

Determining consumer ethnocentrism and lifestyle among Black Diamonds in
Sandton

by

Roland Henry Goldberg

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Supervisor: Prof. L.R. J van Rensburg

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ABSTRACT

The combined study of consumer ethnocentrism and lifestyle is a unique approach that marketers can use to determine consumer buying behaviour and to refine market segmentation. In particular, marketers need to study consumer buying behaviour and examine the main influences regarding what, where, when and how consumers buy, as this knowledge will allow marketers to predict how consumers make their purchase decisions and how they will respond to various marketing strategies. A better understanding of the buying behaviour of consumers in a prospective market segment will help marketers to devise more effective marketing strategies for targeting consumers in the particular market segment they wish to pursue, and therefore, market segmentation is an extremely useful marketing tool. The Black Diamond consumer segment in South Africa has been receiving heightened attention from marketers recently due to the increasing purchasing power of this segment, and therefore it is necessary for marketers to gain a more profound understanding of these consumers so that they will be able to address Black Diamonds' specific needs, wants and preferences. This will assist marketers to devise marketing strategies that target the Black Diamond segment more effectively.

The primary objective of this study was to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton. This objective was addressed by using an adapted version of the Consumer Ethnocentrism Scale (CETSCALE) to measure the level of consumer ethnocentrism among Black Diamonds and by determining the lifestyle of this group by using the activities, interests and opinions (AIO) approach to measure the levels of six lifestyle dimensions, namely fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation, and cost-consciousness. Based on literature consulted, an interviewer-administered questionnaire was developed and distributed to Black Diamond consumers by five fieldworkers in the Sandton area, in the city of Johannesburg, in the Gauteng province. Convenience and judgement sampling (non-probability sampling methods) were used and a total of 200 respondents participated in this study.

The validity and reliability of the adapted version of the CETSCALE used in the questionnaire to measure the level of consumer ethnocentrism of respondents, as well as the six batteries of statements used to measure the levels of the respective lifestyle dimensions, were determined by means of factor analysis. The results indicated that consumer ethnocentrism is moderately high among respondents. Furthermore, moderately high levels of fashion consciousness, self-consciousness, health consciousness and cost-consciousness were found among respondents. Low levels of interest were established in homemaking activities and community orientation. It was found that various underlying relationships exist between consumer ethnocentrism and

lifestyle dimensions of respondents, specifically between the lifestyle dimensions of health consciousness, homemaking and community orientation. It was further found that significant differences exist between the perceptions of respondents toward consumer ethnocentrism and the lifestyle dimensions in terms of their diverse age categories.

It is recommended that marketers should stress product attributes, benefits, and superior aspects of the product by underplaying the product's country of origin, in light of the high level of consumer ethnocentrism prevalent among Black Diamonds. Furthermore, it is recommended that marketers and organisations should adapt and modify their current marketing strategies in order to appeal to the various lifestyle dimensions of Black Diamonds, specifically focussing on the higher levels of fashion consciousness, self-consciousness, health consciousness and cost-consciousness among Black Diamonds, whilst underplaying homemaking and community orientation. By considering consumer ethnocentrism and lifestyle, and realising that these factors affect the buying behaviour of Black Diamonds, marketers will be able to develop effective marketing strategies that will allow them to target the Black Diamond consumer segment more effectively and efficiently.

Recommendations for future research include examining consumer ethnocentrism and lifestyle among Black Diamonds in a wider geographic area, drawing a larger sample size from the target population, and being more selective with regard to the respondents included in the study, in order to ensure that the most appropriate respondents do indeed form part of population under scrutiny. Furthermore, in order to improve the validity of the study, future research could be conducted by incorporating more qualitative forms of research such as focus groups and interviews. In addition to the six lifestyle dimensions that were measured in this study, a wider range of lifestyle dimensions can be measured in future research.

Key words

Buying behaviour, ethnocentrism, lifestyle, segmentation, Black Diamonds, Sandton, CETSCALE, AIO

UITTREKSEL

Die gekombineerde studie van verbruikersetnosentrisme en lewenstylelemente is 'n unieke benadering wat die bemarkker kan gebruik om klaarheid te verkry oor verbruikers se koopgedrag en ook om die marksegmentasieproses te verfyn. In besonder is dit nodig vir die bemarkker om verbruikers se koopgedrag te bestudeer en ook om die belangrikste invloede op wat, waar, wanneer en hoe verbruikers besluit om te koop, te ondersoek. Hierdie kennis sal die bemarkker in staat stel om voorspellings te maak ten opsigte van hoe verbruikers hulle aankoopbesluite neem, en hoe hulle sal reageer op verskillende bemarkingstrategieë. 'n Deegliker begrip van die koopgedrag van verbruikers binne 'n beoogde marksegment sal die bemarkker help om meer effektiewe bemarkingstrategieë te ontwikkel wat gemik is op verbruikers in die spesifieke segment in die bemarkker se visier. Daarom is marksegmentasie 'n besonder bruikbare bemarkingsinstrument. Die sogenaamde Swart Diamant-verbruikersegment (oftewel die *Black Diamonds*) in Suid-Afrika het onlangs heelwat aandag begin geniet onder bemarkers omdat hierdie groep se koopkrag soveel toegeneem het; daarom is dit nodig dat die bemarkker 'n meer diepgaande begrip ontwikkel van hierdie verbruikers. Sodoende sal die bemarkker by magte wees om die Swart Diamante se spesifieke behoeftes, begeertes en voorkeure aan te spreek, en om bemarkingstrategieë te ontwikkel wat hierdie segment meer effektief teiken.

Die primêre doelstelling van hierdie studie was om verbruikersetnosentrisme en leefstyl te bepaal van Swart Diamante in Sandton. Hierdie doelstelling is aangespreek deur 'n aangepaste weergawe van die Consumer Ethnocentrism Scale (CETSCALE) te gebruik om die vlakke van verbruikersetnosentrisme onder Swart Diamante te meet, en verder om die leefstyl van hierdie groep te bepaal deur die gebruik van die AIO-benadering (activities, interests and opinions) tot die meting van ses leefstylstyldimensies, te wete modebewustheid, selfbewustheid, gesondheidsbewustheid, tuisteskepping, gemeenskapsoriëntasie, en kostebewustheid. Vanuit die literatuur is 'n vraelys ontwikkel wat deur die gebruik van onderhoude afgeneem is; hierdie vraelys is onder Swart Diamante versprei deur vyf veldwerkers in die Sandton-omgewing, in die stedelike gebied van Johannesburg, in die Gauteng-provinsie. Geskiktheids- en oordeelgebaseerde steekproef-metodes (beide nie-waarskynlikheidssteekproefbenaderings) is gebruik, en altesaam 200 respondente het aan die studie deelgeneem.

Die geldigheid en betroubaarheid van die aangepaste weergawe van die CETSCALE wat in die vraelys gebruik is om die vlakke van verbruikersetnosentrisme onder respondente te meet, sowel as die ses batterye bestaande uit stellings wat gebruik is om die vlakke van die onderskeie leefstylstyldimensies mee te toets, is bepaal deur middel van faktoranalise. Die bevindinge toon dat verbruikersetnosentrisme matig hoog is onder respondente. Verder was matige hoë vlakke van modebewustheid, selfbewustheid, gesondheidsbewustheid en

kostebewustheid teenwoordig by respondente. Lae belanstellingsvlakke is gemeet ten opsigte van tuisteskepping en gemeenskapsoriëntasie. Daar is bevind dat 'n aantal onderliggende verhoudinge bestaan tussen verbruikersetnosentrisme en leefstydimensies onder respondente, veral tussen dié leefstydimensies: gesondheidsbewustheid, tuisteskepping en gemeenskapsoriëntasie. Daar is verder bevind dat betekenisvolle verskille bestaan tussen respondente se persepsies van verbruikersetnosentrisme en hul leefstydimensies aan die een kant, en hul onderskeie ouderdomskategorieë aan die ander.

Daar word aan die hand gedoen dat die bemarker die produk se eienskappe, voordele en sterk kwaliteite moet beklemtoon deur die produk se land van oorsprong te onderbeklemtoon – in die lig van die hoë vlak van verbruikersetnosentrisme onder Swart Diamante. Verder word aanbeveel dat die bemarker en ook die organisasie hul huidige bemarkingstrategieë moet aanpas en verander om 'n appèl te rig na die onderskeie leefstydimensies van Swart Diamante, veral met klem op die hoër vlakke van modebewustheid, selfbewustheid, gesondheidsbewustheid en kostebewustheid wat gemeet is onder Swart Diamante, terwyl tuisteskepping en gemeenskapsoriëntasie onderspeel moet word. Die inagneming van verbruikersetnosentrisme en leefstyl, tesame met die effek hiervan op die koopgedrag van Swart Diamante, sal die bemarker in staat stel om effektiewe bemarkingstrategieë te ontwikkel wat hom sal help om die Swart Diamant-verbruikersegment op meer effektiewe en suksesvolle wyse te teiken.

Aanbevelings vir verdere navorsing is dat verbruikersetnosentrisme en leefstylelemente onder Swart Diamante nagevors moet word oor 'n groter geografiese gebied, dat groter steekproewe geneem word vanuit die teikenpopulasie, en dat die navorser meer selektief moet probeer wees ten opsigte van respondente wat by die studie ingesluit word – om sodoende te verseker dat die mees gepaste respondente inderdaad deel uitmaak van die populasie wat in oënskou geneem word. Verder, met die oog daarop om die geldigheid van die studie te verbeter, kan toekomstige navorsing meer kwalitatiewe vorms van navorsing betrek – soos fokusgroepe en onderhoude. 'n Groter omvang van lewenstydimensies kan ook in toekomstige navorsing ondersoek word, benewens die ses lewenstydimensies wat in hierdie studie gemeet is.

Sleutelwoorde

Koopgedrag, etnosentrisme, leefstyl, segmentasie, Swart Diamante, Sandton, CETSCALE, AIO

LIST OF KEY TERMS AND DEFINITIONS

Consumer ethnocentrism

The term consumer ethnocentrism refers to the belief that it is inappropriate, or even immoral, to purchase foreign-made products, because to do so is damaging to the domestic economy, will increase domestic unemployment, and is generally unpatriotic (Klein, Ettenson & Krishnan, 2006:304; Carter, 2009:49; Neuliep, 2009:173; John & Brady, 2011:73). A general definition of consumer ethnocentrism refers to the phenomenon of consumer preference for domestic products, or prejudice against imports (John & Brady, 2011:73). A series of nomological validity tests conducted in the United States of America indicated that consumer ethnocentrism is predictive of consumers' beliefs, attitudes and buying behaviour (Kucukemiroglu, Harcar & Spillan, 2006:60).

Lifestyle

Lifestyle can be defined as the manner in which people conduct their lives, including activities, interests and opinions (Gonzalez & Bello, 2002:56; Cahill, 2006:15; Kucukemiroglu *et al.*, 2006:61; Narang, 2010:537; Ganglmair-Wooliscroft & Lawson, 2011:174). Lifestyle analyses are used to describe consumer segments with a view as to assist an organisation to reach and understand its consumers more successfully (Parnell, Spillan & Sigh, 2006:53). According to Nath (2009:161), lifestyle is considered as an important determinant of consumer buying behaviour because it produces needs and desires that ultimately affect the decision-making of consumers.

Black Diamonds

Black Diamonds can be defined as South Africa's fast-growing, affluent Black middle class consumer segment (Moodley, 2007:39, Ndanga, Louw & Van Rooyen, 2010:297). The Black Diamond consumer segment holds massive purchasing power and its future potential seems to be on the rise (Nemavhandu, 2008:1; UCT, 2008a). According to Goyal (2010), Black Diamonds are increasingly exposed to foreign products and are now faced with a variety of buying choices. Black Diamonds are becoming more financially savvy and are also demanding improved quality and service from organisations, becoming an economic force in their own right - one that deserves special attention from marketers (UCT, 2008b).

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CHAPTER 1

CONTEXTUALISATION OF THE STUDY

1.1 INTRODUCTION

This chapter provides the contextual background to this study. The rationale for the study is explained and the main theoretical constructs, namely consumer buying behaviour, ethnocentrism and lifestyle, are introduced. Furthermore, the Black Diamond consumer segment is briefly discussed. The primary and secondary objectives of the study are stated and the methodology used to reach these objectives is presented. This chapter concludes with an outline of the structure of this study.

1.2 PROBLEM STATEMENT

After centuries of institutionalised racism had relegated Black South Africans to the periphery of the economy, among other spheres, the end of apartheid not only meant the beginning of political freedom, but also economic freedom for the historically oppressed Black majority (Nemavhandu, 2008:21). Black people, therefore, could start enjoying access to economic opportunities that were limited during the years of oppression and exploitation under the apartheid regime. Since South Africa saw the end of apartheid in 1994, when Nelson Mandela became the first democratically-elected president, measures such as political intervention provided Black people with opportunities like access to jobs, finance, credit, entrepreneurial opportunities, homes and education (Anon., 2006).

These opportunities have led to increased income levels among Black people, and consequently their purchasing power has been characterised by a significant growth (Nemavhandu, 2008:21). For example, Black consumers' purchasing power has increased from R300 billion in 2007 to R375 billion in 2008 (UCT, 2008a:21). With these high levels of income and increasing levels of purchasing power, it is not surprising that marketers have developed a keen interest in South Africa's Black consumer group(s).

As a result, marketers have identified a new consumer segment in South Africa consisting specifically of affluent Black consumers. Ndanga *et al.* (2010:297) note that this segment was branded as the "Black Diamonds" by the University of Cape Town's Unilever Institute of Strategic Marketing and TNS Research Surveys. The Black Diamond segment is comprised of approximately three million people, and is growing at a rate of 15% a year (UCT, 2008a:17).

Furthermore, the Black Diamonds' purchasing power has increased from R180 billion in 2007 to R250 billion in 2008, and they now account for 67% of total Black spending power, and for nearly 40% of the consumer spending power in South Africa (UCT, 2008a:22).

According to Nemavhandu (2008:1), Black Diamonds are an exclusive class of consumers who are primarily money-orientated. They tend to be hardworking Black people who are perceived to be credit-worthy and well educated, and who enjoy high levels of income. Herman (2006) affirms that these consumers are very driven and goal-orientated; they are sure of where they are going and aspire to achieve great success.

While it seems evident that organisations should do well to focus on the Black Diamond segment when targeting consumer segments in South Africa, it has also become evident that marketers can no longer rely on a one-size-fits-all approach to connecting with Black Diamonds. The scale of the opportunity in terms of marketing to Black Diamonds is such that marketers need to tailor their strategies to meet the *specific* needs of South Africa's wealthy Black consumers. Indeed, new research indicates that Black Diamonds feel that marketing communication often misses the mark when it comes to connecting with them. They feel that their true identity is not understood, and that they are often misrepresented (UCT, 2006). Nemavhandu (2008:1) asserts that this is due to the fact that marketers and organisations have not yet come to grips with the way that this "Rich Black" market operates. This state of affairs could be ascribed to a lack of exposure among marketers to the cultural orientation and lifestyle of Black people in general, and as such, their marketing efforts with regard to Black Diamonds, has been one of over-generalisation (Nemavhandu, 2008:1-2). Thus, it seems obvious that marketers and organisations today need to improve the effectiveness and efficiency of their marketing strategies when attempting to target the Black Diamond segment. This can be achieved, among others, by gaining a more profound insight into the buying behaviour of Black Diamonds.

Consumer buying behaviour focuses on how individuals make decisions to spend their available resources (time and money) on consumption-related items (Moodley, 2007:11). Mostert and Du Plessis (2007:91) propound that marketers need to understand the personal and group influences that affect consumer decisions and also how these decisions are made. Consumers are not only influenced by family and friends, by advertisers and role-models, but also by mood, situation, emotion and culture (Smith & Rupp, 2003:421). According to Gough and Nurullah (2009:154), all of these factors combine to form a comprehensive model of consumer buying behaviour that reflects both the cognitive and emotional aspects of consumer decision-making.

The consumer decision-making process is concerned with how consumers make purchase decisions. This process is mapped out by the consumer decision-making process model. Gilligan and Wilson (2003:236) affirm that the consumer decision-making process model represents a road map of consumers' minds that marketers and organisations can use to help guide product mix, communication and sales strategies. The consumer decision-making process consists of seven distinct stages, namely need recognition; search for information; pre-purchase evaluation of alternatives; purchase; consumption; post-consumption evaluation; and divestment (Blackwell, Miniard & Engel, 2006:70). According to Cant, Brink and Brijball (2009:205), if marketers were to understand how consumers engage in decision-making when undertaking purchases, they will be able to take advantage of market opportunities, to target markets appropriately and to design effective communication strategies. It is of critical importance for marketers to consider all psychological and group factors influencing the decision-making process, because such knowledge will assist them during market segmentation and product positioning, and will enable marketers to know, service and influence consumers (Cant *et al.*, 2009:205).

Kreng and Huang (2011:535) affirm that the consumer decision-making process and buying behaviour are directly influenced by factors that can be categorised into two divisions, namely psychological factors and group factors. Psychological factors refer to inner feelings and characteristics of individuals that make them unique, including motivation, perception, learning, attitude, and personality (Wiese, 2008:131). Group factors, on the other hand, refer to influences resulting from interaction with others, where the most prominent influences occur in the form of the family, social class, reference groups and culture (Mostert & Du Plessis, 2007:91).

Cant *et al.* (2009:55) assert that given the broad and pervasive nature of culture, its study generally requires a detailed examination of the character of a total society including, among other factors, language, religion, music, art and customs. Schiffman and Kanuk (2010:366) concur that culture can be defined as the combined total of learned beliefs, customs, ideas, values and other meaningful symbols that serve to direct consumer behaviour in a specific society. It is important for marketers and organisations to have knowledge about consumers' cultures and their impact on consumer buying behaviour (Cant *et al.*, 2009:69). According to Kucukemiroglu *et al.* (2006:61), culture, ethnic identity, and consumer ethnocentrism will be potent forces in the global business environment in the years to come. Therefore, ethnocentrism is useful for differentiating consumer characteristics for products originating from overseas for the development of global marketing strategies.

The term ethnocentrism refers to the natural tendency to believe that one's own culture is superior to all others and that it also has the most reasonable guidelines for behaviour (Lustig & Koester, 2006:146; Samovar, Porter & McDaniel, 2007:331). De Mooij (2011:141) asserts that consumer ethnocentrism refers to the phenomenon of consumer preference for domestic products, or prejudice against imports. Consumer ethnocentrism represents those beliefs held by consumers about the appropriateness, and indeed the morality, of purchasing foreign-made products as opposed to domestic products (Vida, Dmitrovic & Obadia, 2008:329; Oberecker & Diamantopoulos, 2011:50). According to Kucukemiroglu *et al.* (2006:61), a series of nomological validity tests conducted in the United States of America indicated that consumer ethnocentrism is moderately predictive of variables such as consumers' beliefs, attitudes and buying behaviour.

The identification of variables that distinguish consumers' buying behaviour in the marketplace is a crucial part of the process of grouping consumers into segments and building profiles of each segment (Chernev, 2009:45). According to Jooste, Strydom, Berndt and Du Plessis (2008:76), the identification of geographic, demographic, psychographic and behavioural factors enables marketers to engage in the successful segmentation of consumer markets. Market segmentation can be seen as the process of dividing a total market into its constituent parts based on similarities in terms of needs, attitudes or behaviour that marketing can address (Bradley, 2003:47; Cahill, 2006:3; Chernev, 2009:45; Mostert & Du Plessis, 2007:116; Wood, 2010:71). Schiffman and Kanuk (2007:45) conclude that segmentation is the key to marketing success as it aims to discover the needs and wants of specific groups of consumers, so that specialised goods and services can be developed and promoted to satisfy each group's needs.

According to Schiffman and Kanuk (2007:45), one of the popular bases used to segment a market is psychographic segmentation (commonly referred to as lifestyle analysis); this can be regarded as a composite of consumers' measured activities, interests and opinions (AIOs). Lifestyle analyses are used to describe a consumer segment with a view to help an organisation to reach and understand its consumers better (Narang, 2010:537). Vyncke (2002:445) also notes that lifestyle is considered to be an important determinant of buying behaviour as it provides valuable information about the buyer and helps organisations to design effective communication strategies.

Despite the large number of studies conducted on Black Diamonds in South Africa, very little research has focused on the ethnocentric tendencies and buying behaviour of Black Diamonds. This is the case in spite of the fact that the Black Diamonds' strategic importance is being realised by more and more manufacturers, retailers, and service organisations (Goyal, 2010). According to a recent study conducted by the University of Cape Town's Unilever Institute of

Strategic Marketing and TNS Research Surveys, 67% of affluent Black consumers reside in the Gauteng province (UCT, 2008a). Therefore, the current research study was conducted in the Gauteng province, as this is where the greatest concentration of Black Diamonds can be found. More specifically, the Black Diamond consumers in Sandton were selected to participate in the study by completing questionnaires. Sandton forms part of Johannesburg, which is a major city in the Gauteng province of South Africa. Sandton is known as “Africa’s richest square mile” and is a cosmopolitan melting pot of global trades, cultures and trends. Home to approximately 300 000 residents and 100 000 businesses, and offering everything from finance to fashion, Sandton is a major commercial, business and entertainment hub in South Africa (Anon., 2011a).

The results of this study indicate the level of consumer ethnocentrism among Black Diamonds. The results also determine the levels of various lifestyle dimensions of Black Diamonds, namely fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. In addition, the underlying relationships between these various constructs are determined. These results, in turn, present marketers with a deeper understanding of the buying behaviour of Black Diamonds, so that marketers may be able to develop appropriate marketing strategies and policies to reach this segment more effectively.

The reason for undertaking the study was to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton.

1.3 OBJECTIVES OF THE STUDY

The following primary and secondary objectives were set for this study:

1.3.1 Primary objective

The primary objective of the study was to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton.

1.3.2 Secondary objectives

To elaborate on the primary objective, the following secondary objectives were formulated:

1. To determine consumer ethnocentrism among Black Diamonds in Sandton.

2. To determine the lifestyle of Black Diamonds in Sandton in terms of fashion consciousness.
3. To determine the lifestyle of Black Diamonds in Sandton in terms of self-consciousness.
4. To determine the lifestyle of Black Diamonds in Sandton in terms of health consciousness.
5. To determine the lifestyle of Black Diamonds in Sandton in terms of homemaking.
6. To determine the lifestyle of Black Diamonds in Sandton in terms of community orientation.
7. To determine the lifestyle of Black Diamonds in Sandton in terms of cost-consciousness.
8. To determine the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.
9. To determine the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.
10. To determine the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.

1.4 RESEARCH METHODOLOGY

Consumer ethnocentrism and lifestyle among Black Diamonds in Sandton must be determined and analysed. In this section of the study the research methodology will be discussed by giving an overview of the study and explaining the stages that were followed when conducting this study. Relevant points that will be discussed subsequently include information on how the literature study was conducted; the research design and method of collecting data that were used; the development of the sample plan and questionnaire; and lastly, the methods that were utilised to analyse the data.

1.4.1 Literature study

According to Hair, Wolfinbarger, Ortinau and Bush (2010:51), a study of the literature involves a comprehensive examination of available information that is related to the research topic. A literature study can highlight previous investigations pertinent to the research topic and indicate how other researchers have dealt with similar research problems in similar situations (Naidoo,

2007:17). According to Struwig and Stead (2007:39), the reasons for conducting a literature study are:

- It can reveal unfamiliar sources of information.
- A perspective on one's own study can be provided.
- A literature study stimulates new ideas and approaches.
- It can provide a framework for the evaluation and assessment of future work.
- It provides a basic body of knowledge for the development of theories, principles, concepts and approaches for research.

The literature study for this study entailed a search for relevant sources, and a comprehensive review of pertinent aspects that were gleaned from these sources. Listed below are a few of the databanks that have been consulted during the course of the literature study:

- SACat: National catalogue of books and journals in South Africa.
- SAePublications: South African journals.
- SAMEDIA: Newspaper articles.
- EbscoHost: International journals on Academic Search Premier, Business Source Premier, Communication and Mass Media Complete and EconLit.
- NEXUS: Databases compiled by the NRF of current and completed research in South Africa.
- Emerald: International journals.
- ScienceDirect: International journals.
- ProQuest: International dissertations in full text.
- Internet: Google Scholar.

1.4.2 Empirical investigation

The empirical investigation will be discussed according to the research design and method of collecting data, development of the sample plan, research instrument, pilot study and data analysis.

1.4.2.1 Research design

A research design refers to the framework or plan for the study that is used as a guide when collecting and analysing data, and is said to be the blueprint that is followed in the course of a study. It therefore resembles an architect's blueprint for a house (Churchill & Iacobucci,

2002:90; Wiid & Diggins, 2009:54). Churchill and Iacobucci (2002:90) note that a research design ensures that the study will be relevant to the problem and will use economical procedures. According to Aaker, Kumar and Day (2004:75), research designs can be divided into three basic types, namely exploratory research, descriptive research and causal research.

Exploratory research can be defined as research into an area that has not yet been studied or where very little information is available, in which a researcher attempts to develop initial ideas and a more focussed research question (Bradley, 2007:516; Struwig & Stead, 2007:7). Exploratory research can help to define a research objective and to understand the problem at hand (Bradley, 2007:516). Hair *et al.* (2010:36) propound that descriptive research attempts to provide a complete and accurate description of a situation such as market conditions, attitudes, beliefs or opinions. Causal research is a type of experimentation that is used to examine whether the value of one variable causes or determines the value of another variable (McDaniel & Gates, 2010:77). According to Aaker *et al.* (2004:77), the requirements for proof of causality are very demanding, and it follows that the research questions and relevant hypotheses should be very specific when conducting causal research.

Consumer ethnocentrism and lifestyle analyses are used by market researchers in order to describe a consumer segment with a view to help an organisation to reach and understand its consumers better. Therefore, **descriptive research was conducted in this study** in view of the fact that the purpose of the study was as follows (Churchill & Iacobucci, 2002:107):

- To describe consumer ethnocentrism among Black Diamonds in Sandton.
- To describe the lifestyle of Black Diamonds in Sandton in terms of various lifestyle dimensions.
- To describe the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.
- To describe the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.
- To describe the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.

1.4.2.2 Data collection method

Once the research design has been defined and clearly specified, the research effort logically turned to data collection. This can be defined as the gathering of information for the purpose of a study (Cant, Gerber-Nel, Nel & Kotze, 2008:54). Data refers to information such as pictures,

words and numbers, which is gathered according to certain scientifically accepted procedures (Struwig & Stead, 2007:237). According to Cant *et al.* (2008:48), there are two types of data collection methods, namely secondary data collection and primary data collection.

Secondary data is information that has been previously collected for some other problem or issue (Hair *et al.*, 2010:26). Wiid and Diggins (2009:58) caution that although secondary data is cheaper and quicker to collect than primary data, the researcher must always consider the relevance, accuracy, reliability and timeliness of the secondary data. Examples of secondary data sources are sales records, cost information, distributor's reports, books, periodicals, government agencies reports and academic journals (Wiid & Diggins, 2009:71). Wiid and Diggins (2009:58) note that primary data is data that has not yet been collected previously, and which must be collected by means of a formal marketing investigation. Primary data is collected with a view to address specific research objectives, and is usually collected by the researcher or fieldworkers (Aaker *et al.*, 2004:80; McDaniel & Gates, 2010:100). Primary data was collected for this study by asking questions to participants. Primary data is therefore information that is collected for a specific purpose and can be collected by using either qualitative or quantitative research (Bradley, 2007:518; Struwig & Stead, 2007:243).

In the field of marketing research, qualitative research aims to find out what is in a consumer's mind, in order to access and also to obtain a rough idea about the person's perspective (Aaker *et al.*, 2004:189). Struwig and Stead (2007:243) concur that qualitative research favours in-depth analyses, examining the dynamic interaction of both the individual and the context and interdisciplinary research. Qualitative research reflects a large variety of schools and research methods; here the emphasis is on describing, giving meaning and understanding what is being studied (Hair *et al.*, 2010:78). According to McDaniel and Gates (2010:132), the research methods of qualitative research are less concerned with collecting numerical data than with gathering data in the form of words, images and sounds. The most common primary data collection methods used in qualitative research is interviews, focus groups, observation and unobtrusive measures (Bradley, 2007:518; Wiid & Diggins, 2009:89). Quantitative research is a form of conclusive research that heavily emphasises formal standard questions and predetermined response options in questionnaires or surveys administered to large numbers of respondents (Hair *et al.*, 2010:77). According to Struwig and Stead (2007:86-88), the main role of quantitative research is to test hypotheses. To this end, this type of research approach can be divided into three basic data collection methods, namely observation, experiments and surveys; the latter can be further divided into personal interviews, telephone surveys, mail surveys and online questionnaires.

Quantitative research was conducted in this study. This was deemed appropriate because quantitative research transcends basic profile demographics and gives accounts of usage and attitudes (Struwig & Stead, 2007:86-88). A number of data collection methods are associated with quantitative research, namely surveys, observation and experiments. A survey was used in this study as research instrument in order to conduct quantitative research and to collect primary data. A discussion of the research instrument used in this study is provided in section 1.4.2.4.

1.4.2.3 Development of the sample plan

The population of this study comprised of Black Diamond consumers in Sandton in the Gauteng province, and the sample was drawn from this population.

Sampling is the process of selecting parts from a defined population in order to examine those parts, usually with the aim of making judgements about the parts of the population that have not yet been investigated (Bradley, 2007:518). Struwig and Stead (2007:109) assert that if the sample for the study is chosen by using sound scientific guidelines, and if the sample (in this instance) is therefore truly representative of the Black Diamonds in Sandton, then the findings from the sample can be safely generalised to the entire population.

