderated by composite variables (Kaynak *et al*., 2008:345).

According to Baldinger and Rubinson (1996:23) and Kaynak *et al*. (2008:345), the 'BrandBuilder model' implies that consumers who are behaviourally loyal to a specific brand will most likely rate that brand attitudinally more positively than brands consumers buy less or never. Brand loyalty includes both the attitude of consumers and their behaviour to repeat their purchases (Al-Hawari, 2015:42; Bandyopadhyay & Martell, 2007:2; Dick & Basu, 1994:111). Ogba and Tan (2009:135) also state that loyalty cannot only be measured by consumers' tendency to repeat their purchases of a brand over a long period, it needs to be accompanied with a favourable attitude towards the brand, as this attitude helps consumers' behaviour to repeat their purchases to continue (Bandyopadhyay & Martell, 2007:2; Ogba & Tan, 2009:135; Shin *et al*., 2013:455). The grouping of consumers' attitudes and behaviour offers a definition of loyalty that forms the foundation for evaluating, tracking and trying to make the brand better. Behavioural loyalty leads to a superior market share, and attitudinal loyalty leads to increased relative brand pricing (Chaudhuri & Holbrook, 2001; Kaynak *et al*., 2008:345).

The constancy between a consumer's attitude and successive behaviour is speculated to reflect significance, knowledge, extremity, certainty, intensity, availability, personal relevance and affective-cognitive consistency. It is anticipated that loyal consumers develop a specific attitude towards the brand that is strong, extreme, significant, reinforced by comprehensive knowledge and held with excessive certainty (Funk *et al*., 2000; Kaynak *et al*., 2008:346; Schleicher *et al*., 2015:1260). Thus, true loyalty will only exist when the consumer frequently purchases the brand.

3.8 BRAND LOYALTY ANTECEDENTS

Several influencers of brand loyalty have been uncovered by researchers. Research studies by Chaudhuri and Holbrook (2001), He *et al*. (2012), Kuikka and Laukkanen (2012), Maritz (2007), Musa (2005), Nam *et al*. (2011), Punniyamoorthy and Raj (2007), and Schijins (2003) focus on identifying the main influences of brand loyalty. The following table reflects the results of these researchers' studies, determining the key influencers on brand loyalty.

Table 3.3: Key influencers of brand loyalty

AUTHOR(S)	RESEARCH FOCUS	INFLUENCERS
Chaudhuri and Holbrook (2001)	Chaudhuri and Holbrook's model of brand loyalty originates from research done on 107 brands from three different surveys of consumers and brand managers.	Brand trust, brand affect, purchase loyalty, attitudinal loyalty, market share, and relative price.
Schijns (2003)	Schijns conducted a study on brand loyalty in the insurance sector, based on the model by Shanker *et al.* (2000:33).	Overall satisfaction, trust, switching cost, reputation, and relationship proneness.

Table 3.3: Key influencers of brand loyalty (cont.)

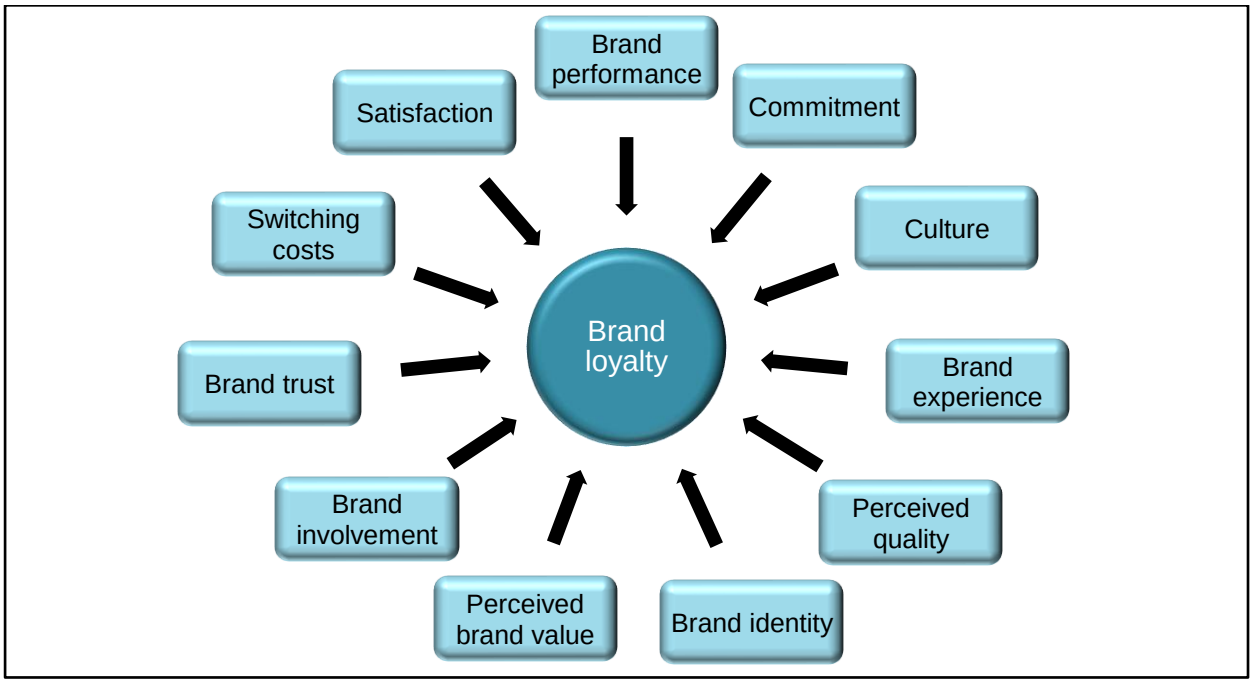
AUTHOR(S)	RESEARCH FOCUS	INFLUENCERS
Musa (2005)	Musa presents a multidimensional model making use of a chaining process and a moderating variable.	Performance, satisfaction, value, attitudinal loyalty, behavioural loyalty, and trust.
Punniyamoorthy and Raj (2007)	Punniyamoorthy and Raj's study developed the empirical model for assessing brand loyalty in English newspapers. The model has been established by using factor analysis, multiple regression analysis and the analytical hierarchy process (AHP) model. The model has been built based on the factors that has an impact on loyalty, and includes both attitudinal commitment and behavioural loyalty.	Involvement, functional value, price worthiness, emotional value, social value, brand trust, satisfaction, commitment, and repeat purchase.
Maritz (2007)	The Maritz Multidimensional Loyalty Model examines both attitudinal and behavioural loyalty. The model studies intentional loyalty from a behavioural viewpoint that is more prognostic of consumer loyalty.	Marketplace factors, individual psychographic differences, consumer experience, brand image, and brand equity.
Nam *et al.* (2011)	The purpose of their study is to examine the facilitating effects of consumer satisfaction on the relationship among consumer-based brand equity and brand loyalty in the hotel and restaurant industry. The study is established on a sample of 378 consumers and uses a structural equation modelling approach.	Physical quality, staff behaviour, ideal self-congruence, brand identification, lifestyle-congruence, and satisfaction.
He *et al.* (2012)	They proposed a social identity viewpoint of consumer-brand relationship and combines brand identity and identification with value, trust and satisfaction in anticipating brand loyalty. The results offer several theoretical implications.	Integrates brand identity, brand identification, value, trust, and satisfaction.
Kuikka and Laukkanen (2012)	The purpose of this study was to examine the antecedents of brand loyalty in the chocolate market. A sample of 808 responses were collected by means of a questionnaire posted on the Facebook wall of a Finnish confectionery business. A model of four antecedents leading to behavioural loyalty and attitudinal loyalty was constructed.	Brand satisfaction, brand equity, brand value, and brand trust.

Source: Researcher's own compilation.

Therefore, from Table 3.3, several important influencers of brand loyalty are evident. The most important influencers are illustrated in Figure 3.3, from which satisfaction, brand trust, perceived

brand value, perceived quality and brand identity form the main constructs of this study, and are subsequently discussed.

Figure 3.3: Brand loyalty influencers



Source: Researcher's own composition.

3.8.1 Satisfaction

Nam *et al*. (2011:1009) explain that if businesses want to be successful in the long run, they need to focus on consumer satisfaction, which is one of the topics that are most often researched in marketing. Most businesses have recognised that if consumers are happy, the consumers are more inclined to repeat their purchases (Jha, 2015; Engels, 2005:4). Oliver (1980) defines satisfaction, "as how satisfied a consumer is with a particular brand." The positive attitude consumers develop when they evaluate their experience with a particular brand is known as satisfaction (Lim *et al*., 2017:297; Wijaya, 2015:81).

Satisfaction helps consumers learn from previous experiences, and explains the main behaviours after the brand has been purchased, such as complaining, word-of-mouth, the intention to repeat the purchase and product usage (Jin, 2015:86; Lin, 2009:145; Oliver, 2010:5; Seiders *et al*., 2005:26). It is broadly acknowledged that consumers who are satisfied with a business are less sensitive to price changes, are not easily influenced by competitors and are loyal towards the business (Nam *et al*., 2011:1009). Bianchi (2015:446), Bianchi *et al*. (2012:2) and Nam *et al*. (2011:1017) state that satisfaction is strongly related to, and leads to brand loyalty.

As explained in section 3.3, the level of satisfaction a consumer portrays helps to create brand loyalty through them deciding to repeat their purchases (Deng *et al*., 2009:290); higher levels of consumer satisfaction will ultimately result in consumers becoming more loyal towards the brand (Lin, 2009:145). Satisfaction ratings are affected by consumers' perceptions of brands, which means that businesses should control these effects in order to accurately measure satisfaction with the business experience (Chen *et al*., 2014:2414; Zboja & Voorhees, 2006:386). Satisfaction is therefore used most frequently as a measurement of brand loyalty (Lam & Shankar, 2014:27; Martenson, 2007:547).

Evidently, if wine brands want to be successful they need to focus on satisfying their consumers. Wine brands should, therefore, focus on consumers' perceptions of the brand in order to present these consumers with a wine brand that will satisfy them. If the wine brand's consumers are satisfied, they will be more likely to purchase more wine, and more frequently. Satisfied consumers will also not be bothered with price increases of the wine brand, and other wine brands should not influence their purchasing behaviour and decisions. Ultimately, if the consumer is satisfied with the wine brand, the consumer should become loyal towards that wine brand.

3.8.2 Switching costs

When consumers switch from one brand to another, they face non-negligible costs. Switching costs are the costs (for the consumer) associated with switching from one business to another (Edward & Sahadev, 2011:330; Wang, 2010:254). Switching costs consists of both monetary expenses and non-monetary costs; therefore, the time spent to search for the right brand and the psychological effort paired with the searching (Wang, 2010:254).

Multiple conceptualisations exist for switching costs, which is indicated in the variety of dimensions used to capture the construct, and consists of dimensions such as psychological, physical, economic, continuity, learning and sunk costs (Edward & Sahadev, 2011:330). Chen and Hitt (2002:257), Klemperer (1987:376), Nagengast (2014:409) and Park and Koo (2016:308) state that one can distinguish between three types of switching costs, i.e. transaction costs, learning costs, and artificial (contractual) costs. Transaction costs can be seen as the costs associated with starting a new relationship with a business, or the costs required to end a current relationship with a business. On the other hand, learning costs are the costs linked to the effort consumers go through to gain the same level of comfort with a new brand as they had with the previous brand. Lastly, artificial switching costs are costs developed by the activities of businesses, such as repeat-purchase discounts, frequent flyer programmes and rewards (Aydin *et al*., 2005:27; Park & Koo, 2016:308).

Switching costs has positive effects on the business' prices, their profits, and preventing new entries to the market, and is related to numerous competitive phenomena such as price wars and businesses offering discounts to gain new consumers (Beggs & Klemperer, 1992:652; Bhattacharya, 2013:106; Klemperer, 1995:518; Lucchesi *et al*., 2015:25). However, switching costs can create a barrier for consumers when they consider a substitute relationship or brand, as switching to another business can take up consumers' effort, time and money, and can act as a mental barrier, thereby developing commitment among consumers (Gledhill, 2010:61; Kaur *et al*., 2014:78; Marshall, 2010:71; Morgan & Hunt, 1994:26; Nagengast *et al*., 2014:411; Stan *et al*., 2013:1545). Therefore, the main purpose of switching costs is to induce loyalty in consumers (Edward & Sahadev, 2011:332).

The moderating effects that switching costs have on the relationships with satisfaction, perceived brand value, and brand loyalty were explored, and it can be seen that the higher the level of switching costs are, the more likely it is that satisfaction and perceived brand value will create greater consumer loyalty (Chen & Chang, 2008:40; Wang, 2010:253).

Switching costs can have a positive effect for wine brands. Switching costs is used to encourage loyalty among consumers. Wine brands can use learning costs to communicate to the consumer that it would be easier and more convenient to keep on purchasing that specific wine brand. Wine brands should do this by emphasising the quality and taste of their brand compared to other wine brands. Wine brands should also focus significantly on artificial switching costs, by offering consumers repeat-purchase discount or rewards when consumers purchase that specific wine brand, this will result in consumers not changing to another wine brand. If wine brands implement switching costs it will make it difficult for consumers to switch to other wine brands, and it should ultimately induce loyalty among consumers.

3.8.3 Brand trust

Brand trust is defined as the willingness of consumers to depend on the brand's ability to offer its promised functions (Bianchi, 2015:447; Bianchi *et al*., 2012:3, Chaudhuri & Holbrook, 2001:82; Şahin *et al*., 2011:1290). Trust is established by consumers' faith that the brand is reliable and honest (Bianchi *et al*., 2012:3; Erciş *et al*., 2012:1398). A strong relationship is found between loyalty and brand trust, as trust assists in creating favourable attitudes among consumers with regard to their preferred brands (Garbarino & Johnson, 1999:76; Krivic & Loh, 2016).

According to Bianchi *et al*. (2012:3), competence, philanthropy and honesty can be seen as features that indicate trust. Building a relationship with a brand can also help to create trust, and

this relationship acts as an alternative for direct human contact with a business' employees. According to Hess (1995:21) and Jung *et al*. (2014:583), brand trust is vital if businesses want to develop long-term relationships, as it attaches a certain emotional commitment that develops long-term loyalty. Therefore, the higher the feeling of trust a consumer has towards a brand, the more loyal the consumer will be (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Garbarino & Johnson, 1999:77; Hess, 1995:21).

In situations where uncertainty must be dealt with, trust can function as a method to lower the intricacy of human behaviour. Therefore, trust decreases uncertainty (Chaudhuri & Holbrook, 2001; Hsu & Chang 2014:121; Newman *et al*., 2014:115) and consumers are more driven to seek a brand that is trustworthy to avoid the risk that is characterised with purchasing that product or service (Bianchi, 2015:447; Matzler *et al*., 2008:155). Consequently, trust decreases the uncertainty that consumers may have in situations where they feel vulnerable, as consumers feel they can depend on the brand (Deng *et al*., 2009:291; Şahin *et al*., 2011:1290).

Since trust creates a significant bond between the brand and consumer, it is regarded as a significant determinant of brand loyalty (Bianchi, 2015:444; Bianchi *et al*., 2012:3; Erciş *et al*., 2012:1398). Bianchi (2015:447), Lam and Shankar (2014:29), and Matzler *et al*. (2008:156) state that consumers' trust in a brand will lead to them having greater levels of loyalty towards the brand, as trust develops relationships that consumers value. In addition, it is likely that brand loyalty will be higher if the consumer has a positive mood, and therefore brands that create joyfulness or happiness among consumers will generate more loyalty. As trust can decrease the risk when relationships are formed between consumers and the business, consumers are obliged towards the business by indicating behavioural confirmation of their loyalty (Deng *et al*., 2009:291).

When consumers perceive the brand as dependable and trustworthy, consumers will be satisfied with the brand, and will be inclined to repeat their purchase, thereby leading to them becoming more loyal towards the brand (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Lee *et al*., 2015:298). The importance of building and creating trust among consumers towards a brand to increase their loyalty should be acknowledged, as consumers see trust as the essence of the value a good brand offers them (Matzler *et al*., 2008:159).

Wine brands should offer consumers a trustworthy brand, as trust leads to consumers developing favourable attitudes towards a brand. Consumers would rather seek a brand that is trustworthy and is cautious when purchasing different wine brands, especially if consumers are not familiar with a certain brand. Therefore, increased levels of trust in the wine brand should result in a

decrease of uncertainty, resulting in consumers repurchasing that specific wine brand. The wine brand should therefore aim at building a relationship with the consumer in order to gain their trust, as this should lead to the consumers becoming loyal towards the wine brand.

3.8.4 Brand involvement

Brand involvement is a continuing commitment by the consumer regarding thoughts, feelings and behavioural responses to a brand (Ferreira & Coelho, 2015:351; Gordon *et al*., 1998:44). Involvement is grounded on needs, values and interests that encourage a consumer to purchase a brand (Brakus *et al*., 2009:53). Involvement is an unobservable condition of motivation, arousal or interest toward a brand, and is closely related to intentions and behaviours (Bruwer & Buller, 2013:39; Miller & Marks, 1996:123; Park, 1996:244).

High-involvement product categories include products with which the consumer wants to feel a connotation, even after the consumer has used the product (Ouwersloot & Odekerken-Schröder, 2008:574). High-involvement consumers buy a brand for its symbolic connotation, image strengthening or emotional satisfaction, reflecting the consumer's social life, ambitions, fantasies and associations (Radder & Huang, 2008:233). According to Arnould *et al*. (2002), Bruwer and Buller (2013:39) and Ouwersloot and Odekerken-Schröder (2008:574), consumers tend to spend a great deal of time and effort to search for high-involvement products and share their experience with others, ultimately encouraging positive word-of-mouth. According to Bruwer and Buller (2013:42), Ferreira and Coelho (2015:351), and Park (1996:246), involvement positively influences attitudinal loyalty; therefore, the more involved consumers are with a brand, the higher their level of brand loyalty will be.

Evidently, wine brands should create a connotation between the brand and the consumer, as high-involvement consumers usually share their experience with others, leading to positive word-of-mouth of the wine brand. The more involved consumers are with the wine brand, the more loyal consumers become towards the wine brand.

3.8.5 Perceived brand value

Perceived brand value refers to what a brand is known for (Healey, 2008:78). Erciş *et al*. (2012:1397) and Lai *et al*. (2008:981) state that value is at the core of what consumers seek from a marketing exchange, and consists of consumers' evaluation of the quality and the price of the brand after they had purchased it.

Perceived brand value encompasses the value of products and services, as well as additional values (functional, emotional and social) derived from the brand's name (Leek & Christodoulides, 2011b:107). Perceived brand value is consumers' assessment of the advantages of a brand based on their sacrifices and the performance consumers expect when they use the product or service (Kuo *et al*., 2009:888; Liu *et al*., 2015:474). To these consumers, anything that decreases the sacrifices they have to make will increase the perceived brand value (Calabuig *et al*., 2014:730; Zeithaml, 1988:14). According to Voss *et al*. (2005:32) and Wang *et al*. (2013:12), perceived value comprises the following components:

- **Functional value:** The usefulness resulting from the quality and expected performance of the brand used by the consumer (Park, 1996:247).
- **Emotional value:** The usefulness resulting from the feelings or emotional states that a brand creates (Diep & Sweeney, 2008:400).
- **Social value:** The usefulness resulting from the brand's ability to improve social self-concept (Punniyamoorthy & Raj, 2007:233).

According to Leek and Christodoulides (2011b:108), perceived brand value does not only deliver functional qualities, but also emotional qualities, which assist consumers when they have to make purchasing decisions. Leek and Christodoulides (2011b:111) and Park and Kim (2016:115) also state that managers need to connect the values, because the perceived brand value may help in the development of relationships, as consumers perceive the brand as trustworthy and will then build a relationship with the brand. In building relationships, the business needs to comprehend that consumers will evaluate and judge the functional and emotional values of the brand and this relationship with consumers should maintain these values.

Researchers have determined four consumer definitions of value, which is described as (Chang & Tseng, 2013:865; Sánchez-Fernández & Iniesta-Bonillo, 2007:432; Zeithaml, 1988:13):

- **Value is low price.** Consumers associate value with low price, speculating that what is given up was conspicuous with regard to their ideas of value. Therefore, value to the consumer is the product that is on sale, or when they can use coupons.
- **Value is whatever consumers want in a product.** Consumers emphasise the benefits they obtain from the product as the most significant components of value. Therefore, value is what consumers consider to be good for them, or what is convenient.
- **Value is the quality consumers get for the price they pay.** Consumers conceptualise value as a trade-off between one "give" component (price), and one "get" component

(quality). Consequently, value consists of the price first and then the quality, or the lowest price for a brand with good quality.

- **Value is what consumers get for what they give.** Consumers consider all related "get" and "give" components when describing value. Therefore, value is whatever the consumer gets for the least money, or the amount consumers are paying for what they are receiving.

These four consumer expressions of value can ultimately be combined to form one general definition: perceived brand value is "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (Zeithaml, 1988:13).

Riesenbeck and Perrey (2007:9) also explain that apart from creating strong impressions, brands also generate tangible value by creating price premiums and reducing sales costs. According to Tybout and Calkins (2005:268), the knowledge of a brand's value holds several benefits:

- Having knowledge of the financial value of the brand makes it possible for the business to make a comparison between it and other tangible or intangible assets and contemplate how to implement limited resources to generate added value in the best possible way.
- An assessment of the brand helps the business to determine whether the investments made in the brand are supplying a sensible profit to the business.
- Having knowledge of the brand's value offers a significant negotiating tool when dealing with other businesses in determining the terms of licensing arrangements, co-branding agreements and joint promotional programmes.
- As the value of the brand increases, the value of the assets shareholders hold in the business also increase. Thus, perceived brand value is an indicator of shareholder value.
- Perceived brand value can serve as a basis to focus the business' attention on the most vital factors that ensure long-term success for the business.

Riesenbeck and Perrey (2007:9) state that businesses should take care of its consumers, as this can boost consumer loyalty. This can be done through three factors that determine the perceived brand value of a business – the promise of a brand as perceived by the consumer:

- **Image benefit:** Brands assist consumers in expressing who they are, contributing to their self-worth, spreading positive word-of-mouth, and enabling them to commit to certain ideas or social groups (Riesenbeck & Perrey, 2007:9; Tuškej *et al.*, 2013:54).

- **Information efficiency:** Brands transfer information. Brands say something regarding the origin of the brand, assist with recognition, and supply consumers with orientation (Preston, 2012; Riesenbeck & Perrey, 2007:9).
- **Risk reduction:** Brands lower the consumer's risk of possibly purchasing the wrong brand. Products that are branded give forth the promise that they are of good quality and depreciate less. Brands offer a reliable purchasing decision, developing trust among the consumers towards the business and offering steadiness in this relationship (Lee *et al.*, 2015:298; Riesenbeck & Perrey, 2007:9).

He *et al*. (2012:649) explain that a brand that creates value enhances satisfaction. Therefore, when consumers' perceived brand value is high, their satisfaction levels will also be high. The relationship between perceived brand value and trust was further examined, and consumers will gain more trust towards a brand that will increase as the value that consumers perceive from the brand increases (Erciş *et al*., 2012:1397). It can, therefore, be seen that satisfaction and trust facilitates the effect of perceived brand value on brand loyalty. Therefore, perceived brand value has a positive outcome on brand loyalty (He *et al*., 2012:652; Lai *et al*., 2008:984; Shirazi *et al*., 2013:154; Yeh *et al*., 2016:245).

It is important that wine brands establish a brand of high value, as the value of the wine brand assists the brand in developing relationships with consumers because they perceive the brand as trustworthy. Wine brands, therefore, need to offer their brand at the lowest possible price, offer consumers a wine they want, emphasising the benefits of the wine, offer consumers a wine with excellent quality that is affordable, and offer them a wine that consumers feel are worthy of their money, as all of these are components that consumers associate with the perceived brand value of the wine brand. A wine brand with good value will lead to consumers being satisfied with the brand, and if consumers are satisfied with the brand they should be more inclined to repurchase the brand, ultimately becoming loyal towards that wine brand.

3.8.6 Brand commitment

Brand commitment takes place when consumers pledge to purchase a certain brand (Kim *et al*., 2008a:112; Li, 2015:11). Brand commitment improves the connection between the consumer and the brand, and therefore consumers see unfavourable information about the brand they are committed to, or favourable information about a brand consumers do not prefer, as a risk (Raju *et al*., 2009:852). According to Albert *et al*. (2013:906) and Carlson *et al*. (2008:286), if consumers

can identify with a brand, it is likely that consumers will become committed towards the brand, and therefore identification with the brand should positively influence brand commitment.

Liu *et al*. (2010:55) distinguish between high-commitment consumers and low-commitment consumers. According to Li (2015:11) and Raju *et al*. (2009:851), high-commitment consumers perform a disconfirmatory search, thereby selectively searching for information to confirm that the competitive brand is not similar to the brand consumers prefer. Consumers, therefore, pay attention to the differences between the competitive brand and their favoured brand to which consumers are committed. On the other hand, low-commitment consumers conduct a confirmatory search; consumers pay attention to the resemblances between the competitive brand and the brand they prefer.

According to Bansal *et al*. (2004:238), Carlson *et al*. (2008:286), and Mousavi *et al*. (2015), commitment plays an important part in relationship marketing as it helps to develop and maintain relationships because commitment links the consumer to the business. Consumers who have a strong commitment towards a brand prefer the brand above others, and therefore consumers will pick the brand above competitors even if it is more expensive, would join events that promote the brand, and would encourage others to use the brand (Carlson *et al*., 2008:287; Mao & Zhang, 2014:201).

Therefore, commitment is at the core of a consumer-brand relationship, as consumers identify with the brands and are involved with the brands they frequently use. Brand commitment is highly associated with brand loyalty, because the more committed consumers are towards a brand, the more loyal consumers will be towards the brand (Fullerton, 2005:105; Tifferet & Herstein, 2012:177).

Wine brands should ensure that consumers can identify with the brand, as this will lead to consumers becoming committed towards the brand. Subsequently, wine brands should present sufficient information regarding the wine, so that consumers can compare this information with competing brands, to ensure that this specific wine brand stands out from other brands and is the best, as this will lead to committed consumers. Commitment helps in creating relationships with consumers. If consumers are committed towards the wine brand, they should prefer the brand above others, and will be more inclined to pay more for the brand and spread positive word-of-mouth of the wine brand. The more committed consumers are to the wine brand, the more likely they are to become loyal towards the wine brand.

3.8.7 Brand performance

Performance refers to consumers' assessment of the performance of a product or service after the experience consumers had with using that product or service. Brand performance is the individual assessment of the attributes of the brand, including both intrinsic and extrinsic characteristics (Cerasoli *et al*., 2014:2; Musa, 2005:47).

Building a strong brand is important, and should therefore be the main goal for businesses (Aaker, 2014:10; Keller, 2001:3; Hoeffler & Keller, 2002:78). Brand performance can be seen as the brand accomplishing the business' goals in the market. Therefore, brand performance is defined as the measurement of the success of a brand (O'Cass & Weerawardena, 2010:575; Trong Tuan, 2014:48). Brand performance can also be seen as the financial performance gained by the brand and perceived by consumers (Lai *et al*., 2010:460). A business with a strong and successful brand will be able to increase its earnings, and will be steadier in its performance (O'Cass & Ngo, 2007:869; Trong Tuan, 2014:52).

According to Balakrishnan (2009:622), Kotabe *et al*. (2002:82), and Srinivasan *et al*. (2009:28), the marketing competence of a business is shown in its capability to distinguish the brand's products or services from the competition and to develop a successful brand with a strong brand name. Therefore, how all the marketing activities perform will determine the success of the business, and therefore it can be said that the competence of a business' marketing will lead to brand performance, with the brand gaining greater performance in sales growth, increasing market share and profitability (Dutta *et al*., 1999:552; O'Cass & Weerawardena, 2010:575; Spanos & Lioukas, 2001:914).

The success of the wine brand is measured by means of the brand's performance. Wine brands should therefore build a strong and successful brand, as this will enhance their profits and offer good performance to consumers. Wine brands should differentiate itself from competitors and be sure to create a strong brand name, as this will increase their success and their performance.

3.8.8 Culture

Culture can be defined as an integrated pattern of behaviours and beliefs that are a result of the human capacity to learn and transmit knowledge (Awadh & Alyahya, 2013:169; Schroeder *et al*., 2006:191). Kornberger (2010:131) explains that culture is a set of practices that creates links between people. The brand converts to a concept that connects the external brand groups and

the internal structured cultures. Therefore, the brand becomes the medium that creates a community consisting of internal and external stakeholders.

According to Kapferer (2008:182) and Yang (2010:223), the culture of a brand refers to the grouping of elements that helps to identify and differentiate the brand from competitors, containing elements such as the names, logos, symbols and designs, cultural characters and all cultural phenomena in the operation of these products or services. Awadh and Alyahya (2013:169), Saayman (2001:304), and Yang (2010:223) further state that brand culture wants to achieve the maximisation of businesses' market profits and consumers' value by creating shared values and behaviour standards that are in line with the consumers and businesses' values and the aims of cultural union. The concept of brand culture establishes communities around brands. Brand culture becomes an open concept; it is about the diversity of internal and external brand communities (Kornberger, 2010:132).

Brand culture aims at providing a brand with cultural features and human associations, using numerous sales strategies so that consumers accept the brand and form a loyalty among consumers (Yang, 2010:224). Consumer purchase behaviour is transmitted from one generation to the next as part of a culture system. Culture, therefore, plays an important role in brand loyalty as well as buying behaviour (Haryanto *et al*., 2016:4023; Kim *et al*., 2014:890; Lamb *et al*., 2008:267). Therefore, when creating brand culture, the business must consider and fulfil the consumer's internal demands, as brand culture has to accommodate and fit accordingly to each consumer's different demands (Yang, 2010:225).

When wine brands create culture it can lead to maximum market profits and consumers' value. Wine brands can create brand culture by using various sales strategies that will lead to consumers accepting the brand over other wine brands. A cultural system also leads to one generation passing on their purchasing behaviours to the next generation. It is, therefore, clear that culture influences and leads to consumers becoming loyal towards a specific wine brand. Wine brands should customise their brand culture to fit the needs and demands of the different consumers.

3.8.9 Brand experience

According to Alloza (2008:374) and Ding and Tseng (2015:996), brand experience can be seen as an important driver on how consumers make up their minds. This is defined as consumers' perceptions of the brand every time they interact with it. In order to build the best brand experience, businesses should focus on face-to-face personal relationships with consumers.

According to Brakus *et al*. (2009:52-53), brand experience is conceptualised as sensations, perceptions, and behavioural responses induced by stimuli that are part of a brand's design and identity, packaging, communications and environments. Furthermore, brand experience has an effect on satisfaction and loyalty by means of brand personality associations. Consumers create their sense of loyalty through experiences associated with brands (Garrett, 2006:35, Lin, 2015:2255; Ding & Tseng, 2015:997). If consumers are satisfied with the experience they have received from a business, it is more likely that they will remain in a relationship with that business, and will then also remain loyal to that business (De Matos *et al*., 2012:2207).

According to Alloza (2008:374) and Bendapudi and Bendapudi (2005), it is not sufficient to merely listen to stakeholders and analyse and define the promises and expectations of the brand. The main challenge is to implement a business model where the employees are in line with the business strategy and are committed to deliver the best experiences through their behaviour. Brand experience must not only affect consumers' satisfaction judgements, but also their loyalty towards the business. Consumers will be more likely to purchase a brand repeatedly and spread positive word-of-mouth and less likely to purchase competitors' brands (Brakus *et al*., 2009:63).

Wine brands should focus on face-to-face relationships with consumers to be able to offer the best brand experience. To offer consumers the best experience with the wine brand, the brand should focus on its design, identity, packaging, how the wine brand communicate with their consumers and the environments applicable to them. The experiences consumers have with the wine brand will influence their loyalty towards the wine brand. Wine brands should, therefore, develop strategies that the whole business implement to offer consumers the best possible experience with the wine brand. If consumers' experience with the wine brand is satisfactory, they should be inclined to continue their relationship with the wine brand, repurchase the brand, and spread positive word-of-mouth, ultimately leading to them becoming loyal towards that brand.

3.8.10 Perceived quality

Perceived quality can be defined as a consumer's perception of how superior the brand is (Hsu *et al*., 2012:357). Providing high levels of product, service or brand quality is important for businesses in order to successfully establish a superior experience (Deng *et al*., 2009:291). Quality is the strongest predictor of brand equity that ultimately leads to higher brand loyalty. Quality is also perceived as a significant predictor of satisfaction, the higher the level of perceived quality is, the more likely consumers will be to repurchase the brand, and therefore the higher behavioural loyalty will be (Howat & Assaker, 2013:269; Nowak *et al*., 2006:319).

Lawley *et al*. (2012:260) and Yang (2011:115) distinguish between intrinsic and extrinsic cues that can be used to assess quality. Intrinsic cues represent characteristics related to the product that cannot be changed without also changing physical assets of the product, involving the size, shape and taste of the product. Extrinsic cues are characteristics related to the product that are not part of the physical product, which include consumers' senses, price, store and brand name, packaging, colour, store and brand reputation, ratings, awards, country-of-origin, and recommendations from other consumers (Grunert *et al*., 2015:42; Lawley *et al*., 2012:261; Nowak *et al*., 2006:319; Ponte, 2009:240; Yang, 2011:1115). According to D'Alessandro and Pecotich (2012:288), objective quality rather than extrinsic cues has the greatest effect.

Lanz and Provins (2017:20) and Zeithaml (1988:17) divide quality into two types, namely objective and perceived quality. Perceived quality is the overall evaluation or subjective judgement of a consumer concerning the quality of the brand relative to his/her expectation of quality (Erciş, 2012:1397, Mitra & Golder, 2006:231). Perceived quality changes depending on consumers' experiences and expectations (Erciş, 2012:1397). These expectations are based on consumers' experiences, as well as numerous other sources such as the brand's reputation, prices and advertisements (Hussain *et al*., 2015:169; Mitra & Golder, 2006:231).

On the other hand, according to Erciş (2012:1397), objective quality is compliant to standards specified beforehand. However, since there is no agreement about what these particular pre-determined standards entail, the assortment of the features that measure objective quality may cause problems. Therefore, objective quality has no validity, and quality evaluations are subjective. Objective quality does not contain intangible characteristics such as aesthetics and extrinsic characteristics such as brand image (Mitra & Golder, 2006:231). This view, therefore, emphasises how important it is for businesses to focus on perceived quality (Erciş, 2012:1397).

Consumers form their own assumptions about a brand's quality based on their assessment of its intrinsic characteristics, how the brand is packaged, its prices, and the brand's name (D'Alessandro & Pecotich, 2012:287; Rubio *et al*., 2013:289; Shaharudin *et al*., 2011:201).

Howat and Assaker (2013:269) and Huang and Huddleston (2009:983) also state that high-quality products determine satisfaction and brand loyalty. Research shows that premium quality brands can differentiate the brand and gain loyalty by increasing the costs if consumers want to switch between businesses. If consumers are satisfied with the quality of the brand at all times, it will lead to brand loyalty (Kassim & Abdullah, 2010:354).

Yang (2011:1116-1117) suggests the following strategies to develop greater perceived quality:

- The business should choose a brand name, as consumers perceive a brand name to express a certain quality implication.
- Make use of advertising investments. The purpose is to use communication to help consumers be aware of a brand.
- Improve the brand product package. Packaging is a cue the consumers use to evaluate the brand's image and the quality of the product.
- Strengthen the relationship with brand product suppliers. In order to control the quality of the product, businesses should build strong relationships with their suppliers.

Lakhal (2009:637), Prentice (2013:49) and Talib *et al*. (2013:281) state that constantly improving quality is a valued way of obtaining a competitive advantage and greater performance. According to Howat and Assaker (2013:269) and Huang and Huddleston (2009:988), to attain a high level of consumer loyalty, market share and profitability, businesses need to position the brand (low-quality vs. high-quality and innovative) in such a way to successfully gain a competitive advantage.

Wine brands should focus on the size and shape of their wine bottles, how their wine tastes, their packaging, the colours they use, their marketing of the brand, the prices of their wine, the stores their wine is sold in, and their ratings, as all of this will influence how consumers perceive the quality of the wine brand. If the wine brand's level of quality is high, consumers will be inclined to repeatedly purchase the brand, as the consumers are satisfied with the brand, leading to them becoming more loyal towards the wine brand. It is important that wine brands develop strategies to differentiate their brand from others and gain a competitive advantage, to create loyalty among their consumers.

3.8.11 Brand identity

Brand identity is established by thoroughly comprehending the business' consumers, competitors, and business environment (Ghodeswar, 2008:4). Brand identity is defined as the contribution of all brand elements to brand awareness and brand image (Keller, 2013:76), and forms the perfect self-image that a business selects to communicate to consumers (Micelotta & Raynard, 2011:3).

According to Craig *et al*. (2008:7), Konecnik and Go (2008:179), and Phillips *et al*. (2014:225), brand identity is a set of associations (attributes, benefits and attitudes) of the brand, which the

brand seeks to create and maintain among consumers who build a relationship with consumers via functional, emotional or self-expressive advantages or providing credibility (Micelotta & Raynard, 2011:3), and it represents an image of how consumers should perceive a particular brand. This relational feature of brand identity proposes that the brand is not just the external appearance of the business, such as the name, logo and visual presentation, it is also a promise that a business makes to its consumers, suggesting consistency, trust and a distinct set of expectations (Craig *et al*., 2008:7; Micelotta & Raynard, 2011:3; Shirazi *et al*., 2013:160).

According to Buil *et al*. (2016:3, 6) and Konecnik and Go (2008:179), the strongest brands develop a position that is unique, and therefore brand identity should clearly specify what the brand aspires to stand for. Brand identity, therefore, needs to differentiate the business' offers in order to gain a sustainable competitive advantage for the business (Micelotta & Raynard, 2011:3). The brand identity should also be a reflection of the business' strategy and should be willing to invest in the necessary strategies that will help the brand meet its promises made to consumers (Aaker & Joachimsthaler, 2000; Ghodeswar, 2008:5; Monfort *et al*., 2015:34). Some consumers may perceive functional benefits as more important, but emotional value assists the brand to stand out above the competition. Strong brands have loyal consumers; they can charge higher prices and have significant brand power (Ghodeswar, 2008:4). It is therefore important that businesses know how to create a brand identity. The business should have knowledge of what the brand represents and how to portray that identity effectively to consumers (Aaker, 1996a; Pareek & Harrison, 2016).

Brand identity management should form the starting point of integrated marketing communication in order to create loyal consumers (He *et al*., 2012:649). Research on brand identity management proposes that it is crucial for businesses to carefully manage their brands. Businesses rely on brand identity to convey a sort of confidence and security to consumers (Micelotta & Raynard, 2011:3), and brand identity also leads to stronger consumer relationships (He *et al*., 2012:649; Lin & Sung, 2014:55).

Businesses need to develop a strong brand identity that consumers understand and can experience that will ultimately help businesses develop trust among consumers and differentiate the brand from others (Buil *et al*., 2016:6, 10; Ghodeswar, 2008:5; Monfort *et al*., 2015:31; Shirazi *et al*., 2013:160). Studies propose that trust and satisfaction facilitate the effect that brand identity has on brand loyalty (Shirazi *et al*., 2013:159). A brand with a strong identity is likely to satisfy the needs of consumers. A strong identity also engenders trust, as consumers become attached to a brand they can identify with (He *et al*., 2012:649).

Wine brands should pay attention to the attributes, benefits and attitudes of their brand in order to create a favourable brand identity among consumers. Wine brands should create a clear and unique brand identity that differentiates them from other brands and establish a competitive advantage. Wine brands should implement strategies to enable them to meet their promises made to consumers through their brand identity. Wine brands should create a strong brand identity, as this will lead to trust and satisfaction among consumers towards the wine brand, ultimately resulting in consumers becoming loyal towards the brand. Wine brands can then charge higher prices and have brand power.

3.9 THE IMPORTANCE OF SATISFACTION AND BRAND LOYALTY IN THE WINE INDUSTRY

Branding in the wine industry is no different from other industries. The wine industry is highly competitive and a strong consumer base is crucial for sustainable business. The point of branding in the wine industry is to enhance a consumer's satisfaction with the wine brand that will result in loyalty. Bianchi *et al*. (2012:2) state that because there is such a wide range of wine brands (Bianchi, 2015:442; PwC, 2015; Vrontis & Papasolomou, 2007:159), consumers are facing more complex purchase decisions. Therefore, the need for wineries to understand the influences affecting consumers' loyalty towards wine brands has been developed. Wine brands should therefore focus on the antecedents of brand loyalty, namely brand identity, perceived brand value, perceived quality, brand trust and brand satisfaction, in order to develop long-term loyal consumers (Ballantyne *et al*., 2006; Bianchi, 2015:447, Deng *et al*., 2009:290; Erciş *et al*., 2012:1396; Ghodeswar, 2008:6; Howat & Assaker, 2013:269; Keller 1993; Lam & Shankar, 2014:27, 29; Sahin *et al*., 2011:1288; Shirazi, *et al*., 2013:154, 159; Yeh *et al*., 2016:245).

Ghodeswar (2008:4) and Vrontis and Papasolomou (2007:159) state that strong brands will lead to businesses becoming strong, loyal consumers, and a general strong industry. Wine brands should, therefore, target and encourage loyalty among the most suitable consumers (Bianchi, 2015:446; Fraser, 2008). Martin *et al*. (2008:224), Roberts-Lombard *et al*. (2014:28) and Ruiz-Mafe *et al*. (2014:364) mention that because the focus of businesses is to develop and maintain profitable and long-term relationships with consumers and to ensure loyal consumers, it is essential that wine brands understand consumers' expectations and live up to them or exceed them (Angelova & Zekiri, 2011:239; Dutta & Dutta, 2009:33; Kaski *et al*., 2017:46; Martin *et al*., 2008:224; Matzler, 2008:116; Shukla, 2015:51).

As Hanif *et al*. (2010:45) and Ji *et al*. (2014:2020) have mentioned, the satisfaction of consumers towards a business is the most important factor leading toward competitiveness and success.

Deng *et al*. (2009:290), Irshad *et al*. (2015:96), Martin *et al*. (2008:224) and Mohsan (2011:264) also state that the ability of a business to develop high levels of satisfaction is critical if businesses want to develop strong relationships with consumers. Having satisfied wine consumers can, therefore, lead to these consumers being less price sensitive, and thereby being more willing to pay higher prices for wine brands, saving wine brands time and money by retaining consumers instead of spending extra time and money on marketing and searching for new consumers. Wine brands will then also be able to build a good reputation of always satisfying their consumers, thereby leading to attracting more consumers – satisfied consumers are also more prone to spread positive word-of-mouth about their wine brand, also leading to attracting more consumers, where satisfaction leads to fewer consumer defections, raises the barriers to entry for other wine brands, and can also be a good indicator of a wine brand's future profits. Satisfied consumers tend to be more loyal to their wine brand, leading to repeat purchasing of the wine brand (Bianchi, 2015:446; Boshoff & Du Plessis. 2009:15; Ghodeswar, 2008:4; Han & Hyan, 2015:23; Hanif *et al*., 2010:45; Irshad *et al*., 2015:96; Kardes *et al*., 2011:209; Kim *et al*., 2008b:12; Lang, 2011:592; Leek & Christodoulides, 2011a:830; Machado & Diggines, 2012:150; Negi, 2009:33; Oliver, 2010:5; Pokalsky, 2014:1; Qadri & Khan, 2014:3; Raab *et al*., 2008:64; Siddiqi, 2011:13; Yee & Mansori, 2016:17; Yuan & Wu, 2008:388).

Having loyal wine consumers means decreased costs for wine brands, as wine brands do not have to use as many resources and efforts on marketing because loyal wine consumers seek the brand by themselves; loyal wine consumer are not price sensitive and will most likely pay a higher price for their favourite wine brands; loyal wine consumer spread positive word-of-mouth resulting in saving wine brands money in reduced consumer acquisition costs; loyalty is vital for wine brands to gain a sustainable competitive advantage, as it protects them from competitors and enhances the control wine brands have over their marketing activities; loyal wine consumers are motivated to purchase more sorts and volumes of the wine brand, and therefore consumers tend to enhance their expenditures on the brand, and this will enhance wine brands' marginal cashflow and profitability, thereby resulting in the commitment of the consumer to consistently purchase the business' products over time, resulting in repeat purchases (Allaway *et al*., 2011:190; Bianchi, 2015:446; Bianchi *et al*., 2012:2, 3; Cha *et al*., 2016:238; Giddens, 2010:1; Hew *et al*., 2016:144; Hur *et al*., 2011:1195, Iglesias *et al*., 2011:573; Jang *et al*., 2008:62; Kaynak *et al*., 2008:343; Levins, 2009:1; March, 2006:752; Malik *et al*., 2013:167; Magloff, 2016; Matzler *et al*., 2008:159; Mostert *et al*., 2016:27; Şahin *et al*., 2011:1290; Simon, 2015:70; Tong & Hawley, 2009:264; Utami, 2015:647; Wankel, 2009:181; Yee & Sidek, 2008:222).

3.10 CONCLUSION

This chapter examined the concepts of satisfaction and brand loyalty by providing an overview of these concepts. These two constructs were each defined and the importance and advantages of both were discussed. Insights were also provided on how to measure both satisfaction and loyalty.

Furthermore, the degrees of loyalty and the different types of loyalty were discussed. Loyalty antecedents were discussed where a focus was placed on the influencers of brand loyalty. The influencers affecting brand loyalty the most include satisfaction, brand involvement, perceived brand value, switching costs, brand performance, brand trust, commitment, culture, brand experience, perceived quality, and brand identity. With regard to loyalty in the South African wine industry, this study focused on brand trust, brand identity, perceived brand value, perceived quality and satisfaction as the most prominent influencers of brand loyalty. Lastly, the importance of satisfaction and loyalty in the wine industry was also discussed.

From this chapter, it is clear that it is important for businesses to build and maintain successful relationships with consumers, as these relationships will provide the business with a sustainable competitive advantage. Therefore, businesses should focus on satisfying consumers who will ultimately lead to them becoming loyal to the brand.

CHAPTER 4

CONCEPTUAL MODEL DEVELOPMENT

4.1 INTRODUCTION

In Chapter 2, branding was discussed and in Chapter 3, satisfaction was discussed, as well as brand loyalty with its antecedents. From the discussion on brand loyalty and its antecedents (i.e. brand identity, perceived brand value, perceived quality, brand trust, and satisfaction), it became clear that there are interrelationships between these constructs. Therefore, apart from the constructs, five relational perspectives were also studied, namely, the relationship between brand identity and satisfaction, perceived quality and satisfaction, perceived brand value and satisfaction, brand trust and satisfaction, and satisfaction and brand loyalty.

The purpose of this chapter is to conceptualise a theoretical model based on the relationships between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty within a marketing context, by considering the theory presented in Chapters 2 and 3. In order to accomplish this, alternative hypotheses are formulated to hypothesise the interrelationships between these constructs. Consequently, a conceptual model is formulated for this study and a summary of the alternative hypotheses is presented.

4.2 DEVELOPMENT OF THE CONCEPTUAL MODEL

The conceptual model with the interrelationships of each of the six constructs is depicted in Figure 4.1, which focuses on the relationships between wine consumers' brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand. The alternative hypotheses formulated for each path in the model are subsequently presented as H_7 to H_{11}.

Based on the literature discussion and formulated objectives in Chapter 1, the following alternative hypotheses are proposed for this study:

H_7: Brand identity statistically significantly predicts respondents' satisfaction with their wine brand.

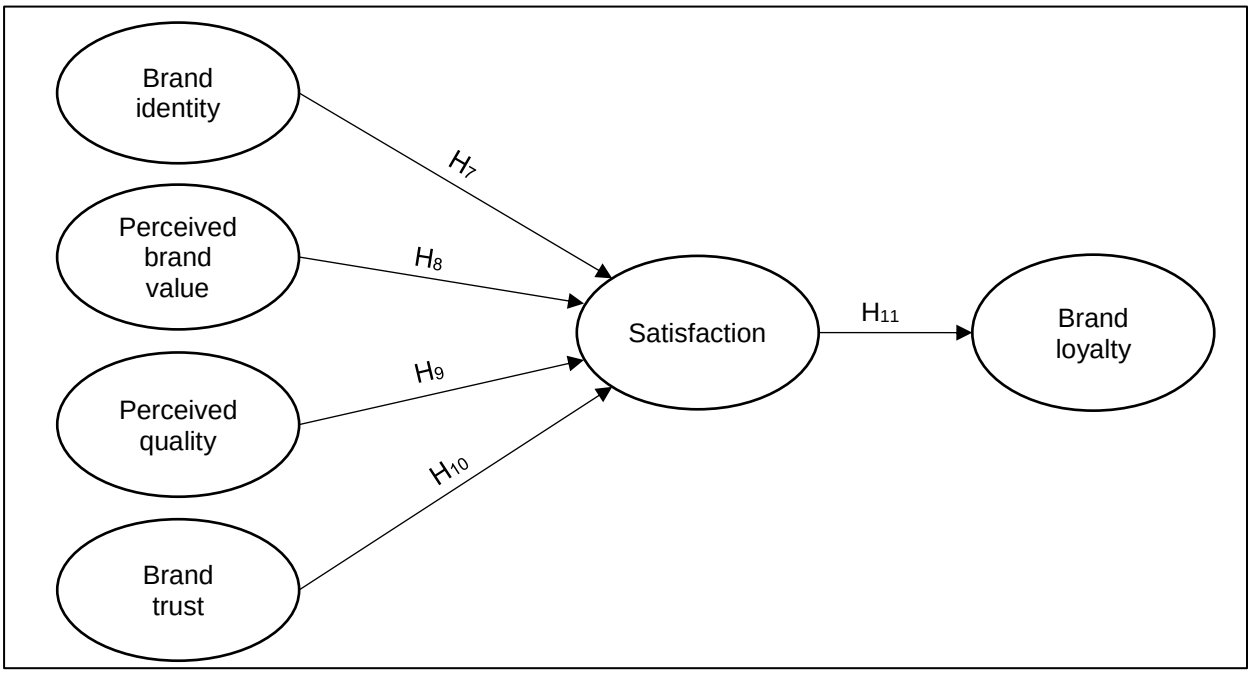
H_8: Perceived brand value statistically significantly predicts respondents' satisfaction with their wine brand.

H_9: Perceived quality statistically significantly predicts respondents' satisfaction with their wine brand.

H_{10}: Brand trust statistically significantly predicts respondents' satisfaction with their wine brand.

H_{11}: Satisfaction statistically significantly predicts respondents' loyalty towards their wine brand.

Figure 4.1: Conceptual model



A summary of the interrelationships between the constructs, as proposed in the conceptual model, is presented in the subsequent sections.

4.2.1 Hypothesis 7

H_7: Brand identity statistically significantly predicts respondents' satisfaction with their wine brand.

According to Ghodeswar (2008:4) and Leek and Christodoulides (2011a:831), strong brands are in the position to enjoy consumer loyalty, they have the potential to charge premium prices and have brand power. He *et al*. (2012:649) and Shirazi *et al*. (2013:156) explain that brand identity management should be the starting point of integrated marketing communication, as it helps to build brand loyalty. Furthermore, He *et al*. (2012:649, 650) and Shirazi *et al*. (2013:159) state that satisfaction mediates brand identity's effect on brand loyalty. Brand identity positively relates to

the satisfaction of consumers, since the identity of a brand represents certain prestige and distinctiveness, which, in turn, can accommodate consumers' needs for uniqueness and self-enhancement. Brand identity could enhance satisfaction in two ways, by enhancing the perceived performance and by more favourable overall appraisal due to affective attachment with the brand (He *et al*., 2012:650). Satisfaction mediates brand identity's effect on brand loyalty, as a brand with a strong brand identity tends to satisfy consumers' needs (Dennis *et al*., 2016:3052; He *et al*., 2012:649; Kazemi *et al*., 2013:11; Shirazi *et al*., 2013:159), and the satisfaction level of the consumer is effective in creating brand loyalty by their decision to repeat the purchase (Bianchi, 2015:446; Deng *et al*., 2009:290).

Therefore, previous research done by Deng *et al*. (2009:290), Ghodeswar (2008:4), He *et al*. (2012:651) and Shirazi *et al*. (2013:159) investigated the influence that brand identity has on satisfaction. According to their results, they found that brand identity has a significant influence on satisfaction and that brand identity enhances satisfaction.

4.2.2 Hypothesis 8

H_8: Perceived brand value statistically significantly predicts respondents' satisfaction with their wine brand.

According to Erciş *et al*. (2012:1397) and Xu *et al*. (2015:172), a product or service that creates value enhances satisfaction. The relationship between perceived brand value and satisfaction has been investigated and it was found that perceived brand value significantly predicts satisfaction (Erciş *et al*., 2012:1397; Kim *et al*., 2013:365; Kuo *et al*., 2009:889; Lai *et al*., 2008:984). Therefore, when perceived brand value is high, satisfaction will also be high. Satisfaction tends to mediate the effect of perceived brand value on brand loyalty (He *et al*., 2012:652; Lai *et al*., 2008:984; Xu *et al*., 2015:172).

Consequently, previous research done by Erciş *et al*. (2012:1397), He *et al*. (2012:652), Kim *et al*. (2013:365), Kuo *et al*. (2009:889), Lai *et al*. (2008:984) and Xu *et al*. (2015:172) investigated the influence that perceived brand value has on satisfaction. According to these researchers' results, it was found that perceived brand value has a significant influence on satisfaction.

4.2.3 Hypothesis 9

H_9: Perceived quality statistically significantly predicts respondents' satisfaction with their wine brand.

In order for businesses to compete successfully, it is important for them to provide high levels of product, service or brand quality (Deng *et al*., 2009:291). According to Howat and Assaker (2013:269) and Nowak *et al*. (2006:319), quality is the strongest predictor of brand equity, which ultimately leads to higher brand loyalty. High-quality products and services play a crucial role in determining satisfaction and loyalty (Dennis *et al*., 2016:3053; Huang & Huddleston, 2009:983). Therefore, quality is perceived as a significant predictor of satisfaction (Erciş *et al*., 2012:1397; Kassim & Abdullah, 2010:362; Rubio *et al*., 2013:290), which forms an important predictor of superior economic returns through repeat sales over the long-term. Therefore, the higher the level of perceived quality is, the higher the level of repurchase intention will be, leading to behavioural loyalty (Kassim & Abdullah, 2010:354; Nowak *et al*., 2006:319).

Therefore, previous research done by Erciş *et al*. (2012:1397), Deng *et al*. (2009:291), Huang and Huddleston (2009:983), Kassim and Abdullah (2010:354), Nowak *et al*. (2006:319) and Rubio *et al*. (2013:290) investigated the influence that perceived quality has on satisfaction. According to the results of these researchers, it was found that perceived quality has a significant effect on satisfaction, thereby forming an important determinant of satisfaction.

4.2.4 Hypothesis 10

H_{10}: Brand trust statistically significantly predicts respondents' satisfaction with their wine brand.

Erciş *et al*. (2012:1398) explain that satisfying consumers is rather difficult before gaining their trust. Trust affects consumer satisfaction, because if consumers' trust is established, consumers will be satisfied (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Shirazi *et al*., 2013:158). Erciş *et al*. (2012:1398) furthermore emphasise the importance of trust, as a consumer who has trust in the brand will be satisfied and will then be more willing to commit to the brand. Deng *et al*. (2009:291), Lee *et al*. (2015:298) and Shirazi *et al*. (2013:158) also agree by stating that when consumers perceive the brand as trustworthy, they will be satisfied with it, and will be more likely to repeat their purchase, thereby leading to them becoming more loyal towards the brand.

Therefore, previous research done by Deng *et al*. (2009:291), Erciş *et al*. (2012:1398), Lee *et al*. (2015:298) and Shirazi *et al*. (2013:158) investigated the influence that brand trust has on satisfaction, and according to their results, they found that brand trust has a significant influence on satisfaction. Therefore, brand trust is a predictor of satisfaction, as a consumer who trusts the brand, will be satisfied with it.

4.2.5 Hypothesis 11

H_{11}: Satisfaction statistically significantly predicts respondents' loyalty towards their wine brand.

According to Nam *et al*. (2011:1009), satisfied consumers are less price sensitive, less influenced by competitors (Ailawadi *et al*., 2008:20; Nam *et al*., 2011:1009; Pokalsky, 2014:1 Ray & Chiagouris, 2009:11,13) and more loyal to the business than dissatisfied consumers are (Bianchi, 2015:446; Feng & Yanru, 2013:183; Ailawadi *et al*., 2008:20). Therefore, satisfaction encourages consumers to repeat their purchase and enhances future purchasing behaviour, and also enhances brand loyalty (Egner, 2008:20; Eid, 2015:252; Pokalsky, 2014:1; Sharifi & Esfidani, 2014:561; Shimp, 2010:64; Xue *et al*., 2015:24). Therefore, satisfaction is strongly related to, and leads to, brand loyalty (Berman & Evans, 2013:16; Bianchi, 2015:446; Bianchi *et al*., 2012:2; Chandrasekar, 2010:152; Nam *et al*., 2011:1017).

Therefore, previous research done by Ailawadi *et al*. (2008:20), Berman and Evans (2013:16), Bianchi (2015:446), Bianchi *et al*. (2012:2), Chandrasekar (2010:152), Egner (2008:20), Feng and Yanru (2013:183), Lam and Shankar (2014:27), Nam *et al*. (2011:1009), Oliver (1999), Ray and Chiagouris (2009:11,13), and Shimp (2010:64) investigated the interrelationship between brand loyalty and satisfaction. According to the results of these researchers, it was found that satisfaction has a significant influence on brand loyalty.