The two sampling techniques that can be used are probability sampling and non-probability sampling (Cant *et al.*, 2008:165). With probability sampling, every element in the population has a known non-zero probability of selection, meaning that each element has a known probability of being included in the sample (McDaniel & Gates, 2010:423). Wiid and Diggines (2009:199) note that with non-probability sampling, on the other hand, the probability that a specific element of the population will be selected is unknown, meaning that the selection of sampling units is arbitrary since researchers rely heavily on personal judgement. For both probability and non-probability sampling, a number of methods can be used to draw the sample from a population.

According to Hair *et al.* (2010:133), probability sampling methods include simple random sampling, systematic random sampling, stratified random sampling and cluster sampling. Simple random sampling refers to a situation when the sample is selected by assigning a number to every element of the population and then using a table of random numbers to select specific elements for inclusion in the sample (McDaniel & Gates, 2010:429). Struwig and Stead (2007:116) further note that systematic sampling means that the researcher uses a natural ordering or order of sampling frame, selects an arbitrary starting point and then selects items at a pre-selected interval. Stratified random sampling is used when the researcher divides the

population into groups and randomly selects sub-samples from each group (Wiid & Diggines, 2009:205). Aaker *et al.* (2004:384) note, finally, that cluster sampling refers to selecting the sampling elements from a number of small geographic areas to reduce data collection costs.

Non-probability sampling methods include convenience sampling, judgement sampling, quota sampling and snowball sampling (Hair *et al.*, 2010:133). According to Aaker *et al.* (2004:388), convenience sampling is when the researcher uses the most convenient or economical sample. Judgement sampling refers to when the elements are handpicked because it is expected that they can serve the research purpose and that they are representative of the population of interest (Cant *et al.*, 2008:166). Struwig and Stead (2007:115) note that quota sampling is when the researcher classifies the population by pertinent properties, determines the desired proportion of sample from each class and quotas for each interviewer. Snowball sampling refers to the method where the initial respondents are selected and additional respondents are then obtained by referral from initial respondents (Wiid & Diggines, 2009:200-201).

For this study, **non-probability sampling in the form of convenience and judgement sampling** was considered relevant, and the sample comprised of 200 respondents.

1.4.2.4 Research instrument

Primary data was collected for the study by asking questions, and therefore a standardised questionnaire that was used to record all responses was required. A questionnaire can be defined as a set of questions designed to generate the data necessary to accomplish a research project's objectives, and is generally designed by consulting the literature (Wiid & Diggines, 2009:171). According to Struwig and Stead (2007:89), two types of questionnaires can be developed, namely interviewer-administered questionnaires and self-administered questionnaires. For the purpose of this study, **interviewer-administered questionnaires** were used.

The questionnaire consisted of three sections. Section A of the questionnaire comprised five demographic questions. Demographic questions were asked in order to assist with the creation of the sample profile of the respondents. The questions focussed on age, income, marital status, gender and highest level of education.

Section B aimed at measuring the level of consumer ethnocentrism among Black Diamonds. Consumer ethnocentrism was measured by means of an adapted version of the popular Consumer Ethnocentrism Scale (CETSCALE) developed by Shimp and Sharma (1987). The

original CETSCALE was adapted to measure the level of consumer ethnocentrism among South African consumers, by altering the statements in the CETSCALE accordingly. The CETSCALE required respondents to give their response to 17 statements concerning consumer ethnocentrism. These statements were obtained and adapted for the study from a study conducted by John and Brady (2011) who measured consumer ethnocentrism and attitudes towards South African consumables in Mozambique, using the CETSCALE. A Likert-type scale was used in the questionnaire to measure consumer responses to the statements. Likert scale questions or statements consist of a statement or question concerning attitudes, opinions, or beliefs followed by a set of responses that ask the degree to which the subject agrees or disagrees with the statement (Flynn & Foster, 2009:152). Thus, the Likert scale tests the strength of one's conviction.

The third section of the questionnaire, section C, comprised a lifestyle analysis of respondents by using 40 AIO statements obtained from marketing literature; these were adapted from lifestyle studies conducted by Kucukemiroglu *et al.* (2006) and Narang (2010). The most widely used approach to lifestyle analysis has been activities, interests and opinions (AIO) rating statements (Hur, Kim & Park, 2010:296). According to He, Zou and Jin (2010:617), the AIO approach to studying consumer lifestyle was developed by Plummer (1974) who developed the popular AIO measurement scale (that was used in this study to describe how consumers spend their time and money). The focus of marketers and consumer researchers has generally been on identifying the broad trends that influence how consumers live, work and play. Such an investigation allows the researcher to view a population as consisting of distinct individuals with feeling and tendencies, and who are addressed in compatible groups (segments) to make more efficient use of marketing strategies (Kucukemiroglu *et al.*, 2006:60).

In their most common form, AIO-lifestyle studies use a battery of statements (a psychographic inventory) designed to identify the activities, interests and opinions (AIO) of respondents (Hur *et al.*, 2010:296). This section of the questionnaire consisted of a battery of 40 activities, interests and opinions (AIO) statements that have been obtained from marketing literature in order to identify the lifestyle of Black Diamonds in Sandton. The 40 statements were placed in subcategories to determine the following lifestyle dimensions:

- Fashion consciousness
- Self-consciousness
- Health orientation
- Homemaking
- Community orientation
- Cost-consciousness

1.4.2.5 Pilot study of the questionnaire used for this study

Once the questions have been formulated it is important to conduct a pilot study; here one should select a small sample of respondents to complete the draft questionnaire (Struwig & Stead, 2007:89). According to Flynn and Foster (2009:157), this sample should highlight any problems respondents may have with the directions or the items, and necessary changes should then be made to improve the questionnaire.

The questionnaire for the study was pretested by submitting it to the Statistical Consultation Services of the North-West University in order for them to determine whether the questions asked would achieve the actual objectives of the study. The questionnaire was also handed to a sample of 20 respondents of the target population, in order to test their response to and their understanding of the questions asked.

1.4.2.6 Data analysis

According to Struwig and Stead (2007:150), data analysis is a specialised area of research procedures and one should use experts in this field. Therefore, the data that was collected in the study was sent for analysis to the Statistical Consultation Services of the North-West University. The SAS (SAS, 2007) statistical program was used for statistical processing.

The following data analyses were performed in the study:

- Determining the reliability of the questionnaire as a measuring instrument through Cronbach alpha-values.
- Determining the validity of the questionnaire as a measuring instrument through Confirmatory Factor Analysis (CFA).
- Pearson product-moment correlation coefficients to determine linear relationships.
- d-values of Cohen to determine practical significance by means of effect size.

1.5 CHAPTER STRUCTURE

The dissertation structure can be set out as follows: Chapter 1 provided an introduction to the research problem as well as a broad outline of the topic that was studied. The importance and relevance of the topic are noted here, and the objectives of the study are stated. After this the

problem statement and the purpose of the study are set out, followed by the chapter division and chapter contents.

Chapter 2 provides an overview of salient theoretical concepts, namely consumer buying behaviour, including the decision-making process and the various influences on the decision-making process. Culture, which is one of the main influences on the decision-making process, is also discussed with specific reference to consumer ethnocentrism.

Chapter 3 expands on the theoretical and contextual framework by providing a discussion of the concept of market segmentation, focussing on psychographic segmentation in the form of lifestyle analysis. The chapter concludes by describing the Black Diamond consumer segment in South Africa, as well as their strategic importance in the South African market.

Chapter 4 sets out the empirical research methodology used in this study. This chapter contains information on the research design and data collection methods; the sampling plan of the study; as well as the research instrument that was used to collect data for the study. The marketing research process is used as framework for this chapter, by discussing how each stage of the marketing research process was applied in order to construct the final methodology for this study.

Chapter 5 entails a report of the results obtained by conducting the study. This chapter describes the findings in accordance with the objectives of the study.

An overview of the study, as well as the recommendations, limitations and recommendations for future research is provided in chapter 6.

1.6 CONCLUSION

This chapter discussed the rationale for undertaking the current study by stating the research problem, together with the primary and secondary objectives of the study. The methodology that was applied in this study was briefly discussed. The literature review needed to contextualise this study became apparent with reference to the research problem and the methodology. The next chapter will focus on consumer behaviour as a framework for determining consumer ethnocentrism and lifestyle among Black Diamonds in Sandton.

CHAPTER 2

ANALYSING CONSUMER BUYING BEHAVIOUR

2.1 INTRODUCTION

Consumer behaviour is intimately linked to the broad concept of marketing. Marketing entails the effective promotion of an organisation's mission and products, and by means of marketing one identifies opportunities that can expand brand awareness, and ultimately, profitability (Kotler, 2004:9). The American Marketing Association (AMA) defines marketing as, "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (Powell, 2011:7). According to Jooste *et al.* (2008:2), marketing in South Africa is becoming increasingly important because of deregulation, competition in world markets, fragmentation of markets, diversity of needs in South Africa, demographic shifts in the South African social fabric, new and converging technologies, advances in telecommunication, and the increased focus on marketing performance measurements. Therefore, it is critical for marketers to gain a thorough understanding of their consumers in order to ensure long-term success of any organisation – and by implication, the success of any marketing strategy. According to Peter and Donnelly (2011:42), profitable marketing begins with the discovery and understanding of consumer needs; this understanding is then applied to the development of a marketing strategy with a view to satisfy these needs. As a prelude to developing a marketing strategy, marketers should research the various influences on consumer behaviour including, amongst others, cultural elements and lifestyle (Wood, 2010:55).

In this chapter, the concept of consumer behaviour is discussed. Furthermore, the consumer decision-making process as well as the different influences on the consumer decision-making process is analysed. One of these influences is culture, which will be discussed with specific reference to the concept of consumer ethnocentrism.

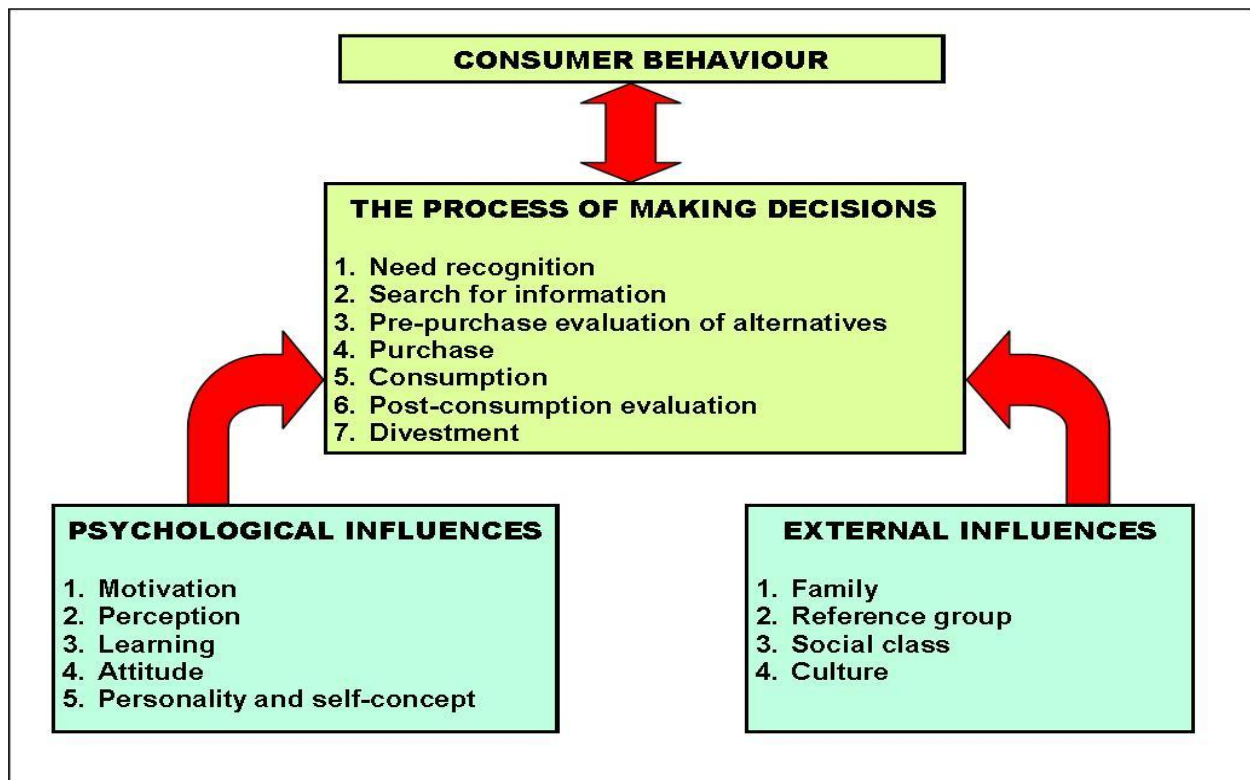
2.2 CONSUMER BEHAVIOUR

According to Dumitrescu and Vinerean (2010:757), the term consumer behaviour can be defined as the behaviour that consumers display when searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Buying behaviour refers to the decision-making processes and actions people perform when involved in spending their available resources (time and money) on consumption-related items (Sheth & Mittal, 2004:12; Moodley, 2007:11; Al Zoubi & Bataineh, 2011:61). According to Pride

and Ferrell (2010:194), consumer buying behaviour, however, refers to the buying behaviour of the ultimate consumer. To make sense of this, marketers must understand and study both the theory and reality of consumer buying behaviour as comprehensively as possible (Kotler & Keller, 2009:190).

Gilligan and Wilson (2003:221) and Pride and Ferrell (2010:194) state that there are many reasons why organisations and marketers need to study consumer buying behaviour. Firstly, consumers' responses to an organisation's marketing strategy have a significant impact on the organisation's success. Secondly, to find out what would satisfy consumers, marketers must examine the main influences on what, where, when, and how consumers buy. And, thirdly, by gaining a more profound understanding of the factors that affect consumer buying behaviour, marketers are in a better position to predict how consumers will make their decisions and how they will respond to various marketing strategies. The outcomes of an organisation's marketing strategy therefore depend on its interaction with the consumer decision-making process (Cant *et al.*, 2009:21). A model of consumer behaviour is shown in figure 2.1, indicating that consumer behaviour and the process of consumer decision-making is affected by various psychological and group (external) factors.

Figure 2.1: Model of consumer behaviour



Source: Adapted from Hoyer & MacInnis (2009:1), Schiffman & Kanuk (2007:16) and Blackwell *et al.* (2006:70).

According to Armstrong and Kotler (2011:165), the environment that affects consumer behaviour consists of many levels of factors – from broad social and cultural influences to motivations beliefs and attitudes deeply embedded within a consumer's mind. This chapter will discuss the consumer decision-making process, as well as the psychological and group factors that affect consumer decisions.

2.3 CONSUMER DECISIONS

An important question for marketers is how, when faced with so many product and service alternatives, consumers choose what they buy. Consumers have finite amounts of money and time, and they must allocate these judiciously (Sheth & Mittal, 2004:277). Indeed, consumers are confronted with numerous decisions concerning every aspect of their lives. However, they make many of these decisions without stopping to think how they arrived at a specific decision, or what is involved in the particular decision-making process itself. According to Cant *et al.* (2009:193), a decision is a course of action that provides a desired result to a perceived state of need. In more general terms, a decision entails the selection of an option from two or more alternative choices (Du Plessis & Du Rand, 2011:3). Along with these multiple choices, the need for actually making decisions will arise. It has been found that, when having to make decisions, consumers usually follow a structured approach, although in most situations the consumer is mostly unaware of the stages being followed in the process of making the decision (Blackwell *et al.*, 2006:70). Furthermore, in contrast with a wide variety of choices, consumers may be faced with situations where they find that choices are limited.

In some decision-making scenarios there are no options, so that there are no alternative choices from which the consumer can choose, and therefore the consumer is literally forced to make a particular purchase or to take a particular action. This single option, or no-choice instance, may influence consumer behaviour as well as the satisfaction derived from both the shopping experience and the consumption of the product (Blackwell *et al.*, 2006:70). But, although these situations where a no-choice instance do occur at times, Baoku, Cuixia and Weimin (2010:629) state that the typical decision-making process is wrought with a wide variety of choices and this variety is further amplified by the fact that consumers have different ways or styles of making decisions.

2.3.1 Consumer decision-making styles

In a typical purchase situation, therefore, a consumer is confronted with a wide variety of choices, and as noted above, consumers have different styles of arriving at these choices. Leo,

Bennett and Hartel (2005:32) describe consumer decision-making styles as the mental orientations or approaches that a consumer has towards making choices. According to Zhou, Arnold, Pereira and Yu (2010:46-47), these different approaches towards making a decision can be divided into eight particular styles:

1. Perfectionism or quality consciousness: This refers to a consumer's pursuit of the highest quality products.
2. Price or value consciousness: Consumers who are more aware of product price, in terms of receiving "value for money", look for sale prices; they are termed comparison shoppers.
3. Confusion due to over choice: Some consumers feel that there are too many brands and stores from which to choose, and consequently have difficulty in making choices.
4. Impulsiveness and carelessness: Consumers who are impulsive and careless appear unconcerned about how much they spend or about the "best buys".
5. Brand consciousness: This refers to consumers' orientation toward buying the more expensive, well-known brands. Those who are brand conscious are likely to believe that a higher price equals better quality.
6. Novelty and fashion consciousness: Consumers with high novelty and fashion consciousness are likely to gain excitement and pleasure from seeking out new things. They enjoy being "in style" and variety-seeking also appears to be an important aspect of this category.
7. Recreational and hedonistic shopping consciousness: Those who possess this trait find shopping pleasant and shop just for the fun of it.
8. Habitual, brand-loyal orientation: Consumers who are strong on this dimension are likely to have favourite brands and stores, and have formed habits in choosing them.

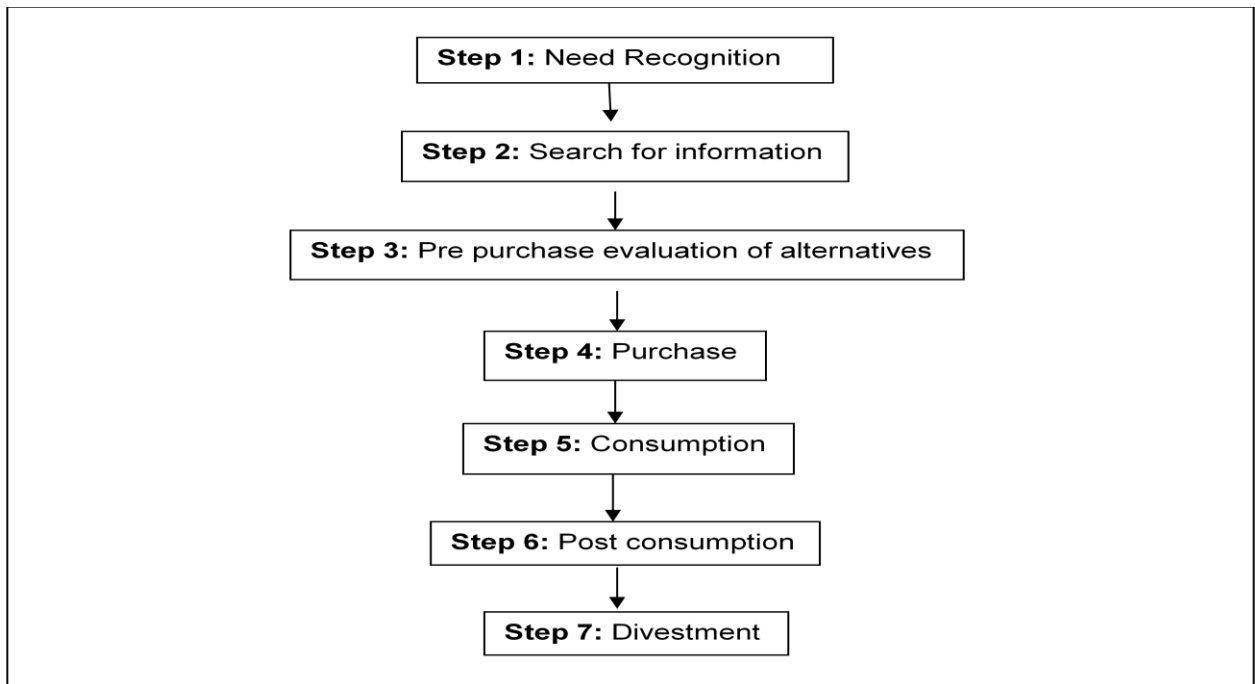
According to Shin (2010:36), past studies of consumer decision-making styles have helped researchers to better understand consumer buying behaviour, and have helped advertisers and marketers in the development of marketing tools and strategies based on the decision-making styles of various consumer groups. Such knowledge is also essential in identifying segments of consumers sharing similar attitudes to shopping (Wang, Siu & Hui, 2004:241).

Due to the differences in terms of decision-making styles, consumers will have different ways of making purchase decisions. These decision-making styles will have an effect on all dimensions of the consumer decision-making process, including need recognition and the search for information; making judgements and decisions; and post-decision evaluation (Hoyer & MacInnis, 2007:16).

2.3.2 The consumer decision-making process

A consumer decision entails that the consumer selects an alternative from among two or more choices, whereas the consumer decision-making *process* entails the particular actions that consumers take in order to make decisions between these choices (Lantos, 2011:66). According to Gilligan and Wilson (2003:236), the consumer decision-making process model represents a road map of consumers' minds that marketers and organisations can use to help guide the product mix, communication and sales strategies. The decision-making process is also coherent in its presentation of consumer behaviour, and it specifically introduces memory, information processing, and consideration of both positive and negative purchase outcomes (Teo & Yeong, 2003:351; Blackwell *et al.*, 2006:70; Schiffman & Kanuk, 2010:484). According to Solomon (2011:333), marketers should study the stages in the consumer decision-making process model carefully in order to understand how consumers obtain information, how they form beliefs, and what criteria they use when making product choices. This will give organisations the ability to develop products that emphasise the appropriate attributes, and marketers can tailor promotional strategies to deliver the types of information consumers are most likely to seek, in the most effective formats. Figure 2.2 presents a simplified version of the consumer decision-making process model.

Figure 2.2: The consumer decision-making process model



Source: Adapted from Blackwell *et al.* (2006:70).

The consumer activities at each stage of the decision-making process are subsequently described.

2.3.2.1 Stage 1: Need recognition

The first stage in the decision-making process is the consumer's recognition of an unsatisfied need. Consumers do not buy unless they feel that they have a need. According to Blythe (2008:260), a need is felt or recognised when there is a divergence between the consumers' actual state and their desired state. At this point, the product or service choice set can be broad and may not be limited to a specific product or service type, but may be focused on first identifying all possible means of fulfilment (Kelly, 2002:33).

Peter and Donnelly (2011:49) propound that it is the task of marketers to find out what needs and wants a particular product can and does satisfy, and what unsatisfied needs and wants consumers have for which a new product could be developed. Sheth and Mittal (2004:17) distinguish needs from wants, stating that the difference between a need and a want is that need arousal is driven by discomfort in a consumer's physical and psychological conditions, whereas wants occur when consumers desire to take their physical and psychological conditions beyond the state of minimal discomfort.

Kotler and Keller (2009:52-53) identify five types of needs and provide an example of each type:

1. Stated needs (the consumer wants an inexpensive car.)
2. Real needs (the consumer wants a car whose operating cost, not its initial price, is low.)
3. Unstated needs (the consumer expects good service from the dealer.)
4. Delight needs (the consumer would like the dealer to include an onboard navigation system.)
5. Secret needs (the consumer wants friends to see him as a savvy consumer.)

Responding only to the stated need may short-change the consumer. Indeed, many consumers do not know what they really want in a product. According to Kotler and Keller (2009:53), simply giving consumers what they want will not suffice anymore, and therefore, in order to gain a competitive edge, organisations must help consumers to learn what they need or want by providing their consumers with the relevant information which will initiate the learning process. Consumers will be exposed to the information provided by marketers when they search for more information on viable products or services that may have the ability to satisfy their unsatisfied needs or wants.

2.3.2.2 Stage 2: Search for information

Once need recognition has occurred, consumers begin searching for information and alternatives for satisfying their unmet needs (Peter & Donnelly, 2011:50). According to Pride and Ferrell (2010:196), a consumer's search for information may be internal, which means retrieving knowledge from memory or drawing on genetic tendencies; or it may be external, such as collecting information from peers, family members, or the marketplace. The length and depth of a search is determined by variables such as personality, social class, levels of income, size of purchase, past experiences, prior brand perceptions and consumer satisfaction (Gilligan & Wilson, 2003:237). Blackwell *et al.* (2006:75) suggest that if consumers are satisfied with the brand of product they currently use, they may repurchase the brand with little, if any, search behaviour, making it more difficult for competitive products to grab their attention.

Once the consumer has collected sufficient information, he then processes the information collected from the various sources. However, the exact nature of how individuals process

information to form evaluations of alternatives is not fully understood. In general, information processing is viewed as a four-step process in which the consumer is 1) exposed to information, 2) becomes attentive to the information, 3) understands the information, and 4) retains the information (Peter & Donnelly, 2011:50).

2.3.2.3 Stage 3: Pre-purchase evaluation of alternatives

Subsequent to the information search the consumer will evaluate the available alternatives. The evaluation of alternatives entails a consumer's process of elimination, short-listing and early selection process in purchasing a product or service (Kelly, 2002:35). According to Gough and Nurullah (2009:154), consumers may apply a variety of criteria during the course of their evaluation of purchase alternatives, which will vary in importance or influence in shaping alternative evaluation and selection.

The time and effort spent on the evaluation of the alternatives will depend on the value of the intended purchase (Solomon, Marshall & Stuart, 2006:138). In the case of low-value, routine purchases such as grocery items, the evaluation process may take place in seconds, because the consumer makes a quick study of available brands. In the case of high-value, once-off or occasional purchases, the consumer may, however, spend considerable time going through all manner of sub-processes before reaching a final purchase decision (Blackwell *et al.*, 2006:80). The evaluation procedure also includes peripheral issues such as where, when and how to buy the selected product or service.

According to Lantos (2011:69) while many of these decisions are not a core issue for the consumer, they are crucial for marketers. During product development, marketers should focus on achieving excellent performance on those criteria that are most important to the consumers in the target market. In addition, they should promote the brand's outstanding performance on these criteria while downplaying criteria where the brand performs poorly. This concept is supported by Gough and Nurullah (2009:155) who propose that when consumers cannot easily evaluate the quality and value of goods or services, brand reputation may serve as an important proxy for more detailed evaluations.

If beliefs about a brand's performance are generally positive, the consumer develops a positive brand attitude (brand attitude refers to the overall evaluation of the brand on purchase criteria). A buying (purchase) intention is then formed towards the consumer's preferred brand – the alternative for which the consumer has the most positive attitude (Elliot & Percy, 2007:228; Lantos, 2011:69).

2.3.2.4 Stage 4: Purchase

If no other factors intervene after the consumer has decided on the brand that is intended for purchase, the actual purchase is a common result of search and evaluation (Peter & Donnelly, 2011:51). According to Pride and Ferrell (2010:198), consumers also pick the seller from which they will buy the product during this stage. The choice of seller may affect the final product selection and therefore the terms of sale which, if negotiable, are determined at this stage. Other issues such as price, delivery, warranties, maintenance agreements, installation and credit arrangements are also settled. Finally, the actual purchase takes place at this point, unless the consumer decides to terminate the buying decision process (Pride & Ferrell, 2010:198).

According to Lambin (2007:78), consumers make three types of purchases: trial purchases, repeat purchases and long-term commitment purchases. When a consumer purchases a product for the first time, and buys a smaller quantity than usual, this purchase could be considered to be a trial. Thus, a trial is the exploratory phase of purchase behaviour in which consumers attempt to evaluate a product through direct use. When a new brand in an established product category is found by trial to be more satisfactory or better than other brands, consumers are likely to repeat the purchase. Repeat purchase behaviour is closely related to the concept of brand loyalty, which most organisations try to encourage because brand loyalty contributes to greater stability in the marketplace. Unlike trial situations where the consumer uses the product on a small scale and without any commitment, a repeat purchase usually signifies that the product has the consumer's approval, and that he is willing to use it again and in larger quantities. Trial, of course, is not always feasible. A consumer could possibly decide to move directly from evaluation to a long-term commitment (through purchase) without the opportunity of an actual trial purchase (Schiffman & Kanuk, 2010:497).

It is important to remember that a purchase decision is only an intention, which can still be changed or even reversed by other factors (Kelly, 2002:37). According to Peter and Donnelly (2011:50), rather than purchasing, the consumer may decide to modify, postpone, or avoid a purchase; this decision may be based on an inhibitor to purchase or a perceived risk.

Sheth and Mittal (2004:299) describe various reasons that may cause a delay or closure of the purchase stage. The three main reasons that could lead to a delay of the purchase stage in the decision-making process is time pressure, need for more information, and the inability to afford the product at the time. The reasons for closure may include the decision of the consumer to purchase an alternative product or service, or having insufficient time to make a final purchase decision.

2.3.2.5 Stage 5: Consumption

After the purchase has been made and the consumer takes possession of the product, the product or service is actually consumed. Consumption is the point at which the consumer utilises the product (Kelly, 2002:35; Blackwell *et al.*, 2006:82).

2.3.2.6 Stage 6: Post-consumption evaluation

After having consumed the product, the consumer will experience either a state of satisfaction or dissatisfaction. Satisfaction occurs when consumers' expectations are matched by perceived performance. When experiences and performance fall short of expectations, dissatisfaction occurs (Kelly, 2002:35; Blackwell *et al.*, 2006:84; Cubillo, Sanchez & Cervino, 2006:110; Kreng & Huang, 2011:536). Peter and Donnelly (2011:54) note that one implication of this view for marketers is that care must be taken not to raise pre-purchase expectations to such a level that the product cannot possibly meet them. Rather, it is important to create positive expectations consistent with the product's likely performance.

When determining the satisfaction or dissatisfaction of the purchase, there are three possible outcomes: 1) actual performance matches expectations, leading to a neutral feeling; 2) performance exceeds expectations, causing what is known as positive disconfirmation of expectations (which leads to satisfaction); and 3) performance is below expectations, causing negative disconfirmation of expectations and dissatisfaction (Schiffman & Kanuk, 2010:498). According to Kotler and Keller (2009:205), these outcomes are significant because consumers store their evaluations in their memory and refer to them when making future decisions. If the consumer is highly satisfied, subsequent purchase decisions become easier.

According to Peter and Donnelly (2011:10), an organisation is not defined by its name, statutes, or articles of incorporation. Rather, the organisation is defined by the need that the consumer satisfies when he buys a product or service. Therefore, satisfying the needs and wants of consumers should be the ultimate mission and purpose of the organisation.

Competitors find it difficult to access the minds and decision processes of satisfied consumers, because these consumers tend to buy the same brand repeatedly at the same store. Consumers who are dissatisfied with the products they buy, or with the stores from which they buy these products are ripe for picking with the marketing strategies of competitors who promise a better offer. The most important determinant of satisfaction is consumption, which refers to

how consumers use products. The product might be good, but if consumers do not use it properly, dissatisfaction may occur (Kelly, 2002:35; Blackwell *et al.*, 2006:84).

It is of vital importance for an organisation to achieve high levels of satisfaction amongst their consumers. According to Sheth and Mittal (2004:8), yielding a high level of consumer satisfaction provides an organisation with competitive advantages that lead to higher corporate performance in the form of increased profitability and revenue growth.

2.3.2.7 Stage 7: Divestment

Divestment is the last stage in the consumer decision-making process model. After the use of the product has expired, consumers have several options in terms of what to do next, including outright disposal, recycling, or remarketing (Kelly, 2002:35; Blackwell *et al.*, 2006:84).

To conclude the discussion of the various stages of the consumer decision-making process, a few remarks are necessary. Although research suggests that the typical consumer proceeds through these evaluative stages in the process of making a purchase decision, it is important to note that some of these stages may be bypassed at times, depending on a range of factors. Al Zoubi and Bataineh (2011:61) propose that some of these factors include the *purchase price* of the good or service being purchased; the relative degree of *product technicality*; and the *frequency of purchase*. It also depends on the type of decision-making, which may have a bearing on whether the consumer progresses through all the stages of the decision-making process, or whether the consumer bypasses some of them. Peter and Donnelly (2011:48) differentiate between three types of decision-making which vary in terms of how complex or expensive a product is, and also with reference to the extent of consumer involvement in purchasing it. The different types of decision-making, according to Peter and Donnelly (2011:48) and Blackwell *et al.* (2006:84), are:

- *Extensive decision-making* requires the most time and effort since the purchase involves a highly complex or expensive product that is important to the consumer.
- *Limited decision-making* is more moderate but still involves some time and effort searching for and comparing alternatives.
- *Routine decision-making* is the most common type and is also the way consumers purchase most packaged goods. Such products are simple, inexpensive, and familiar, and consumers often have developed favourite brands that they purchase without much deliberation.

Once a marketer has gained a thorough understanding of the process that consumers follow when making their purchase decisions, as well as the various types of decision-making that occur, the next step is to study the influences on the consumer decision-making process. According to Cubillo *et al.* (2006:102), in order for marketers and organisations to excel in a competitive market environment, it is crucial for them to become increasingly aware of the underlying factors considered by consumers when evaluating goods and services prior to, and during the decision-making process.

2.4 INFLUENCES ON THE CONSUMER DECISION-MAKING PROCESS

Decisions that consumers make during the decision-making process are influenced by two main factors. Firstly, stimuli are received and processed by the consumer in conjunction with memories of past experiences. Secondly, external variables are present in the form of either environmental or individual influences (Bray, 2008:15-16).

According to Smith and Rupp (2003:422), the process of consumer decision-making can be divided into three distinct but interlocking stages: the input stage, the process stage, and the output stage. The influences in the input stage are the organisation's marketing efforts (product, price, promotion and channels of distribution) and the environmental influences (group factors) on the consumer, which entail family, reference group, social class, and culture. The process stage of the consumer decision-making process focuses on how consumers make decisions, and is influenced by the psychological factors which include motivation, perception, learning, attitude and personality (Smith & Rupp, 2003:424; Schiffman & Kanuk, 2010:37; Kreng & Huang, 2011:535). All the influences on the consumer decision-making process will be discussed briefly in subsequent sections; however, not all of these influences will be applicable to the empirical study.

2.4.1 Psychological influences on the consumer decision-making process

Group factors affect what consumers think and feel about particular products and brands. However, a number of psychological factors influence how this information is interpreted (Lindquist & Sirgy, 2009:24; Peter & Donnelly, 2011:47). According to Kotler and Keller (2009:200), marketing and environmental stimuli enter the consumer's consciousness, and a set of psychological processes combine with certain consumer characteristics to result in decision processes and purchase decisions. Five key psychological factors – motivation, perception, learning, attitude and personality – fundamentally influence consumer responses (Blythe, 2008:29; Lantos, 2011:316).

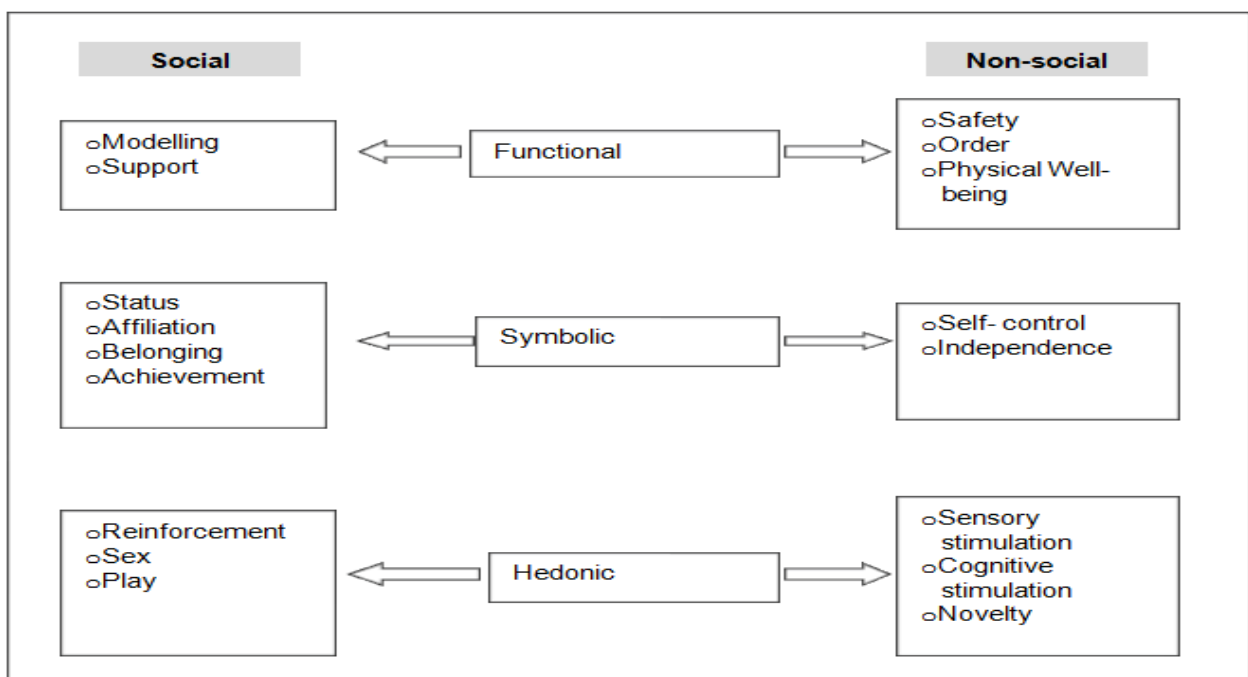
2.4.1.1 Motivation

Motivation is a construct that represents an unobservable inner force that stimulates and compels a behavioural response, and provides a specific direction to that response (Hawkins & Mothersbaugh, 2010:360). According to Solomon (2011:154), motivation essentially entails the processes that cause consumers to behave the way they do, and occurs when a need is aroused that the consumer wishes to satisfy. The need creates a state of tension that drives the consumer to attempt to reduce or eliminate it.

A need can be regarded as the gap between a consumer's actual and ideal or desired situation (Hoyer & MacInnis, 2007:61). Sheth and Mittal (2004:17) support this notion, stating that a need is an unsatisfactory condition in the consumer that leads him to perform an action that will make the condition better. The consumer's desire to recognise the need will depend on the size of discrepancy (gap) between the desired and the actual state, as well as the importance of the need. Thus, the magnitude of the tension the need creates determines the urgency the consumer feels to reduce it (Solomon, 2011:154).

According to Hoyer and MacInnis (2007:58) needs can be categorised according to whether they are (1) social or non-social needs and (2) functional, symbolic or hedonic in nature. Figure 2.3 indicates the categorisation of the different social and non-social needs.

Figure 2.3: Categorising needs



Source: Adapted from Hoyer & MacInnis (2007:58).

According to Hoyer and MacInnis (2007:58), social needs are externally directed, and the influence and actions of others will fulfil these needs. Achieving non-social needs is not necessarily influenced by other individuals. These needs involve only the consumer and can influence the usage of specific products and services. Functional needs may be social or non-social in nature, and these functional needs, in turn, solve consumption-related problems by motivating the search for products. Symbolic needs have a bearing on how consumers perceive themselves and also drive consumption about how consumers express themselves. Hedonic needs, on the other hand, refer to individual desires for sensory pleasure. If the desire is intense enough, it may lead to fantasising about specific goods – an experience that may be simultaneously pleasuring and discomforting.

Goals constitute another factor that affects motivation and which, in turn, affects decision-making. Goals can be defined as a specific state or outcome that a person would like to achieve (Hoyer & MacInnis, 2007:55). All behaviour is goal-orientated and it follows that goals are the sought-after results of motivated behaviour (Schiffman & Kanuk, 2010:107). Decision-making process goals are desires in terms of actions, cognitions, and feelings that relate to the decision-making process (Carlson, 2004:43).

Motivation is not only determined by the needs or goals of the consumer, but also by the consumer's level of involvement (Clow & Baack, 2010:84). Involvement can be regarded as the motivation to search for information and to engage in systematic processing. Involvement is also described as a motivational state which affects many of the key aspects of consumer behaviour, such as decision-making, responses to persuasion, and processing of advertisements (Elliot & Percy, 2007:10). Anderson (2006:25) supports this notion by stating that involvement is an important concept in marketing as it provides a basis for motivational force that can explain various behavioural outcomes of consumers, for example, the number and type of choice criteria, the extensiveness of information search, the length of the decision-making process, variety-seeking behaviour, and brand switching.

2.4.1.2 Perception

Perception is defined by Sheth and Mittal (2004:129) and Solomon (2011:83) as the way that consumers are driven to select, organise, and interpret sensations and marketing stimuli. A consumer's perception formation begins with exposure and attention to marketing stimuli and ends with consumer interpretation, where exposure and attention are highly selective – meaning that consumers process only a small fraction of the available information (Hawkins & Mothersbaugh, 2010:278). Schiffman and Kanuk (2010:179) concur by stating that individuals

are very selective as to which stimuli they recognise, that they subconsciously organise the stimuli that they do recognise according to widely held psychological principles. Furthermore, they interpret such stimuli subjectively in accordance with their personal needs, expectations and experiences. No two individuals will interpret information inputs (stimuli) in the same way, and the way they interpret information is therefore influenced by selective perception (Sheth & Mittal, 2004:132; Lantos, 2011:390-391). According to Lantos (2011:391), selective perception suggests that consumers will consciously or subconsciously process only a fraction of the sensory stimuli to which they are exposed during each of the stages of the perceptual process.

According to Sheth and Mittal (2004:132-133) and Mostert and Du Plessis (2007:95), selective perceptions may involve *selective exposures* (consumers expose themselves to stimuli that they find pleasant and agree with, and avoid other stimuli); *selective attention* (consumers filter messages from exposures, by paying only selective attention to them and not paying conscious attention to the others); *selective interpretation* (consumers are exposed to a message and pays attention to it, but does not interpret it in the manner in which it was intended).

Three factors shape consumer perceptions. According to Sheth and Mittal (2004:130), these are:

1. *Stimulus characteristics*. The nature of information from the environment (objects, brands, stores, marketers and peers).
2. *Context characteristics*. The setting in which the information is received, including social, cultural, and organisational contexts.
3. *Consumer characteristics*. Personal knowledge and experiences, including the consumer's expertise on the relevant topic and prior experience with similar stimuli.

Gollwitzer and Sheeran (2009:595) suggest that consumers' decisions are strongly affected by the information provided, and also in terms of how willing and able perceivers are to process that information. Perhaps the single most important determinant of consumer choice outcomes is that which is being perceived and considered (Lynch & Zauberman, 2007:108).

2.4.1.3 Learning

Cave (2009:83) states that the concept of learning refers to a relatively permanent change in behaviour that is the result of experience; memory entails the storage of information about these

experiences within an individual, and its retrieval from the memory stores. Thus the process of learning serves to influence the extent to which the consumer considers future purchases and seeks new information (Bray, 2008:13). Learning will result in consumers' knowledge about products, stored in long-term memory. Such knowledge can be classified as attributes, benefits, and motivational values for consumers (Paul, Hennig-Thurau, Gremler, Gwinner & Wiertz, 2008:216). Paul *et al.* (2008:217) also propose that the benefits of learning are more important in the consumer decision-making process than attributes and values.

2.4.1.4 Attitude

Attitudes, which are positive or negative evaluations of marketplace phenomena, develop during the alternative evaluation stage of the consumer decision-making process (Lantos, 2011:497). Blythe (2008:138) defines attitude as a learned tendency to respond to an object in a consistently favourable or unfavourable way. Kotler and Keller (2009:210) support this idea, stating that attitudes are enduring and difficult to change because they economise on energy and thought.

Attitude can also be seen as the consumer's evaluation of a particular brand's (service) potential to satisfy the purchase motives (Bray, 2008:13). Attitude consists of three components: affective, cognitive and conative (Clow & Baack, 2010:85-86). The *affective level* deals with consumers' feelings and emotions toward the product or service, measured through satisfaction; the *cognitive level* is concerned with with rational thoughts and judgements about the benefits received from the relationship and the cost of maintaining it; and finally, the *conative level* focuses on consumers' actual behaviour (Sheth & Mittal, 2004:201-203; Little & Marandi, 2007:148). The monitoring of all three levels of attitude is important as it will give the marketer a holistic approach about the consumer, and a guideline for predicting future behaviour (Little & Marandi, 2007:148).

Attitudes influence consumers' behaviour when acquiring, consuming and disposing of an offering, and it is therefore important for marketers to mould consumers' attitudes in order to influence consumer decision-making with a view to translate this into positive consumer behaviour (Hoyer & MacInnis, 2007:125). Sheth and Mittal (2004:207) describe attitude moulding as helping the consumer to form an attitude where none existed before and changing a pre-existing attitude. According to Blythe (2008:138), whether a product will be bought or not depends largely on the consumer's attitude towards it, and therefore much marketing effort should be expended on finding out what consumers' attitudes are to product offerings, and in seeking to change (or mould) those attitudes where appropriate.

2.4.1.5 Personality and self-concept

Kotler and Keller (2009:197-198) define personality as a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli (including buying behaviour). Personality is a composite of subordinate processes which include motivation, perception and attitude (Blythe, 2008:73). According to Lantos (2011:316), a consumer's personality is a combination of many traits, and these traits tend to be consistent with one another. A personality trait is defined by Sheth and Mittal (2004:58-81) as a consistent, characteristic way of behaving and is said to be overarching, affecting all domains of consumer behaviour.

Consumers' personalities have an influence on the types and brands of products purchased, and therefore, some marketers aim advertising at certain types of personalities. Marketers focus on positively valued personality traits such as security consciousness, sociability, independence, or competitiveness, rather than on negatively valued ones, such as insensitivity or timidity (Pride & Ferrell, 2010:205).

Sometimes consumers choose products that fit their personality. Today, thousands of brands borrow personality traits of individuals or groups in order to convey an image that they want consumers to form of them (Solomon, 2011:248). Hawkins and Mothersbaugh (2010:376) define brand personality as a set of human characteristics that becomes associated with a brand. Products and brands assist consumers to express their unique personalities, and as such, marketers design a brand personality to appeal to the consumer's self-concept (Hawkins & Mothersbaugh, 2010:376; Lantos, 2011:327). According to Moodley (2007:13), consumers no longer purchase products in order to satisfy their needs, but rather to express their personalities and to seek affirmation. Social situations and events are then seen as opportunities for consumers to exhibit their new purchases, particularly flamboyant purchases.

A consumer's self-concept is closely linked to personality. Self-concept refers to one's conscious feelings and attitudes about himself as a person at a given time (Lantos, 2011:326). According to Pride and Ferrell (2010:205), research indicates that consumers purchase products that reflect and enhance their self-concepts and that purchase decisions are important to the development and maintenance of a stable self-concept.

According to Kotler and Keller (2009:198), consumers often choose and use brands that have a brand personality consistent with their own actual self-concept (how we view ourselves), although the match may instead be based on the consumer's ideal self-concept (how we would like to view ourselves) or even on others' self-concept (how we think others see us).

2.4.2 Group factors affecting the consumer decision-making process

Behavioural scientists have become increasingly aware of the powerful effects of group factors on consumer behaviour. According to Peter and Donnelly (2011:43), these factors can have both direct and indirect effects on the decision-making process. Direct effects can be described as the direct communication between the consumer and other members of society concerning a particular decision. Indirect effects refer to the influence of society on a consumer's basic values and attitudes as well as the important role that groups play in structuring a consumer's personality. Group factors can be as small as the consumer's family or peer group, or as large as the consumer's social class or culture (Lindquist & Sirgy, 2009:24).

According to Smith and Rupp (2003:430) it is extremely useful to consider group factors when developing market strategies, because these serve as aids to both academics and practitioners to frame (and eventually understand) the processes behind consumer decision-making. These external factors that influence consumers in the consumer decision-making process will subsequently be discussed in more detail.

2.4.2.1 Family

The most significant consumer social group is the household (the consumer unit or dwelling unit). A household refers to any occupied housing unit, regardless of the relationships among the people living there (Lantos, 2011:260). While a number of consumer decisions are made by individuals for their personal consumption, their decisions as members of a household are more complex, since these decisions must accommodate the diverse needs and wants of various household members (Sheth & Mittal, 2004:316). According to Lantos (2011:260), the most common type of household is the family household (family), with two or more people related by blood, marriage, or adoption and who reside together. Family decision-making is the process by which decisions that directly or indirectly involve two or more family members are made (Hawkins & Mothersbaugh, 2010:207). According to Karrane and Hogg (2007:15), it is important to establish who is involved in family decision-making, because family consumption decisions are increasingly influenced by various patterns of a joint-negotiation process in twenty-first century families. Some individuals within the family may have more influence on the decision-making process, regardless of the family type or gender role preference (Tinson, Nancarrow & Brace, 2008:10).

Depending on the type of product being considered, family members may adopt different roles for each decision. However, roles often overlap, or the same person occupies more than one

role (Blythe, 2008:248; Pride & Ferrell, 2010:208). According to Hawkins and Mothersbaugh (2010:208), the six roles that frequently occur in family decision-making are as follows:

- *Initiator(s)*. The family member who first recognises a need or starts the purchase process.
- *Information gatherer(s)*. The individual who has expertise or interest in a particular purchase. Different individuals may seek information at different times or on different aspects of the purchase.
- *Influencer(s)*. The person who influences the alternatives evaluated, the criteria considered, and the final choice.
- *Decision-maker(s)*. The individual who makes the final decision. Of course, joint decisions also are likely to occur.
- *Purchaser(s)*. The family member who actually purchases the product. This is typically an adult or a teenager.
- *User(s)*. The user of the product. For many products, there are multiple users.

According to Sheth and Mittal (2004:14), successful marketers are aware of the value of each of the above-mentioned consumer roles. Due to the fact that several persons are involved in a family's purchase decision, marketers may need to use a variety of means to reach each individual, as individuals may have different needs, income, assets, debts, and expenditure patterns.

It has been recognised that a family's needs, income, assets, debts, and expenditure patterns change over the course of what is called the family life-cycle (Peter & Donnelly, 2011:45). Kotler and Keller (2009:196) propound that it has been found that the family life-cycle influences the decision-making of families. According to Lantos (2011:271) the family life-cycle describes the phases a family of procreation typically goes through in their process of formation, development, and ultimate dissolution. The traditional family life-cycle can be seen as a progression of stages through which many families proceed, starting with bachelorhood, moving to marriage (and forming of family units), then to family growth (the birth of children), to family contraction (as grown children leave the house), and ending with the dissolution of the basic unit (due to the death of one spouse) (Schiffman & Kanuk, 2010:332).

2.4.2.2 Reference groups

Humans belong to groups, try to please others, and look to others' behaviour for clues about what we should do in public settings. In fact, our desire to "fit in" or identify with desirable individuals or groups is the primary motivation for many of our consumption behaviours (Solomon, 2011:408). Blythe (2008:211) defines a reference group as a person or group of people that significantly influences an individual's behaviour. Reference groups provide standards or norms by which consumers judge their attitudes and behaviour. According to Pride and Ferrell (2010:208), most consumers have several reference groups, such as families, work-related groups, fraternities or sororities, civic clubs, professional organisations, or religious groups. Kotler and Keller (2009:194) and Peter and Donnelly (2011:45) divide these various reference groups into both primary and secondary reference groups: Primary reference groups include family and close friends, while secondary reference groups include fraternal organisations and professional associations.

It is a well-known fact that social influences affect purchase decisions and although a number of different mechanisms have been hypothesised, a consumer's decision to purchase a product is influenced by the choices made by his associative reference group (Berns, Capra, Moore & Noussair, 2008:1). Kotler and Keller (2009:194) note that reference groups influence members in at least three ways: 1) they expose an individual to new behaviours and lifestyles; 2) they influence attitude and self-concept; and 3) they create pressures for conformity that may affect product and brand choices. According to Schiffman and Kanuk (2007:313), the degree of influence that a reference group exerts on a consumer's buying behaviour depends on the nature of the individual and the product, and also on specific social factors – including the information and experience that the individual has; the credibility, attractiveness and power of the reference group; and the conspicuousness of the product.

Sheth and Mittal (2004:65) explain that there are two dimensions of conspicuousness, namely exclusivity and public visibility. If everyone owns or uses a product or service, then the ownership and use of that product or service has no exclusivity. Hence, there is no basis for being concerned about others' opinions of it. The second dimension, visibility, is critical because a product or service has to be visible and identifiable in order for reference group members to approve or disapprove of it.

2.4.2.3 Social class

Virtually all human societies exhibit some or other form of social stratification, most often in the form of social classes. Social classes can be defined as relatively homogenous and enduring divisions in a society, hierarchically ordered and with members who share similar values, interests and behaviour (Kotler & Keller, 2009:192). Sheth and Mittal (2004:68) define social class as the relative standing of members of a society so that a person in a higher position enjoys a higher status than those in the lower social class.

The behaviour and lifestyle of consumers belonging to one social class are different from the behaviours and lifestyle of members of other social classes (Hoyer & MacInnis, 2007:330; Peter & Donnelly, 2011:44). Hoyer and MacInnis (2007:334) suggest that social class exerts a strong influence on the norms and values of consumers, especially those who form part of the same social class. It follows that class will have a bearing on consumers' buying behaviour and decision-making. Sheth and Mittal (2004:68) propose that there are a few characteristics of the concept of social class that can be identified:

- *Rank ordering.* Social classes are ranked in terms of social prestige.
- *Relative permanence.* Social classes are relatively permanent characteristics of the family. A consumer's social class does not change from day to day, or even from year to year.
- *Intergenerational class mobility.* It is possible for a consumer to move out of the social class of his or her birth and into a higher or lower class by acquiring the values, resources, and behaviours of the new class.
- *Internal homogeneity.* Classes are homogenous within each strata. Consumers belonging to the same social class tend to be similar in terms of the types of occupations, the kinds of neighbourhoods they live in, their food habits and socialising.
- *Distinct from income.* Although income is an important determinant of social class, there is not a one-to-one correspondence between the two. Since social class depends as much on other factors such as education, occupation, and personal tastes, it is not uncommon for a consumer of relatively average income to belong to the upper social class and vice versa.

According to Lantos (2011:215) and Hawkins and Mothersbaugh (2010:145), knowledge of a target market's social class enables a marketer to formulate a product position and brand image consistent with the actual or desired lifestyle of the particular target market's members. Based

on a brand's positioning and image, all elements of the marketing mix are chosen: the product's quality level and add-on features (higher quality and extras for higher-class consumers); high versus low price points; choice of up-market versus down-market retailers to sell through; and the creation of appropriate marketing communications that appeal to differences among social classes in lifestyle, languages, and cultural characteristics (Lantos, 2011:215).

2.4.2.4 Cultural characteristics

Culture is one of the most basic influences on a consumer's needs, wants, and behaviour, since all facets of life are conducted against the background of the society and culture in which a consumer lives. Cultural antecedents affect everyday behaviour, and there is empirical support for the notion that culture is a determinant of certain aspects of consumer behaviour (Kotler & Keller, 2009:190; Peter & Donnelly, 2011:43).

Culture refers to the accumulation of values, knowledge, beliefs, customs, objects, and concepts that a society uses to cope with its environment and passes on to future generations (Pride & Ferrell, 2010:213). According to Blythe (2008:191) culture is learned, but it is often so deeply ingrained in consumers that they imagine that the rules of their particular society or group have the status of natural laws; as a result, culture is one of the main drivers of behaviour and influences almost everything consumers do, including their buying behaviour.

Within a culture there are, however, many subcultures which are different from the dominant culture. According to Hawkins and Mothersbaugh (2010:156), a subculture is a segment of a larger culture whose members share distinguishing values and patterns of behaviour. Subcultures include nationalities, religions, racial groups and geographic regions (Kotler & Keller, 2009:190). When subcultures become large and affluent enough, marketers often design specialised marketing programmes to serve them.

Marketers need to be culturally sensitive so that they do not violate cultural norms in their marketing practices. Cultural norms are informal societal rules or standards for appropriate or inappropriate behaviour. Such behavioural standards determine what is "normal," i.e., the way things ought to be done. Cultural norms that permeate society include customs, conventions, etiquette, and rituals (Lantos, 2011:175). Pride and Ferrell (2010:213) indicate that because culture determines product purchases and uses to some degree, cultural changes affect product development, promotion, distribution, and pricing. Kotler and Keller (2009:45) also note that organisations place themselves at a greater risk when they fail to constantly monitor their consumers, and to adapt their product offerings to these changes. Therefore, it is of the utmost

importance for marketers to remain abreast of norms, which, as a cultural component, often evolve slowly and present new problems and market opportunities – which may include the need for new products and services (Pride & Ferrell, 2010:83; Lantos, 2011:191; Peter & Donnelly, 2011:18). Culture is one of the most important determinants of consumer buying behaviour (Peter & Donnelly, 2011:45) and will therefore be discussed in more detail below.

2.5 CULTURE

Each market environment that a marketer encounters has cultural, legal, economic, and political differences which distinguish it from other markets (Burgess & Bothma, 2008:166). Cultural antecedents affect everyday behaviour, and (as noted above) there is empirical support for the notion that culture is a determinant of certain aspects of consumer buying behaviour (Peter & Donnelly, 2011:45). According to Hawkins and Mothersbaugh (2010:40), marketing across cultural boundaries is a difficult and challenging task, and the success of marketers depend on how well they understand and adapt to these differences. Taking various cultural aspects into account will assist marketers to develop effective marketing strategies for specific markets.

This section focuses on issues related to the cultural environments with which the marketer is faced in new and often different markets – interacting with consumers, who amongst other things, speak different languages, belong to different religious denominations, have different attitudes and values and possess different levels of education. This section further defines the concept ‘culture’ and related concepts. It also explains the characteristics, levels, and dimensions of culture, and discusses the construct of consumer ethnocentrism and the effect it has on consumer buying behaviour.

2.5.1 Defining culture

Culture is a shared, learned, symbolic system of values, beliefs and attitudes that shapes and influences perception and behaviour (Barclay, 2008:25). Burgess and Bothma (2008:167) concur by stating that culture refers to behavioural traits that members of society learn and pass on from one generation to another. It is important to remember that individuals are not born with these behavioural traits; rather, people learn these traits through interactions with parents, other family members, friends and even strangers who are part of the culture (Lustig & Koester, 2006:25).

Culture is learned by the processes of enculturation and acculturation. Enculturation is the process of learning one’s own culture. Acculturation is the process of learning a new culture,

and this process could lead to transformations in consumers' identity, attitudes, behaviours and values (Sheth & Mittal, 2004:60; Shin, 2010:4; Solomon, 2011:175). Marketers must make the necessary effort to learn, understand, and adapt to the cultural norms of the managers and consumers they deal with in various markets, because failure to do so will result in missed market opportunities (Peter & Donnelly, 2011:193).