4.3 CONCLUSION

In this chapter, the conceptual model for this study was presented, which addresses the research objectives of this study, as shown in Chapter 1. The interrelationships between the constructs were reflected upon by means of five alternative hypotheses. The hypotheses offered significant and positive influences of brand identity on satisfaction, perceived brand value on satisfaction, perceived quality on satisfaction, brand trust on satisfaction, and satisfaction on brand loyalty.

The next chapter addresses the research methodology used in this study, which describes the research design, method of data collection, sample plan and statistical techniques used to empirically assess the conceptual model.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION

The aim of this chapter is to present the research methodology followed in this study. The marketing research process and the different steps of the marketing research process used to achieve the research objectives are accordingly discussed.

5.2 MARKETING RESEARCH

Feinberg *et al*. (2013:3) state that marketing research offers information from all marketing sources, with the main purpose to facilitate all stages of the decision-making process, and to eliminate any uncertainty and error in this decision-making (Feinberg *et al*., 2013:49; Stevens *et al*., 2006:2). Marketing research allows managers to receive data concerning the effectiveness of the existing marketing mix, and is the main tool used to search for new opportunities and determining any problems there might be (Feinberg *et al*., 2013:3; McDaniel & Gates, 2010:6). According to McDaniel and Gates (2010:7), and Wiid and Diggines (2009:3), marketing research can play three roles:

- Marketing research can **describe** a present situation by presenting the business with old and new data about the consumer, industry and environment, as well as the significance of this data.
- Marketing research can provide **diagnostic** information, and indicate consumers' purchase histories or market trends. This diagnostic information can identify the cause and effect of new strategies, or the impact of price changes on sales.
- Marketing research can **predict** the results of a projected marketing decision by means of the requirements of how the descriptive and diagnostic research should be used.

In this study, the marketing research fulfilled a descriptive role, as an existing situation was researched and described, and the intention was to obtain current data on consumers' brand loyalty, satisfaction and brand trust toward their wine brand as well as the brand identity, perceived brand value and perceived quality they perceive of their wine brand.

5.2.1 Marketing research defined

To understand how the marketing research process functions and how to implement the process, it is essential to first clearly define the concept of marketing research. Table 5.1 offers a classification of some definitions of marketing research.

Table 5.1: Definitions of marketing research

AUTHOR(S)	DEFINITION
Tustin *et al*. (2005:7)	"Marketing research is the systematic and objective collection, analysis and interpretation of information for decision-making on marketing problems of all kinds by recognised, scientific methods."
AMA (2012)	"Marketing research is the functions that link the consumer, customer, and public to the marketer through information used to identify and define marketing opportunities and problems, generate, refine, and evaluate marketing actions, monitor marketing performance, and improve the understanding of marketing as a process."
Feinberg *et al*. (2013:3)	"Marketing research is the systematic process of using formal research and consistent data gathering to improve the marketing function within a business."
Burns and Bush (2014:34)	"Marketing research is the process of designing, gathering, analysing, and reporting information that may be used to solve a specific marketing problem."
Babin and Zikmund (2016a:5)	"Marketing research is the application of the scientific method in searching for the truth about marketing phenomena. These include defining marketing opportunities and problems, generating and evaluating marketing ideas, monitoring performance, and understanding the marketing process."
Babin and Zikmund (2016b:5)	"Marketing research is the use of scientific methods in seeking the truth concerning market and marketing events."

From the abovementioned definitions, the following definition is proposed for the purpose of this study:

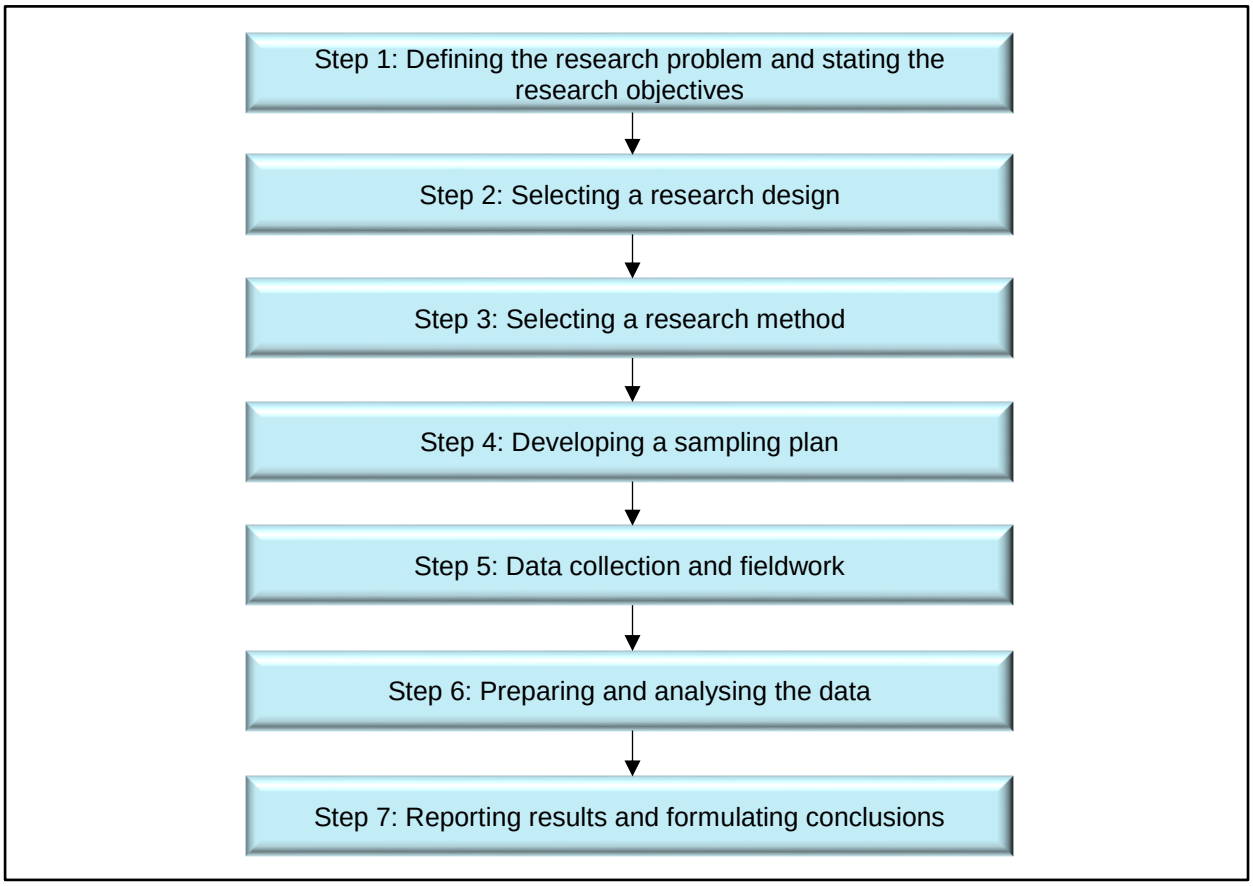
> *Marketing research is the application of a scientific method that includes the process of designing, collecting, analysing, interpreting and reporting information relevant to a specific marketing problem, and to improve the understanding of marketing as a process.*

5.3 THE MARKETING RESEARCH PROCESS

According to Burns and Bush (2014:68), research projects add value by providing an overview of the entire research process. The marketing research process includes orderly steps of gathering, analysing, interpreting and transforming data into useful market-related material to enhance

decision-making (Brown *et al*. 2014:19; Feinberg *et al*., 2013:50; Shiu *et al*., 2009:46). Burnett (2007:77) and Churchill and Iacobucci (2010:39) explain that not all marketing research problems are the same, which often entails marketers to make changes to the research process, since the process entails activities that overlap and that do not necessarily follow a definite order (Beri, 2013:54), and therefore the steps are not always suitable for all problems. The marketing research process used for this study is highlighted in Figure 5.1, and the different steps are subsequently discussed in more detail.

Figure 5.1: Marketing research process



Source: Adapted from Bryman and Bell (2015:9), Churchill and Iacobucci (2010:31), Churchill *et al*. (2010:51), Feinberg *et al*. (2013:30), Malhotra *et al*. (2012:42), McDaniel and Gates (2013:67), and Shiu *et al*. (2009:46).

5.3.1 Step 1: Defining the research problem and stating the research objectives

The marketing research process starts with identifying and formulating the research problem, and formulating the marketing research objectives (Brown *et al*., 2014:19; Ghauri & Cateora, 2010:153; Havaldar, 2010:94; McDaniel & Gates, 2013:41). Defining the problem refers to stating

the general problem of the study (Malhotra, 2010:68). According to Brown and Suter (2012:8), Brynard *et al*. (2014:18) and Mühlbacher *et al*. (2006:274), this is the most vital step in marketing research, as it will determine whether the research results will be useful for the study. A clear and detailed research problem will also help in formulating appropriate research objectives to address the identified problem(s) (Wiid & Diggines, 2009:50). In the following sections, the research problem and the supporting research objectives formulated for the study are stated.

5.3.1.1 Research problem

As mentioned in section 1.2, the wine industry has become increasingly competitive internationally (PwC, 2015), and therefore wine brands need to comprehend the aspects affecting consumers' loyalty towards wine brands (Drennan *et al*., 2015:47).

Due to the increasing competition in the South African wine industry and the extensive range of brands, purchase decisions are becoming progressively more complex for consumers. It is, therefore, imperative to have successful marketing strategies in place to be able to evaluate the drivers of consumers' wine brand preferences (Bianchi *et al*., 2012:2, Drennan *et al*., 2015:47). According to Lockshin *et al*. (2009), McCutcheon *et al*. (2009:213), Metha and Bhanja (2018:42) and Williamson *et al*. (2017:475), a wine's brand influence consumers' wine choice, as the brand is often indicative of the relationship the business wants to build with its consumers (Fraser, 2008). Therefore, it is important to establish brand loyalty among consumers in order to build long-term relationships (Fraser, 2008; Şahin *et al*., 2011:1290).

Erciş *et al*. (2012:1396) state that businesses want their consumers to be loyal to their brands. To accomplish this, it is necessary to fulfil consumers' needs, satisfying them and providing good quality products in order for them to become loyal towards the business (Ballantyne *et al*., 2006; Deng *et al*., 2009:290; Erciş *et al*., 2012:1396).

5.3.1.2 Research objectives

In light of the research problem identified for the study, primary and secondary objectives were formulated to support the research problem. The primary objective of this study is to investigate brand identity, perceived brand value, perceived quality, and brand trust as predictors of satisfaction and ultimately brand loyalty within the South African wine industry.

To support the primary objective, the following secondary objectives were set, namely:

1) Determine the brand identity respondents associate with selected wine brands.

2) Determine respondents' value perceptions of selected wine brands.
3) Determine respondents' quality perceptions of selected wine brands.
4) Determine respondents' trust in selected wine brands.
5) Determine respondents' satisfaction with selected wine brands.
6) Determine the brand loyalty of respondents towards selected wine brands.
7) Determine whether significant differences exist between different groups of respondents in terms of each of the constructs.
8) Determine the interrelationship between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

Considering the literature review (Chapters 2 and 3), the research problem, and objectives, these alternative hypotheses were proposed for this study.

H_1: Respondents of different age groups differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_2: Respondents of different genders differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_3: Respondents of different ethnicities differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_4: Respondents with different levels of education differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_5: Respondents with different employment levels differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_6: Respondents with different levels of income differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand.

H_7: Brand identity statistically significantly predicts respondents' satisfaction with their wine brand.

H_8: Perceived brand value statistically significantly predicts respondents' satisfaction with their wine brand.

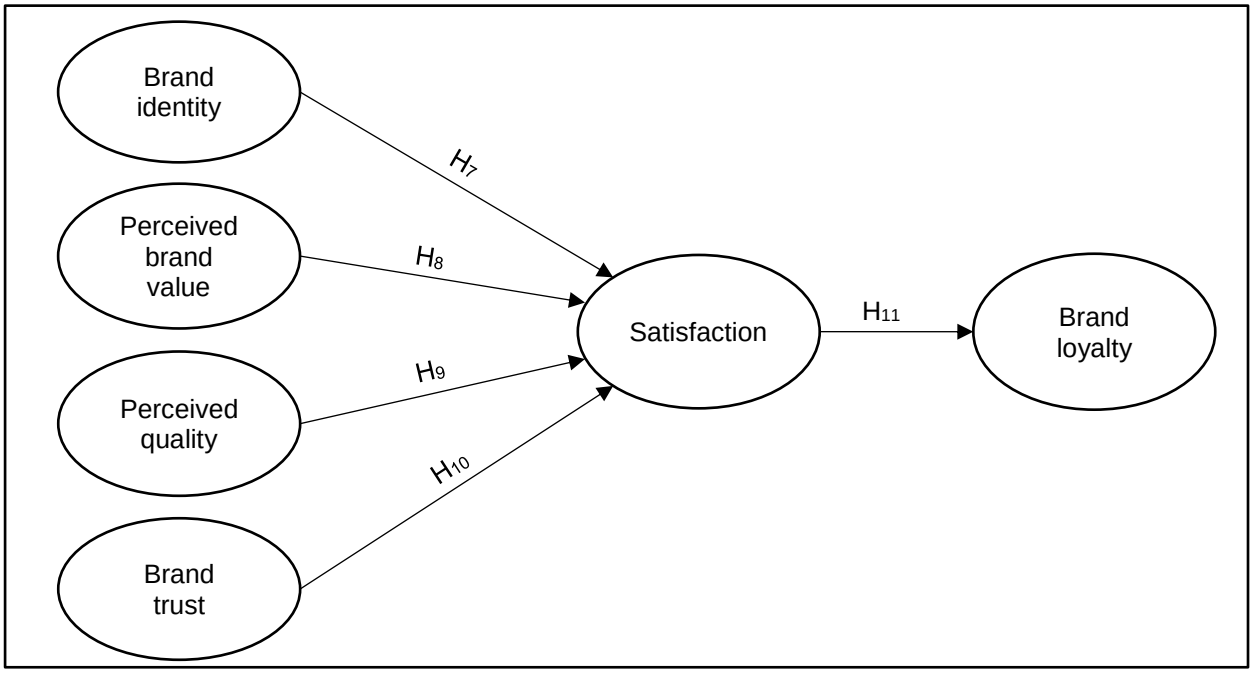
H_9: Perceived quality statistically significantly predicts respondents' satisfaction with their wine brand.

H_{10}: Brand trust statistically significantly predicts respondents' satisfaction with their wine brand.

H_{11}: Satisfaction statistically significantly predicts respondents' loyalty towards their wine brand.

Figure 5.2 depicts the conceptual model for this study, also indicating the alternative hypotheses.

Figure 5.2: Conceptual model



5.3.2 Step 2: Selecting a research design

The next step is to select an appropriate research design to achieve the objectives set for the study (Babin & Zikmund, 2016b:51; Sarstedt & Mooi, 2014:13; Wiid & Diggines, 2009:53). The research design helps lead the research project by providing a strategy and structure for the purpose of increasing the final validity of the research findings and results (Wiid & Diggings, 2009:33; Babin & Zikmund, 2016b:51). According to Bryman and Bell (2015:49) and Feinberg *et*

al. (2013:54), the research design can be seen as an outline that states the techniques and procedures that will be used to gather and examine the necessary data. It also ensures that data is accurate, relevant and consistent with the objectives. Therefore, the research design is used to offer support in order to address and achieve the marketing research objectives (McDaniel & Gates, 2010:76; Sahu, 2013:25).

Various research designs can be used to accomplish the objectives, and according to Zikmund *et al*. (2013:50), one can distinguish between three types of research designs, namely exploratory research, descriptive research and causal research (Burns & Bush, 2014:101; Hair *et al*., 2011:147; Churchill & Iacobucci, 2010:58; McNabb, 2010:96; Polonsky & Waller, 2011:94; Shiu *et al*., 2009:61).

5.3.2.1 Exploratory research design

Exploratory research is usually unstructured, informal research with the focus on the primary objective, it also provides an understanding of the overall nature of the problem that is investigated (Burns & Bush, 2014:101), or when the researcher needs to consider other decisions and related variables (Aaker *et al*., 2013:72; Malhotra, 2010:102). This research has no prearranged group of protocols such as objectives, sample plan or a questionnaire (Burns & Bush, 2014:101; Shiu *et al*., 2009:61). The general goal of exploratory research is to gain new insights and ideas (Brown *et al*., 2014:61; Churchill & Iacobucci, 2010:60). When new concepts in marketing are being studied to create a basis for additional research, then the exploratory design is the best design to use (Zikmund *et al*., 2013:55).

5.3.2.2 Descriptive research design

Descriptive research is conducted to determine relationships among different variables by indicating that two variables are connected or related (Aaker *et al*., 2013:75; Hair *et al*., 2013:108). Threats and opportunities can be identified and provide responses to who, what, when and where questions by making use of descriptive research (Babin & Zikmund, 2016b:49; Burns & Bush, 2014:103; McDaniel & Gates, 2013:66; Wiid & Diggines, 2009:55). Descriptive research uses a set of scientific approaches to collect raw data (Malhotra, 2010:106; Shiu *et al*., 2009:62), to explain current attributes of a distinct target group, such as their attitudes, intentions, preferences, purchase behaviours and the assessment of existing marketing mix strategies (Hair *et al*., 2006:63; Sahu, 2013:27). Babin and Zikmund (2016a:55) state that accuracy is vital in descriptive research. This design is consequently suitable when a researcher can formulate a definite problem statement, research questions and hypotheses and when particular information is

required (Malhotra, 2010:106; Sharma, 2009:43; Zikmund *et al*., 2013:53). This required information must be clearly stated, and is typically based on large samples that represent the population and the research is planned in advance and is organised, and where the fundamental relationships between the different variables of the research problem are already understood by the researcher (Feinberg *et al*., 2013:57; Malhotra, 2010:106; Malhotra *et al*., 2012:90).

5.3.2.3 Causal or experimental research design

Feinberg *et al*. (2013:59) and Sharma (2009:44) mention that a casual research design is meant for the investigation of the cause-and-effect relationships of variables by means of experiments (Churchill & Iacobucci, 2010:59; Malhotra, 2010:113), as it yields precise results, as causal research is extremely organised and controlled (Babin & Zikmund, 2016b:57; Sharma, 2009:44). Therefore, according to Babin and Zikmund (2016b:57) and Weiers (2011:103), the aim of causal research is to discover whether one variable has an outcome on another variable; therefore, experiments determine cause-and-effect relationships (Burns & Bush, 2014:107). This research measures, by means of field or laboratory experiments in controlled conditions (Aaker *et al*., 2013:323; Malhotra, 2010:113; Wiid & Diggines, 2009:56), specific variables where the hypothesised relationship between them is either supported or rejected in order to determine the causal influence of variables (Salkind, 2010:1254). Causal research enables decision-makers to make causal inferences (Babin & Zikmund, 2016a:57).

This study made use of a descriptive research design, because the study's focus is on familiar areas; however, not related to the South African wine industry. The study also has a clear problem statement and hypotheses. Moreover, the research attempts to comprehend the population being studied rather than explaining causes or discovering concepts (Sousa, 2014:214).

5.3.3 Step 3: Selecting a research method

After the researcher has picked an appropriate research design, the third step in the process is to determine the data collection method, which is the implementation of the research design (Churchill & Iacobucci, 2010:142; Rao, 2011:145). The nature of the information needed for a certain study will determine what data collection method will be used (Sarstedt & Mooi, 2014:29; Stokes & Lomax, 2008:148). To acquire the needed data, two types of data should be considered, namely secondary and primary data (Malhotra, 2010:132; Sarstedt & Mooi, 2014:28).

5.3.3.1 Secondary data

Secondary data is data that already exists, as it was gathered for the purpose of other research studies, and this data is useful for the current research problem (Churchill & Iacobucci, 2010:142). It is used to provide a clearer description of the research problem, to create a way to examine the research problem, to provide answers regarding research questions and to efficiently explain the primary data (Malhotra, 2010:133; Babin & Zikmund, 2016b:143).

Secondary data was used for this study in order to execute an effective literature review and to establish a theoretical background on the research problem. The secondary data is based on information acquired from applicable sources from databases such as Emerald Insight Journals, JSTOR, Nexus, ScienceDirect, EBSCOhost, ProQuest, Google Scholar, SA ePublications, Butterworths (LexisNexis), Juta, Sabinet Online, Scopus, SA national catalogue of journals and books, Business source complete international journals, and SA Media.

5.3.3.1.1 Advantages of secondary data

According to Feinberg *et al*. (2013:79), secondary data may not be able to offer all the necessary information for the research study; however, it can help to establish the research problem, and to suggest methods and the type of data required to meet information requirements. According to Burns and Bush (2014:126), Churchill *et al*. (2010:147), Silver *et al*. (2013:42) and Wiid and Diggines (2009:71), the following advantages are associated with using secondary data:

- With the use of secondary data, sufficient information may be provided to accomplish the research objectives, thereby eliminating the need to also obtain primary data.
- It is easier to gather secondary data than primary data.
- It has the ability to save time and costs.
- It can provide more primary data research methods, thereby supporting the collection of primary data.
- In certain situations, secondary data can be more accurate than primary data, as the information is gathered accurately from secondary sources.

5.3.3.1.2 Disadvantages of secondary data

Secondary data also has a few boundaries to the research process. Babin and Zikmund (2016b:143-144), Churchill and Iacobucci (2010:144-147), Churchill *et al*. (2010:150), Feinberg

et al. (2013:79-80), McDaniel and Gates (2010:102-104), and Wiid and Diggines (2009:72) recognise the following main disadvantages related to the use of secondary data:

- Certain research problems are unique and the existing secondary data is therefore not applicable. In situations such as this, primary data sources would mainly be consulted, as not all or none of the secondary data is sufficient.
- Secondary data may not fit the current research problem perfectly, as it was intended for a certain problem and not necessarily the current problem.
- Some of the secondary sources may not be very accurate, as mistakes may occur when the information is collected, analysed and reported. Researchers should attempt to determine the reasons why these errors occur; therefore, researchers should continually verify and evaluate whether the data that is being gathered is accurate.
- Researchers often come across large volumes of secondary data that is accurate and applicable to the research study; however, it may not be adequate to bring closure to the research problem.

Secondary data was used in Chapters 1 to 4 of this study. Chapter 1 provided the literature on the background of branding and brand loyalty, including information on the South African wine industry, to assist in formulating the research problem, research objectives, alternative hypotheses and conceptual model. Chapter 2 focused on the discipline of branding, and Chapter 3 provided information on the theoretical constructs, brand identity, brand trust, perceived quality, perceived brand value, satisfaction and brand loyalty, and the interrelationships between these constructs. Chapter 4 provided a summary of the hypotheses formulated for this study. Applicable secondary data was acquired from published academic journals, dissertations, theses, textbooks and reliable internet sources, and each was viewed to ensure validity and accuracy.

5.3.3.2 Primary data

Primary data can be described as new or first-hand information gathered especially for a present research problem, question or purpose (Lamb *et al*., 2012:299; Onkvisit & Shaw, 2009:254; Sarstedt & Mooi, 2014:38). The researcher collects primary data if the secondary data is insufficient in achieving the research objectives (Babin & Zikmund, 2016a:167; Malhotra, 2010:133). Obtaining primary data is more costly than secondary data and is collected for a certain purpose, such as eliminating the gaps among the data that is needed and accessible data from secondary research (Capon & Hulbert, 2007:154; Sarsdedt & Mooi, 2014:29).

When collecting primary data, the most appropriate research method can be distinguished between quantitative or qualitative research (Brynard *et al*., 2014:38; Malhotra, 2010:170; Sarstedt & Mooi, 2014:52; Peter & Donnelly, 2008:30; Wiid & Diggines, 2009:84).

5.3.3.2.1 Qualitative research

A qualitative research method is a non-numerical examination and explanation of observations to determine primary connotations and patterns of relationships (Field, 2013:882). Qualitative research includes face-to-face interviews with respondents either individually or in a group, because perceptions are challenging to quantify or decrease to understandable questions (Aaker *et al*., 2013:178; Brynard *et al*., 2014:39; Stokes & Lomax, 2008:148). A qualitative research design is, however, more suitable when a flexible and less structured research approach is required (Feinberg *et al*., 2013:218). Qualitative research is also concerned with gathering initial understandings into research problems, to collect data that is greater and deeper in content (Aaker *et al*., 2013:178; Shiu *et al*., 2009:172), and gaining a deeper understanding of human behaviour and experiences (Bölte, 2014:67). Lancaster and Massingham (2011:384) state that consumers' attitudes, perceptions and beliefs, as well as psychological and sociological impacts on how consumers behave are obtained in this type of research. The data gathered is then interpreted so that it can be transformed into valuable information (Babin & Zikmund, 2016b:109). Qualitative research is not concerned with numeric values, but rather graphic presentations, interpretations, expressive descriptions, and stories (Babin & Zikmund, 2016a:113). Babin and Zikmund (2016b:121) and Wiid and Diggines (2009:89) distinguish between the following types of qualitative research techniques:

- **Focus groups:** A focus group consists of a panel of six to 12 respondents where a research topic or problem is introduced. A moderator is in control of the group and leads discussions concerning the subject in an amorphous and natural way (Cooper & Schindler, 2014:160; Malhotra, 2010:145). Blumberg *et al.* (2011:204) and Churchill and Iacobucci (2010:63) explain that the aim is to acquire the group's perceptions by means of the discussions they have.
- **In-depth interviews:** The goal of an in-depth interview is to understand a certain subject much better through respondents who are able and willing to share their knowledge and thoughts about that subject (Belk *et al.*, 2013:31). Brown *et al.* (2014:64) and Churchill *et al.* (2010:84) state that because most of the information is obtained by means of in-depth interviews, it would be wise make use of two interviewers, where one asks the questions, and the other observes and make notes. According to McDaniel and Gates (2013:93), using

in-depth interviews has some benefits as there is more time spent on individual respondents and they are encouraged to review new information, and respondents' perspectives are not influenced by others. In in-depth interviews, the interviewer can continually ask and examine various questions regarding any subject with no interruption, thereby giving the interviewer adaptability concerning attitudes, opinions and motivations that have an influence of how the respondents behave (Shiu *et al.*, 2009:208).

- **Projective techniques:** Projective techniques are used in interviews when researchers are searching for concealed or suppressed feelings (Cooper & Schindler, 2014:155). Projective techniques are applied to establish respondents' true attitudes, motivations, reactions and characteristics (Churchill *et al.*, 2010:97; Wiid & Diggines, 2009:95). Churchill *et al.* (2010:97) mention that projective techniques encourage the respondent to reveal his/her own feelings, opinions and behaviours by making use of indirect tasks to direct the focus away from individuals. The most often used projective techniques include word association tests, sentence and story completion tests, construction and expressive techniques (McDaniel & Gates, 2010:156-160, Wiid & Diggines, 2009:95). Babin and Zikmund (2016a:130) state that projective techniques are particularly effective when studying sensitive matters.

5.3.3.2.2 Quantitative research

Quantitative research is concerned with the measurement of quantity (Bölte, 2014:67). It includes the mathematical depiction and handling of what is observed in order to describe and clarify the meanings those observations reflect (Field, 2013:882). According to Saunders *et al*. (2012:162), quantitative research examines the connections between variables, by measuring the variables numerically and analysing it by means of numerous statistical methods, and formal and organised questions are then asked to many respondents (Hair *et al*., 2013:77).

According to Wiid and Diggines (2009:86), quantitative research is extremely organised and the sample can include a relatively big number of respondents, making it easier to assess and examine the data. Quantitative research entails less interpretation (Babin & Zikmund, 2016b:111), as the data provided is accurate and can, therefore, be generalised (Tybout & Calder, 2010:69). Surveys are the most common form of quantitative research (Hair *et al*., 2006:171). Quantitative research uses pre-set selections on how to respond and formal questions in surveys focused on a large number of respondents (Hair *et al*., 2013:77). Vanderstoep and Johnston (2009:8) state that the key benefit of making use of a quantitative approach is the big sample size, as it is an accurate representation of the general population, and it is relatively inexpensive to conduct.

McDaniel and Gates (2010:51) and Wiid and Diggines (2009:85) distinguish between the following types of quantitative research techniques:

- **Surveys:** According to Churchill *et al.* (2010:186), the survey research method includes a questionnaire with structured questions with the intent to obtain particular information from the sample population (Burns & Bush, 2014:172; Malhotra, 2010:211). A survey acquires facts, perceptions and attitudes from respondents (Gitman & McDaniel, 2009:302; Shukla, 2010a:45). Cooper and Schindler (2014:219) state that the questions in the questionnaire are carefully selected, organised and specifically asked to the respondents. Advantages of a survey include that it is easily managed, it is a fast, cheap, effective and accurate way to obtain information regarding a certain population, the data collected is reliable, and the coding, examination and understanding of the data collected are not too difficult (Babin & Zikmund, 2016a:168; Babin & Zikmund, 2016b:168; Malhotra, 2010:211).