When learning a culture, it entails that the marketer needs to become knowledgeable about the various elements of that specific culture. According to Sheth and Mittal (2004:60), the marketer should learn and gain a deeper understanding of the following cultural elements:

- *Values* are conceptions of what is good and desirable versus what is bad and undesirable.
- *Norms* are rules of behaviour. They are more specific than values and dictate acceptable and unacceptable behaviour.
- *Rituals* are sets of symbolic behaviours that occur in a fixed sequence and tend to be repeated periodically.
- *Myths* are stories that express some key values of society.

According to Burgess and Bothma (2008:166), marketers should learn about these various cultural elements that exist in a prospective market, because such knowledge will enable marketers to predict consumers' acceptance of their products and assist them in the development of effective marketing strategies. Prior to learning about various cultures, marketers should gain a holistic understanding of the concept of culture by considering the various characteristics of culture.

2.5.2 Cultural traits

From the definition of culture, it can be seen how an understanding of the various cultures present in a society helps marketers to predict consumer acceptance of their products. There are several important cultural traits that can be gleaned from the definition of culture. According to Sheth and Mittal (2004:61) and Lantos (2011:169), the concept of culture has the following traits:

- *Culture is learned.* We are not born with culture; and instinctive behaviour, which we possess since birth, is not culture.

- *Culture regulates society.* Culture does so by offering norms, standards and behaviour, and by sanctioning particular deviations from that behaviour. Everyone in a culture knows the rules to live by.
- *Culture makes learning more efficient.* Because culture is shared (by definition), we do not have to learn things anew as we encounter new people and new situations within the same culture.
- *Culture is adaptive.* Culture is a human response to the environment, and as the environment changes, culture is likely to adapt itself to the new environmental demands.
- *Culture is environmental.* Culture develops to everyone's life alike and always. Like environment, we take culture for granted until something unexpected happens. That is, our attention is drawn to the otherwise quiet existence of culture only if a cultural norm is broken.
- *Multiple cultures are nested hierarchically.* The culture of a larger group constraints and shapes the culture of the smaller groups within the dominant group.

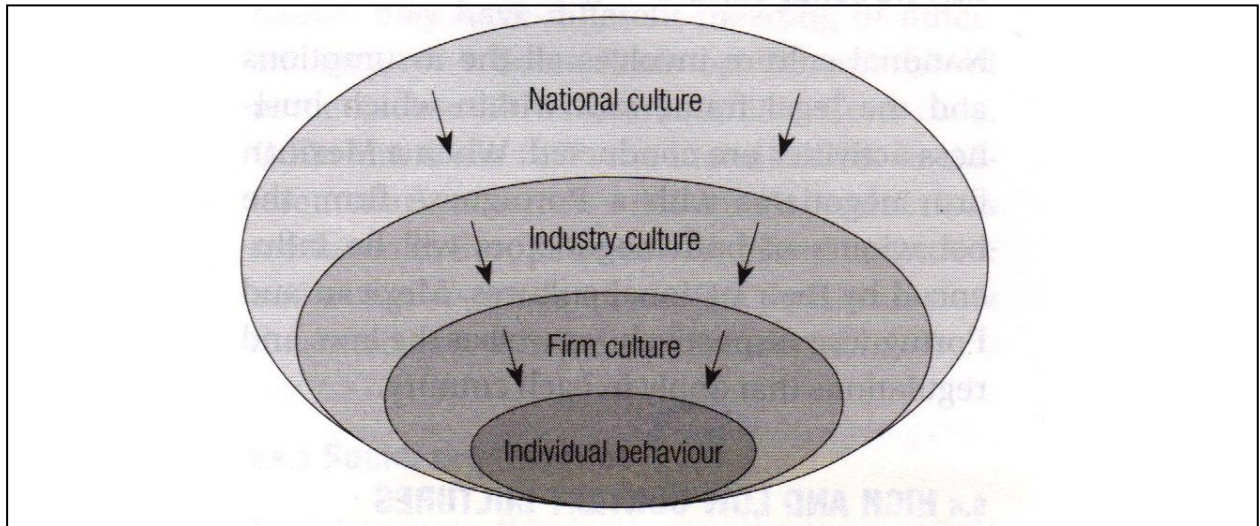
The impact of culture is so seemingly natural and automatic that its influence on consumer behaviour and marketing practices is usually taken for granted. According to Peter and Donnelly (2011:44), marketers should adapt their marketing strategies to cultural traits and constantly monitor trait changes and differences in both domestic and global markets.

Karahanna, Evaristo and Strite (2006:31) suggest that culture can be defined on different levels of analysis ranging from the national level through the industry and organisational levels, to the individual behaviour level. These different levels of culture are discussed subsequently.

2.5.3 Levels of culture

Various levels of culture can be identified. According to Burgess and Bothma (2008:167), there are four levels of culture. These are individual behaviour, organisational (firm) culture, industry culture and national culture. These levels are interrelated and all levels influence the behaviour of consumers. Figure 2.4 provides an illustration of the different levels of culture.

Figure 2.4: The different levels of culture



Source: Adapted from Burgess & Bothma (2008:167).

2.5.3.1 Individual behaviour

Individual behaviour refers to the behaviour of the consumer. According to De Mooij (2011:110) the consumer is shaped by the cultural context, and this context, in turn, strongly influences buying behaviour in various ways – including the consumer's perceptions, evaluations and values. This mediating role of the consumer means that individual behaviour is an intermediary variable required for understanding buying behaviour. In essence, individual behaviour is the result of the influence of the firm, industry and national cultures on an individual (Burgess & Bothma, 2008:167).

2.5.3.2 Firm culture

Each firm (organisation) has its own unique cultural elements such as values, beliefs and behaviour (Sheth & Mittal, 2004:61; Burgess & Bothma, 2008:167). According to Burgess and Bothma (2008:167), various subcultures can also be identified within each organisation, for example employees working in the marketing department may share values, beliefs and behaviours that are slightly different from those of the organisation as a whole and from other functional areas within the organisation.

2.5.3.3 Industry culture

Industry culture is related to the branch of industry concerned and has to do with organisational behaviour and ethics found in a particular industry (Burgess & Bothma, 2008:168).

2.5.3.4 National culture

A country is a politically unified population. It may, and often does, contain more than one culture or society (De Mooij, 2011:38). According to Sheth and Mittal (2004:61) national culture refers to the culture prevalent in a nation, and it comprises the norms, rituals and values common to everyone in that nation, regardless of the subgroup affiliation. Schiffman and Kanuk (2010:368) concur by stating that national culture refers to those shared cultural characters that uniquely or specifically define the citizens of particular countries.

2.5.4 Dimensions of culture

When formulating a marketing strategy, marketers have to pay specific attention to socio-cultural factors in the respective market that might affect their efforts to market their products or services.

According to Jooste *et al.* (2008:297), cultural factors refer specifically to physical appearance and stereotyping which occurs based on assumptions about ethnicity. One of the major problems faced by marketers indeed relate to the physical differences between the inhabitants of different countries.

Regarding the implications of culture, Jooste *et al.* (2008:297) identify the following dimensions:

- *Cultural variability.* Some cultures are more stable than others and do not change much during the life-cycles of consumers. Others change quickly within a short period. South Africa is viewed as a country where the culture is currently changing dramatically.
- *Cultural complexity.* Cultures differ in terms of complexity. The western culture of North America and Western Europe, for example, is much less complex than the Eastern countries. In countries where cultural complexity is high, decisions will only be taken after relationships have been established and the international organisation has gained a measure of trust.

- *Cultural homogeneity.* If a country is fairly homogenous with respect to culture and there are not many subcultures, the task of the international marketer is easier. The communication message is uniform for the country's population. South Africa, for instance, with its 11 official languages enshrined in the Constitution, is made up of various cultures that make the job of the marketer much more difficult.

- *Cultural interdependence.* Some countries are fairly isolated and are not easily influenced by external factors. In Europe, for example, Germany is felt to be quite stable; the country is still regarded as Germany with its specific customs and habits. Therefore, even though Germans may drink Coca-Cola, this does not mean that they have adopted the North American lifestyle.

- *Cultural hostility.* Countries and cultures also differ in terms of their acceptance of foreign products and international organisations. Consumers often evaluate imported goods differently than they do identical domestic products (Wang *et al.*, 2004:239). Some countries, of which South Africa is an example, perceive imported goods as status symbols (Jooste *et al.*, 2008:297). According to De Mooij (2011:141), when consumers prefer products or brands from their own country to products or brands from other countries, this is known as consumer ethnocentrism.

2.6 CONSUMER ETHNOCENTRISM

As noted above, one of the factors which may affect a consumer's buying behaviour in terms of the decision to buy a domestically produced or foreign-made product, is consumer ethnocentrism (Altintas & Tokol, 2007:308). However, this phenomenon and its effects remain under-researched in one of the wealthiest emerging markets in South Africa – the Black Diamond consumer segment (UCT, 2008a). Increased nationalism, heavy emphasis on cultural, ethnic identity, and consumer ethnocentrism will be potent forces in the global business environment in the years to come. Hence, proper insight as to whether the level of ethnocentrism is a differentiating consumer characteristic for products originating from overseas is useful for the development of effective marketing strategies (Kucukemiroglu *et al.*, 2006:61).

Shankarmahesh (2006:147) defines ethnocentrism as the view of things in which one's own group is the centre of everything, and all others are scaled and rated with reference to it. Solomon (2011:357) supports this notion by stating that ethnocentrism is the tendency to prefer products or people of one's own culture to those of other countries. In general, ethnocentrism represents the universal proclivity of people to view their own group as the centre of the

universe, to interpret other social units from the perspective of their own group, and to reject persons who are culturally dissimilar while blindly accepting those who are culturally like themselves (Evanschitzky, Wangenheim, Woisetschlager & Blut, 2008:7). According to John and Brady (2011:73), consumer ethnocentrism refers to the phenomenon of consumers' preference for domestically produced products, or prejudice against imports. Consumer ethnocentrism represents beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products (Sheth & Mittal, 2004:202; Vida *et al.*, 2008:329; Rose, Rose & Shoham, 2009:331).

Consumer ethnocentrism is probably one of the few cultural attributes that are common to all cultures. Since people use their own cultural background as yardstick for measuring foreigners, judgements will always be made – and many of them will be negative (Blythe, 2008:170). According to Kucukemiroglu *et al.* (2006:61), a series of nomological validity tests conducted in the United States of America indicated that consumer ethnocentrism is moderately predictive of consumers' beliefs, attitudes, purchase intentions and purchases. The authors have also noted a significant negative correlation of ethnocentric tendencies with attitudes towards foreign products and purchase intentions. Consumer ethnocentrism entails that nationalistic emotions affect attitudes about products and purchase intentions. In particular, consumer nationalism influences cognitive evaluations of products and consequently affects purchase intent. This implies that nationalistic individuals will tend to perceive the quality of domestic products as higher than that of foreign products (Kucukemiroglu *et al.*, 2006:61). The level of consumer ethnocentrism in a country or market can be measured by using the CETSCALE.

The CETSCALE is a 17-item Likert-type scale developed and tested by Shimp and Sharma (1987) in order to measure the extent to which consumers feel that buying foreign products is unpatriotic or immoral because of the adverse impact thereof on jobs and the economy (Sheth & Mittal, 2004:202; Saffu & Walker, 2005:559). According to Klein *et al.* (2006:306), the CETSCALE measures a relatively straightforward construct – the belief that it is wrong to purchase foreign-made products. Saffu and Walker (2005:559) note that measuring the level of consumer ethnocentrism across markets and countries is of interest to organisations because it facilitates marketing strategies in these respective markets; in particular aspects such as developing product positioning strategies – and it may also help explain the bias toward domestic products.

According to Carter (2009:39-40), consumer ethnocentrism can be viewed as an interaction variable affecting all of the relationships leading to the purchase decision by the consumer. Higher levels of consumer ethnocentrism will lead to more saliency and importance of country-of-origin information to these consumers, thus increasing the strength of the effects that the

posited determinants have upon consumers' receptivity towards a foreign product. For example, consumers with high levels of consumer ethnocentrism will seek out country-of-origin information and, as a result, may have lower evaluations of and more unfavourable attitudes toward foreign products than consumers with low levels of consumer ethnocentrism. According to Goldberg and Baumgartner (2002:901), the country-of-origin of a product could therefore be regarded as an additional attribute of the product, and may be used by consumers to judge the quality of the product in question. Zolfagharian and Sun (2010:346) support this notion by affirming that the country-of-origin of a product influences consumer attitude toward the product, purchase intention, and evaluation of product quality.

2.6.1 Quality judgement of domestic products and consumer ethnocentrism

According to Wang and Chen (2004:392), consumers' intention to purchase domestic or foreign products will be influenced by perceived quality. Quality perception is regarded as a multi-dimensional concept including the appearance, colour, design, durability, fashion, functionality, prestige, reliability, technical advancement, value for money, and workmanship of a product. Since a product comprises many different physical and symbolic attributes, consumers could find it difficult to evaluate these diverse attributes. Therefore, consumers frequently use extrinsic cues such as country-of-origin in their purchase decisions (Suh & Kwon, 2002:669). The term "country-of-origin" can be conceptualised as the country where the product was manufactured or assembled (Josiassen & Assaf, 2010:296; Zolfagharian & Sun, 2010:346). Oberecker and Diamantopoulos (2011:45) assert that consumer preferences for domestic versus foreign products are not solely motivated by economic concerns, such as price or reliability, but also by (positive/negative) feelings towards a particular country.

Research suggests that a significant proportion of consumers will seek country-of-origin information before making a purchase, because the country-of-origin cue helps consumers to make inferences about quality and also affects their beliefs about product attributes (Wang & Chen, 2004:392). Therefore, the perception that the consumer has of the country-of-origin will influence his willingness to buy the foreign product. Goldberg and Baumgartner (2002:901) assert that the country-of-origin of a product and its influence on the consumer means that the particular country in question constitutes an additional attribute of the product.

Wang and Chen (2004:392) assert that previous studies have suggested a positive correlation between the evaluations of domestic products and a country's level of economic development, indicating that a consumer will tend to purchase a product made in a foreign country if the consumer judges its quality as better than that of a product produced in a less-developed

country. In a developed country, consumers generally tend to have a higher quality perception of domestic rather than foreign products. Conversely, in developing countries, consumers typically perceive foreign products (particularly those produced in developed countries) as being of higher quality than domestic products (Wang & Chen, 2004:393; Reardon, Miller, Vida & Kim, 2005:739; Saffu & Walker, 2005:559; Zolfagharian & Sun, 2010:346). Saffu and Walker (2005:559) affirm that this bias or stereotype can in fact be carried over to real evaluations which, in turn, lead to consumer ethnocentrism. This is the case because consumers who have such a predisposition are deemed ethnocentric and are more likely to emphasise the positive aspects of domestic products, while non-ethnocentric consumers would be more pragmatic and evaluate products more in relative terms.

It can be concluded from the discussion above that consumers in developing countries tend to perceive products that are produced in developed countries as having a higher quality. Therefore, according to Wang and Chen (2004:393), one can assume that a consumer in a developing country who has strong ethnocentric tendencies may not necessarily perceive domestic-made products as being of higher quality than imports, even though he rejects foreign products on moral grounds. Consequently, the negative perception in terms of quality of domestic-made products, coupled with an admiration of the quality of imported products, would mitigate the effect of ethnocentrism on intention to purchase the former. This admiration of purchasing imported products due to their perceived superiority over domestic-made products could lead consumers to engage in conspicuous consumption.

2.6.2 Conspicuous consumption and consumer ethnocentrism

Conspicuous consumption can be defined as behaviour whereby a consumer displays wealth through extensive leisure activities and luxury expenditure on consumption and services (Shukla, 2008:26). According to Elliot and Percy (2007:66), conspicuous consumption is part of a process of emulation: goods mark status because they are perceived to belong to a high status group. Consequently, lower status social climbers lay claim to higher status by emulating that lifestyle, by buying those goods, and by consuming after the fashion of the higher orders.

Wang and Chen (2004:393) suggest that in developed countries, consumer ethnocentrism and conspicuous consumption are positively correlated in most situations since domestic products, compared to imports from developing countries, are associated with positive brand image and status. Ethnocentric consumers with conspicuous consumption values will, therefore, be quite likely to buy domestic products. However, in a developing country, where imports generally carry symbolic meanings of high fashion and social status, conspicuous consumption may

counteract the influence of ethnocentrism on the purchase of domestic products. Liu and Chang (2011:1519) affirm that in developing countries, foreign brands are perceived as having attractive attributes such as status and esteem. In other words, if an ethnocentric consumer in a developing country believes that a foreign-made product is synonymous with high fashion and high social status, and if the consumer would like to make his wealth or social standing conspicuous, the consumer will then mitigate the ethnocentric tendencies and purchase the foreign-made product, even if the consumer rejects foreign products on moral grounds.

Therefore, by considering product quality judgement and conspicuous consumption in terms of consumer ethnocentric tendencies, it is important for marketers to realise that a positive attitude towards products from one country or region does not necessarily translate into a negative attitude towards products from another country or region, and therefore preference for domestic products does not always imply rejection of imported ones (Siemieniako, Kubacki, Glinska & Krot, 2011:406).

In summary, consumer ethnocentrism is believed to interact with each part of the consumer decision-making process, from product evaluation to attitude formation and purchase intention (Carter, 2009:40). Due to the highly diverse consumer demand for imported as well as domestic products in various markets, it is imperative for marketers to differentiate between market segments and to identify those areas with most potential. According to Wang *et al.* (2004:240), marketers have often relied on intuition and demographic information such as age, levels of income and occupation for this purpose. These variables are valuable but may not be sufficient in order to understand diverse consumer segments. Analysis of additional consumer behavioural variables such as consumer ethnocentric tendencies and lifestyle patterns, should provide rich information which could assist marketers to better understand consumers' motivation in their choice of domestic or imported products, and also in terms of profiling different consumer segments.

2.7 CONCLUSION

The impact of the theory of consumer behaviour and consumer decision-making, as well as the various effects on the consumer decision-making process, will form the basis of the current research. Determining the various influences on buying behaviour will give marketers and organisations a competitive edge, as they will be able to devise marketing strategies that will target a consumer segment more effectively.

Organisations today are increasingly operating in worldwide markets. As markets become increasingly international, organisations are required to develop a thorough understanding of how culture impacts on a variety of marketing variables associated with consumer buying behaviour, such as the decision-making process. According to Klein *et al.* (2006:305), developing and transition economies represent the next great opportunity for global growth. The savvy international marketer now seeks opportunities beyond advanced markets. With this shift comes the need for marketers to understand consumers' attitudes toward foreign products in developing and transition economies.

Nearly all countries, including South Africa, have a demand for consumer products. However, products are used in different ways and under various conditions with a view to meet diverse consumer needs. Consumers in different markets may also value different attributes of products. Consequently, marketers need to analyse these factors and decide on the merits of standardising or adapting their products for various markets (Kucukemiroglu *et al.*, 2006:61). It follows that success in such marketing activities requires that marketers pay attention to segmentation.

CHAPTER 3

MARKET SEGMENTATION

3.1 INTRODUCTION

Organisations today recognise that they cannot appeal to all consumers in the marketplace – or at least, not to all consumers in the same way. Consumers are too numerous, too widely scattered, and too varied in their needs and buying practices. Moreover, organisations themselves vary widely in terms of their abilities to serve different segments of the market. Organisations must therefore identify those parts of the market that they can serve best and most profitably, and then design consumer-driven marketing strategies in order to build the right relationships with the right consumers (Armstrong & Kotler, 2011:202).

Thus, most organisations should move away from mass marketing and instead focus on target marketing. In order for organisations to do this, they need to acquire a more profound understanding of the consumers in the prospective target market(s). Keegan and Green (2011:237) describe target marketing as the process of evaluating market segments and focusing marketing efforts on a specific country, region, or group of people that has significant potential to respond. Such targeting reflects the reality that an organisation should identify those market segments it can reach most effectively, efficiently, and profitably.

In this chapter the concept of market segmentation is discussed, as well as the various bases that could be utilised for segmenting a market. The discussion will focus predominantly on psychographic variables with particular reference to consumer lifestyle as basis for market segmentation. This chapter will conclude by discussing the affluent Black consumer segment in South Africa, namely the “Black Diamonds”.

3.2 MARKET SEGMENTATION

In order for marketers and organisations to identify consumers with similar product needs, and in order to group these consumers accordingly, effective market segmentation is required. According to Van Rensburg and De Meyer (2007:65), market segmentation per definition takes place when an organisation divides the total market into groups of consumers that have common needs or characteristics. There are several ways to segment a market. Generally, the segmentation of consumer markets is based on one or more of four basic criteria: 1) geographic criteria; 2) behaviouristic variables; 3) demographic criteria; or 4) psychographic variables (Kucukemiroglu *et al.*, 2006:58; Van Rensburg & De Meyer, 2007:66-67; Lamb, Hair, McDaniel,

2009:98; Venter & Jansen van Rensburg, 2009:145; Armstrong & Kotler, 2011:204; Keegan & Green, 2011:238).

In spite of the importance of market segmentation in modern marketing management (Aljukhadar & Senecal, 2011:422), limited research has been conducted regarding market segmentation in the context of sub-Saharan Africa (De Bruyn & Freathy, 2011:539). Those empirical studies that have been undertaken in terms of market segmentation have overwhelmingly focused on Europe and North America (Blankson, 2007:70). This is the case despite the fact that in the post-apartheid era in South Africa, specialised marketing practices have become increasingly important. Recent political and organisational transformations that have occurred within South Africa have provided new challenges to organisations and marketers. According to De Bruyn and Freathy (2011:539), the demands and aspirations of new South African consumers have impacted profoundly on segmentation and marketing practices. It is therefore imperative for marketers today to stay abreast of these new demands and aspirations of South African consumers, as this will allow organisations and marketers alike to develop marketing strategies that will appeal to the specific needs and wants of prospective consumer groups. In order to facilitate the process of identifying specific consumer needs and wants in the South African market, the process of market segmentation is obviously necessary. As Geraghty and Torres (2009:145) affirm, market segmentation provides a marketer with a clearer focus on consumer needs, and thereby aids corporate decision-making aimed at an improved competitive advantage.

Although marketing scholars highlight a number of problems in terms of the very concept of market segmentation (Rotfeld, 2007:333; Dolcinar & Lazarevski, 2009; Quinn, 2009; Dibb & Simkin, 2010), it nonetheless remains a fundamental topic in marketing theory and practice (Hassan & Craft, 2005:83; Aljukhadar & Senecal, 2011:422). Marketers conduct research on current and potential consumers in a market in order to determine what their characteristics are, whether certain sub-segments can be identified, and how they can adapt their current marketing strategies, or alternatively, formulate new marketing strategies to meet consumers' identified needs and wants in the prospective market. Boone, Kurtz, MacKenzie and Snow (2010:258) assert that a market is composed of people with sufficient purchasing power, authority and willingness to buy, and as such, it is critical for marketers to gain a thorough understanding of consumers in the market that they wish to target with their product or service offering. Typically, consumers in a market vary in terms of their needs, wants and preferences for products and services (Peter & Donnelly, 2011:66). In order for marketers to be successful in their marketing endeavours, they therefore need to understand these differences in consumer needs and adapt their marketing strategies with a view to fulfil consumers' specific needs, wants and preferences. By developing a better understanding of the needs and characteristics of

consumers in a prospective market segment, marketers will be able to devise more effective marketing strategies to target the consumers in the relevant segment. Boone *et al.* (2010:258) support this notion, asserting that marketers are able to develop more effective and efficient marketing strategies by identifying, evaluating, and selecting specific segments of a market to pursue. With the aim of devising more effective marketing strategies aimed at reaching their consumers in South Africa's diverse marketplace, marketers and organisations in South Africa are increasingly realising the importance of market segmentation, and moreover, many of them are becoming primarily market-orientated (Blankson, 2007:72). Therefore, market segmentation can be seen as a useful marketing tool. Rotfeld (2007:333) supports this notion, affirming that when marketers think in terms of target audiences, it provides them with a sound basis for planning effective marketing and communication efforts.

Market segmentation provides a marketer with a clearer focus on consumer needs, and in this manner aids corporate decision-making aimed at an improved competitive advantage (Geraghty & Torres, 2009:145). According to Kucukemiroglu *et al.* (2006:58), market segmentation entails dividing the total market into identifiable groups of similar consumers. Armstrong and Kotler (2011:203) support this notion, defining market segmentation as the process of dividing a market into smaller segments of consumers with distinct needs, characteristics or behaviours that might require separate marketing strategies or mixes. Through market segmentation, organisations aim to address the needs of a large, heterogeneous market by dividing it into smaller, more homogeneous segments. Such segmentation also satisfies the criterion of responsiveness, meaning that consumers in one segment respond uniquely to marketing efforts targeted at them (Brunner & Siegrist, 2011:354; Turkensteen, Sierksma & Wieringa, 2011:340). Hassan and Craft (2004:81) concur, stating that when an organisation utilises a segmentation-based market strategy, it encourages the development of homogeneous consumer responses for a demand that differs from responses received from other market segments. This will give marketers the ability to target all the consumers in a particular market segment by devising a single marketing strategy that will appeal to the needs and preferences of that specific consumer group, thereby saving on marketing costs. Chernev (2009:45) supports this idea by stating that the key benefit of segmentation is that it allows the organisation to optimise marketing expenditures by grouping consumers who are likely to respond in a similar fashion to the organisation's offerings. Apart from optimising marketing expenditures, market segmentation will in effect lead to various other beneficial outcomes for the organisation.

According to Dibb and Simkin (2010:113), recognised outcomes of implementing of an effective segmentation-based strategy include a better understanding of consumers, more efficient resource allocation, better-tailored marketing programmes and enhanced competitiveness. De Bruyn and Freathy (2011:541) agree; they affirm that the outcomes that stem from successfully

segmenting a market are varied. These outcomes include a reduction in competitive rivalry, pricing stability, protection against substitution, and an opportunity to build differentiation. Successful market segmentation allows marketers to analyse the needs of a specific consumer segment and to focus their marketing strategies exclusively on these identified needs (Brunner & Siegrist, 2011:354). Thus, according to Cahill (2006:16), if an organisation gains a better understanding of its consumers by understanding why their consumers buy their products and use their services – and what needs consumers are fulfilling, this will enable the organisation to design products and services that fulfil those specific needs. Such knowledge will also keep their competitors out of their identified markets because competitors lack this understanding. It follows that an organisation will have a competitive edge until competitors copy or segment the organisation's segmentation, even if it serves the segment with a standardised product or service. If the product or service is specific to the segment, then the organisation's competitive advantage is multiplied (Rao, 2011:175). Therefore, it is evident that the organisation will be able to establish and improve its competitive advantage in the marketplace by engaging in the process of market segmentation.

The process of market segmentation is based on the idea that the effectiveness and efficiency of an organisation's marketing activities can be improved by ignoring the nonessential differences among consumers within each segment, and by treating these consumers as if they were a single entity (Chernev, 2009:45). Prior to segmenting a prospective market, marketers should first become acquainted with the various stages required for the effective implementation of market segmentation. According to Dibb and Simkin (2010:114), market segmentation can be seen as a three-part process comprising: 1) segment identification; 2) segment qualification; and 3) segment attractiveness. Under this scheme, segment identification relates to the design of the market segments, while the qualification phase concerns the extent to which the emerging consumer groups can be operationalised.

By considering all the advantages of market segmentation to an organisation – including amongst others, optimised marketing expenditure and an improved competitive position in the marketplace – it is important for marketers to become increasingly aware of the strategic importance of the segmentation concept. Having identified various segments in a prospective market consisting of consumers with similar characteristics and needs, marketers must decide whether the market segment is worthy of targeting with their product offering. In order for a segment to be viable as a target market, it needs to be evaluated according to various criteria.

3.3 IMPORTANCE AND CRITERIA FOR SEGMENTING A MARKET

The purpose of market segmentation is to identify the taxonomy of consumption patterns by dividing a market into several homogeneous submarkets. By using this concept, marketers are able to formulate product strategies, or product positions, tailored specifically to the demands of homogeneous submarkets which are defined by predetermined segmentation variables, while organisations can increase profitability by utilising the segmentation process (Baharun, Hamid, Shamsudin, Salleh, Zaidin & Sulaiman, 2011:5040). Furthermore, Quinn, Hines and Bennis (2007:440) assert that market segmentation can enhance marketing effectiveness and develop or maintain an organisation's ability to benefit from identifiable marketing opportunities. This resource-based approach to managing organisations suggests that market segmentation can help organisations to allocate financial and other resources more effectively, and it also suggests that a better understanding of consumers will result, which can assist marketers in the design of more suitable marketing programmes (Quinn *et al.*, 2007:440). Aljukhadar and Senecal (2011:422) underscore the importance of segmentation studies in marketing, indicating that classification schemata play fundamental roles in the development of a discipline, since they are the primary means for organising phenomena into classes or groups that are amenable to systematic investigation and theory development. Peter and Donnelly (2011:68) affirm that there are five main reasons why market segmentation is important in today's markets:

1. Slower rates of market growth, coupled with increased foreign competition, have fostered more competition, increasing the need to identify target markets with identifiable, unique needs.
2. Social and economic forces, including expanding media, increased educational levels, and general world awareness, have produced consumers with more varied and sophisticated needs, tastes, and lifestyles.
3. Technological advances make it possible for marketers to devise marketing programmes that focus efficiently on precisely defined segments of the market.
4. Marketers now find that minority buyers do not necessarily adopt the social and economic habits of the mainstream.
5. Many consumers today are identifying with some segment or niche group that does not reflect the white, heterosexual consumer that historically defined the marketing mainstream in South Africa.

Having realised the importance of market segmentation, marketers should strive towards the successful implementation of the segmentation process. This will assist them towards identifying promising market segments, and towards targeting these segments profitably and effectively in future. The success of market segmentation inherently lies in the marketer's ability to identify variables that can truly distinguish consumers' behaviour in the market. By gaining a more precise understanding of the consumers in a market segment, marketers will be able to target the segment more effectively by appealing to the identified needs and preferences of these consumers. Van Rensburg and De Meyer (2007:65) and Jooste *et al.* (2008:78) affirm that in order for a market segment to be effectively targeted, it should have the following properties:

- *Identifiable.* In order to separate segments on the basis of a series of common or shared needs or characteristics that are relevant to the product or service, it is important for the marketer to be able to identify these unique characteristics.
- *Sufficient size.* The market segment should be large enough to justify a unique marketing effort.
- *Accessible.* It is essential that the segment should be accessible in terms of the elements of the marketing mix, especially distribution and marketing communications.
- *Homogeneity/heterogeneity.* Within a segment, consumers' responses to a marketing offering should be as homogeneous as possible, but variations in responses between the various market segments should be as heterogeneous as possible.

According to Cahill (2006:5) the basis for segmentation is mostly by differences (heterogeneity): what makes one group different from another must be what is important in segmenting. This is, however, not the case. Of much greater importance to the marketer are similarities (homogeneity): what makes the members of one group more like each other than they are like the members of another group. The use of similarities allows marketers (by using one or more statistical techniques) to cluster people into groups and then to target product appeals to the members of one or more of the groups that statistics have uncovered (Cahill, 2006:5).

Whilst various factors may be appropriate with a view to evaluate whether or not a segment is likely to be suitable for targeting purposes, Masterson and Pickton (2010:124) assert that other

important considerations also have to be borne in mind if market segmentation is to be effective. Such factors are concerned with turning segmentation analysis into effective marketing action:

- The commitment and involvement of senior management within the organisation
- The readiness of the organisation to respond to market change
- Inter-functional and departmental coordination, and
- The need for well-designed planning.

According to Masterson and Pickton (2010:125) it is not always possible to meet all the above criteria. Once the marketer has eliminated inappropriate markets by taking the above-mentioned criteria into consideration, the marketer then has to identify meaningful segments in the selected markets. Marketers can select segments to target based on their market attractiveness to the organisation's product offerings. In order to do this, marketers will have to apply various forms of criteria in order to determine whether the market segment is attractive enough to target. Jooste *et al.* (2008:83) explain that the attractiveness of a market segment can be evaluated according to the following five criteria:

1. *Segment size and growth possibilities.* A segment does not necessarily have to be large to be attractive. A small segment can often be more profitable than one in which massive sales volumes can be realised. Marketing management must, however, be convinced that there are further growth possibilities, thus making the segment sustainable.
2. *Attractiveness and potential profitability.* The attractiveness of a segment is not lodged only in its size and growth possibilities, but also in the promise of long-term profitability. Attractive segments attract competitors – and intense competition can have a detrimental effect on future profits. A segment is also attractive if it has some degree of interrelationship with other segments. Instead of serving a number of small segments, it would be much better to combine interrelated segments.
3. *The resources and skills of the organisation.* Promising segment opportunities that do not fit with the long-term objectives set by management cannot be utilised. The same applies when resources and skills required to seize the opportunity are lacking.
4. *Compatibility with the organisation's objectives.* Apart from the resources and skills of the organisation, the choice of a segment must also be compatible with the objectives of the organisation. If it is found that the objectives of the organisation cannot be enhanced by the choice of a particular market segment, it should be disregarded.

5. *Cost of reaching the target market.* Some markets are difficult to reach at a reasonable cost. In such a case, the organisation needs to consider other market segments or look for more creative ways of reaching the otherwise undesirable segment. Therefore, when a potential target market is inaccessible to an organisation's marketing strategies or the cost to reach it is too high, it should not be pursued.

These aspects will assist an organisation to decide on their marketing strategies and tactics, and whether the segment seems viable to target with its product and service offerings. The attractiveness of the segment will also depend on the segmentation bases that have been selected to segment the market. If the segment seems fairly unattractive, the marketer must select a different segmentation base, or a combination of segmentation bases, to segment the market. Armstrong and Kotler (2011:203) support this notion by asserting that there is no single way to segment a market. A marketer has to try different segmentation bases, alone and in combination, to find the best way to view the market structure. In consumer markets, consumer characteristics and product-related behaviour variables can be used as bases to segment a market (Wood, 2010:74-75). According to Kuruvilla and Joshi (2010:260), the ability of marketers to successfully develop and implement marketing and promotional strategies depend on their understanding of the segmentation bases and behavioural correlates applicable to the market environment.

3.4 BASES FOR MARKET SEGMENTATION

In practice, there are various ways of segmenting a market, and the particular approach taken or the specific segmentation base selected to segment the market will depend on the nature of the market and the way in which an organisation decides to deal with it (Masterson & Pickton, 2010:120). Marketers use segmentation bases, or variables, which are characteristics of individuals, groups, or organisations, in order to divide a total market into segments (Lamb *et al.*, 2009:98). Therefore, a market can be divided into groups or segments of consumers based on various consumer characteristics, including those of cultural backgrounds and beliefs, ethnicity, or lifestyle patterns. According to Schiffman and Kanuk (2010:75), a segmentation strategy begins by selecting the base(s) representing the core attribute(s) of a group of existing or potential consumers. This forms part of the segment identification stage of the market segmentation process. Once the segmentation base has been selected and the marketer has identified a consumer segment based on the selected variables, the marketer can then continue with the rest of the segmentation process, namely determining whether the identified segment qualifies for targeting purposes, and whether the segment is attractive enough to enter with the organisation's product offerings.

Therefore, a critical decision in conducting segmentation research is choosing an appropriate segmentation base. Geraghty and Torres (2009:146) define a segmentation base as the criteria used to divide the defined market into groups of consumers with similarities. Managerial expertise and experience are needed for selecting the appropriate dimensions or bases on which to segment particular markets. In most cases, however, at least some initial bases can be determined from previous research, purchase trends, and managerial judgement (Peter & Donnelly, 2011:68-69).

In many instances, marketers are required to select a combination of segmentation bases on which to segment the total market. According to Armstrong and Kotler (2011:203), there is no single way to segment a market. Schiffman and Kanuk (2010:75) support this notion by asserting that a single characteristic is never used alone and that virtually all segmentation plans assume the form of hybrid segmentation that includes attributes from two or more segmentation bases. Table 3.1 outlines the major segmentation bases that can be used in segmenting consumer markets, including geographic, behaviouristic, demographic and psychographic variables.

Table 3.1: Major segmentation bases for consumer markets

Bases	Types of segment
<p><i>Geographic</i></p> <p>World region or country</p> <p>City or metro size</p> <p>Climate</p> <p>Density</p>	<p>North American; Western Europe; Middle East; China; India; Canada; Brazil</p> <p>Under 10 000; 10 000 - 15 000; 15 000 - 20 000; over 20 000</p> <p>Northern; southern</p> <p>Urban; suburban; exurban; rural</p>
<p><i>Behaviouristic</i></p> <p>Occasions</p> <p>Benefits</p> <p>Usage rates</p> <p>User status</p> <p>Loyalty status</p> <p>Readiness stage</p>	<p>Regular occasion; special occasion; holiday; seasonal</p> <p>Quality; service; economy; convenience</p> <p>Heavy users; medium users; light users</p> <p>Nonuser; ex-user; potential user; first-time user; regular user</p> <p>None; medium; strong; absolute</p> <p>Unaware; aware; informed; interested; desirous; intending to buy</p>

Attitude toward product	Enthusiastic; positive; indifferent; negative; hostile
Demographic	
Age	Under 6; 6-11; 12-19; 20-34; 35-49; 50-64; 65+
Gender	Male; female
Income	<R10,000; R11 – R20,000; R21 – R30,000; R31 – R40,000; >R40,000.
Education	Primary completed; some high school; Matric; Technical diploma/degree; University degree or postgraduate
Family size	1-2; 3-4; 5+
Family life-cycle	Young, single; married, no children; married with children; single parents; unmarried couples; older, married, no children under 18; older, single; other
Religion	Catholic; Protestant; Jewish; Muslim; Hindu
Occupation	Professional and technical; managers, officials, and proprietors; clerical; sales; craftspeople; supervisors; farmers; retired; students; homemakers; unemployed
Race	Asian; Hispanic; Black; White
Generation	Baby boomer; Generation X; Millennial
Psychographic	
Social class	Lower lowers; upper lowers; working class; middle class; upper middles; lower uppers; upper uppers
Personality	Compulsive; outgoing; authoritarian; ambitious
Lifestyle	Achievers; strivers; survivors

Source: Adapted from Armstrong & Kotler (2011:204).

As indicated in table 3.1, various bases of market segmentation exist. The bases of market segmentation provided in the table represent only a number of those available; examples of a few of these segmentation bases will be provided in the discussion below.

3.4.1 Geographic segmentation

In geographic segmentation, variables such as province, city, development status (urban or rural), or postal codes are used to group consumers into segments (Venter & Jansen van Rensburg, 2009:145). Lamb *et al.* (2009:99) support this idea; these authors define geographic segmentation as the segmenting of markets by region of a country or the world, market size, market density, or climate. The theory behind this segmentation strategy is the belief that consumers who live in the same area share similar needs and wants, and that these needs and wants differ from those consumers living in other areas. Marketers have observed different consumption patterns in consumers living in urban, suburban, and rural areas (Van Rensburg & De Meyer, 2007:67). Therefore, products, promotions, pricing, and distribution need to reflect these differences in consumption patterns across various geographic areas. According to Saxena (2009:194), geographic segmentation will assist the organisation in planning its marketing strategy as well as its distribution function.

Geographic segmentation is probably the oldest method for grouping markets, and is often the best and least expensive method to deal with a market. The drawback of geographic segmentation is that it is not consumer-driven; rather, it is driven by the reality of the offering (Cahill, 2006:9).

3.4.2 Behaviouristic segmentation

Behaviouristic segmentation focuses on whether or not consumers buy and use a product, and also how often and how much of the product consumers use or consume (Keegan & Green, 2011:247). Armstrong and Kotler (2011:207) support this notion by defining behaviouristic segmentation as the process by which consumers are divided in a market based on their knowledge, attitudes, responses, or uses of a product. Thus, in order for marketers to segment a market effectively based on these variables, they will need to gain a thorough understanding of the consumers in the relevant market, as well as the behaviour that these consumers display in purchase situations. By determining how consumers make their purchase decisions and realising the various factors that influence their consumption behaviour and decision-making, marketers are able to segment these consumers accordingly. Marketers can therefore segment the market more effectively in this manner than by only using demographic variables as basis for segmentation.

Research conducted by Ip and Jacobs (2005) has confirmed that behaviouristic segmentation is more useful in explaining behaviour than demographic segmentation; however, simply

conducting behaviouristic segmentation without developing an understanding of the underlying reasons for the behaviour (such as needs and attitudes) is of limited use to marketing decision-makers (Venter & Jansen van Rensburg, 2009:147). Therefore, in order for marketers to make effective use of behaviouristic segmentation, it is of the utmost importance to determine the cause of behaviour by establishing the various needs, attitudes, preferences, and uses of a product that are relevant to the consumers in a specific market or segment.

When conducting behaviouristic segmentation, consumers can be categorised in terms of *usage rates*: for example heavy, medium, light, and non-users; they can also be segmented according to *user status*: potential users, non-users, ex-users, regulars, first-timers, and users of competitors' products (Kuruville & Joshi, 2010:260; Moore & Paleek, 2010:48; Keegan & Green, 2011:247). Lamb *et al.* (2009:104) suggest that segmenting consumers by usage rate enables marketers to focus their efforts on heavy users or to develop multiple marketing mixes aimed at different segments. Developing consumers into heavy users is the goal behind many organisations' loyalty programmes because heavy users account for a sizeable portion of all product sales. Therefore Ansell, Harrison and Archibald (2007:397) assert that it is vital for marketers to know about each consumer's usage rate of their own products, as well as that of competing products. However, this depth of market intelligence is not readily available, unless in survey format, and typically provides only snapshots in time.

3.4.3 Demographic segmentation

Demographic segmentation divides the market into segments based on variables such as age, gender, family size, family life-cycle, income, occupation, education, religion, race, generation, and nationality (Armstrong & Kotler, 2011:205). According to Jooste *et al.* (2008:251), marketers are unable to control demographics, but broad trends can be followed through effective environmental tracking. Therefore, it is relatively easy for marketers to determine the demographic variables of consumers in a market, and they can use these variables as basis for segmenting the market.

According to Lamb *et al.* (2009:99), marketers often segment markets on the basis of demographic information because it is widely available and is often related to consumers' buying behaviour. Schiffman and Kanuk (2010:76) support this notion, stating that the core of almost all segmentations is demographics, due to these reasons: 1) demographics is the easiest and most logical way to classify consumers and can be measured more precisely than the other segmentation bases; 2) demographics offers the most cost-effective way to locate and reach specific segments because most of the secondary data compiled about any population is

based on demographics; 3) demographics enables marketers to identify business opportunities enabled by shifts in a population's age, income or geographic location; and 4) many buying behaviours, attitudes, and media exposure patterns are directly related to demographics.

Demographic variables have received broader acceptance and have lent themselves to simple quantification and easy consumer classification. However, the use of demographics has been questioned: it has been argued that demographic profiles are not sufficient in themselves because demographics lacks depth and often needs to be supplemented with additional data (Kucukemiroglu *et al.*, 2006:59). It is thus advisable for marketers to make use of a combination of segmentation bases when segmenting a market. Narang (2010:536) asserts that a market segmented on the basis of demographic factors alone fails to capture the complex overall characteristics of consumers, and thus makes it difficult for the marketer to truly understand the consumers in that segment (Narang, 2010:536). Cleveland *et al.* (2011:246) support this notion, stating that whilst demographic variables have long enjoyed a prominent role in market segmentation, a consumer-orientated strategy that is carefully coordinated with target consumer attitudes and values has a greater prospect of success. Cahill (2006:9) asserts that demographic segmentation has great potential for targeting audiences at relatively low cost or difficulty; this approach has the added bonus that it is not focused on the producer or product, but on identifying something about the consumer.

The segmentation criteria of identifiability, substantiality, accessibility, and actionability (four of the most common demographic variables employed in domestic and international segmentation) include age, gender, income, and education (Cleveland, Papadopoulos & Laroche, 2011:248). These demographic variables are discussed below.

3.4.3.1 Age

Product needs often vary together with consumers' age, and age is a key factor in marketing many products and services (Schiffman & Kanuk, 2010:78). According to Cleveland *et al.* (2011:248), compared to their older counterparts, younger individuals are less committed to definite patterns of consumption and are more open to new perspectives and products, particularly those involving advanced technology. On the other hand, according to Van Auken and Barry (2009:316), the new generation of seniors is spending more money on leisure, luxury, and physical activities. Thus, Ansell *et al.* (2007:396) assert that specific purchases tend to be associated with specific times in the life-cycle, reflecting the needs and circumstances of particular life stages.

Age therefore plays a critical role in the buying behaviour of consumers, and it is crucial for marketers to take note of the prevailing age of consumers in a specific market when targeting a market with an age-specific product. Van Auken and Barry (2009:317) support this notion, affirming that age is an excellent predictor of self-concepts, attitudes, and consumer behaviour.

3.4.3.2 Gender

Gender segmentation is defined by Armstrong and Kotler (2011:205) as the process of dividing a market into different segments based on gender. Gender segmentation has long been used in clothing, cosmetics, toiletries, and magazines. The differential effect of gender is amongst the most robust findings in marketing literature. Males and females differ in terms of many aspects of consumer behaviour, including shopping patterns, information processing, judgement, response to advertising, and the products they tend to buy (Cleveland *et al.*, 2011:248). According to Lamb *et al.* (2009:100), many marketers who traditionally focused almost exclusively on women have now recognised the importance and potential of the male segment.

3.4.3.3 Income

Income also has a significant effect on product choice. According to Saxena (2009:197), research findings indicate that expenditure on food and other basic amenities, as a percentage of total expenditure, declines as consumers' disposable income increases. In other words, with an increase in disposable income consumers are better able to purchase expensive, status-enhancing items like holiday packages, air travel, perfumes, microwave ovens, automobiles and other luxury products (Cleveland *et al.*, 2011:248).

3.4.3.4 Education

According to Cleveland *et al.* (2011:248), higher education levels expose individuals to different cultural perspectives and make them less likely to follow local behavioural norms and more global as consumers. The product needs and preferences of consumers with various levels of education therefore differ as well. It is important for marketers to realise these differences in consumers' perspectives, and to adjust their marketing strategies accordingly when segmenting and targeting a market based on education as the segmentation variable.

3.4.4 Psychographic segmentation

Psychographics can be defined as internal and external personal factors such as personality and lifestyle, motivation, and activities, interests, and opinions (Aljukhadar & Senecal, 2011:422; Lantos, 2011:37). At its heart, psychographics implies that what people think and believe, and how they live and spend their money, allow marketers to predict consumer behaviour (Cahill, 2006:25). Aljukhadar and Senecal (2011:422) propose that this knowledge permits organisations to gain a strategic advantage over their competitors by helping them to identify the unique attitudes and needs of the diverse segments, and thus to translate strategic opportunities into actionable plans. Despite the competitive advantage that psychographic segmentation can provide to organisations, it remains little used, understood, or appreciated – even though such segmentations are often useful for forecasting and influencing future consumer behaviour (Baharun *et al.*, 2011:5041). Two psychographic factors that are especially relevant for market segmentation in the current era include consumers' affiliation to national/ethnic culture (consumer ethnocentrism) and their respective lifestyles (Kucukemiroglu *et al.*, 2006:59; Cleveland *et al.*, 2011:246). Psychographic segmentation has proven to be a more useful concept for marketing and advertising planning purposes.

An array of different variables can be used in the psychographic segmentation of a market. According to Armstrong and Kotler (2011:207), psychographic segmentation divides consumers into different segments based on social class, personality characteristics and lifestyle:

3.4.4.1 Social class

Virtually all human societies exhibit forms of social stratification, most often in the form of social classes, which can be defined as relatively homogenous and enduring divisions in a society, hierarchically ordered and with members who share similar values, interests and behaviour (Kotler & Keller, 2009:192). Schiffman and Kanuk (2010:338) affirm that social class can be defined as the division of members of a society into a hierarchy of distinct status classes, so that members of each class have a relatively similar status and members of all other classes either have more or less status. Marketers can thus segment the total market into smaller segments based on consumers' social class. The various social class segments that exist are lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers (Armstrong & Kotler, 2011:204).

3.4.4.2 Personality

Personality reflects a consumer's traits, attitudes, and habits. Kotler and Keller (2009:197-198) define personality as a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli (including buying behaviour). Personality is a composite of subordinate processes, including motivation, perception and attitude (Blythe, 2008:73). Consumers' personalities have an influence on the types and brands of products purchased, and therefore some marketers aim advertising at certain types of personalities. Marketers focus on positively valued personality traits such as security consciousness, sociability, independence, or competitiveness, rather than on negatively valued ones such as insensitivity or timidity (Pride & Ferrell, 2010:205). According to Solomon (2011:240), the fact that consumers display different personalities in different purchase situations can be utilised in order to categorise consumers. Marketers usually employ personality dimensions in conjunction with a consumer's choices of leisure activities, political outlooks, aesthetic tastes, and other psychological factors to segment consumers in terms of lifestyle.

3.4.4.3 Lifestyle dimensions

Lifestyle segmentation divides consumers into groups according to the way they spend their time, the importance of the things around them, their beliefs, and socioeconomic characteristics such as income and education. Lamb *et al.* (2009:77) describe a lifestyle as a mode of living (as identified by a consumer's activities, interests and opinions). Lifestyle analyses explicitly address the way that consumers outwardly express their inner selves in their social and cultural environments. Lifestyle segmentation research can be used in order to gain insights into consumer motivation, for turning on creative ideas, and as enrichment to demographic segmentation (Cahill, 2006:15).

The psychographic variables listed above can be used individually in order to segment markets or they can be combined with other variables to provide more detailed descriptions of market segments. According to Cahill (2006:25), psychographics begins with a consumer's activities (what they do), interests (what they want), and opinions (what they think); often made into the acronym AIO. These terms are also used to define a consumer's lifestyle. Narang (2010:538) defines lifestyle as the manner in which people conduct their lives – including activities, interests, and opinions.

Organisations are increasingly reverting to using lifestyle analyses in order to understand their market segments better, because they believe that such analyses bring about a deeper, more

thorough understanding of their consumers that extends beyond surface characteristics towards understanding consumers' motivations for purchasing and using products (Lamb *et al.*, 2009:77; Solomon, 2011:263). Cahill (2006:16) asserts that a deeper, more measured understanding of consumers will enable marketers to develop new products and services that fulfil consumers' specific needs and wants.

According to Kucukemiroglu *et al.* (2006:59), consumers' lifestyle impacts their purchase and consumption behaviour of consumers; therefore, marketers must ensure that they are aware of the lifestyle of the targeted segment's consumers in order for them to reach this segment more effectively. Marketers can use lifestyle analyses with respect to specific areas of consumers' lives, such as fashion and outdoor activities. Lifestyle analyses can also assist marketers towards understanding the relationship between consumers' lifestyles and the products and services they consume (Kucukemiroglu *et al.*, 2006:59). Due to its importance in this study, lifestyle will therefore be discussed in more detail subsequently.

3.5 LIFESTYLE

Unlike the race, creed and age of demographic segmentation schemes, lifestyle segmentation is based on activities, interests and opinions; some of which reflect one's personality. This can be an attractive way for segmenting many product and service markets. It seems obvious that one should segment markets based on behaviour, activities and interests; these are the parts of consumers that are easily observable by others and are less controversial than personal characteristics (Cahill, 2006:15).

According to Narang (2010:537), lifestyle is considered an important determinant of consumer behaviour. Not only does lifestyle provide marketers with information regarding the various activities, interests and opinions of consumers; it also aids marketers in devising effective and efficient marketing strategies. Therefore, by having insight into how consumers spend their time and money, marketers are able to target consumer segments more effectively.

3.5.1 Defining lifestyle

Modern theory defines lifestyle as a pattern of consumption that reflects consumers' choice of how they live, and how they spend their time and money (Kuruvilla & Joshi, 2010:261; Solomon, 2011:253). Armstrong and Kotler (2011:175) affirm that lifestyle captures something more than a consumer's social class or personality: it profiles a consumer's entire pattern of acting and interacting in the world. Furthermore, lifestyle research recognises that consumers are different

and do different things for different reasons (Blasius & Muhlichen, 2009:69-70). According to Baharun *et al.* (2011:5041), lifestyle segmentation research measures consumers' activities in terms of: 1) how they spend their time; 2) what their interests are and the level of importance they attach to their immediate surroundings; 3) how they view themselves and the world around them; and 4) some basic demographic characteristics.

Marketers can make use of lifestyle dimensions in order to segment a consumer market. According to Vyncke (2002:454), the predictive value of lifestyle with respect to buying behaviour can be substantially better than that of general observable segmentation bases such as demographic and geographic variables. By determining consumers' preferred activities, interests and opinions, various lifestyle groups can be conceptualised. Marketers can then devise appropriate marketing strategies aimed at targeting these respective lifestyle groups effectively by taking into consideration how the consumers within each lifestyle group prefer to spend their time and money. Through lifestyle analyses and research, various new consumer lifestyle groups have been identified (Kuruvilla & Joshi, 2010:261). Each of these lifestyle groups can be differentiated based on the activities, interests, and opinions of the consumers.

3.5.2 Emerging lifestyle groups

Many lifestyle research studies have stressed the psychological dimension of consumer behaviour, and reflect various lifestyle groups and modes of living and patterns of consumption that tend to accompany them (Baharun *et al.*, 2011:5041). The consumption pattern of consumers in one lifestyle group differs significantly from the consumption pattern of consumers in another lifestyle group. Kuruvilla and Joshi (2010:261) further assert that different lifestyle groups may show an interest in different groups and categories of products. Marketers can make use of lifestyle analyses in order to determine the consumption patterns of consumers, thereby segmenting them into various lifestyle groups. By considering the consumption pattern within a specific lifestyle group, marketers can develop marketing strategies that will appeal to the needs of consumers within the particular lifestyle group by considering the pattern of consumption prevalent among consumers in that group. According to Lantos (2011:347), several lifestyle groups have more recently come under the marketing microscope:

- *Metrosexuals*: straight, affluent, sophisticated, hip urban men, aged twenty to fifty, who are in touch with their feminine side and love to shop and preen. They have the type of good taste associated with gay men, but they are straight.

- *Retrosexuals*: macho “guy’s guys” who reject metrosexuality and feminism and instead happily wallow in traditional male behaviour.
- *Übersexuals*: guy’s guys who embrace the positives of masculinity – self-confidence, leadership, passion, and compassion – without succumbing to the negatives. They have a feminine side but neither fear nor flaunt it. “Über” is German for “above,” meaning these guys are above being merely sexy and need to be complete gentlemen, too. They seek quality products like fine wine.
- *Alpha women*: females who try to have it all: family, career, and a nice social circle. Many are alpha moms balancing husband, family, home, and job.
- *Scuppies*: Socially and ecologically conscious upwardly mobile persons. They eat, drink, and sleep organic; they think it is easy being green; and wish to live well while doing good, including buying from organisations that practice corporate social responsibility.

By slotting consumers into lifestyle partitions like those listed above, marketers are able to make safe predictions about the buying behaviour of individuals (De Bruyn & Freathy, 2011:541). Baharun *et al.* (2011:5042) support this idea and describe lifestyle as the behaviour of individuals, small groups of interacting people, and large groups of people such as market segments, all acting as potential consumers. It is therefore crucial for marketers to determine the lifestyle of consumers when attempting to segment a market by conducting the necessary lifestyle research.

In general, lifestyle research is based on extensive surveys using appropriate quantitative methods. Among the consumer lifestyle analysis methods, the activities, interests, and opinions (AIO) approach is the most widely used method to analyse consumer lifestyle (Hur *et al.*, 2010:296). For the current study, the AIO approach will be used to determine the lifestyle of Black Diamonds in Sandton. According to Narang (2010:537), lifestyle is regarded as an important determinant of consumer buying behaviour. Lifestyle will be analysed according to consumers’ preferred activities, interests, and opinions (AIOs).

3.5.3 The AIO approach

Most contemporary lifestyle research aims at grouping consumers according to some combination of three categories of variables – activities, interests, and opinions – commonly known as AIOs. Using data from large samples, marketers create profiles of consumers who resemble each other in terms of their activities and patterns of product usage (Solomon, 2011:263). This has been the most widely used approach to lifestyle measurement in many prior lifestyle studies (Gonzales & Bello, 2002:56; Kucukemiroglu *et al.*, 2006:66; Hur *et al.*, 2010:296). In the AIO approach, activities are manifest actions and relate to areas such as work, hobbies, social events, shopping, and sports. Interest in some objects, events or topics (family, home, job, community, fashion, food or media) refers to the degree of excitement that accompanies both special and continuing attention to such actions. Finally, opinions are measured towards various social issues such as politics, business, products, and culture (Vyncke, 2002:448; Blasius & Muhlichen, 2009:71). Hence, lifestyle studies provide a broader, more three-dimensional view of consumers that marketers and organisations should take into serious consideration (Baharun *et al.*, 2011:5041). Kuruvilla and Joshi (2010:261) affirm that the basic premise of lifestyle research is that the more marketers understand about consumers, the more effectively they can communicate with and market to them.

The measurement instrument most frequently employed by researchers to measure lifestyle variables is an AIO battery of questions that contains a large number of statements requiring respondents to agree or disagree with them (Narang, 2010:538). Schiffman and Kanuk (2010:84) indicate that the battery of AIO statements is selected from a psychographic inventory and is usually accompanied by Likert scales on which respondents are asked to indicate their level of agreement or disagreement with each statement. Thus, marketers can determine a consumer's lifestyle by determining his preferred activities, what his interests are, as well as the opinions he holds of himself and his environment. Several lifestyle dimensions can be identified in this type of study. According to Solomon (2011:264) the most commonly used lifestyle dimensions are listed in table 3.2.

Table 3.2: Lifestyle dimensions

Activities	Interests	Opinions	Demographics
Work/Homemaking	Family	Self-consciousness	Age
Hobbies	Homemaking	Social issues	Education
Social events	Job	Politics	Income
Vacation	Community orientation	Business	Occupation
Entertainment	Recreation	Economics	Family size
Club membership	Fashion consciousness	Education	Dwelling
Community	Health consciousness	Products	Geography
Shopping	Media	Future	City size
Sports	Achievements	Culture	Stage in life-cycle

Source: Adapted from Solomon (2011:264).