  One can distinguish between the following three categories of the survey research methods (Babin & Zikmund, 2016b:175; Shiu *et al.*, 2009:237; Wiid & Diggines, 2009:112):

  - *Telephone-administered surveys* are done by means of the telephone where a respondent is asked questions and has to answer them (Babin & Zikmund, 2016a:181; Shiu *et al.*, 2009:238).
  - *Personal-administered surveys* are where a skilled interviewer and a respondent have direct contact. The interviewer asks questions and the answers of the respondent are recorded (Babin & Zikmund, 2016a:175; Shiu *et al.*, 2009:238).
  - A *self-administered survey* is where a respondent completes a structured questionnaire by reading and answering questions without a fieldworker present (Babin & Zikmund & Babin, 2016a:187; Mitchell & Jolley, 2010:263; Shiu *et al.*, 2009:238).

- **Observations:** The observation research method entails the collection of primary data by making recordings of how respondents behave or act without directly interacting with them (McDaniel & Gates, 2013:44). Silver *et al.* (2013:137) state that observations are used more effectively to assess specific behavioural variables rather than to assess attitudinal variables. Blumberg *et al.* (2011:353) also mention that either humans or machines or devices such as video and audio tapes, movies cameras, computers or handwritten notes can conduct an observation. According to Ghauri and Grønhaug (2010:117), when selecting an observation technique, the research problem, research design, the knowledge of the researcher and the nature and features of the topic are all taken into consideration as they have an influence on the decision.

- **Experiments:** The experimental data collection method is when the researcher controls one or more independent variable and examines the outcome that the controlled change has on the dependent variables (McDaniel & Gates, 2010:52). Malhotra (2009:261) mentions that there are, however, limitations concerning experiments as they are timely, costly and require a great deal of administration. According to Cant *et al.* (2008:111) and McDaniel and Gates (2010:217), experiments can be conducted in a laboratory or in a field (natural) setting. In a laboratory experiment, the researcher sets the preferred settings in an environment he/she can control where one variable can be held constant while another variable is being manipulated (McDaniel & Gates, 2010:272; Wiid & Diggines, 2009:141); while on the other hand, a field experiment is conducted in a natural setting, and applied to physical products (Shiu *et al.*, 2009:292). According to Cooper and Schindler (2014:195), to conduct a successful experiment, the researcher must: (1) select appropriate variables, (2) clearly state the treatment levels, (3) control the experimental environment, (4) select the experimental design, (5) choose and assign the subjects, (6) pilot test, revise and test, and (7) analyse the data.

A quantitative research design was used in this study, where questionnaires were the most suited method to collect the relevant data. Respondents had to complete a self-administered questionnaire in order to obtain data from respondents who consume wine on a regular basis, as a self-administrated questionnaire is appropriate to collect data from large numbers of respondents and it assists in removing interviewer bias and achieving the target quotas (Burns & Bush, 2014:178; Shiu *et al*., 2009:226). Self-administered questionnaires were chosen as they are cheaper and take less time to administer, self-administered questionnaires are easier to distribute to a large number of respondents, and are more suitable as respondents can complete the questionnaires in their own time and pace while remaining anonymous (Mitchell & Jolley, 2010:263). However, it is the respondents' responsibility to read and answer the questions themselves, and therefore how they respond to the questions will depend on how they understand them (McDaniel & Gates, 2013:44).

5.3.3.3 Questionnaire design

This study aimed to gather quantitative data; therefore, data was obtained through structured, self-administered questionnaires. Aaker *et al*. (2013:312), Malhotra (2010:335), Neelankavil (2015:184), and Shiu *et al*. (2009:329) describe a questionnaire as a structured technique containing a series of questions and scales with the aim of producing primary data by obtaining the necessary information from a sample. The key aims of a questionnaire are to transform

information needed or research objectives into certain questions that the respondents have to provide answers to, encouraging and motivating respondents to become involved, and minimising errors with respondents' responses (Bajpai, 2011:75; Malhotra, 2010:335). Questionnaire design, therefore, consists of a structured method where the researcher has to make numerous decisions (Burns & Bush, 2014:304). This section discusses the main measurement scales made use of in the questionnaire, the types of response formats used, the layout of the questionnaire, and the questionnaire pre-testing.

5.3.3.3.1 Measurement scales

It is important to take into consideration the levels of measurement scales enclosed in a questionnaire (Burns & Bush, 2014:204), as all the scales do not necessarily capture a similar richness in a measure (Babin & Zikmund, 2016a:272), and will have an effect on the form of statistical analysis the study will make use of (Burns & Bush, 2014:205). According to Babin and Zikmund (2016b:272) and McDaniel and Gates (2013:210), one can distinguish between four levels of measurement scales that researchers can make use of to yield the information needed for a study. These scales include nominal, ordinal, interval and ratio. These four levels of measurement scales are subsequently described in Table 5.2.

Table 5.2: Levels of measurement scales

LEVEL	BASIC DESCRIPTION
Nominal	A nominal scale holds the characteristic of description, for it uses labels, values or numbers to be able to identify and classify objects, individuals, groups or events.
Ordinal	An ordinal scale offers the chance to identify the position of objects without specifying the magnitude of the variances between them, making this a true ranking scale. It allocates figures to objects, events or individuals to define their relative positions.
Interval	Interval scales measure the absolute differences between two scale points by specifying the distance between the objects with equal intervals between consecutive points.
Ratio	Ratio scales have all the properties of nominal, ordinal, and interval scales, and contain an absolute zero point.

Source: Adapted from Babin and Zikmund (2016a:274-276), Burns and Bush (2014:205), Hair *et al*. (2013:163-164), Malhotra *et al*. (2012:414), and McDaniel and Gates (2013:210).

5.3.3.3.2 Response formats

Once the measurement scales have been chosen, the specific form of responses needs to be decided upon (Churchill & Iacobucci, 2010:212). According to Wegner (2007:31) and Babin and Zikmund (2016a:304), a questionnaire's design is vital, because the questions must contribute

towards the research problem and objectives, and make sure that the data obtained is correct and suitable. Considering which type of response format to use is important, as the information that is needed must be converted into suitable questions using measurement scales to guarantee the best possible response format (Burns & Bush, 2014:216). Respondents' likely reactions and answers to the questions should also be considered (Wiid & Diggines, 2009:117). It is therefore important to understand what kinds of questions are available, because it determines what information will be produced (Brace, 2008:45). Clow and James (2013:246) and Teddlie and Tashakkori (2009:229) mention that the primary decision that needs to be made regarding the response format is whether to use open-ended questions, closed-ended questions or both.

According to Babbie (2013:255), **open-ended questions** are unstructured questions where respondents give their own answers and are normally made use of in qualitative interviews (Churchill & Iacobucci, 2010:212). On the other hand, **closed-ended questions** are structured questions specifying the set of response formats or substitutes and they can only select from a few responses; this provides greater uniformity and easy processing (Aaker *et al*., 2013:262; Babbie, 2013:255; Malhotra *et al*., 2012:463; McDaniel & Gates, 2010:297). Table 5.3 presents the different types of questions and response formats.

Table 5.3: Types of questions and possible response formats

NAME	DESCRIPTION
Closed-ended questions	
Dichotomous	A question with only two options or answers.
Multiple choice	A question that has more than two options or answers.
Likert scale	A statement with which respondents illustrate how much they agree or disagree with the statement.
Importance scale	A scale measuring how important a factor is by rating it.
Intention to buy scale	A scale measuring or rating consumers' purchasing intentions.
Rating scale	A scale measuring or rating numerous attributes from poor to excellent.
Semantic differential scale	A scale connecting two bipolar words. The respondent selects the point that reflects his/her opinion.
Open-ended questions	
Completely unstructured	Question that respondents can answer in any way they feel appropriate.
Word association	Presenting words to respondents one-by-one, and they must respond to each word regarding what they think of first when they see the word.
Sentence completion	Respondents get a sentence and they have to complete the rest of the sentence.

Table 5.3: Types of questions and possible response formats (cont.)

NAME	DESCRIPTION
Open-ended questions	
Story completion	Respondents get a short story and they have to complete the rest of the story.
Picture interpretation	Respondents get a picture containing two characteristics where one is giving a statement and the respondent must then complete the response box by identifying with the other.
Thematic appreciation tests	Respondents are shown a picture and have to tell a story regarding what they think is happening or may happen in the story.

Source: Adapted from Babin and Zikmund (2016a:306), Feinberg *et al*. (2013:276), Malhotra (2010:316, 343, 344), McDaniel and Gates (2013:255), and Silver *et al*. (2013:146).

In this study, the questionnaire contained closed-ended questions as they are more convenient to use, require less effort, are suitable to acquire the information needed from respondents, reduce the bias shown by respondents when they answer the questions, are less interviewer bias, and make it easier to analyse and tabulate the data (Aaker *et al*., 2013:293; Malhotra *et al*., 2012:464; McDaniel & Gates, 2013:297). The questionnaire made use of dichotomous, multiple-choice and Likert scale questions – which is depicted in more detail in section 5.3.3.3.3.

5.3.3.3.3 Questionnaire layout

The questionnaire started with a preamble describing the reason for the study, respondents' rights, guidelines on how to complete the questionnaire, and two screening questions. The questionnaire furthermore contained the subsequent sections:

- **Section A:** This section determined respondents' patronage habits. The questions are closed-ended and have predetermined options.
- **Section B:** This section determined respondents' demographic information. The format of questions is closed-ended questions with predetermined options.
- **Section C:** This section determined respondents' identification with, and how respondents perceive their identity of the wine brand, how respondents perceive the value of the wine brand, how respondents perceive the quality of the wine brand, respondents' trust in the wine brand, respondents' satisfaction with the wine brand, and respondents' loyalty towards the wine brand by using a five-point Likert scale, where 1 = strongly disagree and 5 = strongly agree. The questions for this section were adapted from the following sources:

- Brand identity – Bhattacharya and Sen (2003)
- Perceived brand value – Aaker (1996b)
- Perceived quality – Aaker (1996b)
- Brand trust – Chaudhuri and Holbrook (2001)
- Brand satisfaction – Oliver (1980)
- Loyalty – Kim and Niehm (2009) and Zeithaml *et al*. (1996)

The questions used in the study's questionnaire and their response format and measurement scales are presented in Table 5.4.

Table 5.4: Types of questions, response formats and levels of measurement scales used in the questionnaire

QUESTION / STATEMENT NO.	QUESTION / STATEMENT	RESPONSE FORMAT	MEASUREMENT SCALE
Screening questions			
Screening questions 1 and 2	Are you over 18?	Dichotomous	Nominal
	Do you consume wine more than once a month?		
Patronage habits			
Section A: questions 1 to 5	How long have you been a wine consumer?	Multiple-choice	Ordinal
	How often do you consume wine?		
	On average, what do you spend on a bottle wine for your own consumption?		
	Where do you primarily purchase your wine?		
	Which two wine varieties do you consume the most?		
Section A: question 6	Please indicate the name of the wine brand you consume the most.	Unstructured	Ratio
Demographic information			
Section B: question 7	In which year were you born?	Unstructured	Ratio
Section B: question 8	What is your gender?	Dichotomous	Nominal
Section B: questions 9 to 12	What is your ethnicity?	Multiple-choice	Ordinal
	What is your highest level of education?		
	What is your employment status?		
	What is your personal monthly net income?		

Table 5.4: Types of questions, response formats and levels of measurement scales used in the questionnaire (cont.)

QUESTION / STATEMENT NO.	QUESTION / STATEMENT	RESPONSE FORMAT	MEASUREMENT SCALE
Brand perceptions			
Section C: statements 1 to 23	My wine brand has a distinctive identity.	Likert scale	Interval
	My wine brand stands out from its competitors.		
	My wine brand is a first-class, high-quality brand.		
	My wine brand has a high reputation.		
	My wine brand is good value for money.		
	My wine brand's prices are reasonable.		
	My wine brand is a good buy.		
	In comparison to alternative wine brands, my wine brand is of high quality.		
	In comparison to alternative wine brands, my wine brand is the best.		
	In comparison to alternative wine brands, my wine brand has consistent quality.		
	I trust my wine brand.		
	My wine brand is reliable.		
	My wine brand is honest.		
	My wine brand is dependable.		
	With my wine brand, I always get what I am looking for.		
	My wine brand always meets my expectations as a consumer.		
	My choice to buy/consume my wine brand is a wise one.		
	I consider myself to be a loyal patron of my wine brand.		
	I would say positive things about my wine brand to other people.		
	I would recommend my wine brand to someone who seeks my advice.		
	I consider my wine brand as my first choice when buying wine.		
	I will buy more of my wine brand in the next few years.		
	I will buy less of my wine brand in the next few years.		

5.3.3.3.4 Questionnaire pre-testing

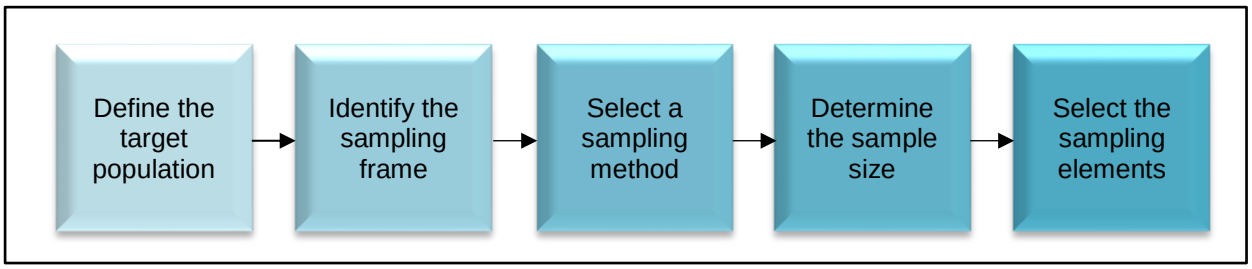
After the questionnaire has been approved, the questionnaire must be pre-tested (McDaniel & Gates, 2010:310). Pre-testing can be seen as a provisional, minor study conducted to pre-test and improve the design and procedures of the study (McBurney & White, 2010:236). Pre-testing is vital as it helps to test whether the questions are feasible and respondents will understand them (Cant *et al*., 2008:156). According to Churchill and Iacobucci (2010:224) and Malhotra (2009:350), pre-testing also secures that the questionnaire will be successful as it enables the researcher to detect any problems and to correct it before the actual study proceeds. In a pre-test, the researcher asks the respondents to provide feedback concerning the instructions, phrasing and order of the questions (Hair *et al*., 2013:191). Therefore, pre-testing can only be successful if the feedback from respondents can be accepted and the researcher is willing to pursue the deficiencies (Aaker *et al*., 2013:292).

The questionnaire was pre-tested to be certain that respondents understand the questions and how to complete the questionnaire. The questionnaire was given to 30 respondents from the targeted population willing to help. The respondents who participated in the pre-test were older than 18 years and consumed wine more than once a month. Aspects such as the content of the questions, phrasing, order, design, how difficult the questions are and guidelines for each section were tested during the pre-test (Malhotra, 2010:354). Preliminary data analysis was conducted and the questionnaire was not modified after the completion of the pre-test.

5.3.4 Step 4: Developing a sample plan

The next step in the research process is to determine the population from whom the information will be gathered (Churchill & Iacobucci, 2010:282). Babin and Zikmund (2016b:337) state that sampling is a significant stage of the marketing research process. According to Armstrong and Kotler (2013:138) and Silver *et al*. (2013:152), sampling can be defined as a component of the overall population selected for the study representing the entire population, and obtaining information from this portion of the population. This is accomplished by making use of a sample of the population to draw conclusions about the whole population based on the data collected (Babin & Zikmund, 2016b:337). In a sampling plan, there are numerous steps that should be followed to ensure that the data obtained is a representation of the target population (McDaniel & Gates, 2010:328). Figure 5.3 indicates the steps that need to be followed when developing a sample plan.

Figure 5.3: Sampling plan steps



Source: Adapted from Malhotra (2010:336) and McDaniel and Gates (2013:328).

5.3.4.1 Defining the population

According to Hult *et al*. (2014:116), a population can be defined as the overall components, units or individuals a researcher is interested in for a certain study. Wiid and Diggines (2009:193) further state that the units of the population that are accessible for examination are referred to as the target population. Therefore, a target population is a number of people to whom the research results should apply to (Vonk, 2015). The research objectives can be used to identify who the target population should be (Silver *et al*., 2013:153).

The target population considered for this study consisted of adults, 18 years or older, living in the Western Cape Province of South Africa, who consume wine on a regular basis (once a month or more). The Western Cape Province is most suited for the study, because it is clear from Table 1.2 (a classification of the South African wine industry) that the Western Cape regions have the most vineyard plantings, and also produce the most wine (WOSA, 2017a). This population was selected in this way to ensure that the most possible respondents are approached and that the respondents are familiar with the wine industry so they will be able to supply accurate information regarding the different wines and brands.

5.3.4.2 Identifying the sampling frame

Determining the sampling frame and sampling method is the next step (Silver *et al*., 2013:155). According to Burns and Bush (2014:240), Dommermuth (2011:11) and Feinberg *et al*. (2013:302), the sampling frame entails a physical list of each unit in the target. A sampling frame error may occur if the researcher did not include specific sample elements, or the researcher did not represent the whole population correctly in the sampling frame (Babin & Zikmund, 2016b:343). However, no sampling frame is perfect, so it must be taken into consideration that it may be difficult to obtain correct, current and descriptive sampling frames (Brown *et al*., 2014:304; Shiu *et al*., 2009:452). Since an inclusive list of respondents in the Western Cape Province of South

Africa was not available, there was no appropriate sampling frame for this study. As a result, the study made use of a non-probability sampling method with a questionnaire including screening questions to determine which respondents are over the age of 18, and consume wine more than once a month.

5.3.4.3 Selecting a sampling method

Sampling entails the selection of sampling elements, as the whole population cannot always be included in a study. To best identify the respondents for a study, a choice has to be made between probability and non-probability sampling (Dahlberg & McCaig, 2010:175; Babin & Zikmund, 2016b:348). Probability sampling can be described as a method in which all the elements of the target population have an identical chance to be chosen and included in the study, by making use of a correct sampling frame (Malhotra, 2010:341; Sarstedt & Mooi, 2014:40; Silver *et al*., 2013:155). According to Zikmund *et al*. (2013:395), non-probability sampling, on the other hand, is when the chance of each element being part of the sample is unknown and depends on the personal judgement of the researcher to choose the specific element (Aaker *et al*., 2013:682; Burns & Bush, 2014:254; Malhotra, 2010:341; Whitley & Kite, 2013:486).

Probability sampling methods consist of systematic sampling, cluster sampling, multistage sampling, stratified sampling and simple random sampling, and are briefly described in Table 5.5 (Babin & Zikmund, 2016b:351-356).

Table 5.5: Probability sampling methods

DESCRIPTION	COST AND DEGREE OF USE	ADVANTAGES	DISADVANTAGES
Systematic sampling: Casually choose a starting point, then selects every nth number on the sampling frame, selects items at a preselected interval.	Reasonable cost and reasonably used.	Simple to draw sample and easy to check.	Increased variability may occur due to periodic assembling of the population in the sampling interval, inclined to be bias because of hidden patterns in the list.
Cluster sampling: The population is divided into different heterogeneous groups, and a sample of the groups is drawn to be interviewed.	Low cost and regularly used.	Has the lowest field costs as the clusters are geographically defined. Only needs a list of the individuals in clusters. The characteristics of clusters and the population can be estimated.	The error for similar sizes than other probability samples is greater. Population members need to be assigned to unique clusters otherwise duplicating or overseeing individuals will result.

Table 5.5: Probability sampling methods (cont.)

DESCRIPTION	COST AND DEGREE OF USE	ADVANTAGES	DISADVANTAGES
Multistage sampling: A selection of increasingly smaller areas in each stage by some combination of the other four methods.	High cost and regularly used (especially in countrywide surveys).	Depends on techniques combined.	Depends on techniques combined.
Stratified sampling: Dividing the population into groups with similar characteristics, such as age or income, and random samples are selected from each group.	High cost and reasonably used.	Guarantees that all groups in the sample will be represented. Can estimate the characteristics of each section and make comparisons. Chances of inconsistency for same sample sizes are decreased.	Accurate information on proportions in each section is required. If no stratified list is available, it is expensive to formulate one.
Simple random sampling: Guarantees that each member of the target population will have an equal chance of selection of the sample.	High cost and reasonably used in practice.	The researcher only needs the minimum advanced knowledge of the population. Analysing data and computer errors is easy.	A sampling frame is needed to work from. The knowledge the researcher has of the population is not used. Greater errors for the same sampling size as stratified sampling. Respondents may be broadly spread, therefore the costs may be greater.

Source: Adapted from Babin and Zikmund (2016b:351), Hair *et al*. (2013:141), Hult *et al*. (2014:118), Kotler and Keller (2006:110), Sarstedt and Mooi (2014:41), and Zikmund *et al*. (2013:395).

Non-probability sampling methods consist of convenience sampling, quota sampling, snowball sampling and judgement sampling, which are briefly described in Table 5.6 (Sarstedt & Mooi, 2014:42).

Table 5.6: Non-probability sampling methods

DESCRIPTION	COST AND DEGREE OF USE	ADVANTAGES	DISADVANTAGES
Convenience sampling: Uses the most convenient or inexpensive sample according to availability.	Extremely low cost and widely used.	A list of the population is not needed.	It is possible that there will be misleading samples. Cannot make random sampling error evaluations. It is rather risky to project data beyond the sample.
Quota sampling: The population is categorised by relevant properties.	Reasonable cost and very widely used.	Some satisfaction of the population is introduced. No list of the population is required.	How researchers' classify the subjects may be bias. Errors from the population cannot be estimated due to non-random selection within classes. It is rather risky to project data beyond the sample.
Snowball sampling: The preliminary respondents are chosen by probability samples, and more respondents are chosen by means of recommendations from the first respondent.	Low cost and used in special situations.	Beneficial in finding members of rare populations.	High bias due to the sample units not being independent. It is rather risky to project data beyond the sample.
Judgement sampling: A professional or experienced researcher is needed to choose the sample.	Reasonable cost and average use.	Beneficial for certain types of predicting. The sample will definitely meet a particular objective.	The sample may be misleading because of bias in experts' beliefs. It is rather risky to project data beyond the sample.

Source: Adapted from Babin and Zikmund (2016b:348-350), Bradley (2013:168), Burns and Bush (2014:256), Clow and James (2013:232), McDaniel and Gates (2013:293), Sarstedt and Mooi (2014:42), and Struwig and Stead (2010:118).

There was no sampling frame for this specific study, and therefore a non-probability sampling method, more specific convenience and judgement sampling, was used. Non-probability sampling was followed because the research in this study was descriptive in nature, the likelihood of sampling errors occurring was minor and the target population was fairly homogeneous (Reid & Bojanic, 2010:246). The researcher attempted to acquire a sample consisting of accessible,

convenient and easily available elements. Judgement sampling was used due to the fact that fieldworkers had to use their own judgement with regards to which respondents was suitable to partake in this study. Convenience sampling is also cheaper and takes up less time compared to other sampling methods (Sarstedt & Mooi, 2014:42; Babin & Zikmund, 2016a:348).

5.3.4.4 Determine the sample size

After the sampling method has been determined, the next step is to determine the sample size (Sarstedt & Mooi, 2014:43). The sample size can be seen as the number of respondents included in a study (Malhotra, 2010:374). This step is important, as the sample size has an influence on the reliability, validity and sample accuracy of the research results (Cant *et al*., 2008:177; Silver *et al*., 2013:159). The significance of the choice, the nature of the research, the number of variables, the nature of the examination, former related studies' sample sizes, and resource restrictions are all influences the researcher must consider when deciding on the sample size (Malhotra, 2010:375). According to Wilson (2010:201), the nature of the research influences the selected sample size. Table 5.7 presents sample sizes used in numerous marketing research studies, as provided by Malhotra (2009:374).

Table 5.7: Sample sizes used in marketing research studies

NATURE OF THE STUDY	MINIMUM SIZE	TYPICAL RANGE
Problem identification research	500	1 000 – 2 500
Problem-solving research	200	300 – 500
Product test	200	300 – 500
Test-marketing studies	200	300 – 500
TV/radio print advertising	150	200 – 300

Source: Adopted from Malhotra (2009:374).

For this study, a sample size consisting of 250 respondents was proposed to be certain that there was sufficient relevant data, and as this study was problem-solving in nature, the sample size falls within the cut-off point as specified by Malhotra (2009:374).

5.3.4.5 Select the sample elements

The last step in creating the sampling plan involves the selection of various sampling elements; therefore, possible respondents who were selected to be part of the sample (Wiid & Diggines, 2009:214). At this point, it is important to provide the fieldworkers with understandable instructions so that they know what is expected of them and how they should resolve problems when they

work with respondents (Shiu *et al*., 2009:486). For this study, respondents who are 18 years or older who consume wine more than once a month, and live in the Western Cape Province in South Africa were identified as sampling elements. Table 5.8 presents a summary of the sampling plan used in this study.

Table 5.8: Sample plan for this study

SAMPLING	DESCRIPTION
Target population	Consumers in South Africa, who buy and consume wine on a regular basis (more than once a month).
Sampling frame	There was no sampling frame available.
Sampling method	Non-probability, convenience and judgement sampling.
Sampling elements	Respondents in the Western Cape Province of South Africa who consume wine more than once a month.
Sample size	250 respondents.

5.3.5 Step 5: Data collection and fieldwork

When the researcher has designed the questionnaire and determined the sampling plan, the next step is to obtain the data from the selected respondents (Babin & Zikmund, 2016b:69). Once the sampling procedure had been finalised, fieldworkers had to contact the respondents and ask them to complete self-administrated questionnaires. The aim is to obtain sufficient usable information and to remove sampling and non-sampling errors that may occur (Silver *et al*., 2013:166). Suitable fieldworkers had to be recruited, the researcher had to train them, supervise them and evaluate them, to make sure the fieldworkers understood the questionnaire and why the study is being conducted (Babin & Zikmund, 2016b:70), and to ensure that data-collection errors were limited (Malhotra, 2010:42).

Four trained fieldworkers – external to the North-West University – collected the data from the sample elements from 20 June until 9 July 2016. The researcher trained the fieldworkers beforehand and explained the entire process of collecting the data in detail. The fieldworkers had three weeks to approach respondents in the Western Cape Province by using screening questions (“Are you 18 years or older?” and, “Are you a frequent wine drinker/consumer?”), which helped them narrow down the target population. The fieldworkers collected the data by means of mall intercept in the Western Cape Province. The researcher was present at all times, and the fieldworkers were supervised and had continuous interaction with the researcher to guarantee that the data collection process was conducted without any problems, that the fieldworkers were

thorough and professional, and that the correct procedure was followed. The end goal of the fieldworkers was to obtain 250 completed questionnaires that are valid and useable for analysis.

5.3.6 Step 6: Preparing and analysing the data

When all the necessary data has been obtained, the following step is to analyse the data. Cooper and Schindler (2014:86) state that data analysis includes decreasing the data obtained to a more controllable size, creating a summary, examining the data to see whether there are any patterns and making use of statistical techniques. Data obtained from the questionnaires that respondents filled out is irrelevant and should, therefore, be correctly analysed and understood in order to make the data manageable and interpretable (Churchill & Iacobucci, 2010:32). To prepare the data for analysis, specific steps need to be followed, including the data being edited and coded, captured and cleaned (Shukla, 2010b:39, Babin & Zikmund, 2016a:393). These steps are vital as they help to prevent that the analysis is not done incorrectly and incorrect conclusions are made (Shukla, 2010b:39).

For this study, the researcher manually checked every questionnaire to see whether it was completed and numbered correctly, in order to enhance the quality of the data gathered and to try and understand the individual respondents. The researcher captured the data by means of the Statistical Package for Social Sciences (SPSS Inc., 2012). Section 5.3.6.2 provides a layout of the data analysis strategy used for this study.

5.3.6.1 Reliability and validity

Before analysing and interpreting the data, it is important to evaluate the reliability and validity of the measurement scales enclosed in the questionnaire (Hult *et al*., 2014:114; Malhotra, 2010:317). Baines *et al*. (2013:113) and Klenke (2008:37) state that measuring the reliability and validity of scales is important as it helps the researcher to understand the degree to which data acquired from the study indicates authenticity and facts.

Hair *et al*. (2013:165) and Silver *et al*. (2013:103) explain reliability as the consistency of producing similar results if a study is repeated. According to Burns and Bush (2014:214) and Churchill and Iacobucci (2010:258), with reliable measures a respondent responds the same way to questions that are the same or almost the same. Therefore, reliability indicates the extent to which a measure is able to have no errors, presenting regularity of the data obtained (McDaniel & Gates, 2013:215; Babin & Zikmund, 2016a:280). Three approaches to assess reliability can be

identified, namely test-retest reliability, equivalent (alternative) forms reliability and internal consistency reliability (Malhotra; 2010:318-319; McDaniel & Gates, 2010:313-316):

- **Test-retest reliability:** Responses are incited by managing the same measurement scale to the same respondents in two different periods to test for stability (Bajpai, 2011:50; Babin & Zikmund, 2016a:218).
- **Equivalent (alternative) forms reliability:** This is where the same respondents have to fill out two questionnaires equivalent in nature, one at a certain stage and the other later on, and to compare the outcomes to obtain a degree of the reliability of the measurement scales (Malhotra, 2010:319; Silver *et al.*, 2013:104).
- **Internal consistency:** Measures the consistency or correlations of outcomes acquired between different items in a measurement scale (Babin & Zikmund, 2016a:280; Stevens *et al.*, 2006:83). According to Babin and Zikmund (2016b:280), Cavusgil *et al.* (2009:98), Malhotra (2010:319) and Shiu *et al.* (2009:403), the Cronbach alpha coefficient value is the most popular measure of reliability assessment in terms of internal consistency. Olagbemi (2011:60) states that researchers mostly make use of Cronbach alpha when a measurement scale is only managed on one occasion. According to Babin and Zikmund (2016a:280) and Shiu *et al.* (2009:403), Cronbach alpha (α) coefficient values generally present each composite measure comprised in a study, ranging between 0 and 1, where 1 indicates perfect reliability and 0 indicates no reliability. Data reliability is satisfactory when the Cronbach alpha is larger than 0.70 (Hair *et al.*, 2013:166; Pallant, 2013:101; Tan, 2011:74).