For the purposes of the current study, six lifestyle dimensions were selected and analysed by means of the AIO approach. A lifestyle study conducted by Kucukemiroglu *et al.* (2006) made use of the lifestyle dimensions mentioned above in order to assess the various activities, interests and opinions of respondents; in effect to gain a better understanding of their lifestyle patterns. These lifestyle dimensions were also employed in the current study in order to determine the lifestyle of respondents. According to Vyncke (2002:448), a more profound understanding of the above-mentioned lifestyle dimensions will assist marketers to make sense of what consumers do, why they do it, and what doing it means to them and others. The lifestyle dimensions that were analysed in the current study were selected based on the view that these can be understood as major points of attention in contemporary western culture (Vyncke, 2002:451). AIO statements were used to determine the consumers' response to each lifestyle dimension by using Likert-type scales. The lifestyle dimensions that were analysed include:

- **Fashion consciousness**

According to Zhou *et al.* (2010:46-47) consumers with high levels of fashion consciousness are likely to gain excitements and pleasure from seeking out new things. They enjoy being "in style" and variety-seeking also appears to be an important aspect of this category of consumers. According to table 3.2, fashion consciousness can be regarded as an interest that the consumer has in fashion. This interest in fashion could consequently lead to various activities that the consumer engages in, such as seeking out or shopping for the newest trends and styles (Zhou *et al.*, 2010:46-47).

- **Self-consciousness**

Kriegel (2007) defines self-consciousness as the consciousness of ourselves and our personal existence, of our character traits and existing features, and of the thoughts that occur to us and the feelings that we experience. According to Bemporad and Baranowski (2011) self-conscious consumers prioritise issues and opinions that affect them directly, and they prize transparency, accountability and authenticity more than ever.

- **Health consciousness**

According to Bemporad and Baranowski (2011) health conscious consumers form an interest in seeking natural, organic and unmodified products that meet their essential health and nutrition needs, and by so doing, health-conscious consumers engage in certain activities to fulfil their lifestyle needs, such as shopping for healthy food, or engaging in regular exercise.

- **Homemaking**

Homemaking is a term used for the interest in the management of a home, which include activities such as housework, housekeeping or household management. It can be defined as the act of overseeing the organisational, financial, day-to-day operations of a house or estate, and the managing of other domestic concerns (Anon., 2011b). Common activities of homemaking include cleaning, cooking, entertaining, and looking after children.

- **Community orientation**

By measuring the level of community orientation among Black Diamonds, the aim was to determine the interest that Black Diamonds have in community work and community projects, and whether they enjoy activities such as charity work for non-profit organisations and community work.

- **Cost-consciousness**

According to Zhou *et al.* (2010:46-47) consumers who are cost-conscious have a greater interest in product price, in terms of receiving “value for money”, and they engage in activities such as seeking for sale prices or bargain buys when conducting their shopping. By measuring the level of cost-consciousness among Black Diamonds, the aim was to determine the interest of these consumers in saving money, as well as to realise the opinions they have on shopping for bargains and spending their money wisely.

According to He *et al.* (2010:617), the AIO statements can either be general or product-specific in scope. AIO statements tend to be more general when marketers focus on discovering the lifestyle of consumers as such, without wanting to determine the viability of a specific product

within a consumer segment. Alternatively, AIO statements are product-specific when marketers want to determine whether the lifestyle of consumers in a specific segment would have an effect on whether the consumers would adopt or reject a particular product offering. Whether the AIO statements are general or product-specific does not affect the quality of the lifestyle research being conducted. Peter and Donnelly (2011:69) note that AIO statements are very general in some studies, while in others at least some of the questions relate to specific products. For the purpose of the current study, the AIO statements will be general in nature because the focus is on determining the lifestyle of Black Diamond consumers. The lifestyle information gained from the results of the study will aid marketers to determine the degree of influence that the consumers' lifestyles have on their buying behaviour. According to He *et al.* (2010:626), consumers buy various products in alignment with their existing or expected lifestyles. It follows that consumers do not only buy products, they buy the lifestyles that those products represent (Armstrong & Kotler, 2011:175). Therefore, it is necessary for marketers to conduct effective lifestyle studies of both current and potential consumers.

Apart from using the results obtained from the lifestyle study to determine the influence it has on consumers' buying behaviour, lifestyle information can be used by marketers in a variety of different ways. Solomon (2011:264) explains how marketers use the results of lifestyle studies in several ways:

- *To define the target market.* This information allows the marketer to transcend simple demographic or product usage descriptions.
- *To create a new view of the market.* Sometimes marketers create their strategies with a "typical" consumer in mind. However, this stereotype may not be correct because the actual consumer may not match these assumptions.
- *To position the product.* Lifestyle information can allow the marketer to emphasise features of the product that fit in with a consumer's lifestyle.
- *To better communicate product attributes.* Lifestyle information can offer very useful input to advertising creatives who must communicate something about the product. The artist or copywriter obtains a much richer mental image of the target consumer than he or she can simply by looking at the dry lifestyle statistics.
- *To develop product strategy.* Understanding how a product fits or does not fit into consumers' lifestyles allows the marketer to identify new product opportunities, chart media

strategies, and create environments that are most consistent and harmonious with these consumption patterns.

- *To market social and political issues.* Lifestyle segmentation can be an important tool in political campaigns; policy makers also can employ this technique to find commonalities among consumers who engage in destructive behaviours such as drug use or excessive gambling.

Once the respective consumer segments have been identified, it is necessary to create a profile of each segment. The segment profile describes the most important distinguishing characteristics of each segment and the subsequent needs, values and behaviours prevalent in the segment (Jooste *et al.*, 2008:81). These segment profiles can then be used by marketers with a view to gain instant information on the characteristics of consumers in various segments, and to apply the information accordingly when devising their marketing strategies. Each segment profile is assigned a unique name to distinguish it from other segments in the relative market.

Marketers in South Africa have profiled a new consumer segment consisting of affluent Black consumers. According to Ndanga *et al.* (2010:297), the segment was labelled the “Black Diamonds” by the University of Cape Town’s Unilever Institute of Strategic Marketing and TNS Research Surveys. The Black Diamonds are becoming more financially savvy and are also demanding improved quality and service from organisations, and are becoming an economic force in their own right – one that deserves special attention from marketers (UCT, 2008b). Due to their increasing purchasing power, it is necessary for marketers to gain a more profound understanding of these consumers with a view to realise these consumers’ specific needs, wants and preferences (UCT, 2008a:21). This will then help marketers to devise strategic marketing strategies aimed at targeting the Black Diamond consumer segment more effectively. This is particularly relevant because similar attempts have failed in the past due to marketers’ lack of knowledge and understanding of the Black Diamond consumers (Nemavhandu, 2008:1).

3.6 BLACK DIAMONDS

After centuries of institutionalised racism had relegated Black South Africans to the periphery of the economy, the defeat of apartheid was not only about political freedom, but also economic freedom for the historically oppressed Black majority (Nemavhandu, 2008:21). Black people, therefore, could start enjoying access to economic opportunities that were limited to Whites during the years of oppression and exploitation under the apartheid regime. Since South Africa

saw the end of apartheid in 1994 when Nelson Mandela became the first democratically-elected president, political changes provided Black people with opportunities like access to jobs, finance, credit, entrepreneurial opportunities, homes and education (Anon., 2006).

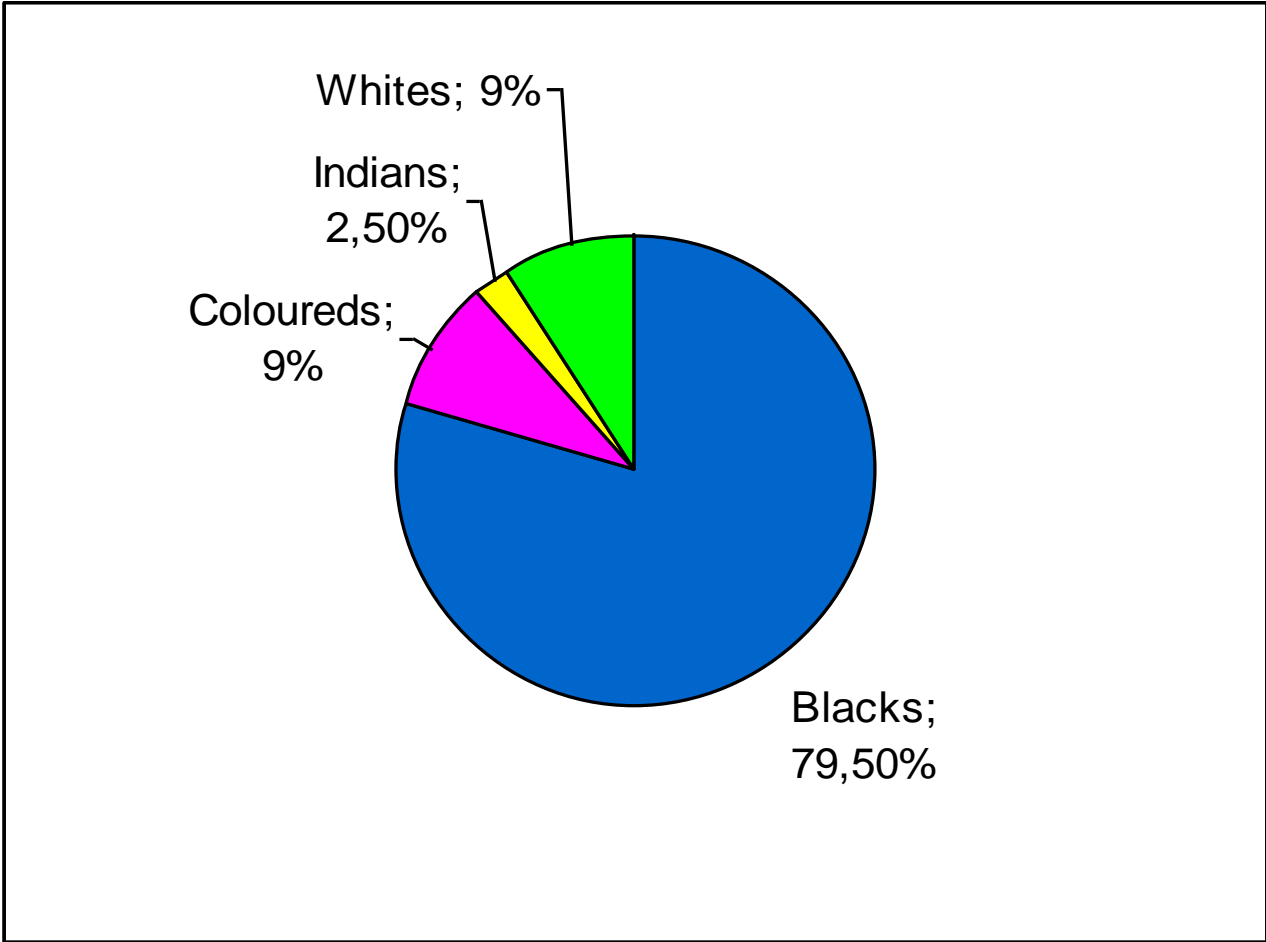
These opportunities have led to increased income levels among many Black people, and consequently a significant growth has been realised in their purchasing power (Nemavhandu, 2008:21). Black consumers' purchasing power has increased from R300 billion in 2007 to R375 billion in 2008 (UCT, 2008a:21). With their high levels of income and increasing levels of purchasing power, it is not surprising that marketers have developed a keen interest in South Africa's Black consumer group.

3.6.1 What does it mean to be categorised as Black?

Who are Black South Africans? This naïve-sounding question becomes a discursive tangle in South Africa when people set out to differentiate between the different shades of 'Black' in the country. Socio-political analysts argue in disputable terms that 'Black' refers to groups of people who were previously (often in a derogatory way) known as Bantu, Coloured or Indian (Moodley, 2007:35). This definition has similarities with the term used in general labour legislation in South Africa. In terms of the Employment Equity Act (EEA) (55/1998) and the Broad-Based Black Economic Empowerment Act (BBBEE) (53/2003), 'Black people' is a generic term which includes Africans, Coloureds and Indians.

According to Moodley (2007:36) and in keeping with the purist approach, the vast majority of statistics on population demographics includes four race groups. Interesting to note is that the generic definition of Black (as indicated above) is not used in these instances. Figure 3.1 below presents the South African population per population group. The statistics differentiates between Blacks (Africans), Coloureds and Indians, and does not place them into one generic category as suggested by the legislative definition of the term 'Black'.

Figure 3.1: South African population (48.5 million) by race



Source: Adapted from UCT (2010).

3.6.2 Segmenting Black Diamonds

As a result of the increasing purchasing power and strategic marketing importance of affluent Black consumers, marketers have identified this group as a new consumer segment in South Africa. According to Ndanga *et al.* (2010:297), this segment was branded as the ‘Black Diamonds’ by the University of Cape Town’s Unilever Institute of Strategic Marketing and TNS Research Surveys. The Black Diamond segment is comprised of approximately three million members, and is growing at a rate of 15% a year (UCT, 2008a:17). The Black Diamonds’ purchasing power has increased from R180 billion in 2007 to R250 billion in 2008, and they now account for 67% of total Black spending power, and for nearly 40% of the consumer spending power in South Africa (UCT, 2008a:22).

According to Ndanga *et al.* (2010:298), Black Diamonds are not a homogeneous group, but consist of a number of sub-segments defined by life stage, age, occupation, education and

income. It is important for marketers to differentiate between the consumers in each of these sub-segments, in order for them to devise strategies that will appeal to each segment's needs and preferences respectively. The sub-segments of the Black Diamonds are discussed below.

3.6.3 Black Diamond sub-segments

TNS Research Surveys, a leading marketing insights organisation in South Africa, has identified four main sub-segments of Black Diamonds (Ndanga *et al.*, 2010:298). According to Jooste *et al.* (2008:82), these sub-segments are the "Mzansi Youth", "Start-Me-Ups", "Young Families" and "Established".

3.6.3.1 Mzansi Youth

The Mzansi Youth segment consists of young, single consumers with low incomes (around R800 per month) who are still living with their parents. However, they are very optimistic, physically the fittest and the most active of the Black Diamonds, and have clear plans to further their education. They also enjoy the lack of restrictions of life in the townships. The Mzansi Youth segment comprises approximately 350 000 people (18% of Black Diamonds) and contribute a mere 3% of the buying power of this segment (Jooste *et al.*, 2008:82; UCT, 2008a). Even though the consumers in this segment are typically young and are not yet earning a substantial income, marketers should stay abreast of developments in the segment in terms of lifestyle changes as well as needs and preference changes, as this sub-segment of Black Diamonds can be seen as the future.

3.6.3.2 Start-Me-Ups

The Start-Me-Ups segment consists mostly of youngsters who are just starting out and who are on the way up. Most of the consumers in this segment are single and childless; they are in the 18 to 29 age group with a male and white-collar job bias. The segment size is fairly large and comprises approximately 430 000 people (21% of Black Diamonds). The Start-Me-Ups segment contributes 19% or R28 billion in terms of buying power (Jooste *et al.*, 2008:82; UCT, 2008a). Within the Start-Me-Up sub-segment, two smaller segments can be identified:

- a. Those preferring the *status quo* – a strongly male group of which 78% live in the townships and will probably stay there (even suburb dwellers have a strong township orientation); they are the least optimistic group and are less well-educated with a strong Johannesburg bias; they consist of 270 000 people (63% of the Start-Me-Ups, 14% of the Black Diamonds),

contributing 11% of the buying power at R14 billion (average monthly personal income of R4 700) (Jooste *et al.*, 2008:82; UCT, 2008a).

- b. Those with a future focus – gender is more even in this group; they are better educated and hold better jobs (most work full-time) and are very positive about their future, with an understanding of investments and financial risks. This group consists of 160 000 people (37% of the Start-Me-Ups, 8% of Black Diamonds) contributing 8% of the buying power at R11 billion (average monthly personal income of R6 000) (Jooste *et al.*, 2008:82; UCT, 2008a).

3.6.3.3 Young Families

The Young Families segment, in which there are more female consumers than male consumers, have children who are mostly under the age of six. Half of these consumers are single and a third of them still live with their parents. The Young Families segment comprised approximately 440 000 people (22% of Black Diamonds) contributing 20% or R25 billion of the segment's buying power (Jooste *et al.*, 2008:82; UCT, 2008a). Again, two smaller segments emerge:

- a. Those preferring the *status quo* – the group with the strongest township roots (though 18% live in the suburbs), the least financially savvy and least well-educated with a strong female skew. This group consist of 240 000 people (55% of the Young Family segment, 12% of the Black Diamonds), contributing 7% of the buying power at R9 billion (average monthly personal income of R3 400) (Jooste *et al.*, 2008:82; UCT, 2008a).
- b. Those with a future focus – they are better educated, mostly in full-time employment and are the most goal-orientated segment with the highest propensity for financial risk and interest in (suburban) property; they have the highest need for credit and consist of 200 000 people (45% of the Young Family segment, 10% of Black Diamonds) contributing 13% of the buying power at R17 billion (average monthly personal income of R7 200). 81% still live in the townships, but many will move to suburbia as soon as they can (Jooste *et al.*, 2008:82; UCT, 2008a).

3.6.3.4 Established

This segment consists of Black consumers who are typically 35 to 49 years of age, married with school-going children. They are seen as the wealthiest and best educated. This group consists of 1 081 279 people (36% of the Black Diamonds), who represent a segmentation value of

R125 billion (Jooste *et al.*, 2008:82; UCT, 2008a). Two smaller segments of the Established sub-segment can be identified:

- a. Those preferring the *status quo* – the oldest group, with strong township roots (although 19% live in the suburbs), comfortable and settled, and the most conservative in their money management; this group consists of 355 000 people, with an estimated R28 billion in buying power (average monthly personal income R6 900) (Jooste *et al.*, 2008:82; UCT, 2008a).
- b. Those with a future focus – the most affluent group with many professionals, they are highly optimistic and driven, with a greater propensity to invest in property and be more financially active; they also have the highest car ownership. This group consists of 425 000 people, with an estimated R47 billion in buying power (average monthly personal income R10 000). A third of these people live in the suburbs (Jooste *et al.*, 2008:82; UCT, 2008a).

Based on the various sub-segments that exist, Black Diamonds are evidently not a homogenous group of consumers. They differ in terms of life-stage, occupation, age, education, and income. Therefore, marketers cannot rely on a one-size-fits-all approach to connecting with the Black Diamonds. This very diverse and segmented market has widely divergent needs, desires and aspirations, and continues to grow at approximately 15% per annum (UCT, 2006; UCT, 2008a).

3.6.4 Black Diamond market growth

Over the past few years, the Black Diamond segment has grown considerably. More precisely, since the annual Black Diamond research was first initiated in 2005, the number of consumers in the Black Diamond segment has grown by one million people to three million (UCT, 2008b). In 2008, there were two million more Black Diamonds than there were in 2005. According to Nemavhandu (2008:27) and Ndanga *et al.* (2010:298), the growth of the Black Diamond segment is not only attributed to growth from new entrants into the Black Diamond segment, but also from within its ranks, as consumers move up the ladder and establish themselves in the affluent class. Table 3.3 depicts the growth of the Black Diamond segment, compared to that of total Black, White, Coloured, and Indian market growth.

Table 3.3: Black Diamond market growth

	2007 (million people)	2008 (million people)
Black Diamond	2.6	3
Total Black	22.3	24.3
White	3.4	3.4
Coloured	2.8	3
Indian	0.8	0.9

Source: Adapted from UCT (2008a).

The rapid growth in size of the Black Diamond segment is caused by a number of different factors. According to a study conducted by the University of Cape Town's Unilever Institute of Strategic Marketing (UCT, 2008a), the reasons for the significant growth of the segment are as follows:

- Growing off a relatively low base
- Access to better education
- Financial savvy
- Past deprivation fuels drive to achieve a particular lifestyle, and
- Opportunities created by the Broad-Based Black Economic Empowerment (BBBEE) initiative.

BBBEE is widely regarded as a necessary strategy in order to remedy the economic imbalances perpetuated during apartheid. BBBEE is defined as a process aimed at strategically transforming the South African economy by *inter alia* spreading equity holdings to incorporate previously disadvantaged South Africans, re-organising management structures and ensuring greater participation of the majority in the economy to achieve economic justice (Horwitz & Jain, 2011:301).

The BBBEE Act of 2003 encompasses the broadest possible categories of community empowerment and the empowerment of people living in rural areas. The Act basically aims to: 1) increase black ownership and management of organisations; 2) facilitate community and worker ownership of "enterprises and productive assets"; 3) encourage skills development; 4) promote equal representation in the workplace; 5) encourage preferential procurement; and 6) enhance investment in organisations that are owned by black people (Blankson, 2007:74).

De Bruyn and Freathy (2011:541) assert that the growth of the Black Diamond segment represents part of a wider socio-economic trend. The University of Cape Town's Unilever Institute of Strategic Marketing (UCT, 2008a) estimates that there has been 15% growth of

Black Diamonds in just over a year (from 2.6 to 3 million) while spending power has grown by 39% since 2007 (from R180 billion in 2007 to R250 billion in 2008). Black Diamonds now account for nearly 40% of all consumer spending power, which equates to 67% of total Black spending power. In fact, Black Diamond spending power now equals that of white spending power (UCT, 2008a).

With the continuous increase in both the market size and value of the Black Diamond segment, it is necessary for marketers and organisations to become more closely acquainted with the buying behaviour of consumers in this segment. Due to the failure of previous attempts of marketers to communicate with and target the Black Diamond segment, marketers need to gain greater insight into the ways in which these consumers' minds operate. A more profound understanding of the specific product needs and lifestyle patterns of consumers in the Black Diamond segment will help marketers to develop more effective methods of communicating with these consumers so that they can also serve the needs of the Black Diamond segment more profitably in the future.

3.7 CONCLUSION

Market segmentation helps organisations and marketers to discover the specific needs of consumers in various market segments. This, in turn, helps them to design and develop effective marketing strategies that will communicate more effectively with consumers. Thus, it can be said that market segmentation increases the effectiveness of marketing communication by developing a deeper understanding of the buying behaviours and lifestyles of consumers in that specific segment.

New research indicates that Black Diamonds feel that marketing communication often misses the mark when it comes to connecting with them. They feel that their true identity is not understood, and that they are often misrepresented (UCT, 2006). According to Nemavhandu (2008:1), this is due to the fact that marketers and organisations have not yet come to grips with the way that this "Rich Black" market operates. This could be ascribed to the lack of exposure on the side of marketers to the cultural orientation and lifestyle of Black people, and as a result, most marketing efforts aimed at Black Diamonds can be regarded as over-generalising (Nemavhandu, 2008:1-2). Thus, marketers and organisations urgently need to improve the effectiveness and efficiency of their marketing strategies when attempting to communicate with the Black Diamond segment. The current study aims to gain a better understanding of Black Diamonds in Sandton by analysing their consumer ethnocentric tendencies and lifestyle.

According to Vyncke (2002:447), marketing communication is more effective when consumer lifestyle profiles are understood and reflected in the content of the marketing message. This means that lifestyle research is of the utmost importance for marketers in order to 'visualise' their audiences more effectively. Kucukemiroglu *et al.* (2006:60) further assert that marketers can use lifestyle profiles to describe a consumer segment in order to help an organisation to reach and understand its consumers more succinctly.

Gaining a deeper, more thorough understanding consumer ethnocentrism and lifestyle among Black Diamonds in Sandton will provide marketers with information that can be put to use when developing marketing strategies that will be more effective in terms of targeting and communicating with this segment of consumers.

The following chapter, chapter 4, provides an overview of the methodological framework that was used in the study.

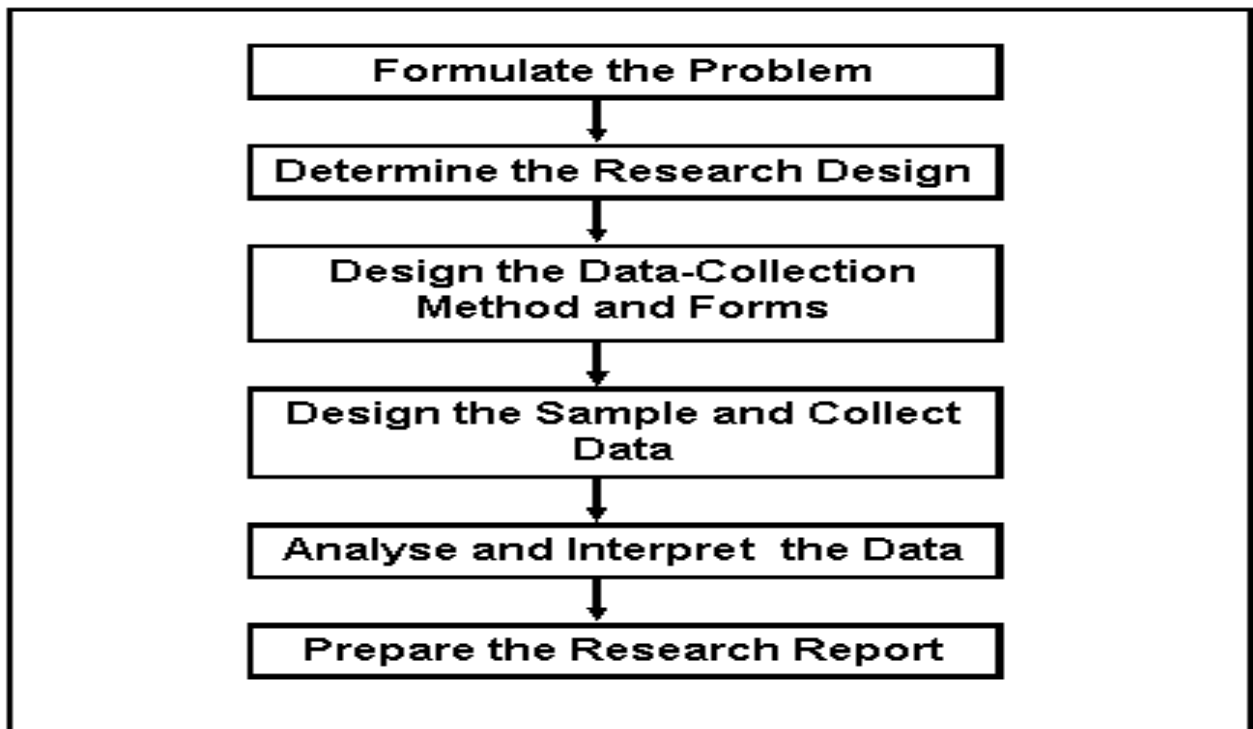
CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter focuses on the research methodology by providing an overview of the various stages that were followed in designing this study. According to Iacobucci and Churchill (2010:29), the sequence of stages that are followed when designing any research project together form the research process. In the current research, the stages of the research process are used to guide the structure of this chapter and serve as the chapter outline. The six stages in the research process are shown in figure 4.1.

Figure 4.1: Chapter outline: The marketing research process



Source: Adapted from Iacobucci and Churchill (2010:31).

The first stage of the marketing research process entails identifying a problem that requires research to be conducted. The research design that will be applied for the study is determined in the second stage. The data collection method and forms are designed in the third stage of the marketing research process. During the fourth stage, the sample of the study is designed and the data is collected. The analysis and interpretation of the data occur during stage five of the marketing research process, and is followed by the final stage (stage six of the marketing research process), which entails preparing the research report. The six stages of the research

process will be discussed in this chapter, together with providing an explanation of how the stages were applied in this study.

4.2 STAGE 1: FORMULATE THE PROBLEM

Defining the marketing research problem can be regarded as the most important step in the marketing research process. This is the case because only when a problem has been clearly and accurately identified, can a research project be conducted properly. Malhotra and Birks (2006:30) assert that the research problem can be defined effectively by providing a broad statement of the general problem and by identifying the specific components of the marketing research problem.

The problem statement for this study was presented and demarcated in chapter 1. To recap, the motivation for undertaking the current study is to determine the influence of consumer ethnocentrism and lifestyle on the buying behaviour of Black Diamonds. In order to achieve this aim, the following objectives were formulated.

4.2.1 Objectives of the study

The following primary and secondary objectives have been set for this study:

4.2.1.1 Primary objective

The primary objective of this study is to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton.

4.2.1.2 Secondary objectives

To expand the primary objective, the following secondary objectives have been formulated:

1. To determine consumer ethnocentrism among Black Diamonds in Sandton.
2. To determine the lifestyle of Black Diamonds in Sandton in terms of fashion consciousness.
3. To determine the lifestyle of Black Diamonds in Sandton in terms of self-consciousness.

4. To determine the lifestyle of Black Diamonds in Sandton in terms of health consciousness.
5. To determine the lifestyle of Black Diamonds in Sandton in terms of homemaking.
6. To determine the lifestyle of Black Diamonds in Sandton in terms of community orientation.
7. To determine the lifestyle of Black Diamonds in Sandton in terms of cost-consciousness.
8. To determine the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.
9. To determine the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.
10. To determine the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.

4.3 STAGE 2: DETERMINE THE RESEARCH DESIGN

A research design is simply the framework or plan for the study and is used as a guide in collecting and analysing data. The research design is therefore said to be the blueprint that is followed when conducting a study (Iacobucci & Churchill, 2010:58). Although a broad approach to the problem has already been developed in previous chapters of the study, the research design specifies the details of implementing that approach. According to Malhotra and Birks (2006:58), a research design lays the foundation for conducting the research project, and helps to ensure that the project is conducted effectively and efficiently. Therefore, it is evident that selecting the most appropriate research design is an important stage in any research project.

Burns and Bush (2006:116) note that there are various reasons that justify the importance placed on the research design of a research project. Firstly, although every problem and research objective may seem to be unique, there are usually a sufficient number of similarities among problems and objectives to allow market researchers to make some decisions in advance about the best plan to use in order to solve the problem. Secondly, there are some basic marketing research designs that can be successfully matched to given problems and research objectives. In this way, these serve the researcher in much the same way that the blueprint serves the builder. The researcher therefore needs to select a research design that is congruent with the objectives of the research project.