For this study, the internal consistency reliability of the measurement scales was established. The Cronbach alpha (α) coefficients were calculated to determine the internal consistency of the scales. Measures with Cronbach alpha coefficients larger than 0.70 were deemed reliable.

On the other hand, validity functions differ from reliability as validity can be seen as how accurate a measure is, or determines the level to which a score truthfully signifies the concept, theory or model, and consequently a measure can be seen as faultlessly reliable (Burns & Bush, 2014:214; Silver *et al*., 2013:103; Babin & Zikmund, 2016a:281). Therefore, if the questionnaire without a doubt measures what it had to, it is seen as valid (Hult *et al*., 2014:114; Churchill & Iacobucci, 2010:256). One can distinguish between three types of validity, namely content validity, predictive (criterion) validity and construct validity (Pallant, 2013:7; Silver *et al*., 2013:104):

- **Content validity:** Content validity subjectively measures the degree to which the objectives of the study are sufficiently covered in the questionnaire (Cooper & Schindler, 2014:257; Malhotra, 2010:320). Therefore, content validity is when it is argued that the measure reveals the numerous features of an occurrence that there are little to disagree about (Aaker *et al.*, 2013:678).
- **Predictive (criterion) validity:** Predictive validity assesses whether the questionnaire performed as it was supposed to relative to other recognised variables selected as significant criteria (Malhotra, 2010:320; Pallant, 2013:7).
- **Construct validity:** This assesses the extent to which the questionnaire truly measures, and truly signifies what it was supposed to measure (Malhotra, 2011:27; Babin & Zikmund, 2016b:283). According to Babin and Zikmund (2016a:283) and Bagozzi (1994:342-344), in order to establish construct validity, researchers make use of confirmatory factor analysis (CFA).

For this study, content validity, construct validity and predictive validity were measured. Content validity and predictive validity were assessed through the input from experienced researchers, peers, literature and existing scales (from previous similar studies that have already been tested). The validity of the measurement scales was established by means of a CFA.

5.3.6.2 Data analysis strategy followed in this study

For this study, statistical analysis is executed referring to the mathematics concerned with collecting, analysing, interpreting and presenting huge amounts of numerical data (Gravetter, 2011:60). Burns and Bush (2014:317) state that one can distinguish between five types of statistical analysis, namely: descriptive, inferential, differences, associative and predictive analysis. This study made use of descriptive and inferential analyses; these techniques are subsequently discussed, concluding with a summarising table (see Table 5.10) of the statistical analyses implemented in this study.

5.3.6.2.1 Descriptive statistics

Descriptive analysis offers an understanding of the data gathered from the questionnaires (Polonsky & Waller, 2011:174). Descriptive statistics are the methods and series of steps executed to describe and summarise the attributes of a set of measurements (Hair *et al*., 2013:257; Mendenhall *et al*., 2013:4). It uses graphs or tables to summarise raw scores in a form that is convenient and usable, and is the best way to summarise the attributes of huge groups of

data (Gravetter & Wallnau, 2009:6; McDaniel & Gates, 2013:406). Generally used descriptive statistics include frequencies, percentages, standard deviation, mean, and skewness and kurtosis (Hair *et al*., 2013:268-272; Malhotra, 2010:486; McDaniel & Gates, 2013:406-407; Shiu *et al*., 2009:529-533). The subsequent descriptive statistics were employed in this study:

- **Frequencies:** Frequency refers to the how many times each specific value is revealed in a certain set of values, and is usually presented in histograms (Burns & Bush, 2014:317; Gravetter, 2011:144; Polonsky & Waller, 2011:173).
- **Percentages:** A percentage signifies a share of an answered question in a particular way, and is expressed as a percentage (Aaker *et al.*, 2013:410; Burns & Bush, 2014:317; Wiid & Diggines, 2009:242).
- **Standard deviation (SD):** The standard deviation can be seen as the square root of the variance in which the variance signifies the mean squared deviation from the mean (Malhotra, 2010:487). According to Sarstedt and Mooi (2014:105), researchers often use standard deviation to assess dispersion. Standard deviation assesses how the scores around the mean are distributed (Malhotra, 2009:486).
- **Means:** The mean is the overall of all current values, divided by the number of values (Wiid & Diggines, 2009:243). Therefore, the mean is an average number defining a group of numbers (Burns & Bush, 2014:320; McDaniel & Gates, 2010:406). The mean may, however, be misleading in certain instances, specifically when extreme values or outliers are present (Babin & Zikmund, 2016b:366).

5.3.6.2.2 Inferential statistical analyses

According to Feinberg *et al*. (2013:393), inferential statistics can be seen as a statistical analysis depending on a sample to be able to reach a conclusion concerning a larger group. Statistical inferential tests are either parametric or non-parametric (Pagano, 2009:451). Parametric tests make some suppositions regarding the population from which the sample was gathered. These tests use means to calculate significant differences and correlations. The data needs to meet a number of requirements such as large sample sizes, group sizes must be fairly equal, and distribution of the results must be fairly normal, before these tests can be used (Pallant, 2013:212). Where non-parametric tests use mean ranks to calculate significant differences and associations, these tests are suitable when sample sizes are small, group sizes vary, and distribution of results are non-normal (Pallant, 2013:212). Non-parametric tests cannot be examined by means of numbers, but rather by means of counts and frequency distributions and

tests (Hill *et al*., 2007:111). The selection of the right inferential statistical test is also influenced by the scale level of the data that needs to be examined (Feinberg *et al*., 2013:404). This study made use of the subsequent inferential statistical methods:

- **Independent samples t-test:** The independent samples t-test is used to match the mean scores of two independent groups to establish whether the two groups differ significantly in terms of a continuous variable (Heiman, 2012:262; Pallant, 2013:247; Babin & Zikmund, 2016b:420). An independent samples t-test is a test used for formulated hypotheses, and is used when means for an interval or ratio variable grouped into two categories are compared (Pallant, 2013:247; Sarantakos, 2007:155; Babin & Zikmund, 2016b:420), to determine whether there are statistically significant differences between them (Burns & Bush, 2014:363).

  For the purpose of this study, the response categories of employment status were divided into two groups, as shown in Table 5.9, in order to calculate independent samples t-tests – thereby comparing the means of the two groups with each other.

Table 5.9: Response categories

EMPLOYMENT STATUS	
Full-time employed	Full-time employed
Full-time student	Other employment
Unemployed	
Self-employed	
Part-time employed	
Housewife or househusband	
Retired	

Source: Researcher's own description.

- **One-way analysis of variance (ANOVA):** One-way ANOVA is used when two means of more than two independent groups or populations are compared on a particular continuous variable (Pallant, 2013:258; Babin & Zikmund, 2016a:427). It is known as one-way ANOVA, because it analysis the influence of one independent variable on a dependent variable (Pallant, 2013:258). Silver *et al.* (2013:211) mention that the goal of a one-way ANOVA is to establish whether samples are derived from two or more populations with identical means. Burns and Bush (2014:367) also mention that, when using one-way ANOVA, it should be established whether there is a statistically significant difference among the means

for any two groups in a sample with a particular variable irrespective of the number of groups. Significant differences are specified by a p-value of <0.05 (Field, 2013:72).

For the purpose of this study, descriptive statistics were calculated to establish the sample profile and wine patronage habits of respondents (with frequencies and percentages), as well as to investigate respondents' feedback on each of the constructs (with means and standard deviations). The skewness and kurtosis were determined to assess the distribution of the data, as to decide whether to use parametric or non-parametric tests. Independent samples t-tests were conducted to determine the differences between two independent groups, and one-way ANOVAs were conducted to determine the differences between more than two independent groups.

5.3.6.3 Significance levels

Wiid and Diggines (2009:246) state that statistical techniques (see section 5.3.6.2) such as paired-samples t-tests for dependent groups, t-tests for independent groups and one-way ANOVAs are used to determine the statistical and practical significance of the data. One can distinguish between statistical significance and practical significance, and these significance levels contribute towards interpreting the research results.

(i) Statistical significance

Statistical significance explains whether a statistical result can be acknowledged as significant and whether it is possible that the result happened by chance (McDaniel & Gates, 2010:521). Researchers refer to the p-value to define the likelihood of a study's findings credited to sampling errors (Rubin, 2013:131). According to Babin and Zikmund (2016a:404), researchers set the satisfactory significance level at 0.10, 0.05, or 0.01. If the statistical test's p-value is below the significance level specified beforehand, the results support a hypothesis implying there is a difference. A minor p-value (< 0.05) is seen as an acceptable indication that the result is statistically significant. For this study, results with a significance level of $p < 0.05$ were considered statistically significant.

(ii) Practical significance

Fraenkel *et al*. (2012:413) and Schlotzhauer (2007:168) define practical significance as a result indicating that a research finding is practically significant or valuable in real life. According to Grover and Vriens (2006:260), practical significance depends on the magnitude of the coefficient representing the average influence of a statistical result. Therefore, researchers use d-values of Cohen to establish practical significance by using

effect sizes. Ellis (2010:13) mentions that Cohen's d-value can be seen as the uncorrected standardised mean difference among two groups established on the standard mutual deviation. According to Cohen (1988:25-26), Ellis (2010:41) and Gravetter and Forzano (2012:465), a d-value is small at a level of 0.20, medium at a level of 0.50, and large and practically significant at a level of around and/or exceeding 0.80. For the purpose of this study, if the results of a specific test obtained a p-value smaller than 0.05 (statistically significant), together with a medium or large effect (practically significant), the correlated hypothesis was confirmed (Gravetter & Wallnau, 2011:233).

5.3.6.4 Structural equation modelling

To test the relationships among perceived brand value, perceived quality, brand identity, brand trust, satisfaction and brand loyalty (as suggested in the conceptual model of this study), structural equation modelling was used. Structural equation modelling (SEM) is used to represent, estimate and test a network of relationships between measured variables (observed variables) and latent variables (constructs) (Foster *et al*., 2006:103; Suhr, 2006:1). Sarstedt and Mooi (2014:257) state that SEM involves making assessments of the connotation between particular conceptual constructs. SEM permits the researcher to evaluate how important each independent variable in the model is in order to test the total fit of the model to the collected data (Pallant, 2013:109; Babin & Zikmund, 2016b:428). Therefore, SEM establishes whether the conceptual model is supported by the data that is obtained (Schreiber, 2008:84; Schumacker & Lomax, 2016:1).

Suhr (2006:3) states that fit indices are the degree to which a pattern of fixed and free parameters specified in the model can be seen as consistent with the pattern of variances and co-variances from the group of perceived data. According to Bowen and Guo (2012:145), using and reporting numerous fit indices to assess a decent model fit is a respectable application, one can distinguish between different fit indices created and there are numerous fit indices that need to be reported (Blunch, 2011:117). Among the variety of available fit indices, Bagozzi and Yi (2012:34), Hooper *et al*. (2008:56), Jackson *et al*. (2009:19), Pallant (2013:212) and Schreiber (2008:88) endorse the report of the chi-square statistic and its related degrees of freedom, the root mean square error of approximation (RMSEA), the Tucker-Lewis index (TLI) and the comparative fit index (CFI). However, Kenny (2012) mentions that because the TLI and CFI are significantly related, it is only needed that the researcher reports one of them. According to Hooper *et al*. (2008:53-56), one can distinguish between two categories within these fit indices, namely absolute fit indices and incremental fit indices. Absolute fit indices establish the most crucial indication of how well a priori model fits the sample data obtained (Hooper *et al*., 2008:53), whereas incremental fit indices

(such as the CFI) compare the value to a baseline model. These fit indices are essential, as a measurement model that fits well is vital before the underlying paths of the conceptual model can be examined (Kenny, 2012). The following fit indices were used in this study:

- **Chi-square:** The chi-square test's purpose is exploring the number of cases that fall into the numerous groups of one variable, and these are compared with hypothesised values (Pallant, 2013:223). Values as large as 5 are seen as an acceptable fit (Dattalo, 2013:137; Sarantakos, 2007:70).
- **Comparative fit index (CFI):** CFI is a common index assessing the model fit. According to Bagozzi and Yi (2012:28), it indicates the relative non-centrality among the hypothesised model and the baseline model of adjusted independence in which error variances are solely assessed. The CFI depends on the average size of the correlations in the data that is obtained. Therefore, if the average correlation among the variables is low, then the CFI will as a result also be low (Bagozzi & Yi, 2012:28). A model fit between 0.90 and 0.95 specifies an adequate fit, whereas a CFI value that exceeds 0.95 specifies a decent fit (Bowen & Guo, 2012:191). A poor fit is specified by 0.00 and a perfect fit is specified by 1.00 (Hardy & Bryman, 2009:445). A cut-off point of 0.95 for a CFI value specifies a decent fit (Schreiber, 2008:88).
- **Tucker Lewis index (TLI):** The TLI is a comparative index between null proposed and null models accustomed for degrees of freedom and is greatly suggested to researchers to use (Cullinane, 2011:484). Schumacker and Lomax (2016:76) state that a TLI value near 0.90 and 0.95 specifies a decent model fit. Therefore, for the purpose of this study, a TLI value larger than 0.95 specifies a decent fit (Bowen & Guo, 2012:200), and therefore the cut-off point for the TLI is the same or greater than 0.95.
- **Root mean square error of approximation (RMSEA):** RMSEA is a population-based index that is rather oblivious to sample size (Loehlin, 2009:61), by assessing the inconsistency among the conceptual model, with ideally chosen limitation estimates, and the population covariance matrix (Bagozzi & Yi, 2012:34). Therefore, it gives the average number of misfits for a model per degree of freedom (Bagozzi & Yi, 2012:34). An RMSEA value below 0.50 specifies a close fit, and values up to 0.80 specify a sensible fit (Baier, 2008:145; O'Rourke & Hatcher, 2013:215; Whitley & Kite, 2013:145).

For the purpose of this study, a SEM method was used to establish the interrelationship among the constructs of the conceptual model. In order to estimate how good the data obtained fits the conceptual model, the study reports numerous fit indices (Blunch, 2011:117).

5.3.7 Step 7: Reporting results and formulating conclusions

The last step in the marketing research process includes understanding the research results, describing the implications and formulating appropriate conclusions in order to make decisions (Cant & Van Heerden, 2010:143; Malhotra, 2010:11). Chapter 6 reports the results and findings of this study, and the recommendations and conclusions formulated for the study are subsequently discussed in Chapter 7.

5.4 CONCLUSION

This chapter discussed the marketing research process followed in this study, and identified and provided an explanation of the research methods applied in this study. This chapter subsequently discussed the research design, data collection method, sampling, questionnaire development, and statistical techniques used to evaluate the data, and each step of the marketing research process. The methodology made use of in each research step was discussed and suitable motivations of why it was used in this study were provided. Chapter 6 discusses and interprets the results and key findings of the study.

CHAPTER 6

EMPIRICAL RESULTS

6.1 INTRODUCTION

Chapter 6 describes how the research methodology, as discussed in Chapter 5, was applied in this study, and presents the results acquired from the data collected for this study. Firstly, an explanation of the sample profile is provided, followed by findings of respondents' wine consumption habits, their perceived brand value of their wine brand, the perceived quality of their wine brand, the identity of their wine brand, their trust towards their wine brand, as well as their level of satisfaction and loyalty towards their wine brand. The chapter further assesses the distribution of the data, and the reliability and validity of the measurement scales. Thereafter, the results of the hypotheses testing and structural equation modelling are presented. The chapter concludes with a summary of the main findings derived from the empirical results.

6.2 SAMPLE PROFILE

In order to obtain a more accurate understanding of the respondents who formed part of this study, this section describes the sample profile. The main objective of Section A of the questionnaire was to acquire the respondents' demographic information. Subsequently, the sample profile reflects respondents' age, gender, ethnicity, level of education, employment status and income level. The frequencies (F) and percentages (%) of the demographic variables examined in this study are summarised in Table 6.1 next.

Table 6.1: Sample profile

VARIABLE	F	%
Age		
18 to 25 years	71	27.3
26 to 35 years	84	32.3
36 to 45 years	40	15.4
46 to 55 years	47	18.1
56 to 65 years	11	4.2
66 years and older	7	2.7

Table 6.2: Sample profile (cont.)

VARIABLE	F	%
Gender		
Male	94	36.2
Female	166	63.8
Ethnicity		
Black	17	6.5
Coloured	86	33.1
Indian	7	2.7
White	146	56.2
Other	4	1.5
Education		
Some high school	18	6.9
Matric/grade 12 completed	131	50.4
Technical college diploma	47	18.1
University or technology diploma	34	13.1
University degree	27	10.4
Postgraduate degree	3	1.2

Based on the results from Table 6.1, the majority of the respondents that participated in the study were younger respondents, with more than half of the respondents being aged 18 to 35 years old [59.6% (27.3% + 32.3%)]. In terms of the gender, the majority of respondents are female (63.8%), and males make up 36.2% of the sample. The majority of respondents were white (56.2%), followed by coloured respondents (33.1%). In terms of the highest level of education, the majority of respondents completed matric or grade 12 (50.4%).

For the purpose of further statistical analysis, the categories of the “Employment” and “Net income” variables were omitted or combined due to the small numbers of respondents selecting these categories. These adapted categories are indicated in Table 6.2.

Table 6.2: Combined categories

ORIGINAL CATEGORIES	F	%	COMBINED CATEGORIES	F	%
Employment					
Full-time employed	160	61.5	Full-time employed	160	61.5
Full-time student	18	6.9	Other employment	100	38.5
Unemployed	4	1.5			
Self-employed	48	18.5			
Part-time employed	19	7.3			
Housewife or househusband	4	1.5			
Retired	6	2.4			
Other	1	0.4			
Net income					
Less than R5 000 p.m.	83	31.9	Less than R5 000 p.m.	83	31.9
R5 001 – R10 000 p.m.	87	33.5	R5 001 – R10 000 p.m.	87	33.5
R10 001 – R15 000 p.m.	38	14.6	More than R10 000 p.m.	90	34.6
R15 001 – R20 000 p.m.	20	7.6			
R20 001 – R25 000 p.m.	12	4.6			
R25 001 – R30 000 p.m.	8	3.1			
R30 001 – R35 000 p.m.	3	1.2			
R35 001 – R40 000 p.m.	2	0.8			
More than R40 000 p.m.	7	2.7			

It is evident from Table 6.2 that the majority of the respondents (61.5%) are full-time employed, and that the three combined income groups each represented approximately a third of the sample [Less than R5 000 p.m. (31.9%), R5 001 to R10 000 p.m. (33.5%) and more than R10 000 p.m. (34.6%)], thereby indicating a near even split.

Main finding 1

The majority of respondents are white females aged 18 to 35, have completed grade 12, are full-time employed, and earn a monthly net income of R10 000 or less.

6.3 WINE BRAND PATRONAGE HABITS OF RESPONDENTS

The main objective of Section B of the questionnaire was to determine respondents' patronage habits concerning their wine brand. Respondents had to specify the duration they have been using their wine brand, how frequently they consume their wine brand, the average amount they

spend on their wine brand, where they generally purchase their wine brand, the two wine varieties they consume the most, and the wine brand they consume the most (of which only the top 10 wine brands are mentioned; however, there were 59 other brands that one or two respondents consume the most, which were consequently categorised as “Other”). Table 6.3 provides the frequencies (F) and percentages (%) of respondents’ patronage habits concerning their wine brand.

Table 6.3: Patronage habits

VARIABLE	F	%
Duration of being a wine consumer		
Less than 1 year	20	7.7
1 to 5 years	87	33.5
6 to 10 years	48	18.5
Longer than 10 years	105	40.4
Frequency of wine consumption		
2 to 3 times a month	107	41.2
Once a week	62	23.8
2 to 3 times a week	49	18.8
4 to 5 times a week	19	7.3
Daily	23	8.8
Average spent on own consumption		
Less than R50 per bottle of wine	50	19.2
R50 to R100 per bottle of wine	118	45.4
R101 to R150 per bottle of wine	51	19.6
R151 to R200 per bottle of wine	16	6.2
R201 to R250 per bottle of wine	11	4.2
R251 to R300 per bottle of wine	6	2.3
R301 to R350 per bottle of wine	1	0.4
R351 to R400 per bottle of wine	1	0.4
More than R400 per bottle of wine	6	2.3
Place of purchase		
Liquor store	204	78.5
Wine boutique	5	1.9
Convenience store / local supermarket	18	6.9
Wholesaler	6	2.3
Wine estate or cellar	26	10.0
Other	1	0.4

Table 6.3: Patronage habits (cont.)

VARIABLE	F	%
Two most consumed wine varieties		
Cabernet Sauvignon	37	14.2
Chardonnay	38	14.6
Chenin blanc	43	16.5
Cinsaut	1	0.4
Colombar(d)	1	0.4
Merlot	95	36.5
Muscat de Frontignan	2	0.8
Two most consumed wine varieties		
Pinot Gris	4	1.5
Pinot Noir	7	2.7
Pinotage	64	24.6
Two most consumed wine varieties		
Port Variety	2	0.8
Roobernet	4	1.6
Ruby Cabernet	14	5.4
Sauvignon blanc	71	27.3
Shiraz	54	20.8
Other red	55	21.2
Other white	28	10.8
Wine brands respondents consume the most		
Robertsons	59	22.7
Nederburg	30	11.5
Four Cousins	26	10.0
Slanghoek	13	5.0
Drostdy Hof	10	3.8
Van Loveren	10	3.8
4th Street	9	3.5
Du Toits Kloof	8	3.1
KWV	8	3.1
Simonsvlei	8	3.1
Other	79	30.4

Based on the results from Table 6.3, the majority of respondents have been consuming wine for longer than 10 years (40.4%), followed by one to five years (33.5%). The majority of respondents

also consume wine two to three times a month (41.2%), and they spend R50 to R100 (45.4%) per purchase on their wine brand, and purchase their wine brand at a liquor store (78.5%). Furthermore, the two most consumed wine varieties are Merlot (36.5%) and Sauvignon Blanc (27%). Lastly, the wine brand that respondents consume the most is Robertsons (22.7%).

Main finding 2

The majority of respondents consume wine two to three times a month, they spend R50 to R100 per purchase on their wine brand, and purchase their wine brand at a liquor store. The two most popular wine varieties they consume are Merlot and Sauvignon Blanc, and the wine brand respondents consume the most is Robertsons.

6.4 DESCRIPTIVE RESULTS FOR CONSTRUCTS

The objectives of Section C of the questionnaire was to gain insight regarding respondents' perceptions of their wine brand's identity, value, and quality, as well as whether they trust their brand, are satisfied with their brand and are loyal towards their brand. These constructs were measured individually as well as in a whole (i.e. overall). Five-point Likert scales were used to measure respondents' agreement with each of the statements, where "1" represented "strongly disagree" and "5" represented "strongly agree". The following sections present the descriptive results for the constructs of this study, in terms of the means and standard deviations (SD).

6.4.1 Respondents' perceptions of the brand identity of their wine brands

Table 6.4 indicates the overall and individual item mean scores and standard deviations (SD) of respondents' perceptions of their wine brand's identity.

Table 6.4: Respondents' perceptions of the brand identity of their wine brands

CONSTRUCT AND ITEMS	MEAN	SD
Overall brand identity	**3.94**	**0.861**
My wine brand has a distinctive identity.	3.90	1.077
My wine brand stands out from its competitors.	3.79	1.024
My wine brand is a first-class, high-quality brand.	3.95	1.053
My wine brand has a high reputation.	4.11	0.946

Based on the results from Table 6.4, the highest mean score with regard to respondents' perceptions of their wine brand's identity is 4.11 ("My wine brand has a high reputation"), and the

lowest mean is 3.79 (“My wine brand stands out from its competitors”), and the overall mean for brand identity is 3.94. The standard deviation of the four statements ranges from 0.946 to 1.077, and the overall standard deviation is 0.861. From these results, the following main findings are made:

Main finding 3

Regarding brand identity, respondents agreed most with the statement that their wine brand has a high reputation.

Main finding 4

Regarding brand identity, respondents agreed least with the statement that their wine brand stands out from its competitors.

Main finding 5

Overall, respondents relate highly to the identity of their wine brand (see section 7.3.1 for application).

6.4.2 Respondents’ perceptions of the perceived brand value of their wine brands

Table 6.5 indicates the overall and individual item mean scores and standard deviations (SD) of respondents’ perceptions of their wine brand’s value.

Table 6.5: Respondents' perceptions of the perceived brand value of their wine brands

CONSTRUCT AND ITEMS	MEAN	SD
Overall perceived brand value	**4.27**	**0.787**
My wine brand is good value for money.	4.26	0.913
My wine brand’s prices are reasonable.	4.21	0.919
My wine brand is a good buy.	4.35	0.845

Based on the results from Table 6.5, the highest mean with regard to respondents’ perceptions of their wine brand’s value is 4.35 (“My wine brand is a good buy”), and the lowest mean is 4.21 (“My wine brand’s prices are reasonable”), and the overall mean for perceived brand value is

4.27. The standard deviation for the three statements ranges from 0.845 to 0.919, and the overall standard deviation is 0.787. From these results, the following main findings are made:

Main finding 6

Regarding perceived brand value, respondents agreed most with the statement that their wine brand is a good buy.

Main finding 7

Regarding perceived brand value, respondents agreed least with the statement that their wine brand's prices are reasonable.

Main finding 8

Overall, respondents perceive their wine brand to be of high value (see section 7.3.2 for application).

6.4.3 Respondents' perceptions of the perceived quality of their wine brands

Table 6.6 indicates the overall and individual item mean scores and standard deviations (SD) of respondents' perceptions of their wine brand's quality.

Table 6.6: Respondents' perceptions of the perceived quality of wine brands

CONSTRUCT AND ITEMS	MEAN	SD
Overall quality	**4.02**	**0.815**
In comparison to alternative wine brands, my wine brand is of high quality.	4.07	0.908
In comparison to alternative wine brands, my wine brand is the best.	3.87	0.962
In comparison to alternative wine brands, my wine brand has consistent quality.	4.10	0.930

Based on the results from Table 6.6, the highest mean with regard to respondents' perceptions of their wine brand's quality is 4.10 ("In comparison to alternative brands, my wine brand has consistent quality"), the lowest mean is 3.87 ("In comparison to alternative wine brands, my wine brand is the best"), and the overall mean for perceived quality is 4.02. The standard deviation for the three statements ranges from 0.908 to 0.962, and the overall standard deviation is 0.815. From these results, the following main findings are made:

Main finding 9

Regarding perceived quality, respondents agreed most with the statement that their wine brand has consistent quality.

Main finding 10

Regarding perceived quality, respondents agreed least with the statement that in comparison to alternative wine brands, their wine brand is the best.

Main finding 11

Overall, respondents perceive their wine brand to be of high quality (see section 7.3.3 for application).

6.4.4 Respondents' trust in their wine brand

Table 6.7 indicates the overall and individual item mean scores and standard deviations (SD) of respondents' trust in their wine brand.

Table 6.7: Respondents' trust in their wine brand

CONSTRUCT AND ITEMS	MEAN	SD
Overall trust	**4.25**	**0.789**
I trust my wine brand.	4.29	0.865
My wine brand is reliable.	4.28	0.874
My wine brand is honest.	4.27	0.889
My wine brand is dependable.	4.17	0.873

Based on Table 6.7, the highest mean with regard to respondents' level of trust in their wine brand is 4.29 ("I trust my wine brand"), the lowest mean is 4.17 ("My wine brand is dependable"), and the overall mean for brand trust is 4.25. The standard deviation of the statements ranges from 0.865 to 0.889, and the overall standard deviation is 0.789. From the results, the following main findings are made:

Main finding 12

Regarding brand trust, respondents agreed most with the statement that they can trust their wine brand.

Main finding 13

Regarding brand trust, respondents agreed least with the statement that their wine brand is dependable.

Main finding 14

Overall, respondents indicated that they mostly trust their wine brand (see section 7.3.4 for application).

6.4.5 Respondents' satisfaction with their wine brands

Table 6.8 indicates the overall and individual item mean scores and standard deviations (SD) of respondents' satisfaction with their wine brand.

Table 6.8: Respondents' satisfaction with their wine brands

CONSTRUCT AND ITEMS	MEAN	SD
Overall satisfaction	**4.15**	**0.802**
With my wine brand, I always get what I am looking for.	4.15	0.950
My wine brand always meets my expectations as a consumer.	4.23	0.869
My choice to buy/consume my wine brand is a wise one.	4.08	0.983

Gathered from Table 6.8, the highest mean with regard to respondents' level of satisfaction with their wine brand is 4.23 ("My wine brand always meet my expectations as a consumer"), the lowest mean is 4.15 ("With my wine brand, I always get what I am looking for"), and the overall mean for satisfaction is 4.15. The standard deviation for the three statements ranges from 0.869 to 0.983, and the overall standard deviation is 0.802. From these results, the following main findings are made:

Main finding 15

Regarding satisfaction, respondents agreed most with the statement that their wine brand meets their expectations.

Main finding 16

Regarding satisfaction, respondents agreed least with the statement that they always get what they want with their wine brand.

Main finding 17

Overall, respondents indicated that they are mostly satisfied with their wine brand (see section 7.3.5 for application).

6.4.6 Respondents' loyalty towards their wine brand

Table 6.9 indicates the overall and individual item mean scores and standard deviations (SD) of respondents' loyalty towards their wine brand.

Table 6.9: Respondents' loyalty towards their wine brand

CONSTRUCT AND ITEMS	MEAN	SD
Overall loyalty	**4.20**	**0.792**
I consider myself to be a loyal patron of my wine brand.	4.00	1.062
I would say positive things about my wine brand to other people.	4.25	0.912
I would recommend my wine brand to someone who seeks my advice.	4.30	0.885
I consider my wine brand as my first choice when buying wine.	4.27	0.910
I will buy more of my wine brand in the next few years.	4.18	0.980

Based on the results from Table 6.9, the highest mean with regard to respondents' loyalty towards their wine brand is 4.30 ("I would recommend my wine brand to someone who seeks my advice"), the lowest mean is 4.00 ("I consider myself to be a loyal patron of my wine brand"), and the overall mean for loyalty is 4.20. The standard deviation for the five statements ranges from 0.885 to 1.062, and the overall standard deviation is 0.792. From these results, the following main findings are made:

Main finding 18

Regarding loyalty, respondents agreed most with the statement that they would recommend their wine brand to someone who seeks their advice.

Main finding 19

Regarding loyalty, respondents agreed least with the statement that they consider themselves to be loyal patrons of their wine brand.

Main finding 20

Overall, respondents indicated that they are mostly loyal towards their wine brand (see section 7.3.6 for application).

6.5 CONSTRUCT VALIDITY

Feinberg *et al*. (2013:130) state that construct validity must be determined to ensure that each construct was measured correctly by the related measurement scales. In order to determine the validity of each construct used in this study, a confirmatory factor analysis (CFA) was conducted, making use of principle axis factoring with direct oblimin rotation. When making use of a CFA, the measure of sample adequacy (MSA) is measured. The data for a CFA is viewed adequate if the MSA value is larger than 0.50 (Field, 2013:687; Malhotra, 2010:638). The following sections present the validity results for each construct of this study.

6.5.1 Validity of brand identity

In order to establish the construct validity of brand identity, a CFA was conducted on the four statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Bhattacharya and Sen (2003), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.79, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the four statements measuring brand identity can be grouped into one factor, explaining 70.61% of the variance. Furthermore, the communalities ranged from 0.43 to 0.61.

Main finding 21

The CFA confirmed that brand identity can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brand's identity.

6.5.2 Validity of perceived brand value

In order to establish the construct validity of perceived brand value, a CFA was conducted on the three statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Aaker (1996b), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.73, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the three statements measuring

perceived brand value can be grouped into one factor, explaining 77.81% of the variance. Furthermore, the communalities ranged from 0.51 to 0.58

Main finding 22

The CFA confirmed that perceived brand value can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brand's perceived brand value.

6.5.3 Validity of perceived quality

In order to establish the construct validity of perceived quality, a CFA was conducted on the three statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Aaker (1996b), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.72, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the three statements can be grouped into one factor, explaining 76.34% of the variance. Furthermore, the communalities ranged from 0.48 to 0.56.

Main finding 23

The CFA confirmed that perceived quality can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brand's perceived quality.

6.5.4 Validity of brand trust

In order to establish the validity of brand trust, a CFA was conducted on the four statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Chaudhuri and Holbrook (2001), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.84, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the four statements can be grouped into one factor, explaining 81.26% of the variance. Furthermore, the communalities ranged from 0.59 to 0.76.

Main finding 24

The CFA confirmed that brand trust can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' brand trust towards their wine brand.

6.5.5 Validity of satisfaction

To establish the validity of satisfaction, a CFA was conducted on the three statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Oliver (1980), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.70, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the three statements can be grouped into one factor, explaining 73.86% of the variance. Furthermore, the communalities ranged from 0.43 to 0.45.

Main finding 25

The CFA confirmed that satisfaction can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' satisfaction towards their wine brand.

6.5.6 Validity of brand loyalty

In order to establish the construct validity of brand loyalty, a CFA was conducted on the five statements measuring the construct. The CFA identified whether the statements included in the scale could be grouped into the factors, as determined by Kim and Niehm (2009), to measure the construct (see section 5.3.3.3.3). The results of the CFA acquired an MSA of 0.87, which is above the cut-off point of 0.50 (Field, 2013:687), confirming that the five statements can be grouped into one factor, explaining 69.86% of the variance. Furthermore, the communalities ranged from 0.45 to 0.70.

Main finding 26

The CFA confirmed that brand loyalty can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' brand loyalty towards their wine brand.

6.6 RELIABILITY

Cronbach alpha coefficients are used to measure the reliability, and to specify the internal consistency of perceived quality, perceived brand value, brand identity, brand trust, satisfaction, and brand loyalty (see section 5.3.3.3.3) (Pallant, 2013:101). Table 6.10 presents the Cronbach alpha values for each of the constructs.

Table 6.10: Cronbach alpha coefficients

CONSTRUCTS	NUMBER OF ITEMS	CRONBACH ALPHA VALUES
Perceived quality	3	0.84
Perceived brand value	3	0.86
Brand identity	4	0.86
Brand trust	4	0.92
Satisfaction	3	0.82
Loyalty	5	0.89

According to Pallant (2013:101), satisfactory Cronbach alpha values must be greater than 0.70 in order to be accepted as reliable. It is evident from Table 6.9 that the Cronbach alpha values measuring the constructs (perceived quality, perceived brand value, brand identity, brand trust, satisfaction and brand loyalty) are all larger than 0.70, which confirms the reliability of each construct.

The following finding can be stated concerning the Cronbach alpha values measuring the reliability of the constructs.

Main finding 27

The Cronbach alpha values measuring the constructs of this study (i.e. perceived quality, perceived brand value, brand identity, brand trust, satisfaction and brand loyalty) are greater than 0.70, deeming all the constructs of this study reliable.

6.7 ASSESSING THE DISTRIBUTION OF THE DATA

Before the hypotheses (H_1 to H_6) can be tested, the distribution of the data acquired for each construct should first be determined, as it influences whether parametric or non-parametric tests should be used to test the hypotheses formulated for the study. When data is normally distributed, parametric tests are used, otherwise non-parametric tests are used (Hair *et al*., 2013:279; Harris

et al., 2005:140). According to Pallant (2013:212), the skewness and kurtosis are indicative of the distribution of the data.

According to the results, all the statements consist of a skewness of less than 2.00. The results also specified that all the statements have a kurtosis of less than 7.00. Therefore, the distribution of data for all statements falls within the cut-off point, and therefore it can be stated that there is a normal distribution (Curran *et al*., 1996:16). Therefore, to be able to test this study's hypotheses, parametric tests were used, including independent samples t-tests and one-way analyses of variance (ANOVAs) (see section 5.3.6.2.2).

6.8 HYPOTHESES TESTING

In this section, the results of H_1 to H_6 (see section 1.6) are discussed. Each hypothesis, the results, as well as the main findings concerning the results are presented. According to Babin and Zikmund (2016a:404), the average acceptable levels of statistical significance are 0.10, 0.05 or 0.01. In this study, the hypotheses are accepted at the 0.05 level (therefore $p \leq 0.05$), and rejected when $p > 0.05$ (see section 5.3.6.3 for a detailed explanation).

According to Babin and Zikmund (2016a:404) and Schlotzhauer (2007:168), a p-value indicates statistical significance; however, it does not indicate practical significance. Ellis (2010:13) and Lakens (2013:3) state that in order to determine the practical significance, Cohen's d-value should be evaluated. Practical significance is evident by means of a small (d = 0.20), moderate (d = 0.50), or large (d = 0.80) effect size (Cohen, 1988:25-26; Gravetter & Forzano, 2012:465). Considering the abovementioned, after the hypotheses have been tested, it will only be accepted, and the main findings reported, where the results present a statistical significance.

H_1 to H_6 were formulated to address secondary objective 7, namely to determine whether significant differences exist between different groups of respondents in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty. This section accordingly discusses the results and main findings of these hypotheses.

6.8.1 Hypothesis 1

Respondents of different age groups differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.

This hypothesis is further refined as follows:
H_{1a}: Respondents of different age groups differ statistically significantly in terms of their brand identity.
H_{1b}: Respondents of different age groups differ statistically significantly in terms of their perceived brand value.
H_{1c}: Respondents of different age groups differ statistically significantly in terms of their perceived quality.
H_{1d}: Respondents of different age groups differ statistically significantly in terms of brand trust.
H_{1e}: Respondents of different age groups differ statistically significantly in terms of their satisfaction.
H_{1f}: Respondents of different age groups differ statistically significantly in terms of their brand loyalty.

H_1 was tested by means of an ANOVA, and as such, age was binned into relatively equal sized groups (as indicated in Table 6.11).

Table 6.11: Age (binned)

AGE (BINNED)	FREQUENCY	VALID PERCENT
27 or younger	94	36.2
28 to 40 years	83	31.9
41 or older	83	31.9
Total	**260**	**100.0**

Table 6.12 and Table 6.13 presents the results of H_{1a} to H_{1f}.

Table 6.12: Differences between age groups

	LEVENE STATISTIC	DF1	DF2	SIG.
Brand identity	1.518	2	257	0.221
Perceived brand value	1.421	2	257	0.243
Perceived quality	1.818	2	257	0.164
Brand trust	3.473	2	257	0.132
Satisfaction	1.748	2	257	0.176
Brand loyalty	0.898	2	257	0.409

From the significance value for Levene's test (from Table 6.12), it is evident that the assumption of homogeneity of variance is not violated, as all significance values are greater than 0.05 (Pallant, 2016:259).

Table 6.13: ANOVA table

		SUM OF SQUARES	DF	MEAN SQUARE	DF2	SIG.
Brand identity	Between groups	4.898	2	2.449	3.366	0.036
	Within groups	186.961	257	0.727		
	Total	191.858	259			
Perceived brand value	Between groups	3.507	2	1.754	2.874	0.058
	Within groups	156.841	257	0.610		
	Total	160.349	259			
Perceived quality	Between groups	3.550	2	1.775	2.705	0.069
	Within groups	168.611	257	0.656		
	Total	172.161	259			
Brand trust	Between groups	1.120	2	0.560	0.899	0.408
	Within groups	160.004	257	0.623		
	Total	161.124	259			
Satisfaction	Between groups	1.232	2	0.616	0.958	0.385
	Within groups	165.272	257	0.643		
	Total	166.504	259			
Brand loyalty	Between groups	2.765	2	1.383	2.223	0.110
	Within groups	159.835	257	0.622		
	Total	162.600	259			

From Table 6.13, it is evident that statistically significant differences ($p < 0.05$) only exist between the different age groups in terms of their brand identity.

Table 6.14: Multiple comparisons (brand identity)

(I) AGE	(J) AGE	MEAN DIFFERENCE (I-J)	STD. ERROR	SIG	95% CONFIDENCE	
					LOWER BOUND	UPPER BOUND
27 or younger	28 to 40 years	-0.328*	0.128	0.030	-0.63	-0.02
	41 or older	-0.207	0.128	0.242	-0.51	0.10
28 to 40 years	27 or younger	0.328*	0.128	0.030	0.02	0.63
	41 or older	0.120	0.132	0.634	-0.19	0.43
41 or older	27 or younger	0.207	0.128	0.242	-0.10	0.51
	28 to 40 years	-0.120	0.132	0.634	-0.43	0.19

*The mean difference is significant at the 0.05 level.

Based on the Tukey post hoc test (see Table 6.14), only group 1 (27 or younger) and 2 (28 to 40 years) are statistically significantly different from one another. Thus, the 27 or younger age group and the 28 to 40 years age group differ statistically significantly in terms of their brand identity perceptions. In addition, the effect size was calculated as follows:

$$\text{Eta squared} = \frac{\text{Sum of squares between groups}}{\text{Total sum of squares}}$$

$$= \frac{4.898}{191.858}$$

$$= 0.02$$

According to Cohen (1988:284-287), an effect size of 0.02 can be considered a small effect size. Therefore, based on the above results, only H_{1a} can be accepted.

Main finding 28

Respondents of different age groups differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, but do not differ statistically significantly from each other in terms of their perceived brand value perceptions, perceived quality perceptions, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

Main finding 29

Respondents 27 years or younger and 28 to 40 years old perceive the identity of their wine brand to be statistically and practically significantly higher than older respondents (aged 41 or older) do.

6.8.2 Hypothesis 2

Respondents of different genders differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.
This hypothesis is further refined as follows:
H_{2a}: Respondents of different genders differ statistically significantly in terms of their brand identity.
H_{2b}: Respondents of different genders differ statistically significantly in terms of their perceived brand value.
H_{2c}: Respondents of different genders differ statistically significantly in terms of their perceived quality.
H_{2d}: Respondents of different genders differ statistically significantly in terms of their brand trust.
H_{2e}: Respondents of different genders differ statistically significantly in terms of their satisfaction.
H_{2f}: Respondents of different genders differ statistically significantly in terms of their brand loyalty.

An independent samples t-test was conducted to address H_2, as only two groups (male and female) were compared. Table 6.15 presents the results of the hypothesis, portraying the counts (N), means and standard deviations (SD) as well as the p-values and corresponding d-values.

Table 6.15: Differences between genders

CONSTRUCTS	GENDER	N	MEAN	SD	P-VALUE	D-VALUE
Overall brand identity	Male	94	4.00	0.868	0.78	0.10
	Female	166	3.90	0.857		
Overall perceived brand value	Male	94	4.31	0.672	0.12	0.06
	Female	166	4.25	0.846		
Overall perceived quality	Male	94	3.97	0.803	0.98	-0.07
	Female	166	4.04	0.824		
Overall brand trust	Male	94	4.23	0.742	0.46	-0.04
	Female	166	4.27	0.816		

Table 6.15: Differences between genders (cont.)

CONSTRUCTS	GENDER	N	MEAN	SD	P-VALUE	D-VALUE
Overall satisfaction	Male	94	4.11	0.745	0.23	-0.06
	Female	166	4.17	0.833		
Overall loyalty	Male	94	4.12	0.820	0.35	-0.13
	Female	166	4.25	0.775		

It is evident from Table 6.15 that:

- With regard to H_{2a}, the p-value (p = 0.78) indicates that male and female respondents do not differ statistically significantly with regard to their perceptions of their wine brand's identity. Therefore, H_{2a} can be rejected.
- With regard to H_{2b}, the p-value (p = 0.12) indicates that male and female respondents do not differ statistically significantly with regard to their perceptions of their wine brand's value. Therefore, H_{2b} can be rejected.
- With regard to H_{2c}, the p-value (p = 0.98) indicates that male and female respondents do not differ statistically significantly with regard to their perceptions of their wine brand's quality. Therefore, H_{2c} can be rejected.
- With regard to H_{2d}, the p-value (p = 0.46) indicates that male and female respondents do not differ statistically significantly with regard to their trust in their wine brand. Therefore, H_{2d} can be rejected.
- With regard to H_{2e}, the p-value (p = 0.23) indicates that male and female respondents do not differ statistically significantly with regard to their levels of satisfaction with their wine brand. H_{2e} can therefore be rejected.
- With regard to H_{2f}, the p-value (p = 0.35) indicates that male and female respondents do not differ statistically significantly with regard to their levels of loyalty towards their wine brand. H_{2f} can therefore be rejected.

Main finding 30

Respondents of different genders do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

6.8.3 Hypothesis 3

Respondents of different ethnicities differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.
This hypothesis is further refined as follows:
H_{3a}: Respondents of different ethnicities differ statistically significantly in terms of their brand identity.
H_{3b}: Respondents of different ethnicities differ statistically significantly in terms of their perceived brand value.
H_{3c}: Respondents of different ethnicities differ statistically significantly in terms of their perceived quality.
H_{3d}: Respondents of different ethnicities differ statistically significantly in terms of their brand trust.
H_{3e}: Respondents of different ethnicities differ statistically significantly in terms of their satisfaction.
H_{3f}: Respondents of different ethnicities differ statistically significantly in terms of their brand loyalty.

An ANOVA was conducted to address H_3 (see Appendix C). The results of H_{3a} to H_{3f} indicated that respondents of different ethnicities do not differ statistically significantly with regard to the various constructs. H_3 can therefore be rejected. (Since no statistically significant differences were found between different ethnic groups, the results of the ANOVA are not presented in detail.)

Main finding 31

Respondents of different ethnicities do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

6.8.4 Hypothesis 4

Respondents with different levels of education differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.
This hypothesis is further refined as follows:
H_{4a}: Respondents with different levels of education differ statistically significantly in terms of their brand identity.
H_{4b}: Respondents with different levels of education differ statistically significantly in terms of their perceived brand value.
H_{4c}: Respondents with different levels of education differ statistically significantly in terms of their perceived quality.
H_{4d}: Respondents with different levels of education differ statistically significantly in terms of their brand trust.
H_{4e}: Respondents with different levels of education differ statistically significantly in terms of their satisfaction.
H_{4f}: Respondents with different levels of education differ statistically significantly in terms of their brand loyalty.

An ANOVA was conducted to address H_4 (see Appendix D). The results of H_{4a} to H_{4f} indicated that respondents with different levels of education do not differ statistically significantly with regard to the various constructs. H_4 can therefore be rejected. (Since no statistically significant differences were found between different education groups, the results of the one-way ANOVA are not presented in detail.)

Main finding 32

Respondents with different levels of education do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

6.8.5 Hypothesis 5

Respondents with different employment levels differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.
This hypothesis is further refined as follows:
H_{5a}: Respondents with different employment levels differ statistically significantly in terms of their brand identity.
H_{5b}: Respondents with different employment levels differ statistically significantly in terms of their perceived brand value.
H_{5c}: Respondents with different employment levels differ statistically significantly in terms of their perceived quality.
H_{5d}: Respondents with different employment levels differ statistically significantly in terms of their brand trust.
H_{5e}: Respondents with different employment levels differ statistically significantly in terms of their satisfaction.
H_{5f}: Respondents with different employment levels differ statistically significantly in terms of their brand loyalty.

An independent samples t-test was conducted to address H_5. The results of H_{5a} to H_{5f} indicated that respondents with different levels of employment do not differ statistically significantly with regard to the various constructs. H_5 can therefore be rejected. (Since no statistically significant differences were found between different employment groups, the results of the independent samples t-test are not presented in detail.)

Main finding 33

Respondents of different employment levels do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

6.8.6 Hypothesis 6

Respondents with different levels of income differ statistically significantly in terms of their brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty towards their wine brand.
This hypothesis is further refined as follows:
H_{6a}: Respondents with different levels of income differ statistically significantly in terms of their brand identity.
H_{6b}: Respondents with different levels of income differ statistically significantly in terms of their perceived brand value.
H_{6c}: Respondents with different levels of income differ statistically significantly in terms of their perceived quality.
H_{6d}: Respondents with different levels of income differ statistically significantly in terms of their brand trust.
H_{6e}: Respondents with different levels of income differ statistically significantly in terms of their satisfaction.
H_{6f}: Respondents with different levels of income differ statistically significantly in terms of their brand loyalty.

An ANOVA was conducted to address H_6 (see Appendix E). The results of H_{6a} to H_{6f} indicated that respondents with different levels of income do not differ statistically significantly with regard to the various constructs. H_6 can therefore be rejected. (Since no statistically significant differences were found between different income groups, the results of the ANOVA are not presented in detail.)

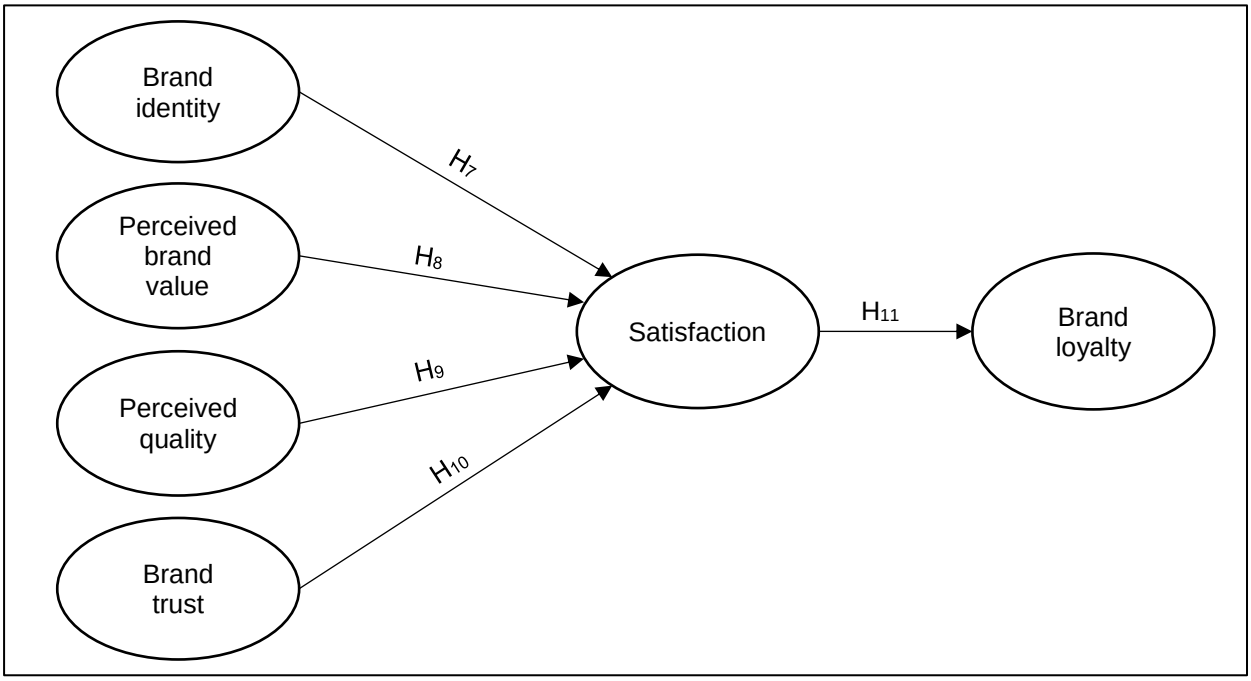
Main finding 34

Respondents of different income levels do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

6.9 TESTING THE CONCEPTUAL MODEL AND HYPOTHESES

Structural equation modelling (SEM) was used to test H_7, H_8, H_9, H_{10}, and H_{11} of the conceptual model (see Figure 1.1). SEM is used to test the interrelationships between the different constructs and to determine how important each construct is (Sarstedt & Mooi, 2014:257). In this section the findings of the measurement and path models that the study tested to acquire the structural model is presented. Figure 6.1 shows the conceptual model that needs to be tested in order to determine how well it fits the observed data.

Figure 6.1: Conceptual model



6.9.1 Measurement model

A measurement model allows the research to evaluate the degree to which the related constructs (variables) correlate, and to test the hypothesised relationships (Dattalo, 2013:109). The measurement model was assessed by means of a confirmatory factor analysis (CFA) – which is regarded the best technique to evaluate construct validity (Babin & Zikmund, 2016a:283) – in order to identify the relationships between the constructs. In section 6.5, the validity of the variables were determined and confirmed, which supports the measurement model with results that indicate that the set of statements (observed variables) serve as indicators to the constructs (latent variables) (McDonald & Ho, 2002:65; Tapsuwan *et al*., 2017:47). Table 6.16 presents the suggested cut-off points for fit indices for a measurement model, as well as the realised fit indices.

Table 6.16: Fit indices of the measurement model

FIT INDICES	SUGGESTED CUT-OFF POINT	FIT INDICES' VALUES
Chi square/degrees of freedom (x2/df)	≤ 5.00 (Dattalo, 2013:137; Sarantakos, 2007:70)	x2/df = 2.65
CFI	≥ 0.90 (Schreiber, 2008:88)	0.93
RMSEA	< 0.05 = close fit ≤ 0.08 = reasonable fit ≤ 0.10 = average fit (Baier, 2008:145; O'Rourke & Hatcher, 2013:215; Whitley & Kite, 2013:145)	0.07 [0.06 – 0.08]

A indicated in Table 6.16, the x^2/df value of 2.65 indicates a good model fit, as it falls below the recommended cut-off point of 5.00 (Dattalo, 2013:137, Sarantakos, 2007:70, and Wheaton *et al*., 1977:99). The CFI value of 0.93 is above the cut-off point (≥ 0.90), and the RMSEA value of 0.07 [0.06-0.08], shows a satisfactory fit for the model (Hoe, 2008:78; Schreiber, 2008:88; Whitley & Kite, 2013:145).

6.9.2 Path model

According to Dattalo (2013:109), SEM is related to the path analysis, as it determines whether the model is supported by the collected data (Schreiber, 2008:84; Schumacker & Lomax, 2016:1). SEM not only determines the fit indices for the measurement model, but also examines the significance and strength of the paths among the variables (using standardised regression weights). Hoe (2008:79) and Suhr (2006:5) state that standardised regression weights range between -1.00 and 1.00, with values less than 0.10 suggesting small effects, values up to 0.30 suggesting medium effects, and values greater than 0.50 suggesting large effects. According to Babin and Zikmund (2016a:404), researchers can set the acceptable significance level at 0.10, 0.05, or 0.01. A small p-value ($p < 0.05$) is seen as adequate evidence that the result is statistically significant (see section 5.3.6.3). Table 6.17 presents the standardised regression weights (β-weight), as well as the p-values for the different paths.

Table 6.17: Standardised regression weights

PATHS	B-WEIGHT	P-VALUE
Brand identity ➡ Satisfaction	0.27	0.00*
Perceived brand value ➡ Satisfaction	0.21	0.00*
Perceived quality ➡ Satisfaction	0.14	0.36
Brant trust ➡ Satisfaction	0.63	0.00*
Satisfaction ➡ Brand loyalty	0.91	0.00*

*Statistical significance at the $p \leq 0.05$ level.

It is clear from Table 6.17 that:

- Brand identity has a statistically significant ($p = 0.00$) and medium effect (β-weight = 0.27) on satisfaction. Therefore, H_7 can be accepted.
- Perceived brand value has a statistically significant ($p = 0.00$) and medium effect (β-weight = 0.21) on satisfaction. Therefore, H_8 can be accepted.
- Perceived quality does not have a statistically significant effect on satisfaction ($p = 0.36$). Therefore, H_9 can be rejected.
- Brand trust has a statistically significant ($p = 0.00$) and large effect (β-weight = 0.63) on satisfaction. Therefore, H_{10} can be accepted.
- Satisfaction has a statistically significant ($p = 0.00$) and large effect (β-weight = 0.91) on loyalty. Therefore, H_{11} can be accepted.

The correlations between the variables specified in the path model are presented in Table 6.18, indicating how strong the relationships are among these variables.

Table 6.18: Correlations

RELATIONSHIPS	CORRELATION	P-VALUE
Brand identity ⬅➡ Perceived brand value	0.46	0.00*
Perceived brand value ⬅➡ Perceived quality	0.52	0.00*
Perceived quality ⬅➡ Brand trust	0.64	0.00*
Perceived brand value ⬅➡ Brand trust	0.56	0.00*
Brand identity ⬅➡ Brand trust	0.54	0.00*
Brand identity ⬅➡ Perceived quality	0.65	0.00*

*Statistical significance at the $p \leq 0.05$ level.

It is evident from Table 6.18 that there is a statistically significant correlation between brand identity and perceived brand value (r = 0.46), perceived brand value and perceived quality (r = 0.52), perceived quality and brand trust (r = 0.64), perceived brand value and brand trust (r = 0.56), brand identity and brand trust (r = 0.54), and brand identity and perceived quality (r = 0.65).

Taking the above findings into consideration, it can be established that the path model exemplifies an acceptable fit to the data. The path model can therefore be accepted.

Main finding 35

Brand identity has a statistically significant and medium positive effect on satisfaction (see section 7.3.8 for application).

Main finding 36

Perceived brand value has a statistically significant and medium positive effect on satisfaction (see section 7.3.8 for application).

Main finding 37

Perceived quality does not have a statistically significant effect on satisfaction (see section 7.3.8 for application).

Main finding 38

Brand trust has a statistically significant and large positive effect on satisfaction (see section 7.3.8 for application).