According to Aaker *et al.* (2004:75), research designs can be divided into three basic types, namely exploratory research, descriptive research, and causal research. These types of designs are classified in terms of the fundamental objectives of the research, making it easier for the researcher to achieve the ultimate goal successfully (Churchill & Iacobucci, 2002:91).

4.3.1 Exploratory research design

Exploratory research can be defined as research into an area that has not yet been studied or where very little information is available, in which the researcher attempts to develop initial ideas and a more focussed research question (Bradley, 2007:516; Struwig & Stead, 2007:7). According to Zikmund and Babin (2010:44), exploratory research is not intended to provide conclusive evidence from which to determine a particular course of action. In this sense, it is not an end unto itself. Researchers usually undertake exploratory research with the full expectation that more research will be needed in order to provide conclusive evidence.

Tustin, Ligthelm, Martins and Van Wyk (2005:84) affirm that exploratory research is conducted in a marketing research project when searching for insights into the general nature of the problem. According to Zikmund and Babin (2010:44), problems are usually not as obvious as they may seem, nor are they necessarily easily observable. Therefore, researchers conduct exploratory research when they do not know a great deal about the problem and need additional information, or if they desire more recent information.

Exploratory research can help to define a research objective and to gain a better understanding of the problem at hand (Bradley, 2007:516). An exploratory study is particularly helpful in breaking large, vague problem statements into smaller, more precise sub-problem statements, ideally in the form of specific research objectives (Iacobucci & Churchill, 2010:60).

Tustin *et al.* (2005:84) affirm that the research methods used for an exploratory design are highly flexible, unstructured and qualitative. Literature reviews and individual and group unstructured interviews (for example focus groups, panels and observation) are typical exploratory approaches.

4.3.2 Descriptive research design

Descriptive research attempts to provide a complete and accurate description of a situation, such as the market situation, attitudes, beliefs or opinions (Hair *et al.*, 2010:36). Burns and Bush

(2006:121) concur that descriptive research is undertaken with a view to obtain answers to questions of who, what, where, when, and how. Malhotra and Birks (2006:65) define descriptive research more formally as a type of conclusive research that has as its major objective the description of something, usually market characteristics or functions.

Descriptive research is usually conducted in order to determine the market potential for a product or the demographics and attitudes of consumers. This makes descriptive research the perfect type of research design for describing market segments (Zikmund & Babin, 2010:45). Iacobucci and Churchill (2010:84) support this notion by affirming that descriptive research is used when the purpose of the study is to:

- Describe characteristics of certain groups, e.g., researchers might attempt to profile consumers of their brand with respect to income, gender, age, educational level, and/or marital status.
- Estimate the proportion of consumers who behave in a certain way, e.g., the proportion of people who live or work within a specified radius of a proposed shopping complex.
- Make specific predictions, e.g., if researchers could predict the level of sales that they should expect over the next five years, then they could plan for the hiring and training of new sales representatives.

According to Tustin *et al.* (2005:86), the research methods typically used when conducting descriptive research are structured and quantitative. In-house personal interviews, intercept surveys, landline telephone interviewing, regular mail surveys and online qualitative surveys (web-based and email surveys) are typical descriptive approaches.

4.3.3 Causal research design

Causal research is a type of experimentation that is used to examine whether the value of one variable causes or determines the value of another variable (McDaniel & Gates, 2010:77). Malhotra and Birks (2006:68) affirm that causal research is a type of conclusive research where the major objective is to obtain evidence regarding cause-and-effect relationships. This will enable the researcher to show that one event allows another to happen, or to determine the effect of various factors on consumers' buying behaviour.

According to Burns and Bush (2006:127), consumers are bombarded on a daily and sometimes hourly basis by a vast multitude of factors, all of which could cause them to act in one way or another. Understanding what causes consumers to behave as they do is therefore extremely difficult. Aaker *et al.* (2004:77) assert that because the requirements for proof of causality are so demanding, research questions and relevant hypotheses should be very specific when conducting causal research. As a result, exploratory or descriptive research usually precedes causal research.

The main differences between the three types of research designs can be discerned by investigating the objectives of each type. Exploratory research emphasises the discovery of ideas and insights; descriptive research is typically concerned with determining the frequency at which something occurs or the relationship between two variables; and causal research is concerned with determining cause-and-effect relationships (Iacobucci & Churchill, 2010:58-59).

A given marketing research project may involve more than one type of research design and thus serve several purposes (Malhotra & Birks, 2006:70). Tustin *et al.* (2005:87) further suggest that the three types of research approaches (exploratory, descriptive and causal) have a distinct and complementary role to play in many research studies. The first step is to use exploratory techniques to establish all the possible causes of the problem. Thereafter, a combination of descriptive and causal approaches is used to narrow the possible causes. Descriptive research evidence is often sufficient to eliminate many of the possible causes.

4.3.4 Research design used in this study

A descriptive research design was selected and used in this study. According to Zikmund and Babin (2010:45), descriptive research can be conducted in order to describe market segments. Consumer ethnocentrism and lifestyle analyses are used by market researchers to describe a market segment so as to help an organisation better reach and understand its consumers. Therefore, a descriptive research design was chosen for this study as the purpose of the study is as follows:

- To describe consumer ethnocentrism among Black Diamonds in Sandton.
- To describe the lifestyle of Black Diamonds in Sandton in terms of various lifestyle dimensions.
- To describe the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.

- To describe the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.
- To describe the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.

By taking into consideration the purpose of the study, the final research technique used was conclusive and descriptive, and this encapsulates the overall design. When deciding what encapsulates the overall research design for this study, the ultimate aim and purpose of the study was examined, which is to describe a given situation in a conclusive manner.

4.4 STAGE 3: DESIGN THE DATA COLLECTION METHOD AND FORMS

Once the research design is defined and clearly specified, the research effort logically turns to data collection, which can be defined as the gathering of information for the purpose of a study (Cant *et al.*, 2008:54). Zikmund and Babin (2010:59) assert that data may be gathered by human observers or interviewers, or it may be recorded by machines as in the case of scanner data. Data refers to information such as pictures, words and numbers which is gathered according to certain scientifically accepted procedures (Struwig & Stead, 2007:237). According to Cant *et al.* (2008:48), two types of data collection methods can be distinguished, namely secondary data collection and primary data collection.

4.4.1 Secondary data collection

Secondary data is information previously collected for some other problem or issue (Hair *et al.*, 2010:26). Therefore, secondary data is readily available. According to Wiid and Diggines (2009:58-71), although secondary data is cheaper and quicker to collect than primary data, the researcher must always consider the relevance, accuracy, reliability and timeliness of such secondary data. Secondary data may lack supportive information or could be outdated. Examples of secondary data sources are sales records, cost information, distributors' reports, books, periodicals, government agencies' reports, and academic journals.

4.4.2 Primary data collection

According to Wiid and Diggines (2009:58), primary data is data that has not yet been collected previously which must be collected by conducting a formal marketing investigation. Primary data is collected in order to address specific research objectives, and is usually collected by the

researcher or fieldworkers (Aaker *et al.*, 2004:80; Burns & Bush, 2006:146; McDaniel & Gates, 2010:100). According to Malhotra and Birks (2006:85), compared to readily available data from a variety of sources, the collection and analysis of primary data entails higher costs and longer times-frame. Therefore, the researcher must be aware of financial as well as time constraints when deciding on collecting primary and/or secondary data for the proposed study. Primary data can be collected by using either qualitative research (such as interviews and observations) or quantitative research by means of surveys (Bradley, 2007:518; Struwig & Stead, 2007:243).

4.4.2.1 Qualitative research

According to Aaker *et al.* (2004:189), qualitative research aims to find out what is in a consumer's mind in order to gain insight into the consumer's perspective on something. Struwig and Stead (2007:243) propound that qualitative research favours in-depth analyses, and is used to examine the dynamic interaction of both the individual and the context and interdisciplinary research. Qualitative research reflects a large variety of schools and research methods; in this approach, the emphasis is on describing, giving meaning and understanding what is being studied (Hair *et al.*, 2010:78).

McDaniel and Gates (2010:132) assert that the research methods used for qualitative research are less concerned with collecting numerical data than with gathering data in the form of words, images and sounds. According to Tustin *et al.* (2005:90-91), typical methods used for conducting qualitative research include group discussions and in-depth interviews which, like all qualitative research, are based on small, purposive samples. Analysis of the loosely structured and mainly verbal data that such techniques produce is more plainly interpretive and subjective than the case would be for quantitative research.

4.4.2.2 Quantitative research

Quantitative research is a form of conclusive research that places significant emphasis on using formal standard questions and predetermined response options in questionnaires or surveys which are administered to large numbers of respondents (Hair *et al.*, 2010:77). Burns and Bush (2006:202) concur; they note that quantitative research often involves a sizeable representative sample of the population and a formalised procedure for gathering data. The main role of quantitative research is to test hypotheses. This type of research employs three basic data collection methods, namely observation, experiments and surveys (Struwig & Stead, 2007:86-88). Cooper and Schindler (2008:164) assert that although the survey is not the only method of conducting quantitative research, it is considered to be the dominant one.

It can be argued that the main difference between qualitative and quantitative research is lodged in the definition of qualitative research (which is defined as an approach in which quantitative data is not used); therefore any type of research that produce findings not arrived at by statistical procedures or other means of quantification (Gill & Johnson, 2010:148). Table 4.1 illustrates the differences between qualitative and quantitative research.

Table 4.1: The differences between qualitative and quantitative research

Comparison dimension	Qualitative research	Quantitative research
Types of questions	Probing	Limited probing
Sample size	Small	Large
Information per respondent	Much	Varies
Administration	Requires interviewer with special skills	Fewer special skills required
Type of analysis	Subjective, interpretive	Statistical, summarisation
Hardware	Tape recorders, projection devices, video, pictures, discussion guides	Questionnaires, computers, printouts
Ability to replicate	Low	High
Researcher training	Psychology, sociology, social psychology, consumer behaviour, marketing, marketing research	Statistics, decision models, decision support systems, computer programming, marketing, marketing research
Type of research	Exploratory	Descriptive or causal

Source: Tustin *et al.* (2005:90).

According to Gill and Johnson (2010:148), the difference between quantitative and qualitative research is that quantitative research arrives at findings by using statistical procedures, quantification and testing hypothetical predictions, whilst qualitative research embraces a very different philosophical view of how human behaviour come to bear.

It is therefore necessary for the researcher to take cognisance of the differences between qualitative and quantitative research methods when deciding which method to select to best serve the objectives of the study.

4.4.3 Data collection method used in this study

In this study, secondary data was collected and used with a view to conduct the literature review and to clarify and redefine the objectives of the study. The secondary data provided ideas for appropriate methods to be used for collecting primary data. Since descriptive research was used for this study, primary data was needed in order to draw conclusions of value as descriptive research.

Primary data was collected by means of quantitative research. According to Zikmund and Babin (2010:94), quantitative research measures concepts with scales that either directly or indirectly provides numeric values, which can then be used in statistical computations. Scales were used in this study to measure the response of consumers. The emphasis in quantitative research is on the relationship between variables, the differences between individuals according to certain variables, and the causes of behaviour (Struwig & Stead, 2007:18). This is precisely what the current study aimed to do, as the focus was on determining the influence of consumer ethnocentrism and lifestyle on the buying behaviour of Black Diamonds.

Quantitative research examines constructs through the use of surveys (Crouch & Housden, 2003:116; Struwig & Stead, 2007:4). According to Burns and Burns (2008:485), surveys are the most commonly used descriptive methods in market research and data collection. Zikmund and Babin (2010:146) affirm that in the case of surveys, the researcher gathers information with a view to measure consumer knowledge and awareness of products, brands or issues; and to determine consumer characteristics including buying behaviour, brand usage, and descriptive characteristics (including demographics and lifestyle). The main aim of this study is to determine respondents' descriptive characteristics including demographics, ethnocentric tendencies, and lifestyle.

A survey was therefore used in this study to collect primary data. According to Zikmund and Babin (2010:147), survey research presents numerous advantages. Surveys provide a quick, often inexpensive, efficient, and accurate means of assessing information about a population. Researchers can also apply fairly straightforward statistical tools in analysing survey results. In addition, surveys are quite flexible, when properly conducted, which proves extremely valuable to the market researcher.

Many surveys use questionnaires, and therefore, these terms are sometimes used interchangeably. In market research the term "questionnaire" refers to both interviewer-administered questionnaires and self-administered questionnaires (Bradley, 2007:519). For the

purpose of this study, interviewer-administered questionnaires were used (see section 4.4.4). The research instrument is discussed next.

4.4.4 Research instrument

Primary data was collected for the study by using a standardised questionnaire to record all the responses. A questionnaire can be defined as a set of questions designed to generate the data necessary to accomplish a research project's objectives, and is generally designed by consulting the literature (Wiid & Diggines, 2009:171). Zikmund and Babin (2010:270-271) note that in order for a questionnaire to fulfil a researcher's purposes, the questions must meet the basic criteria of relevance and accuracy. A questionnaire is relevant to the extent that all information collected addresses a research question that will help the decision-maker address the current marketing problem. Accuracy means that the information is valid (Zikmund & Babin, 2010:271).

According to Struwig and Stead (2007:89), two types of questionnaires can be developed, namely interviewer-administered questionnaires and self-administered questionnaires. The current study made use of an interviewer-administered questionnaire.

An interview is a method of gathering information by asking people questions. Struwig and Stead (2007:240) affirm that there are various types of interviews such as structured, semi-structured and unstructured interviews. A structured interview is one in which each subject or respondent is asked a series of questions according to a prepared interviewing schedule which is the questionnaire (Brace, 2008:2). Struwig and Stead (2007:98) state that a semi-structured interview consists of predetermined questions that are posed to each participant in a systematic and consistent manner; however, the participants are also given the opportunity to discuss issues beyond the confines of the questions. An unstructured interview delivers the same question to every respondent, but the interviewer gets the respondent to talk freely about their attitudes, after which the interviewer follows whatever direction the respondent leads (Iacobucci & Churchill, 2010:189). A structured interview approach was used in the current study when administering questionnaires to respondents. According to Brace (2008:22), the key benefits of having an interviewer administer the questionnaires are:

- Queries about the meaning of a question can be dealt with.
- A misunderstood question may be corrected.
- Respondents can be encouraged to provide deeper responses to open questions.

Designing the questionnaire for a research study is a systematic process in which the researcher contemplates various question formats, considers a number of factors characterising the survey at hand, phrases the various questions very carefully with great attention to wording, and organises the questionnaire layout (Burns & Bush, 2006:300). If questions are presented and worded clearly, this will enable the respondents to understand and answer them effectively. To this end, a pilot study was conducted with a view to determine the clarity of the wording and statements used in the questionnaire. The most prominent types of questions and measurement scales used in questionnaires will be discussed subsequently.

4.4.4.1 Types of questions used in questionnaires

According to Struwig and Stead (2007:92), there are five types of questions that typically appear in a questionnaire, namely:

- Open-ended questions, which are questions where the respondents are free to answer in their own words and to express any ideas they think apply. This type of question can therefore reveal more information and is often worthwhile during exploratory research (Proctor, 2005:199; Struwig & Stead, 2007:92).
- Multiple-choice questions offer specific alternatives from which the respondents must choose one or more. In this manner, the question helps to reduce any bias that can be introduced by the respondent's ability to articulate (Proctor, 2005:200; Malhotra & Birks, 2006:336; Struwig & Stead, 2007:92).
- Dichotomous questions allow for responses that indicate an unmistakable division, in which respondents are offered a choice between two options only. However, the two alternatives are often supplemented by a neutral alternative (Malhotra & Birks, 2006:336; Struwig & Stead, 2007:94; Cooper & Schindler, 2008:340).
- Ranking questions require respondents to rank-order a small number of stores, brands, feelings, or objects on the basis of overall preference or some characteristic of the stimulus (Tustin *et al.*, 2005:403; Zikmund & Babin, 2010:253).
- Scaled-response questions are used to gather data on attitudes and perceptions of respondents by using various forms of measurement scales (Struwig & Stead, 2007:94; Iacobucci & Churchill, 2010:212).

4.4.4.2 Measurement scales used in questionnaires

Scaling is the process of creating a continuum on which objects are located according to the amount of the measured characteristic they possess (Aaker *et al.*, 2004:283). According to Zikmund and Babin (2010:241) and Bradley (2007:209), the levels or types of scale measurement are nominal, ordinal, interval, ratio, and Likert scales. The various types of measurement scales are discussed below:

- A nominal scale assigns a value to an object for identification or classification purposes (Malhotra & Birks, 2006:295; Zikmund & Babin, 2010:241). The purpose of these values is simply to identify categories, as the values themselves have no mathematical value (Tustin *et al.*, 2005:592). Proctor (2005:167) concurs that the values or numbers assigned do not reflect the amount of the attribute possessed by the object under scrutiny. Measurement at this level only demands that two or more relevant categories can be distinguished and that the criteria for placing respondents or objects in one category or another are known (Burns & Burns, 2008:97).
- Ordinal scales permit the researcher to rank-order respondents or their responses (Proctor, 2005:168; Tustin, *et al.*, 2005:592; Burns & Bush, 2006:276; Burns & Burns, 2008:97). Malhotra and Birks (2006:295) define an ordinal scale as a ranking scale in which numbers are assigned to objects to indicate the relative extent to which some characteristic is possessed. Thus, it is possible to determine whether an object has more or less of a particular characteristic than some other object. Zikmund and Babin (2010:242) further note that respondents are often asked to rank-order objects based on preference. Therefore, preference is the characteristic, and the ordinal scale lists the options from most to least preferred, or vice versa.
- An interval scale reflects how much more one object has of an attribute than another object (Proctor, 2005:168). According to Zikmund and Babin (2010:244), interval scales are scales that have both nominal and ordinal properties, but that also capture information about differences in quantities of a concept from one observation to the next. Therefore, in an interval scale, numerically equal distances on the scale represent equal values in the characteristic being measured. By wording or spacing the response options on a scale so they appear to have equal intervals between them, the researcher achieves a higher level of measurement than ordinal or nominal measurement allows (Burns & Bush, 2006:278; Malhotra & Birks, 2006:296).

- Ratio scaling represents the highest form of measurement (Malhotra & Birks, 2006:297; Burns & Burns, 2008:98). Proctor (2005:169) asserts that ratio scales possess the same kind of properties as interval scales, but also possess an absolute or natural origin. Therefore, ratio scales can be said to have all the properties of the other measurement scales, since they possess the characteristics of order, distance and unique origin (zero point). Zero, therefore, has meaning in that it represents an absence of some characteristic or concept (Zikmund & Babin, 2010:244).

- The Likert scale is a summated rating scale that measures intensity of agreement or disagreement by making use of response categories ranging from 'strongly disagree' to 'strongly agree' that requires respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus objects (Proctor, 2005:178; Tustin *et al.*, 2005:408; Burns & Bush, 2006:281; Malhotra & Birks, 2006:304; Cooper & Schindler, 2008:308). Tustin *et al.* (2005:408) and Cooper and Schindler (2008:308) indicate that each response is assigned a numerical score to reflect its degree of attitudinal favourableness, and the scores are then summed in order to measure the respondent's overall attitude. The Likert scale response format is frequently used in survey questionnaires.

The questionnaire that was used in this study comprised of three sections (see appendix A). The first section set out to collect demographic details of respondents. Consumer ethnocentrism of respondents was measured in the next section, followed by the last section of the questionnaire, which aimed to measure the lifestyle of respondents in terms of various lifestyle dimensions. Each section of the questionnaire is discussed subsequently in more detail, indicating the question types that were used, as well as the type of measurement scales used.

4.4.4.3 Section A: Demographic details

The purpose of section A of the questionnaire was to obtain various demographic details of respondents namely age, income, marital status, gender, and level of education. Demographic questions were asked in order to assist with the creation of the sample profile of the respondents. Table 4.2 summarises the questions, question types, and scales used in section A.

Table 4.2: Measurement of demographic details

	Questions	Question type	Scale
A1	How old are you?	Multiple choice	Ordinal
A2	What is your monthly income?	Multiple choice	Ordinal
A3	What is your marital status?	Multiple choice	Nominal
A4	What is your gender?	Dichotomous	Nominal
A5	What is your highest level of education?	Multiple choice	Ordinal

4.4.4.4 Section B: Consumer ethnocentrism

The purpose of section B of the questionnaire was to measure consumer ethnocentrism by using an adapted version of the popular 17-item Consumer Ethnocentrism Scale (CETSCALE) developed and tested by Shimp and Sharma (1987). The CETSCALE is employed by market researchers to measure the extent to which consumers feel that buying foreign products is unpatriotic or immoral because of its adverse impact on jobs and the economy. Reliability and validity were also established regarding the CETSCALE's ability to effectively measure consumer ethnocentrism (Saffu & Walker, 2005:556). Previous studies have found high ethnocentrism scores are related to reluctance to purchase foreign products and tendencies to evaluate them negatively (Shimp & Sharma, 1987).

For this section of the questionnaire, the adapted version of the CETSCALE required respondents to give their response to 17 statements concerning consumer ethnocentrism. These statements were obtained and adapted for the study from a research study conducted by John and Brady (2011) who measured consumer ethnocentrism and attitudes towards South African consumables in Mozambique, by using an adapted version of the CETSCALE. A Likert scale was used in the questionnaire to measure consumer response to the statements. Likert scale questions or statements consist of a statement or question concerning attitudes, opinions, or beliefs followed by a set of responses that ask the degree to which the subject agrees or disagrees with the statement (Flynn & Foster, 2009:152). The original CETSCALE developed by Shimp and Sharma (1987) makes use of a 7-point Likert scale to rate the response to each item of the CETSCALE. Therefore, the adapted version of the CETSCALE that was used in the questionnaire to measure the level of consumer ethnocentrism among respondents made use of a 7-point Likert scale to rate the response to each statement of the CETSCALE in ascending degree of agreement, where 1 = strongly disagree and 7 = strongly agree.

Table 4.3 summarises the CETSCALE's statements that were used in the questionnaire.

Table 4.3: Measurement of consumer ethnocentrism (CETSCALE)

	Statement	Question type	Scale
B1	South African people should always buy South African made products instead of imports.	Scaled	Likert
B2	Only those products that are unavailable in South Africa should be imported.	Scaled	Likert
B3	Buy South African made products and keep South Africans employed.	Scaled	Likert
B4	Always buy South African made products.	Scaled	Likert
B5	Purchasing foreign-made products is un-South African.	Scaled	Likert
B6	It is not right to purchase foreign products, because it puts South Africans out of jobs.	Scaled	Likert
B7	A real South African should always buy South African made products.	Scaled	Likert
B8	We should purchase products manufactured in South Africa instead of letting other counties get rich off us.	Scaled	Likert
B9	It is always best to purchase South African products.	Scaled	Likert
B10	There should be very little trading or purchasing of goods from other countries unless it is really necessary.	Scaled	Likert
B11	South Africans should not buy foreign products, because this hurts South African business and causes unemployment.	Scaled	Likert
B12	The number of products consumers are allowed to import should be limited.	Scaled	Likert
B13	It may cost me in the long run, but I prefer to support South African products.	Scaled	Likert
B14	Foreigners should not be allowed to sell their products on our markets.	Scaled	Likert
B15	Foreign products should be taxed heavily to reduce their entry into South Africa.	Scaled	Likert
B16	We should buy from foreign countries only those products that are not available within South Africa.	Scaled	Likert
B17	South African consumers who purchase products made in other countries are responsible for putting their fellow South Africans out of work.	Scaled	Likert

4.4.4.5 Section C: Lifestyle

The purpose of section C of the questionnaire was to conduct the lifestyle analysis of respondents by using 40 AIO statements which were obtained and adapted from lifestyle

studies conducted by Kucukemiroglu *et al.* (2006) and Narang (2010). The most widely used approach to lifestyle analysis has been activities, interests and opinions (AIO) rating statements (Hur *et al.*, 2010:296). According to He *et al.* (2010:617), this approach to studying consumer lifestyle was developed by Plummer (1974) who developed the popular AIO measurement scale that was used in the questionnaire of this study to describe how consumers spend their time and money. The focus of marketers and consumer researchers has generally been on identifying the broad trends that influence how consumers live, work and play. Such knowledge allows a population to be viewed as distinct individuals with feeling and tendencies, addressed in compatible groups (segments) so that marketers can make more efficient use of marketing strategies (Kucukemiroglu *et al.*, 2006:60).

In their most common form, AIO-lifestyle studies use a battery of statements (a psychographic inventory) designed to identify the activities, interests and opinions of respondents (Hur *et al.*, 2010:296). This section of the questionnaire consisted of a battery of 40 AIO statements aimed at identifying the lifestyle of Black Diamonds in Sandton. The 40 AIO statements were placed in subcategories, or smaller batteries of statement, to determine the following lifestyle dimensions respectively:

- C1. Fashion consciousness
- C2. Self-consciousness
- C3. Health consciousness
- C4. Homemaking
- C5. Community orientation
- C6. Cost-consciousness

The AIO measurement scale makes use of a five-point Likert scale to rate the response to each AIO statement in ascending degree of agreement, where 1 = strongly disagree and 5 = strongly agree.

The respective batteries of AIO statements that were used to determine each lifestyle domain are summarised in table format below.

Table 4.4: Measuring of lifestyle: fashion consciousness

	Statement	Question type	Scale
C1.1	I usually have one or more outfits that are of the very latest style.	Scaled	Likert
C1.2	When I must choose between the two I usually dress for fashion, not for comfort.	Scaled	Likert
C1.3	An important part of my life and	Scaled	Likert

	activities is dressing smartly.		
C1.4	I often try the latest hairdo styles when they change.	Scaled	Likert
C1.5	I dress more fashionably than most people.	Scaled	Likert
C1.6	People can realise your social status by looking at the brand of clothes you wear.	Scaled	Likert
C1.7	I read fashion-related magazines.	Scaled	Likert
C1.8	I consult the internet for the latest fashion and styles.	Scaled	Likert
C1.9	I spend a lot of time talking with my friends about the latest fashion trends.	Scaled	Likert
C1.10	I like to watch fashion-related programs on television.	Scaled	Likert

Table 4.5: Measuring of lifestyle: self-consciousness

	Statement	Question type	Scale
C2.1	I think I have more self-confidence than most people.	Scaled	Likert
C2.2	I am more independent than most people.	Scaled	Likert
C2.3	I think I have a lot of personal ability.	Scaled	Likert
C2.4	I like to be in charge of a group.	Scaled	Likert
C2.5	My friends or neighbours often come to me for advice.	Scaled	Likert
C2.6	I sometimes influence what my friends buy.	Scaled	Likert
C2.7	I would like to be seen as a leader.	Scaled	Likert
C2.8	I like the challenge of doing something that I have never done before.	Scaled	Likert
C2.9	People come to me more often than I go to them for information about brands.	Scaled	Likert
C2.10	I believe that I possess leadership skills and abilities.	Scaled	Likert

Table 4.6: Measuring of lifestyle: health consciousness

	Statement	Question type	Scale
C3.1	I drink a lot of water or low-calorie drinks.	Scaled	Likert
C3.2	I prefer to buy low-calorie, healthy foods.	Scaled	Likert
C3.3	I do physical exercises regularly.	Scaled	Likert
C3.4	I would say that I lead a healthy lifestyle.	Scaled	Likert

Table 4.7: Measuring of lifestyle: homemaking

	Statement	Question type	Scale
C4.1	I enjoy working in my garden.	Scaled	Likert
C4.2	I clean my house on a regular basis.	Scaled	Likert
C4.3	I like to entertain my friends at my house.	Scaled	Likert
C4.4	I usually keep my house very neat and tidy.	Scaled	Likert
C4.5	I'd rather cook a meal at home instead of going out to eat at a restaurant.	Scaled	Likert
C4.6	I enjoy most forms of housework.	Scaled	Likert
C4.7	I would rather spend a quiet evening at home than go out to a party.	Scaled	Likert

Table 4.8: Measuring of lifestyle: community orientation

	Statement	Question type	Scale
C5.1	I am an active member of more than one charity organisation.	Scaled	Likert
C5.2	I do volunteer work for a charity or a non-profit organisation on a fairly regular basis.	Scaled	Likert
C5.3	I like to work on community projects.	Scaled	Likert
C5.4	I have personally worked in a political campaign.	Scaled	Likert

Table 4.9: Measuring of lifestyle: cost-consciousness

	Statement	Question type	Scale
C6.1	I shop for specials.	Scaled	Likert
C6.2	I find myself checking the prices in the grocery store even for small items.	Scaled	Likert
C6.3	I usually watch the advertisements for announcements of sales.	Scaled	Likert
C6.4	A person can save a lot of money by shopping around for bargains.	Scaled	Likert
C6.5	I like to pay cash for everything I buy.	Scaled	Likert

4.4.4.6 Linking objectives with the questionnaire

Table 4.10 links the objectives and questions in the questionnaire of this study.