Main finding 39

Satisfaction has a statistically significant and large positive effect on brand loyalty (see section 7.3.8 for application).

Main finding 40

Brand identity correlates with perceived brand value.

Main finding 41

Perceived brand value correlates with perceived quality.

Main finding 42

Perceived quality correlates with brand trust.

Main finding 43

Perceived brand value correlates with brand trust.

Main finding 44

Brand identity correlates with brand trust.

Main finding 45

Brand identity correlates with perceived quality.

Main finding 46

Brand identity, perceived brand value, and brand trust lead to satisfaction.

Main finding 47

Satisfaction leads to brand loyalty.

6.10 SUMMARY OF THE MAIN FINDINGS

This section presents a summary of all the main findings formulated. The main findings of the descriptive results, the constructs, construct validity, hypotheses testing and the results of the SEM are reported.

6.10.1 Main findings of the descriptive results

Table 6.19 presents the main findings resulting from the descriptive results of sections A and B of the questionnaire (sample profile and patronage habits). These sections obtained information on respondents' age, gender, ethnicity, level of education, employment status and level of income. Furthermore, these sections obtained information on the duration that respondents' have been wine consumers, how often they consume wine, the average amount they spend on a bottle of wine, where they primarily purchase their wine, the two wine varieties they consume the most, and the wine brand they consume the most.

Table 6.19: Main findings of the descriptive results

SECTION A: DEMOGRAPHIC PROFILE	
Main finding 1	The majority of respondents are white females aged 18 to 35, have completed grade 12, are full-time employed, and earn a monthly net income of R10 000 or less.
SECTION B : PATRONAGE HABITS	
Main finding 2	The majority of respondents consume wine two to three times a month, they spend R50 to R100 per purchase on their wine brand, and purchase their wine brand at a liquor store. The two most popular wine varieties they consume are Merlot and Sauvignon Blanc, and the wine brand respondents consume the most is Robertsons.

6.10.2 Main findings on the constructs

Table 6.20 presents the main findings resulting from the constructs (brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty) measured in Section C of the questionnaire, the descriptives, CFA, hypotheses results and SEM.

Table 6.20: Main findings on the constructs of the study

BRAND IDENTITY	
Main finding 3	Regarding brand identity, respondents agreed most with the statement that their wine brand has a high reputation.
Main finding 4	Regarding brand identity, respondents agreed least with the statement that their wine brand stands out from its competitors.
Main finding 5	Overall, respondents relate highly to the identity of their wine brand (see section 7.3.1 for application).
Main finding 21	The CFA confirmed that brand identity can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brand's identity.
Main finding 29	Respondents 27 years or younger and 28 to 40 years old perceive the identity of their wine brand to be statistically and practically significantly higher than older respondents (aged 41 or older) do.

Table 6.20: Main findings on the constructs of the study (cont.)

PERCEIVED BRAND VALUE	
Main finding 6	Regarding perceived brand value, respondents agreed most with the statement that their wine brand is a good buy.
Main finding 7	Regarding perceived brand value, respondents agreed least with the statement that their wine brand's prices are reasonable.
Main finding 8	Overall, respondents perceive their wine brand to be of high value (see section 7.3.2 for application).
Main finding 22	The CFA confirmed that perceived brand value can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brand's perceived brand value.
PERCEIVED QUALITY	
Main finding 9	Regarding perceived quality, respondents agreed most with the statement that their wine brand has consistent quality.
Main finding 10	Regarding perceived quality, respondents agreed least with the statement that in comparison to alternative wine brands, their wine brand is the best.
Main finding 11	Overall, respondents perceive their wine brand to be of high quality (see section 7.3.3 for application).
Main finding 23	The CFA confirmed that perceived quality can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' perceptions of their wine brands perceived quality.
BRAND TRUST	
Main finding 12	Regarding brand trust, respondents agreed most with the statement that they can trust their wine brand.
Main finding 13	Regarding brand trust, respondents agreed least with the statement that their wine brand is dependable.
BRAND TRUST	
Main finding 14	Overall, respondents indicated that they mostly trust their wine brand (see section 7.3.4 for application).
Main finding 24	The CFA confirmed that brand trust can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' brand trust towards their wine brand
SATISFACTION	
Main finding 15	Regarding satisfaction, respondents agreed most with the statement that their wine brand meets their expectations.
Main finding 16	Regarding satisfaction, respondents agreed least with the statement that they always get what they want with their wine brand.
Main finding 17	Overall, respondents indicated that they are mostly satisfied with their wine brand (see section 7.3.5 for application).
Main finding 25	The CFA confirmed that satisfaction can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' satisfaction towards their wine brand.

Table 6.20: Main findings on the constructs of the study (cont.)

LOYALTY	
Main finding 18	Regarding loyalty, respondents agreed most with the statement that they would recommend their wine brand to someone who seeks their advice.
Main finding 19	Regarding loyalty, respondents agreed least with the statement that they consider themselves to be loyal patrons of their wine brand.
Main finding 20	Overall, respondents indicated that they are mostly loyal towards their wine brand (see section 7.3.6 for application).
Main finding 26	The CFA confirmed that brand loyalty can be reduced to one factor and confirms the validity of the measurement scale measuring respondents' brand loyalty towards their wine brand.
RELIABILITY OF CONSTRUCTS	
Main finding 27	The Cronbach alpha values measuring the constructs of this study (i.e. perceived quality, perceived brand value, brand identity, brand trust, satisfaction and brand loyalty) are greater than 0.70, deeming all the constructs of this study reliable.
HYPOTHESES TESTING (H_1 TO H_6)	
Main finding 28	Respondents of different age groups differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, but do not differ statistically significantly from each other in terms of their perceived brand value perceptions, perceived quality perceptions, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).
Main finding 29	Respondents 27 years or younger and 28 to 40 years old perceive the identity of their wine brand to be statistically and practically significantly higher than older respondents (aged 41 or older) do.
Main finding 30	Respondents of different genders do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).
Main finding 31	Respondents of different ethnicities do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).
Main finding 32	Respondents of different ethnicities do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).
Main finding 33	Respondents of different employment levels do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).
Main finding 34	Respondents of different income levels do not differ statistically significantly from each other in terms of their perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty towards their wine brand (see section 7.3.7 for application).

Table 6.20: Main findings on the constructs of the study (cont.)

STRUCTURAL EQUATION MODELLING (H_7 TO H_{11})	
Main finding 35	Brand identity has a statistically significant and medium positive effect on satisfaction (see section 7.3.8 for application).
Main finding 36	Perceived brand value has a statistically significant and medium positive effect on satisfaction (see section 7.3.8 for application).
Main finding 37	Perceived quality does not have a statistically significant effect on satisfaction (see section 7.3.8 for application).
Main finding 38	Brand trust has a statistically significant and large positive effect on satisfaction (see section 7.3.8 for application).
Main finding 39	Satisfaction has a statistically significant and large positive effect on brand loyalty (see section 7.3.8 for application).
Main finding 40	Brand identity correlates with perceived brand value.
Main finding 41	Perceived brand value correlates with perceived quality.
Main finding 42	Perceived quality correlates with brand trust.
Main finding 43	Perceived brand value correlates with brand trust.
Main finding 44	Brand identity correlates with brand trust.
Main finding 45	Brand identity correlates with perceived quality.
Main finding 46	Brand identity, perceived brand value, and brand trust lead to satisfaction.
Main finding 47	Satisfaction leads to brand loyalty.

6.11 CONCLUSION

In this chapter, the results and main findings of brand identity, perceived brand value, perceived quality, brand trust, satisfaction, and brand loyalty were presented. This chapter presented the sample profile and patronage habits of respondents. The validity of the measurement scales for this study was measured by means of a CFA, and all scales were deemed valid. The reliability of the measurement scales was measured by means of Cronbach alpha coefficients, and the reliability was confirmed. Furthermore, the distribution of the data was measured, and ANOVA, independent sample t-test and SEM were used to test the formulated hypotheses. Lastly, a summary of the main findings relating to the results of this study was also presented. The next chapter provides a conclusion, limitations and recommendations based on the findings of this study.

CHAPTER 7

CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

7.1 INTRODUCTION

This chapter offers conclusions and makes recommendations regarding the results presented in Chapter 6, the literature in Chapters 2 to 4, and the secondary objectives formulated for this study. The chapter sets off with an overview of the study, followed by the conclusions and recommendations based on each of the secondary objectives of the study. Furthermore, a summary of the connections between the objectives, the questions of the questionnaire, the hypotheses, the main findings, as well as the conclusions and recommendations is also provided. Lastly, some limitations of the study are provided, concluding with recommendations for future research.

7.2 OVERVIEW OF THE STUDY

As mentioned in section 1.2, businesses need to build a strong culture around their brand that the business should commit to, as a strong brand have advantages to the business, such as satisfied consumers, less price-sensitive consumers, fewer consumer defections, and increased repurchasing of the brand (Baumgarth & Schmidt, 2010; Ghodeswar, 2008:4, Sousa & Silva, 2015:122). Branding transforms the functional assets of the business into relationship assets, with the main goal being to create brand loyalty among consumers (Ghodeswar, 2008:6; Şahin *et al*., 2011:1288).

Due to the increasing competitiveness of the wine industry (Drennan *et al.*, 2015:47; PwC, 2015), wine brands need to comprehend what affects consumers to become loyal towards their wine brand. Wine brands should place their focus on the markets that match them the best and that are also sustainable, and then aim to establish brand loyalty among those consumers (Fraser, 2008). Therefore, according to Bianchi *et al*. (2012:2) and Drennan *et al*. (2015:47), wine brands focus should be on implementing relevant and sustainable marketing and branding strategies. This can be done by meeting and exceeding the needs of consumers, offering them a brand they can identify with, with superior quality and value, which is trustworthy, and making sure they are satisfied (Ballantyne *et al*., 2006; Deng *et al*., 2009:290; Erciş *et al*., 2012:1396).

Therefore, the results, findings and recommendations presented in this study aim to help South African wine brands to determine the factors that influence consumers' loyalty, to be able to

manage their brand in such a manner that they can offer a brand consumers can identify with, which consists of good quality and value, is trustworthy, and will satisfy consumers, ultimately leading to them becoming loyal.

Consequently, the primary objective of this study (see section 1.6.1) was to investigate brand identity, perceived brand value, perceived quality, and brand trust as predictors of satisfaction and ultimately brand loyalty within the South African wine industry. This enabled the researcher to gain an understanding of respondents' perceptions of their wine brand's identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

To support the primary objective, the subsequent secondary objectives were set (see section 1.6), namely:

1) Determine the brand identity respondents associate with selected wine brands.
2) Determine respondents' value perceptions of selected wine brands.
3) Determine respondents' quality perceptions of selected wine brands.
4) Determine respondents' trust in selected wine brands.
5) Determine respondents' satisfaction with selected wine brands.
6) Determine the brand loyalty of respondents towards selected wine brands.
7) Determine whether significant differences exist between different groups of respondents in terms of each of the constructs.
8) Determine the interrelationship between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

In Chapter 2, a literature review regarding brands, branding and brand strategy was presented. According to Spieler (2010:1), brands lead consumers' buying decisions, and therefore a strong brand is considered one of the most valued assets of a business. Kornberger (2010:10, 12) states that a brand is a mechanism that manages the relationship between the business and consumers. On the other hand, branding is related to brands by means of brand management (Pike, 2013:318). Branding can be seen as a promise to the consumer that they will be satisfied and provided with exceptional performance, thereby strengthening the brand over time (Keller, 2013:30; Miletsky & Smith, 2009:3). According to Cohen (2014:26) and Ghodeswar (2008:6), branding enables the process of transforming functional assets into relationship assets. Therefore, forming long-term high-quality relationships between the consumer and the business ultimately creates brand loyalty (Cohen, 2014:26; Ghodeswar, 2008:6; Keller 1993; Şahin *et al*.,

2011:1288). Therefore, businesses should implement branding strategies – which could help them attract, maintain and retain consumers – to establish long-term relationships with consumers, and in the end, encourage loyalty towards the brand (Ryan, 2010:49).

Some of the key benefits associated with successful branding (as discussed in detail in section 2.6) can be summarised as follows (Ambavale & Surti, 2015:15; Chang, 2009:77; Erciş *et al*., 2012:1395; Ghodeswar, 2008:5; James *et al*., 2006; Kapferer, 2008:45; Keller, 2013:53; Keller & Lehman, 2006:746-750; Leek & Christodoulides, 2011a:830-381; Odunlami & Ogunsiji, 2011:9):

- Branding differentiates the product and/or service from competitors.
- Branding establishes a competitive advantage.
- Branding creates and retains loyal consumers.
- Branding enables businesses to ask premium prices.
- Branding results in higher sales volumes and profits.
- Branding provides long-term security and growth to businesses.
- Branding provides image enhancement.
- Branding establishes a relationship of trust and credibility with consumers.
- Branding expands the business' consumer base.
- Branding creates new consumer-perceived value.

Chapter 2 (see section 2.8) further investigated the different branding strategies businesses can implement to manage their brand in the correct manner. Keller *et al*. (2008:433) explain that it is important that businesses have an effective branding strategy, as it helps consumers gain an understanding of its products and/or services, allowing them to attain a clear image of the brand. If a brand is managed effectively, it will establish loyalty among consumers, leading to long-term relationships (Ghodeswar, 2008:6; Keller 1993; Sahin *et al*., 2011:1288). According to Hemsley-Brown *et al*. (2016:3020), to be able to increase brand loyalty, businesses need to develop a relatable brand identity; then, consumers will see that the brand satisfies their needs and will then trust the brand, resulting in them becoming loyal towards the brand (Erciş *et al*., 2012:1396; Nam *et al*., 2011:1014).

In Chapter 3, satisfaction and brand loyalty are discussed, focusing on brand identity, perceived brand value, perceived quality and brand trust, which were acknowledged as significant influencers of brand loyalty (see section 3.8) in the South African wine industry.

Brand identity is defined as the contribution of all brand elements to brand awareness and brand image (Keller, 2013:76), and becomes the ideal self-image that a business wants to portray to consumers (Micelotta & Raynard, 2011:3). Brand identity assists the business in differentiating its offerings to be able to establish a sustainable competitive advantage (Micelotta & Raynard, 2011:3). According to He *et al*. (2012:649), managing brand identity should be the first thing that businesses do in integrated marketing communications to be able to establish loyal consumers. Brand identity expresses a sense of confidence and security (Micelotta & Raynard, 2011:3), and leads to improved relationships between the business and consumers (He *et al*., 2012:649; Lin & Sung, 2014:55). Businesses should, therefore, know how to develop a good brand identity that is understandable and relatable to consumers, ultimately helping businesses to make consumers trust them and to differentiate the brand from competitors (Buil *et al*, 2016:6, 10; Ghodeswar, 2008:5; Monfort *et al*., 2015:31; Shirazi *et al*., 2013:160). Shirazi *et al*. (2013:159) state that trust and satisfaction facilitate the effect that brand identity has on brand loyalty.

Perceived brand value can be seen as how the brand is known by consumers (Healey, 2008:78); therefore, referring to consumers' evaluation of the brand's benefits, based on the sacrifices consumers had to make and how they expect the brand to perform when they use it (Kuo *et al*., 2009:888; Liu *et al*., 2015:474). According to Leek and Christodoulides (2011b:111) and Park and Kim (2016:115), perceived brand value helps to create consumer relationships, as consumers feel that they can trust the brand and are then willing to build a relationship with the brand. He *et al*. (2012:649) furthermore mention that a brand with value increases consumers' satisfaction. Ultimately, satisfaction and trust enable the effect that perceived brand value has on brand loyalty. It is therefore evident that perceived brand value positively affects brand loyalty (He *et al*., 2012:652; Lai *et al*., 2008:984; Shirazi *et al*., 2013:154; Yeh *et al*., 2016:245).

Perceived quality is described as the perceptions consumers have regarding the superiority of the brand (Hsu *et al*., 2012:357). If businesses want to gain greater consumer loyalty, market share and profitability, the business must position their brand correctly to ensure a competitive advantage (Howat & Assaker, 2013:269; Huang & Huddleston, 2009:988). Therefore, providing high levels of brand quality is important for businesses in order to successfully compete with other competitors (Deng *et al*., 2009:291). Perceived quality is further regarded as an important predictor of satisfaction – the greater the brand's perceived quality is, the more likely it is that consumers will repeat their purchase, leading to greater behavioural loyalty (Howat & Assaker, 2013:269; Nowak *et al*., 2006:319). If consumers find the quality of the brand as satisfactory, it will ultimately lead to brand loyalty (Kassim & Abdullah, 2010:354).

Brand trust can be seen as consumers' willingness to rely on the capability of the brand to present what it has promised to consumers (Bianchi, 2015:447; Bianchi *et al*., 2012:3, Chaudhuri & Holbrook, 2001:82; Şahin *et al*., 2011:1290). Trust reduces uncertainty (Chaudhuri & Holbrook, 2001; Hsu & Chang 2014:121; Newman *et al*., 2014:115) and consumers seek a brand that they perceive as trustworthy to avoid risks (Bianchi, 2015:447; Matzler *et al*., 2008:155). Garbarino and Johnson (1999:76) and Krivic and Loh (2016) explain that there is a relationship between loyalty and brand trust, as trust develops positive consumer attitudes towards the brands consumers prefer. Brand trust helps to create long-term relationships between the business and consumers, as consumers gain an emotional commitment towards the brand that leads to long-term loyalty (Hess, 1995:21; Jung *et al*., 2014:583). Businesses should, therefore, acknowledge the significance of developing brand trust among consumers to encourage loyalty, as trust is perceived as the essence of the value that a strong brand offers (Matzler *et al*., 2008:159).

Nam *et al*. (2011:1009) state that satisfaction is significant in helping businesses gain success. Oliver (1980) defines satisfaction, as "how satisfied a consumer is with a particular brand." In section 3.3.1, satisfaction was defined as the consumer's emotional response resulting from post-purchase evaluation of the difference between previous expectations and the actual performance of the product, service or encounter with a business. Therefore, the positive attitude that consumers gain from assessing the experience they had with a brand is known as satisfaction (Lim *et al*., 2017:297; Wijaya, 2015:81). According to Jin (2015:86), Lin (2009:145), Oliver (2010:5) and Seiders *et al*. (2005:26), satisfaction also describes key post-purchase behaviours of consumers, such as complaining, word-of-mouth, the intention to repeat the purchase and product usage. Satisfied consumers are usually less price sensitive, not easily influenced by competitors and more loyal (Bianchi, 2015:446; Bianchi *et al*., 2012:2; Nam *et al*., 2011:1009). According to Bianchi (2015:446), Bianchi *et al*. (2012:2) and Nam *et al*. (2011:1017), satisfaction is related to, and leads to brand loyalty. Consumers' level of satisfaction, therefore, improves consumers' loyalty towards the brand through their decision to repurchase the brand (Deng *et al*., 2009:290). The more satisfied consumers are, the more loyal the consumers will become towards the brand (Lin, 2009:145).

In section 3.5.1, brand loyalty was defined as the consumer's commitment towards a brand, due to the consumer's preference for a certain brand from previous use, which leads to repeated purchase behaviour over time. Aaker and McLoughlin (2010:175) and Rai and Srivastava (2012:50) state that brand loyalty is vital to businesses as it aids competitiveness. According to Hoyer and MacInnis (2010:258), the degree of a consumer's loyalty towards a brand increases as the consumer's assessment of the brand grows stronger. For businesses to be able to create

the best strategies to gain loyal consumers, businesses must first consider the different types of brand loyalty (McMains, 2009:1), namely contractual, transactional, behavioural, functional, attitudinal and emotional loyalty (see section 3.6). Lastly, there are numerous key influencers of brand loyalty, with the most important influencers being satisfaction, switching costs, brand trust, brand involvement, perceived brand value, brand performance, commitment, culture, brand experience, perceived quality and brand identity. For the purpose of this study, the main constructs under investigation are satisfaction, brand trust, perceived brand value, perceived quality and brand identity.

In Chapter 4, the conceptual model formulated for this study was presented and the interrelationships between the constructs are highlighted. The model suggests that if consumers can relate to the identity of the brand, their perceptions of the perceived brand value and perceived quality of the brand are good, consumers feel they can trust the brand, and then this will have a positive influence on consumers' satisfaction towards a brand. The model furthermore proposes that once consumers are satisfied with the brand, it will positively influence their loyalty towards the brand.

In Chapter 5, the research methodology followed in this study was discussed. To be able to achieve the primary and secondary objectives of the study, the researcher conducted primary research. Subsequently, the researcher chose a descriptive research design, making use of a self-administered questionnaire provided to South African wine consumers in the Western Cape Province, who were over the age of 18 and consume wine more than once a month. Fieldworkers, studying at the North-West University of Potchefstroom, distributed the questionnaires, and obtained the necessary data from respondents. There was no sample frame for the study; therefore, the fieldworkers made use of non-probability convenience and judgement sampling, as they had to use their own discretion to determine who would be potential respondents to partake in the study. The planned sample size was 250 (as indicated in Table 5.8). A total of 270 questionnaires were collected, of which only 260 were viable for data analysis.

In Chapter 6, the results gathered from the empirical study were presented. The study made use of descriptive statistics (F and %) to determine the sample profile and patronage habits of the respondents who took part in the study (sections 6.2 and 6.3). The means and standard deviations of the constructs of the study, namely brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty were determined (see section 6.4). Furthermore, the validity of each construct was determined by means of CFAs (see section 6.5), and the reliability of each construct was determined by means of Cronbach alpha coefficients (see section 6.6). The hypotheses formulated for the study were tested by means of ANOVAs and independent

samples t-tests (see section 6.8). Lastly, the study made use of a SEM to determine model fit (see section 6.9). The subsequent section presents conclusions drawn from the main findings and makes recommendations for the secondary objectives of the study.

7.3 CONCLUSIONS AND RECOMMENDATIONS

This section provides the conclusions and recommendations made concerning each of the secondary objectives and results of the study, as provided in Chapter 6.

7.3.1 Secondary objective 1

Determine the brand identity respondents associate with selected wine brands.

As mentioned in Chapter 3, brand identity helps a business build greater consumer relationships, and managing it correctly will create loyalty among consumers (He *et al*., 2012:649; Lin & Sung, 2014:55). Brand identity also helps businesses to establish strong brands with a sustainable competitive advantage (Micelotta & Raynard, 2011:3), and strong brands enjoy consumers who are less price sensitive and are loyal towards their brand (Ghodeswar, 2008:4). Businesses must, therefore, be sure to have an understandable and relatable brand identity that can help develop trust among consumers (Buil *et al*., 2016:6, 10; Ghodeswar, 2008:5; Monfort *et al*., 2015:31; Shirazi *et al*., 2013:160), as trust and satisfaction assist in the effect that brand identity has on brand loyalty (Shirazi *et al*., 2013:159).

Regarding secondary objective 1, main findings 3, 4, 5, 21, 27, 28, 29, 30, 31, 32, 33, 34, 35, 40, 44, 45 and 46 were formulated. The CFA and Cronbach alpha values established the validity and reliability of brand identity with regard to the South African wine industry.

Conclusion 1: The reliability and validity of the brand identity measure were confirmed by means of the Cronbach alpha values and the CFA.

Conclusion 2: Respondents indicated that their wine brand has a high reputation.

Conclusion 3: Respondents indicated that their wine brand does not stand out from its competitors.

Recommendation 1: The brand identity scale used in this study can be used by South African wine brands to effectively measure their brand identity.

Recommendation 2: South African wine brands should focus on distinguishing their brands, by improving its overall brand identity. Brand identity can be improved by:

- Creating awareness of the brand among consumers;
- Establishing a high-quality brand;
- Establishing a brand with a high reputation;
- Establishing a brand with a sense of confidence and security;
- Emphasising unique features of the brand.

7.3.2 Secondary objective 2

Determine respondents' value perceptions of selected wine brands.

As mentioned in Chapter 3, perceived brand value is important as it helps in the development of relationships and simplifies consumers' purchasing decisions (Leek & Christodoulides, 2011b:108; Park & Kim, 2016:115). Perceived brand value also enhances satisfaction (He *et al*., 2012:649); therefore, if a brand has high brand value, consumers will be highly satisfied. If perceived brand value is high, consumers will also trust the brand more (Erciş *et al*., 2012:1397). Ultimately, satisfaction and trust assist in the effect that perceived brand value has on brand loyalty (He *et al*., 2012:652; Lai *et al*., 2008:984; Shirazi *et al*., 2013:154; Yeh *et al*., 2016:245).

Regarding secondary objective 2, main findings 6, 7, 8, 22, 27, 28, 30, 31, 32, 33, 34, 36, 40, 41, 43 and 46 were formulated. The CFA and Cronbach alpha values established the validity and reliability of perceived brand value in the South African wine industry.

Conclusion 4: The reliability and validity of the perceived brand value measure were confirmed by means of the Cronbach alpha values and the CFA.

Conclusion 5: Respondents indicated that their wine brand's prices are not reasonable.

Recommendation 3: The perceived brand value scale used in this study can be used by South African wine brands to effectively measure their perceived brand value.

Recommendation 4: South African wine brands can enhance the value of their brand by:

- Offering their wine brands at the most reasonable prices possible;

- Offering good value for money to consumers;
- Offering a brand with value that lives up to consumers' expectations;
- Offering a brand with good value that consumers can trust.

7.3.3 Secondary objective 3

Determine respondents' quality perceptions of selected wine brands.

As mentioned in Chapter 3, if businesses want to compete successfully with competitors, businesses need to provide high quality brands (Deng *et al*., 2009:291). Howat and Assaker (2013:269) and Huang and Huddleston (2009:983) state that high-quality products establish satisfaction and brand loyalty. Therefore, the greater the level of quality, the more satisfied consumers will be, leading to greater levels of loyalty (Howat & Assaker, 2013:269; Nowak *et al*., 2006:319). According to Lakhal (2009:637) and Talib *et al*. (2013:281), businesses should continually enhance their quality to gain a competitive advantage and enhance performance.

Regarding secondary objective 3, main findings 9, 10, 11, 23, 27, 28, 30, 31, 32, 33, 34, 37, 41, 42, and 45 were formulated. The CFA and Cronbach alpha values established the validity and reliability of perceived quality with regard to the South African wine industry.

Conclusion 6: The reliability and validity of the perceived quality measure were confirmed by means of the Cronbach alpha values and the CFA.

Conclusion 7: Respondents indicated that their wine brand has consistent quality.

Conclusion 8: Respondents indicated that compared to alternative wine brands, their wine brand is not the best.

Recommendation 5: The perceived quality scale used in this study can be used by South African wine brands to effectively measure their perceived quality.

Recommendation 6: South African wine brands should focus on being the best wine brand compared to alternative wine brands, by improving its overall perceived quality:

- Offering the best quality wine brand compared to alternative brands;
- Building a strong brand with superior quality, in order to gain a sustainable competitive advantage;

- Making sure that they have consistent high quality wine brands;
- Creating forums where consumers can communicate their feedback regarding the brand, in order for wine brands to make sure the performance of their wines is always of good quality.

7.3.4 Secondary objective 4

Determine respondents' trust in selected wine brands.

As mentioned in Chapter 3, if businesses aim to establish long-term relationships and loyalty among consumers, it is important that businesses focus on creating brand trust among these consumers (Hess, 1995:21; Jung *et al*., 2014:583). There is a connection between loyalty and brand trust (Bianchi, 2015:444; Bianchi *et al*., 2012:3; Erciş *et al*., 2012:1398; Garbarino & Johnson, 1999:76; Krivic & Loh, 2016), because when consumers perceive the brand as dependable and trustworthy, they will be satisfied with the brand, and will be inclined to repeat their purchase, thereby leading to them becoming more loyal towards the brand (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Lee *et al*., 2015:298). Therefore, the more trustworthy a brand is to consumers, the greater their loyalty will be (Deng *et al*., 2009:291; Erciş *et al*., 2012:1398; Garbarino & Johnson, 1999:77; Hess, 1995:21).

Regarding secondary objective 4, main findings 12, 13, 14, 24, 27, 28, 30, 31, 32, 33, 34, 38, 42, 43, 44 and 46 were formulated. The CFA and Cronbach alpha values established the validity and reliability of brand trust with regard to the South African wine industry.

Conclusion 9: The reliability and validity of the brand trust measure were confirmed by means of the Cronbach alpha values and the CFA.

Conclusion 10: Respondents indicated that their wine brand is not dependable.

Recommendations 7: The brand trust scale used in this study can be used by South African wine brands to effectively measure their brand trust.

Recommendation 8: South African wine brands should focus on offering a brand that consumers can depend on, by improving its overall brand trust. Brand trust can be improved by:

- Developing a strong wine brand that consumers can depend on;
- Being honest with consumers about what they can expect in the wine brand;

- Offering a wine brand that is reliable;
- Only making promises that the wine brand can keep;
- Offering a brand that is trustworthy;
- Offering a wine brand with good quality and value to consumers.

7.3.5 Secondary objective 5

Determine respondents' satisfaction with selected wine brands.

As mentioned in Chapter 3, businesses' success is dependent on consumer satisfaction (Nam *et al*., 2011:1009). If consumers are pleased and satisfied, it is more likely that they will repeat their purchases and become loyal (Jha, 2015; Engels, 2005:4). Deng *et al*. (2009:290) and Lin (2009:145) mention that a consumer's level of satisfaction helps to develop brand loyalty through them repurchasing the brand. Consumers' perceptions of a brand affects their satisfaction towards that brand, and therefore businesses need to manage these effects to correctly measure consumers' satisfaction with regard to the experience they had with the business (Chen *et al*., 2014:2414; Zboja & Voorhees, 2006:386).

Regarding secondary objective 5, main findings 15, 16, 17, 25, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 46 and 47 were formulated. The CFA and Cronbach alpha values established the validity and reliability of satisfaction with regard to the South African wine industry.

Conclusion 11: The reliability and validity of the satisfaction measure were confirmed by means of the Cronbach alpha values and the CFA.

Conclusion 12: Respondents indicated that they do not always get what they want with their wine brand.

Recommendation 9: The satisfaction scale used in this study can be used by South African wine brands to effectively measure satisfaction.

Recommendation 10: South African wine brands should focus on giving consumers what they are looking for, by improving its overall satisfaction. Satisfaction can be improved by:

- Knowing what consumers want, and offering that to consumers;
- Not making any promises they cannot deliver to consumers;

- Knowing what consumers' needs are, and aiming to satisfy those needs;
- Being determined to meet and exceed consumers' expectations;
- Building a strong brand, and offering the best quality brand with the best value;
- Creating forums where consumers can communicate their feedback regarding the brand, in order for the brand to improve to be able to satisfy consumers;
- Branding their wines in such a manner, ensuring consumers that if they purchase that specific wine brand it would be the best choice to make.

7.3.6 Secondary objective 6

Determine the brand loyalty of respondents towards selected wine brands.

As mentioned in Chapter 3, the main aim of managing a brand is to create brand loyalty. If a business wants to establish how loyal its consumers are, the business must determine whether consumers still favour their brand above those of competitors (Chi *et al*., 2009:136; Pappu & Quester, 2016:3). There is no single loyalty that can be stated; therefore, one can distinguish between different types within loyalty itself (Erciş *et al*., 2012:1395; McKean, 2010:102), namely contractual, transactional, behavioural, functional, attitudinal and emotional loyalty. For the purpose of this study, brand loyalty is regarded a function of both behaviour and attitudes. It is when a consumer favours purchasing a certain brand, because it has the right features, image and quality, and the price is reasonable. These perceptions that consumers have towards the brand lead to them forming new purchasing behaviours. Consumers tend to first test the brand, and if it satisfies them, they will then continue to use that brand (Picón *et al*., 2014:747; Yee & Sidek, 2008:223).

According to Albert and Merunka (2013:260), Buil *et al*. (2013:64) and Lee *et al*. (2009:309), if loyal consumers are committed towards their preferred brand, it leads to them purchasing that specific brand each time they use the same product or service. Furthermore, brand loyalty also helps the business gain a sustainable competitive advantage (Hew *et al*., 2016:144; Mostert *et al*., 2016:27; Pride & Ferrell, 2011:401; Sharma *et al*., 2010:239). There are numerous key influencers of brand loyalty, with satisfaction, brand trust, perceived brand value, perceived quality and brand identity being the main constructs of this study.

Regarding secondary objective 6, main findings 18, 19, 20, 26, 27, 28, 30, 31, 32, 33, 34, 39 and 47 were formulated. The CFA and Cronbach alpha values established the validity and reliability of brand loyally with regard to the South African wine industry.

Conclusion 13: The CFA and Cronbach alpha values confirmed the validity and reliability of the influencers of loyalty as a measure to determine respondents' loyalty in the South African wine industry.

Conclusion 14: Respondents indicated that they would recommend their wine brand to someone who seeks their advice.

Conclusion 15: Respondents indicated that they do not consider themselves to be loyal towards their wine brand.

Recommendation 11: The loyalty scale used in this study can be used by South African wine brands to effectively measure loyalty.

Recommendation 12: South African wine brands can improve respondents' loyalty towards their brand by:

- Meeting and exceeding consumers' expectations;
- Encouraging consumers to spread positive word-of-mouth about the brand;
- Building a strong brand to gain a sustainable competitive advantage, and offering the best possible wine brand;
- Offering the best quality wine brand, at the best value;
- Offering consumers a trustworthy wine brand;
- Offering consumers a wine brand they can identify with; and
- Offering consumers a wine brand that will satisfy their needs.

7.3.7 Secondary objective 7

Determine whether significant differences exist between different groups of respondents in terms of each of the constructs.

Secondary objective 7 aims to establish whether the brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty levels differ between the different wine consumers regarding their age, gender, ethnicity, level of education, level of employment and level of income. Consequently, the researcher formulated hypotheses and used independent samples t-tests and ANOVAs (see section 5.3.6.2.2) to test the hypotheses in order to determine whether statistically and practically significant differences exist. Therefore, secondary objective 7 is related to main findings 28, 30, 31, 32, 33 and 34. The differences between different groups of wine consumers concerning brand identity, perceived brand value, perceived quality, satisfaction and brand loyalty are discussed.

7.3.7.1 Brand identity

To establish whether differences exist among different groups of wine consumers with regard to brand identity, the researcher determined respondents' perceptions based on age, gender, ethnicity, level of education, employment status and level of income. Respondents of different age groups differ statistically significantly from each other regarding their perceptions of their wine brand's identity. Furthermore, there were no statistically significant differences with regard to gender, ethnicity, level of education, employment status and level of income.

Conclusion 16: Respondents 27 years or younger and 28 to 40 years old perceive the identity of their wine brand to be statistically and practically significantly higher than older respondents (aged 41 or older) do.

Conclusion 17: Respondents of different genders, ethnicities, levels of education, employment status, and level of income do not differ from each other in terms of their perceptions of their wine brand's identity, consequently, signifying that all respondents mostly have similar perceptions of the identity of their wine brand.

Recommendation 13: Wine brands should adjust their brand identity for the different age groups, as younger respondents perceive the identity of their wine brand different than older respondents do. Different ways to improve brand identity are discussed in more detail in Recommendation 5.

7.3.7.2 Perceived brand value

To establish whether differences exist among different groups of wine consumers with regard to perceived brand value, the researcher determined respondents' perceptions based on age, gender, ethnicity, level of education, employment status and level of income. Respondents of

different age groups differ statistically significantly from each other in terms of their perceptions of their wine brand's perceived brand value; however, there were no practically significant differences. Furthermore, there were no statistically significant differences with regard to gender, ethnicity, level of education, employment status and level of income.

Conclusion 18: Respondents of different gender, ethnicity, level of education, employment status and level of income groups do not differ from each other in terms of their perceptions of their wine brand's perceived brand value, consequently signifying that all respondents mostly have similar perceptions of the perceived brand value of their wine brand.

Recommendation 14: As the majority of respondents have similar perceptions regarding the perceived band value of their wine brand, wine brands should consider building and maintaining a consistent perceived brand value among all groups of respondents.

7.3.7.3 Perceived quality

To establish whether differences exist among different groups of wine consumers with regard to perceived quality, the researcher determined respondents' perceptions based on age, gender, ethnicity, level of education, employment status and level of income. There were no statistically significant differences with regard to age, gender, ethnicity, level of education, employment status and level of income.

Conclusion 19: Respondents of different age, gender, ethnicity, level of education, employment status and level of income groups do not differ significantly from each other in terms of their perceptions of their wine brand's perceived quality, consequently signifying that all respondents mostly have similar perceptions of the perceived quality of their wine brand.

Recommendation 15: As the majority of respondents have similar perceptions regarding the perceived quality of their wine brand, wine brands should consider building and maintaining a consistent perceived quality among all groups of respondents.

7.3.7.4 Brand trust

To establish whether differences exist among different groups of wine consumers with regard to brand trust, the researcher determined respondents' levels of trust based on age, gender, ethnicity, level of education, employment status and level of income. No statistically significant differences were found with regard to age, gender, ethnicity, level of education, employment status and level of income.

Conclusion 20: Respondents of different age, gender, ethnicity, level of education, employment status and level of income groups do not differ significantly from each other in terms of their level of trust towards their wine brand, consequently signifying that all respondents mostly have similar levels of trust towards their wine brand.

Recommendation 16: As the majority of respondents have similar levels of brand trust towards their wine brand, wine brands should consider building and maintaining a consistent level of trust among all groups of respondents.

7.3.7.5 Satisfaction

To establish whether differences exist among different groups of wine consumers with regard to satisfaction, the researcher determined respondents' levels of satisfaction based on age, gender, ethnicity, level of education, employment status and level of income. No statistically significant differences were found with regard to age, gender, ethnicity, level of education, employment status and level of income.

Conclusion 21: Respondents of different age, gender, ethnicity, level of education, employment status and level of income groups do not differ significantly from each other in terms of their level of satisfaction towards their wine brand, consequently signifying that all respondents mostly have similar levels of satisfaction towards their wine brand.

Recommendation 17: As the majority of respondents have similar levels of satisfaction towards their wine brand, wine brands should consider building and maintaining a consistent level of satisfaction among all groups of respondents.

7.3.7.6 Brand loyalty

To establish whether differences exist among different groups of wine consumers with regard to loyalty, the researcher determined respondents' levels of loyalty based on age, gender, ethnicity, level of education, employment status and level of income. No statistically significant differences were found with regard to age, gender, ethnicity, level of education, employment status and level of income.

Conclusion 22: Respondents of different age, gender, ethnicity, level of education, employment status and level of income groups do not differ significantly from each other in terms of their level of loyalty towards their wine brand, consequently signifying that all respondents mostly have the same level of loyalty towards their wine brand.

Recommendation 18: As the majority of respondents have similar levels of loyalty towards their wine brand, wine brands should consider building and maintaining a consistent level of loyalty among all groups of respondents.

7.3.8 Secondary objective 8

Determine the interrelationship between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

As mentioned above, consumers perceive themselves to not be loyal towards their wine brands, and as the wine industry is becoming more competitive and there are more varieties of wine brands (Drennan *et al*., 2015:47; PwC, 2015), it is vital that wine brands know what factors influence consumers' brand loyalty, in order to implement branding strategies to be able to develop loyalty among consumers towards a certain wine brand, and build sustainable relationships with these consumers (Fraser, 2008; Şahin *et al*., 2011:1290).

Existing research (Balaji, 2011:9; Erciş *et al*., 2012:1396; Ghodeswar, 2008:6; Jensen & Hansen, 2006:442; Keller, 2013:36; Leek & Christodoulides, 2011a:831; Martinelli *et al*., 2015:105; Nam *et al*., 2011:1014; Sahin *et al*., 2011:1288) acknowledge brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty as components of brands and branding.

Regarding secondary objective 8, main findings 35 to 47, and hypotheses H_7 to H_{11} address this objective by means of structural equation modelling. Main findings 35 to 38 indicate that the brand's identity, respondents' perceptions of the brand's perceived brand value and their trust in the brand have a significant positive influence on how satisfied they are with their wine brand. Main finding 39 indicates that respondents' satisfaction with their wine brand has a positive influence on their loyalty towards their wine brand. It can, therefore, be seen from main findings 35 to 39 that there is indeed an interrelationship between brand identity, perceived brand value, perceived quality and brand trust, leading to consumers being satisfied, and consequently leading to loyalty. Considering these findings, a conceptual model (see Figure 6.1) concerning South African wine brands was composed.

Conclusion 23: Brand identity has a positive effect on satisfaction. Therefore, if consumers can identify with the wine brand, they will more likely be satisfied with the wine brand.

Conclusion 24: Perceived brand value has a positive effect on satisfaction. Therefore, if wine brands can offer consumers a wine brand that is of good value, they will more likely be satisfied with the wine brand.

Conclusion 25: Trust has a positive effect on satisfaction. Therefore, if wine brands can encourage consumers to trust the wine brand, they will more likely be satisfied with the wine brand.

Conclusion 26: Satisfaction has a positive effect on loyalty. Therefore, if wine brands can consistently satisfy their consumers, they will more likely stay loyal towards their wine brand.

Conclusion 27: Brand identity, perceived brand value and trust lead to consumers being satisfied, which then lead to them becoming loyal. Therefore, to be able to build strong brands and long-term relationships with consumers who are loyal, wine brands must be able to satisfy consumers by offering a wine brand they can identify with, which is of good value and is trustworthy.

Recommendation 19: South African wine brands can consider applying this study's conceptual model (see Figure 6.1) to encourage consumers to become more loyal towards their wine brand.

Recommendation 20: To be able to ultimately achieve ultimate loyalty, wine brands should turn their attention to meeting and/or exceeding consumers' expectations to be able to increase their satisfaction towards their wine brand. In order to satisfy consumers, wine brands should focus on building a strong brand and developing a long-term relationship with consumers, and this can be done by offering a brand that consumers can identify with, which is of good value, and is trustworthy.

7.3.9 Summary of recommendations

Considering the abovementioned recommendations, South African wine brands can consider making use of the measurement scales that were used to measure brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty. Wine brands must be sure to make use of the correct branding strategies that are in line with their target audience, which is aged from 18 to 35 years and part of the working class. It is important that wine brands create and uphold the same levels of brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty through all demographic groups.

In order for wine brands to improve their brand identity, wine brands should be sure to differentiate their wine to stand out from competitors. Regarding perceived brand value, wine brands should offer wines with reasonable prices. Moreover, to improve perceived quality, wine brands should strive to be the best wine brand in comparison to alternative wine brands. In order to gain consumers' trust in the wine brand, they should offer a brand that consumers can depend on. Wine brands must also strive to satisfy consumers' needs, and this can be done by always giving consumers what they are looking for. The ultimate goal for wine brands is to develop long-term loyalty among their consumers. Therefore, wine brands must build a strong brand and gain a competitive advantage above competitors, to be able to meet and exceed consumers' expectations, and build long-term relationships with them. Wine brands should, therefore, offer a brand with an identity that consumers can relate to, with excellent quality and value, which is trustworthy and will satisfy consumers; then, consumers will ultimately become loyal towards the brand.

7.4 THE LINKS BETWEEN THE OBJECTIVES, HYPOTHESES, QUESTIONS IN THE QUESTIONNAIRE, MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Table 7.1 provides an overview of the links between the primary and secondary objectives, hypotheses formulated for this study, the questions presented in the questionnaire, the main findings, conclusions and recommendations of this study.

Table 7.1: Objectives, questions, hypotheses, main findings, conclusions and recommendations

QUESTIONS	HYPOTHESES	MAIN FINDINGS	CONCLUSIONS	RECOMMENDATION
Secondary objective 1: Determine the brand identity respondents associate with selected wine brands.				
Section C: Statements 1 – 4	–	3, 4, 5 & 21	1 – 3	1 & 2
Secondary objective 2: Determine respondents' value perceptions of selected wine brands.				
Section C: Statements 5 – 7	–	6, 7, 8 & 22	4 & 5	3 & 4
Secondary objective 3: Determine respondents' quality perceptions of selected wine brands.				
Section C: Statements 8 – 10	–	9, 10, 11 & 23	6 – 8	5 & 6
Secondary objective 4: Determine respondents' trust in selected wine brands.				
Section C: Statements 11 – 14	–	12, 13, 14 & 24	9 & 10	7 & 8

Table 7.1: Objectives, questions, hypotheses, main findings, conclusions and recommendations (cont.)

QUESTIONS	HYPOTHESES	MAIN FINDINGS	CONCLUSIONS	RECOMMENDATION
Secondary objective 5: Determine respondents' satisfaction with selected wine brands.				
Section C: Statements 15 – 17	–	15, 16, 17 & 25	11 & 12	9 & 10
Secondary objective 6: Determine the brand loyalty of respondents towards selected wine brands.				
Section C: Statements 18 – 22	–	18, 19, 20 & 26	13 – 15	11 & 12
Secondary objective 7: Determine whether significant differences exist between different groups of respondents in terms of each of the constructs.				
Section C: Statements 1 – 22	H_1 – H_6	28 – 34	16 – 22	13 – 18
Secondary objective 8: Determine the interrelationship between brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.				
Section C: Statements 1 – 22	H_7 – H_{11}	35 – 47	23 – 27	19 & 20

It is evident from Table 7.1 that the primary objective formulated for this study, to investigate brand identity, perceived brand value, perceived quality, and brand trust as predictors of satisfaction and ultimately brand loyalty within the South African wine industry, has been achieved. It is also evident that the secondary objectives formulated for this study have also been achieved, and that the study addressed the hypotheses. Consequently, for each secondary objective, there were main findings, conclusions and recommendations presented.

7.5 LIMITATIONS OF THIS STUDY

- There is limited research regarding brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty in the South African wine industry. Therefore, the researcher had to make use of international studies regarding these constructs in the wine industry.
- There was no sampling frame (consumer database) available for this study. Therefore, the study had to make use of non-probability sampling in the form of convenience and judgement sampling. Subsequently, the whole population is not represented in this study, but only the respondents who took part in the survey. Wine brands should, therefore, avoid generalising this study's findings to all wine brand consumers, as it does not represent the

whole population. The results can also not be generalised to other geographical areas, as the results are limited to the Western Cape Province of South Africa.

- The lack of a sampling frame made it challenging for fieldworkers to recognise possible respondents who were over the age of 18 and who consumed wine more than once a month, and this resulted in more time needed to collect the primary data.
- The fact that the study made use of self-administered questionnaires can also be seen as a limitation, as it is possible that respondents could have answered vaguely, and they could have skipped some of the sections as the questionnaire was lengthy, ultimately resulting in some questionnaires being thrown out when the data was cleaned.
- Some respondents were occupied at the time the fieldworkers approached them to take part in the study, and they were not as willing to complete the questionnaire, which also limited this study.
- As there was limited time and a limited budget, the study had to make use of a small sample representative of the Western Cape Province of South Africa. If more time and a larger budget were available, the study could have been conducted on a greater scale, enhancing the representatives of wine consumers in South Africa.

7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

Subsequently, the following suggestions can be made for future research:

- As it is challenging to acquire a sampling frame, researchers can consider working together with wine brands and liquor stores to collect data from their consumers.
- Researchers should consider making use of a larger sample size, as this will assist in gathering a more accurate representation of the target population and attaining more accurate results.
- Researchers can consider making use of online surveys, which are more accessible and user friendly, and share it on websites, social media platforms, via email and consumers sharing with friends, to give respondents the opportunity to complete the questionnaire at their own time. It will also save the researchers money and will help to gain a larger sample size.
- As this study was limited to respondents from the Western Cape Province of South Africa, researchers should try to acquire respondents from other or all of the provinces (Eastern Cape, Northern Cape, Western Cape, Free State, Gauteng, Kwazulu-Natal, Limpopo,

Mpumalanga and North West) in their sample, as consumers may vary or act in different ways based on their geographical location.

- Researchers could consider performing a comparative study, comprising different types of wine varieties or brands, to establish whether a similar conceptual brand loyalty model can be used.
- Researchers can consider researching other/more predictors of loyalty, in order to gain a deeper understanding of what influences consumers' loyalty, especially towards their wine brand.
- This study's conceptual model can be tested in other studies, economies, or industries to test how reliable, relevant and applicable this model is.

7.7 CONCLUSION

In this chapter, an overview of the entire study was presented, including short overviews of the literature chapters (Chapter 2 and 3), the primary and secondary objectives of the study (Chapter 1), the hypotheses formulated for this study (Chapter 4) and the methodology used in this study (Chapter 5). This chapter made conclusions and recommendations based on the results and main findings of the study (Chapter 6), as well as each secondary objective of this study (Chapter 1) in order to develop a branding strategy that will enhance the brand's identity, perceived brand value, perceived quality, brands trust, satisfaction and brand loyalty. A link among the secondary objectives, hypotheses formulated for the study, questions of the questionnaire, main findings, conclusions and recommendations was presented in Table 7.1. Furthermore, limitations related to this study were discussed, and lastly suggested recommendations for future research studies were made. In final conclusion, this study contributes insights regarding predictors of brand loyalty in the South African wine industry, and establishes the interrelationships between the main constructs of this study, namely brand identity, perceived brand value, perceived quality, brand trust, satisfaction and brand loyalty.

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APPENDIX A

QUESTIONNAIRE

Questionnaire number:

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOMKAMPUS

Your loyalty towards your wine brand

This questionnaire is designed to obtain feedback regarding your loyalty towards your wine brand, by determining your value, quality, trust, identity and satisfaction perceptions of this brand.

Taking part in this survey is completely voluntary and anonymous. Completing the questionnaire should take approximately 10 minutes. When evaluating a question, please answer from your own perspective, by marking or completing where required.

Should you have any questions, please contact Dr Mackay at 12194778@nwu.ac.za.

Screening questions:

Are you 18 years or older?	Yes
	No

Do you consume wine more than once a month?	Yes
	No

If your answer is '**Yes**' to both of the above questions, please complete the questionnaire.

If your answer is '**No**' to either one of the above questions, you do not have to complete the questionnaire.

SECTION A – PATRONAGE HABITS

1. How long have you been a wine consumer?	x
Less than 1 year	1
1 - 5 years	2
6 - 10 years	3
Longer than 10 years	4

2. How often do you consume wine?	x
2 - 3 times a month	1
Once a week	2
2 - 3 times a week	3
4 - 5 times a week	4
Daily	5

1

3. On average, what do you spend on a bottle wine for your own consumption?

	x
Less than R50	1
R50 – R100	2
R101 – R150	3
R151 – R200	4
R201 – R250	5
R251 – R300	6
R301 – R350	7
R351 – R400	8
More than R400	9

4. Where do you primarily purchase your wine?

	x
Liquor store	1
Wine boutique	2
Convenience store / local supermarket	3
Wholesaler	4
Wine estate or cellar	5
Other, please specify:	6

5. Which **two (2)** wine varieties do you consume the most?

Red varieties	x	**White varieties**	x
Pinotage	1	Chenin blanc	11
Cabernet Sauvignon	2	Colombar(d)	12
Shiraz	3	Sauvignon blanc	13
Ruby Cabernet	4	Chardonnay	14
Merlot	5	Muscat d'Alexandrie	15
Roobernet	6	Pinot Gris	16
Port Variety	7	Muscat de Frontignan	17
Pinot Noir	8	Other white varieties, please specify:	18
Cinsaut	9		
Other red varieties, please specify:	10		

6. Please indicate the name of the wine brand you consume the most.

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SECTION B – DEMOGRAPHIC INFORMATION

7. In which year were you born? 19

8. What is your gender?

	x
Male	1
Female	2

9. What is your ethnicity?

	x
Black	1
Coloured	2
Indian	3
White	4
Other, please specify:	5

10. What is your highest level of education?

	x
Some primary school	1
Primary school completed	2
Some high school	3
Matric / Grade 12 completed	4
Technical College diploma	5
University or Technology diploma	6
University degree (B-degree or Honours)	7
Postgraduate degree (Masters or Doctorate)	8

11. What is your employment status?

	x
Full-time student	1
Unemployed	2
Self-employed	3
Part-time employed	4
Full-time employed	5
Housewife or Househusband	6
Retired	7
Other, please specify:	8

12. What is your personal monthly net income (after deductions)?

	x
Less than R5 000 p.m.	1
R5 001 – R10 000 p.m.	2
R10 001 – R15 000 p.m.	3
R15 001 – R20 000 p.m.	4
R20 001 – R25 000 p.m.	5
R25 001 – R30 000 p.m.	6
R30 001 – R35 000 p.m.	7
R35 001 – R40 000 p.m.	8
More than R40 000 p.m.	9

Please note that for the remainder of the questionnaire, "your wine brand" or "my wine brand" will refer to the wine brand you indicated in question 6.

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SECTION C – BRAND PERCEPTIONS

13. On a scale of 1 to 5, where 1 is '*strongly disagree*' and 5 is '*strongly agree*', indicate the extent to which you agree with each of the following statements.

	Strongly disagree				Strongly agree
	1	2	3	4	5
My wine brand has a distinctive identity.	1	2	3	4	5
My wine brand stands out from its competitors.	1	2	3	4	5
My wine brand is a first-class, high-quality brand.	1	2	3	4	5
My wine brand has a high reputation.	1	2	3	4	5
My wine brand is good value for money.	1	2	3	4	5
My wine brand's prices are reasonable.	1	2	3	4	5
My wine brand is a good buy.	1	2	3	4	5
In comparison to alternative wine brands, my wine brand is of high quality.	1	2	3	4	5
In comparison to alternative wine brands, my wine brand is the best.	1	2	3	4	5
In comparison to alternative wine brands, my wine brand has consistent quality.	1	2	3	4	5
I trust my wine brand.	1	2	3	4	5
My wine brand is reliable.	1	2	3	4	5
My wine brand is honest.	1	2	3	4	5
My wine brand is dependable.	1	2	3	4	5
With my wine brand, I always get what I am looking for.	1	2	3	4	5
My wine brand always meet my expectations as a consumer.	1	2	3	4	5
My choice to buy/consume my wine brand is a wise one.	1	2	3	4	5
I consider myself to be a loyal patron of my wine brand.	1	2	3	4	5
I would say positive things about my wine brand to other people.	1	2	3	4	5
I would recommend my wine brand to someone who seeks my advice.	1	2	3	4	5
I consider my wine brand as my first choice when buying wine.	1	2	3	4	5
I will buy more of my wine brand in the next few years.	1	2	3	4	5
I will buy less of my wine brand in the next few years.	1	2	3	4	5

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APPENDIX B

LETTER FROM LANGUAGE EDITOR

To whom it may concern

Cecile van Zyl
Language editing and translation
Cell: 072 389 3450
Email: Cecile.vanZyl@nwu.ac.za

7 September 2017

Dear Mr / Ms

Re: Language editing of dissertation: (Determining predictors of brand loyalty in the South African wine industry)

I hereby declare that I language edited the above-mentioned dissertation by Ms Bianca Joubert (student number: 23535296).

Please feel free to contact me should you have any enquiries.

Kind regards

Cecile van Zyl

Language practitioner

BA (PU for CHE); BA honours (NWU); MA (NWU)
SATI number: 1002391

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APPENDIX C

ANOVA RESULTS FOR ENTHNICITY

CONSTRUCT		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Brand identity	Between Groups	3.614	4	0.903	1.224	0.301
	Within Groups	188.245	255	0.738		
	Total	191.858	259			
Perceived brand value	Between Groups	3.971	4	0.993	1.619	0.170
	Within Groups	156.378	255	0.613		
	Total	160.349	259			
Perceived quality	Between Groups	4.397	4	1.099	1.671	0.157
	Within Groups	167.763	255	0.658		
	Total	172.161	259			
Brand trust	Between Groups	2.556	4	0.639	1.028	0.393
	Within Groups	158.568	255	0.622		
	Total	161.124	259			
Satisfaction	Between Groups	6.647	4	1.662	2.651	0.304
	Within Groups	159.857	255	0.627		
	Total	166.504	259			
Brand loyalty	Between Groups	3.210	4	0.803	1.284	0.277
	Within Groups	159.389	255	0.625		
	Total	162.600	259			

APPENDIX D

ANOVA RESULTS FOR LEVEL OF EDUCATION

CONSTRUCT		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Brand identity	Between Groups	2.264	5	0.453	0.607	0.695
	Within Groups	189.595	254	0.746		
	Total	191.858	259			
Perceived brand value	Between Groups	1.860	5	0.372	0.596	0.703
	Within Groups	158.489	254	0.624		
	Total	160.349	259			
Perceived quality	Between Groups	4.294	5	0.859	1.300	0.265
	Within Groups	167.867	254	0.661		
	Total	172.161	259			
Brand trust	Between Groups	3.271	5	0.654	1.053	0.387
	Within Groups	157.853	254	0.621		
	Total	161.124	259			
Satisfaction	Between Groups	8.291	5	1.658	2.662	0.203
	Within Groups	158.213	254	0.623		
	Total	166.504	259			
Brand loyalty	Between Groups	3.360	5	0.672	1.072	0.376
	Within Groups	159.240	254	0.627		
	Total	162.600	259			

APPENDIX E

ANOVA RESULTS FOR LEVEL OF INCOME

CONSTRUCT		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Brand identity	Between Groups	5.648	8	0.706	0.952	0.475
	Within Groups	186.211	251	0.742		
	Total	191.858	259			
Perceived brand value	Between Groups	4.067	8	0.508	0.816	0.589
	Within Groups	156.282	251	0.623		
	Total	160.349	259			
Perceived quality	Between Groups	3.972	8	0.496	0.741	0.655
	Within Groups	168.189	251	0.670		
	Total	172.161	259			
Brand trust	Between Groups	2.449	8	0.306	0.484	0.867
	Within Groups	158.675	251	0.632		
	Total	161.124	259			
Satisfaction	Between Groups	0.917	8	0.115	0.174	0.994
	Within Groups	165.587	251	0.660		
	Total	166.504	259			
Brand loyalty	Between Groups	3.019	8	0.377	0.594	0.783
	Within Groups	159.581	251	0.636		
	Total	162.600	259			