Table 4.10: Relationship between objectives and questionnaire

Secondary objective		Questions
1	To determine the level of consumer ethnocentrism among Black Diamonds in Sandton.	B1 – B17
2	To determine the lifestyle of Black Diamonds in Sandton in terms of fashion consciousness.	C1.1 – C1.10
3	To determine the lifestyle of Black Diamonds in Sandton in terms of self-consciousness.	C2.1 – C2.10
4	To determine the lifestyle of Black Diamonds in Sandton in terms of health consciousness.	C3.1 – C3.4
5	To determine the lifestyle of Black Diamonds in Sandton in terms of homemaking.	C4.1 – C4.7
6	To determine the lifestyle of Black Diamonds in Sandton in terms of community orientation.	C5.1 – C5.4
7	To determine the lifestyle of Black Diamonds in Sandton in terms of cost-consciousness.	C6.1 – C6.5
8	To determine the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.	B1 – B17; C1.1 – C6.5
9	To determine the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.	C1.1 – C6.5
10	To determine the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.	A1 – A5; B1 – B17; C1.1 – C6.5

4.4.4.7 Pilot study of the questionnaire used for this study

Once the questions have been formulated, it is important to conduct a pilot study; for this, one needs to select a small sample of respondents to complete the draft questionnaire (Struwig & Stead, 2007:89). Burns and Bush (2006:321) affirm that the pilot study involves conducting a dry run of the questionnaire on a representative set of respondents in order to reveal questionnaire errors before the questionnaire is launched. The pretest should indicate any problems respondents may have with the directions or the items, and relevant changes should then be made to improve the questionnaire (Flynn & Foster, 2009:157).

The questionnaire for this study was pretested by submitting it to the Statistical Consultation Services of the North-West University in order for them to determine whether the questions

asked would achieve the actual objectives of the study. It was found during this phase of the questionnaire's pretest that some of the terms used in the phrasing of questions and statements in the questionnaire would be difficult to understand by the layman. Therefore, relevant changes were made to the wording of certain questions and statements, rephrasing them into more simple terms in such a way that they would be correctly interpreted and easily understood by all respondents.

In addition, the statistical consultant advised that some lifestyle dimensions that were initially to be tested in section C of the questionnaire were irrelevant to the study, and as a result, these were omitted from the final questionnaire that was used for this study.

Once approval had been received from the Statistical Consultation Services, the questionnaire was pretested on a sample of 20 respondents from the study population, in order to test their response to and their understanding of the questions asked. The test sample consisted of Black Diamonds in Sandton, who were representative of the sample population required for this study. Respondents from the pilot study seemed to be *au fait* with the terms and phrasing of the questions and statements in the questionnaire, and as such, no further amendments were made to the questionnaire.

4.5 STAGE 4: DESIGN THE SAMPLE AND COLLECT DATA

Execution of the sampling procedure requires a detailed specification of how the sampling design decisions with respect to the population, sampling method, sample size and data collection are to be implemented (Malhotra & Birks, 2006:361). Subsequently, the target population of this study will be defined. The various sampling methods, including probability and non-probability sampling, will be discussed in order to provide an overview of the options that were considered once the final method has been chosen for drawing a sample for this study. Finally, sample size and data collection will be discussed.

4.5.1 Target population

The population can be defined as the totality of cases that conform to some designated specifications; these specifications define the elements that belong to the target group and those that are excluded (Bradley, 2007:518; Zikmund & Babin, 2010:310). According to Proctor (2005:109), it is essential to define the population as precisely as possible since failure to do so is likely to lead to an ineffectual solving of the research problem. Therefore, it is critical for

market researchers to determine whose opinions they are soliciting, and this process should enable them to define the target population of the research study.

The population of this study comprised of Black Diamond consumers in Sandton in the Gauteng province. Sandton is known as “Africa’s richest square mile” and is a cosmopolitan melting pot of global trades, cultures and trends. Home to approximately 300 000 residents and 100 000 businesses, and offering everything from finance to fashion; Sandton is the commercial, business and entertainment hub of South Africa (Anon., 2011a). Sandton forms part of Johannesburg, which is a major city in the Gauteng province of South Africa. Cooper and Schindler (2008:374) note that the population elements, or sample for this study, would then be drawn from the target population.

4.5.2 Sampling methods

Obtaining information from every single consumer in a market is practically impossible, and therefore marketing researchers make use of a sample. A sample can be defined as a subset, or some part, of a larger population from which population characteristics are estimated (Zikmund & Babin, 2010:310). According to Struwig and Stead (2007:109), obtaining information from a sample is often more practical and accurate than obtaining the same information from an entire population.

Sampling refers to the procedure of selecting parts from a target population in order to examine these parts, usually with the aim of making judgements about parts of the population that have not yet been investigated (Bradley, 2007:518). Burns and Bush (2006:329) affirm that the sampling procedure must explicitly take into account and make provisions for the peculiarities of the whole group, or population, under study. Proctor (2005:111) and Cant *et al.* (2008:165) assert that there are two types of sampling methods, namely probability sampling and non-probability sampling.

4.5.2.1 Probability sampling

Probability sampling is a sampling technique in which every element in the population has a known non-zero probability of selection, meaning that each element has a known probability of being included in the sample (McDaniel & Gates, 2010:423). Probability sampling consists of a number of different sampling techniques that can be used to draw a sample from a population. Hair *et al.* (2010:133) affirm that some of the probability sampling techniques include simple

random sampling, systematic sampling, stratified random sampling and cluster sampling. These probability sampling techniques are briefly discussed below.

a) Simple random sampling

McDaniel and Gates (2010:429) propound that simple random sampling is when the sample is selected by assigning a number to every element of the population and then using a table of random numbers to select specific elements for inclusion in the sample. According to Tustin *et al.* (2005:350), in practice, drawing simple random samples is often facilitated by the use of tables with random numbers. It should be noted, however, that there is no standard random number table that is used by researchers from which to draw simple random samples.

b) Systematic sampling

Systematic sampling is when the researcher uses a natural ordering or order of sampling frame, selects an arbitrary starting point and then selects items at a pre-selected interval (Struwig & Stead, 2007:116; Burns & Burns, 2008:199). Zikmund and Babin (2010:315) concur that while systematic sampling is not actually a random selection procedure, it does yield random results if the arrangement of the items is not in some sequence corresponding to the interval in some way.

c) Stratified random sampling

Wiid and Diggines (2009:205) note that stratified random sampling is when the researcher divides the population into groups and randomly selects sub-samples from each group. Therefore, it is up to the researcher to choose the criterion or criteria used for creating the groups. Iacobiucci and Churchill (2010:298) propound that the subsets are called strata or subpopulations, and that every population element is assigned to one and only one stratum, and no population elements are omitted.

d) Cluster sampling

Cluster sampling is when the sampling elements are selected from a number of small geographic areas to reduce data collection costs (Aaker *et al.*, 2004:384). According to Bradley (2007:175), the advantages of cluster sampling are that there is a cost saving over simple random sampling, and furthermore, the greater the clustering, the greater the cost saving.

Tustin *et al.* (2005:356) indicate that cluster sampling is ideal when the population is geographically dispersed and travelling costs can be reduced.

4.5.2.2 Non-probability sampling

In non-probability sampling, the probability that a specific element of the population will be selected is unknown, meaning that the selection of sampling units is arbitrary as researchers rely heavily on personal judgement (Wiid & Diggins, 2009:199). Burns and Bush (2006:345) assert that with non-probability sampling, selection is not based on probability. Instead, a non-probability sample is based on an inherently biased selection process, typically in order to reduce the cost and time of sampling. Therefore, in the case of a non-probability sample, the researcher may save in terms of cost and time, but this is at the expense of a sample that is not truly representative of the population. Despite this problem, researchers still regard non-probability sampling as a reliable sampling method (Zikmund & Babin, 2010:311). According to Proctor (2005:112), most samples chosen these days for applied research are non-probability samples. Non-probability sampling techniques include convenience sampling, judgement sampling, quota sampling and snowball sampling (Hair *et al.*, 2010:133). These non-probability sampling techniques are briefly outlined below.

a) Convenience sampling

According to Aaker *et al.* (2004:388), convenience sampling is when the researcher uses the most convenient or economical sample. This method has the advantage of saving on time and costs, but it does at times entail recruiting respondents who may not be appropriate to the study purpose, as there is no way of knowing if they are representative of the target population (Bradley, 2007:179; Iacobucci & Churchill, 2010:286). Zikmund and Babin (2010:312) note that researchers generally use convenience sampling to obtain a large number of completed questionnaires quickly and economically, or when obtaining a sample through other means is impractical.

b) Judgement sampling

Judgement sampling is when respondents are handpicked because it is expected that they can serve the research purpose and that they are representative of the population of interest (Cant *et al.*, 2008:166). Because the potential respondents are screened judgementally by the researcher as to whether they should be included in the sample, the amount of error in a

judgement sample, therefore, depends on the degree of expertise of the person who is making the selection (Tustin *et al.*, 2005:346).

c) Quota sampling

According to Struwig and Stead (2007:115), quota sampling is when the researcher classifies the population by pertinent properties, and determines the desired proportion of sample from each class and quotas for each interviewer. The quotas are determined through the application of the research objectives and are defined by those characteristics used to identify the population (Burns & Bush, 2006:347). According to Proctor (2005:117), this can lead to substantial bias that cannot be objectively measured. This is the case because the choice of respondents is left to fieldworkers who make these choices on a judgemental basis (Cooper & Schindler, 2008:399). However, despite this drawback, quota sampling has been widely used in marketing research since it is relatively cost-effective compared with other methods.

d) Snowball sampling

Wiid and Diggins (2009:200-201) explain that snowball sampling is when the initial respondents are selected and where additional respondents are then obtained by referral from initial respondents. According to Cooper and Schindler (2008:399), various techniques are available for selecting a snowball sample with provisions for error identification and statistical testing. Bradley (2007:180) asserts that although snowball sampling is a time-saving sampling method, there are some disadvantages to using this method. Initial respondents vary enormously in their abilities – for example, some do not know their neighbours; some do not know the geography of their neighbourhood; some only have vague recollections of other people; and some people are reluctant to provide information. Therefore, snowball sampling is sometimes used in conjunction with other sampling methods.

4.5.2.3 Sampling method used in this study

After reviewing the various sampling methods, a combination of two non-probability sampling techniques were selected with a view to draw the sample from the target population, namely convenience sampling and judgement sampling.

According to Tustin *et al.* (2005:346), convenience sampling refers to sampling by obtaining respondents who are most conveniently available. Zikmund and Babin (2010:312) affirm that research looking for cross-cultural differences in organisational or consumer behaviour typically

uses convenience sampling. Aaker *et al.* (2004:388) state that convenience sampling is used to obtain information quickly and inexpensively. Burns and Burns (2008:203) further describe convenience sampling as being uncomplicated and easy to implement. For these reasons, non-probability sampling in the form of convenience sampling was used in this study.

Convenience sampling can be seen as an interviewer questioning people as he meets them on the street or in shopping precincts, and thus the choice of the respondent is left entirely to the judgement of the interviewer (Proctor, 2005:119). For the purposes of this study, respondents were required to be representative of the Black Diamond consumers in Sandton. Therefore, judgement needed to be passed by interviewers/fieldworkers in order to ensure that the respondents were indeed Black and affluent. For this reason, judgement sampling was also employed as a non-probability sampling method in this study, in conjunction with convenience sampling.

4.5.3 Sample size

According to Proctor (2005:127), the size of a sample affects the quality of the research data and it is therefore not simply a question of applying some arbitrary percentage to a specific population. The sample size that needs to be used should reflect the basic characteristics of the population, the type of information required and the costs entailed. The larger the sample size, the greater the precision or reliability; however, practical constraints of time, staff and other costs have a bearing on these (Malhotra & Birks, 2006:77).

The decision about the size of the sample can be very complex indeed. The size of the sample will be influenced by various factors. Struwig and Stead (2007:118-119) describe these factors as follows:

a) The basic characteristics of the population

If the population has certain characteristics that are completely homogenous, a small sample size would suffice. In a population that displays considerable heterogeneity, a larger sample is needed with a view to assess these attributes accurately.

b) The objectives of the research

As research surveys have different objectives, distinguishing the aims of a particular survey is necessary so that the sample size decided upon is sufficient to obtain the required quantity of information.

c) Credibility, time and financial constraints

It is accepted in theory that the larger the size of the sample, the greater the likelihood of its precision or reliability, but there are practical constraints that researchers must acknowledge. Increases in the size of the sample contribute towards greater precision, but inevitably increase the cost of the survey as well as the time required to complete the research.

d) Non-response factor

When sample sizes are considered, a non-response factor should be taken into consideration. This is usually estimated at 25% of the sample size which means that it is necessary to inflate the original sample figure. While this practice preserves the number of the sample size, it does not mitigate bias arising from non-response itself.

e) Statistical precision

In order to calculate the size of a sample, researchers must determine the desired precision level, the desired confidence level as well as an estimate of the degree of variability in the population.

f) Sample size on the basis of judgement

Sample size may be determined on the basis of the judgement of a researcher. Using a sample size similar to the sample sizes used in previous studies provides the experienced researcher with a comparison of other researchers' judgements.

Taking the above factors into consideration, it was decided to use a sample of 200 respondents for the current research. As Struwig and Stead (2007:119) affirm, a sample size of 200 respondents provides an acceptable reflection of the population. The cost and time constraints relevant to conducting this study did not allow for a larger sample size to be drawn from the population. Also, a smaller sample size was avoided, because this could possibly decrease the precision and reliability of the sample (as noted in the listed factors above).

4.5.4 Collecting the data

Questionnaires were distributed from 22 August 2011 to 9 September 2011 by five fieldworkers to Black Diamond consumers in Sandton. The fieldworkers were strategically stationed at various locations in Sandton, and they asked passers-by to participate in the study. The fieldworkers were briefed by the researcher prior to distributing the questionnaires in terms of how respondents should be judged and selected as they passed by. The main criteria were that the respondents needed to be Black and reside in the Sandton area.

4.6 STAGE 5: ANALYSE AND INTERPRET THE DATA

According to Bradley (2007:328), the data must be edited, coded and analysed. Editing the data entails ensuring that answers in the questionnaire are complete, accurate and suitable for further processing. Essentially, editing refers to the elimination of errors in the raw data (Struwig & Stead, 2007:150). Editing for this study was carried out manually, and questionnaires that were incomplete were not taken into consideration. Coding of questions entails the use of numbers associated with the question responses to facilitate data collection and analysis. Numbers have already been allocated to the possible answers prior to distributing the questionnaires, and therefore pre-coding was effectively implemented with the aim of simplifying the data entry and data analysis procedure. The data set was created by using the SAS (SAS, 2007) statistical program. The data set was checked for possible errors before commencing with the statistical analysis.

According to Iacobucci and Churchill (2010:32), raw data is useless unless the findings are analysed and the results interpreted in light of the problem at hand. Data analysis is therefore not an end in itself. Its purpose is to produce information that will help address the problem at hand (Malhotra & Birks, 2006:435). Struwig and Stead (2007:150) indicate that data analysis is a specialised area of research procedures and one should use experts in this field for this. Therefore, it was decided that the data collected in the current study had to be analysed by the Statistical Consultation Services of the North-West University (see appendix B). The analysis and interpretation of the data are briefly discussed below. A more detailed discussion of these aspects is presented in chapter 5.

4.6.1 Reliability

Malhotra and Birks (2006:140) define reliability as the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated. Therefore, reliability refers to the consistency and stability of findings that enables findings to be replicated (Proctor, 2005:208; Burns & Burns, 2008:410). Cooper and Schindler (2008:292) affirm that a measure is reliable to the degree that it supplies consistent results. In other words, reliability means that if the study were to be repeated, it will yield the same results (Bradley, 2007:64; Iacobucci & Churchill, 2010:258). A number of methods for determining reliability exist, namely:

- *Test-retest reliability method.* The test-retest method of determining reliability involves administering the same scale or measure to the same respondents at two separate times in order to test for stability. If the measure is stable over time, the test (which is administered under the same conditions each time) should yield similar results. Ability, skills, knowledge and motivation may change differentially among respondents from test to retest, and materials and technological equipment alter through use and innovation, and therefore, the test-retest method is not always satisfactory (Burns & Burns, 2008:414; Zikmund & Babin, 2010:249).
- *Parallel forms method.* As an alternative to the test-retest reliability method, the parallel forms method can be used, provided there are equivalent forms of measurement or observation. When two equivalent forms of assessment are administered to respondents on the same occasion, these are correlated and a coefficient of equivalence is obtained, which measures the consistency of performance from one specific sampling of content or behaviour to another. However, this method requires substantial amounts of time and effort in order to construct two parallel forms of the same measuring device (Burns & Burns, 2008:415).
- *Internal consistency method.* According to Zikmund and Babin (2010:248-249), the internal consistency method is used by researchers to represent a measure's homogeneity. In other words, the internal consistency method is used to determine a scale's reliability by assessing the commonness of a set of items that measure a particular construct (Burns & Burns, 2008:417; Cooper & Schindler, 2008:294). A method that can be used to determine internal consistency is to use Cronbach's alpha coefficient. Burns and Burns (2008:417) note that Cronbach's alpha indicates if the items in the questionnaire or scale are measuring the same construct. Items that are not measuring what the rest are can be deleted. According to Burns and Burns (2008:417) an alpha of 0.7 is the limit of acceptability for assuming homogeneity of items in a scale.

4.6.1.1 Method used to determine reliability in this study

The internal consistency reliability approach was used to determine the reliability of the data obtained in this study. In order to determine internal consistency, Cronbach's alpha coefficient was determined by using confirmatory factor analysis, because Likert scaling was used in the questionnaire. The convenience and judgement sampling methods applied in this study did not allow for the test-retest or parallel form reliability approaches to be employed.

4.6.2 Validity

The subject of validity is complex and controversial, and quite different to that of reliability. According to Burns and Burns (2008:425), whilst reliability relates to the accuracy and stability of measure, validity relates to the appropriateness of the measure to assess the construct it purports to measure. Tustin *et al.* (2005:296) explain that validity is the term applied to measuring instruments that show the extent to which differences in scores on the measurement reflect true differences among individuals, groups, or situations in the characteristic that they seek to measure, or reflect true differences in the same individual, group, or situation from occasion to another, rather than constant or random errors. Validity of the measure can be determined by looking for evidence of four types of validity, namely:

- *Predictive validity.* In predictive validity, the concern is how well a scale can forecast a future criterion. In order to assess predictive validity, the researcher collects data on the scale at one point in time and data on the criterion variables at a future time. A comparison between the actual and predicted criterion is made for assessing predictive validity (Malhotra & Birks, 2006:315; Iacobucci & Churchill, 2010:256).
- *Content validity.* The content validity of a measuring instrument is the extent to which the instrument provides adequate coverage of the investigative questions guiding the study. If the instrument contains a representative sample of the population of interest, then content validity is good (Cooper & Schindler, 2008:290).
- *Correlational approach.* To determine the extent to which two or more tests relate to each other, one can use correlational techniques. The correlational measures are dependent on the characteristics of the variables. One of the correlational measures which can be used to test validity is the Pearson product-moment correlation coefficient (Struwig & Stead, 2007:140). According to Tustin *et al.* (2005:637), in some instances the Spearman's rho

correlation is used as an ordinal measure. Rho correlates ranks between two ordered variables (Cooper & Schindler, 2008:537).

- *Construct validity.* Construct validity is a type of validity that addresses the question of what construct or characteristic the scale is measuring. An attempt is made to answer theoretical questions as to why a scale works and what deductions can be made concerning the theory underlying the scale (Malhotra & Birks, 2006:315). Iacobucci and Churchill (2010:257) assert that a measure said to be strong on construct validity must be consistent internally, but a consistent measure isn't necessarily one that has construct validity. For example, the items might be measuring the same thing, but they might be measuring something other than what the researcher had hoped they measured.

4.6.2.1 Method used to determine validity in this study

This study used confirmatory factor analysis to confirm construct validity of the questionnaire. To determine whether a factor analysis may be appropriate, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA), which gives an indication of the inter correlations among variables, were computed for each confirmatory factor (Burns & Burns, 2008:454). The communalities were also derived, which is the amount of variance a variable shares with all the other variables being considered (Aaker *et al.*, 2004:570).

4.6.3 Methods and statistical techniques

According to Malhotra and Birks (2006:435) when selecting the methods and statistical techniques to analyse the data, it is important to take into account the properties of the various statistical techniques, particularly their purpose and underlying assumptions. Some statistical techniques are appropriate for examining differences in variables, others for assessing the magnitudes of the relationships between variables, and still others for making predictions. The statistical methods and techniques used in this study are briefly discussed below.

4.6.3.1 Descriptive statistics

Cooper and Schindler (2008:702) define descriptive statistics as techniques used to display characteristics of the location, spread, and shape of a data array. Burns and Burns (2008:7) indicate that the term descriptive statistics relates to the process of collecting, organising, and presenting data in some manner that quickly and easily describes these data; and the numbers

that reduce a mass of data to one or two relatively easily understood values such as averages, percentages and counts. Certain measures such as the mean, mode, standard deviation and range are forms of descriptive statistical analysis used by market researchers to describe the sample data matrix in order to portray the typical respondent and to reveal the general pattern of response (Burns & Bush, 2006:424). According to Bradley (2007:334), descriptive statistics entails using the following techniques:

- Univariate analysis, where only one variable is considered, and where frequency counts are given.
- Bivariate analysis, where two variables are taken at a time and where the pattern between them is inspected.
- Multivariate analysis, where three or more variables are taken at a time, inspecting the pattern between them.

4.6.3.2 Inferential statistics

Inferential statistics is used to make generalisations or assumptions about a whole population from a sample. Zikmund and Babin (2010:325) affirm that the primary purpose of inferential statistics is to make a judgement about a population, or the total collection of all elements about which a researcher seeks information. Data from a sample is always uncertain, but when data is harvested from all elements of a population, certainty is possible. Therefore, the use of inferential statistics allows one to determine whether the findings from a small finite sample are likely to be true for the larger population from which the sample was drawn. According to Burns and Burns (2008:9), the principles of inferential statistics provide a bridge across the chasm that looms between having data about a sample and having a description of a population. Crossing that chasm to tender a description of a population based on an observation of a sample drawn from that population is called generalisation. According to Struwig and Stead (2007:160), inferential statistics can be divided into four major groups, namely those that:

- measure relationships between variables;
- measure the differences between groups that have been randomly assigned;
- provide comparisons between dependent groups; and
- predict group membership.

4.6.3.3 Statistical analyses applied in this study

The results of the data analysis are presented in chapter 5. However, a brief overview of the statistical analyses that were used to obtain the results is given below.

The following descriptive statistic analyses were performed in this study:

- **Frequency distribution and percentage distribution**

Frequency distribution can be described as a mathematical distribution whose objective is to obtain a count of the number of responses associated with different values of one variable and to express these counts in percentage terms (Malhotra & Birks, 2006:448). According to Burns and Bush (2006:432) frequencies themselves are raw counts, and normally these frequencies are converted into percentages for ease of comparison. The conversion is arrived at very simply through a quick division of the frequency for each value by the total number of observations for all the values, resulting in a percent, called a percentage distribution.

- **Means**

Proctor (2005:286) defines the mean as a commonly used average in marketing research and can be understood as the sum total of values divided by the number of cases. The mean is simply the arithmetic average, and it is a common measure of central tendency. The mean can sometimes be misleading, particularly when extreme values or outliers are present (Zikmund & Babin, 2010:329). Burns and Bush (2006:430) provide the following formula for the mean:

$$\bar{X} = \frac{\sum_{i=1}^n X_i}{n}$$

Where:

- \bar{X} = mean
- n = the number of cases
- X_i = each individual value
- Σ = signifies that all the individual values are summed

- **Standard deviations for individual items of the questionnaire**

Burns and Burns (2008:131) describe the standard deviation as the amount of spread that the scores exhibit around the mean. The standard deviation is the square root of the variance for a distribution, and is used to eliminate the drawback of having the measure of dispersion in squared units rather than in the original measurement units (Zikmund & Babin, 2010:332). Burns and Burns (2008:131) abbreviate standard deviation as SD.

- **Factor analysis**

Malhotra and Birks (2006:22) explain that factor analysis is a general name denoting a class of procedures primarily used for data reduction and summarisation. In marketing research, there may be a large number of variables, most of which are correlated and which must be reduced to a manageable level. Tustin *et al.* (2005:668) concur that factor analysis is used to find latent variables or factors among observed variables. Factor analysis groups variables with similar characteristics. With factor analysis, one can produce a small number of factors from a large number of variables which are capable of explaining the observed variances of the larger number of variables.

It is impossible to observe these factors directly. According to Bradley (2007:336), a factor loading shows how close an indicator is to the factor. It signifies the degree to which each variable correlates with a factor:

- A very high factor loading (>0.6) indicates that the variable describes the factor very well.
- A high factor loading (>0.3) indicates that the variable describes the factor fairly well.
- Low factor loading (<0.3) should be ignored.

The factors are then rotated to arrange the indicators so that each one loads highly on just one factor. In this study, the factor loadings were used to obtain the Cronbach alphas, which were used to test reliability. According to Crouch and Housden (2003:235), Cronbach's alpha correlation coefficient can have a maximum value of +1 and a minimum value of -1. Perfect positive correlation between two sets of variables is indicated by +1; and if the two variables were to indicate a perfect relationship, but in opposite directions, then the correlation coefficient would be -1. According to Burns and Burns (2008:417) an alpha of 0.7 is the limit of acceptability for assuming homogeneity of items in a scale. The results obtained from the factor analysis in this study are presented in chapter 5.

- **Pearson product-moment correlation coefficient**

Pearson's correlation coefficients were calculated to determine if linear relationships existed between consumer ethnocentrism, fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. Tustin *et al.* (2005:638) and Malhotra and Birks (2006:20) assert that this is the most widely used measure of association for examining the strength of relationships between variables. The Pearson correlation coefficient varies over a range of +1 through 0 to -1, and the designation *r* symbolises the coefficient's estimate of linear association based on sampling data (Cooper & Schindler, 2008:510). According to Iacobucci and Churchill (2010:452), perfect positive correlation, where an increase in one variable determines exactly an increase in another variable, yields a coefficient of +1. Perfect negative correlation, where an increase in one variable determines exactly a decrease in another variable yields a coefficient of -1. Burns and Bush (2006:545) assert that Pearson's correlation coefficient not only indicates the degree of association but also the direction of the relationship. Negative correlation coefficients reveal that the relationship is opposite: as one variable increases, the other variable decreases. Positive correlation coefficients reveal that the relationship is increasing: larger quantities of one variable are associated with larger quantities of another variable. According to Tustin *et al.* (2005:639), two final points concerning Pearson's correlation coefficient need to be emphasised:

- It assumes that the joint distribution of the variables in the population is normal.
- Some additional interpretation skills are required.

The formula for calculating Pearson's *r* is (Cooper & Schindler, 2008:513):

$$r = \frac{\sum xy}{(N-1)S_x S_y}$$

Where:

- *r* = Pearson's product-moment correlation coefficient
- *N* = the number of pairs of cases
- *s_xs_y* = the standard deviations for X and y

The following guidelines were used for practical interpretation of the strength of Pearson's correlation coefficients, *r* (Burns & Burns, 2008:241):

- A small effect size: $r = 0.2$
- A medium effect size (noticeable with the naked eye): $r = 0.5$
- A large effect size (practically significant): $r = 0.8$

- **Cohen's effect size conventions**

As a result of the fact that non-random sampling was done, interpretation of comparisons between group means were done according to Cohen's effect sizes, d . According to Burns and Burns (2008:238) measures of effect sizes reflect how large the effect of an independent variable was. What is needed to measure effect sizes is an indicator that reflects the strength of the relationship between the independent and the dependent variables, that is independent of sample size. The following guidelines were used for Cohen's d -values regarding differences between means (Burns & Burns, 2008:240):

- A small effect size: $d = 0.2$
- A medium effect size (noticeable with the naked eye): $d = 0.3$
- A large effect size (practically significant): $d \geq 0.8$

4.7 STAGE 6: PREPARE THE RESEARCH REPORT

Chapter 5 will report on the findings of the study, followed by chapter 6 in which conclusions will be drawn from the findings of this study.

4.8 CONCLUSION

The methodology that was used in this study has been described in this chapter by discussing each stage of the marketing research process. The choices and reasons for the methodology used in this study were noted with reference to the available alternatives at the respective stages of the marketing research process. The results and findings obtained from the marketing research process employed in this study will be presented in chapter 5.

CHAPTER 5

REPORTING OF RESULTS

5.1 INTRODUCTION

Chapter 5 presents the results obtained from the study after following the research methodology as set out in chapter 4. Firstly, the sample profile is sketched by means of the demographic profiles of respondents. The remainder of the chapter proceeds in terms of the sequence of the sections in the questionnaire. The results obtained for each section in the questionnaire will be presented.

5.2 RESULTS OBTAINED FROM SECTION A OF THE QUESTIONNAIRE

The information obtained from section A of the questionnaire was used to compile the demographic profiles of respondents.

5.2.1 Demographic profiles of respondents

The demographic profiles were determined in terms of age, monthly income, marital status, gender, and level of education. In this chapter the symbol “F” is the abbreviation for frequency and the symbol “%” will be used to refer to percentage.

A total sample of 200 was realised. However, due to a few questions in the questionnaire being left unanswered by respondents, the frequency count for each question in section A of the questionnaire varies between 195 and 200 respondents. Table 5.1 presents a summary of the demographic information used to construct the sample profile.

Table 5.1: Demographic profile of respondents

Variables		F	%
Age	Younger than 20	45	22.5
	20 to 29 years	53	26.5
	30 to 39 years	37	18.5
	40 to 49 years	34	17.0
	50 to 59 years	25	12.5
	60 to 69 years	4	2.0
	70 and older	2	1.0
Total		200	100
Frequency missing		0	0
Monthly income	Less than R10,000	55	28.1
	R10 - R19,999	60	30.6
	R20 - R29,999	45	23.0
	R30 - R39,999	26	13.3
	R40,000 or more	10	5.1
Total		196	100
Frequency missing		4	0
Marital status	Single	85	43.6
	Married	72	36.9
	Living together	38	19.5
Total		195	100
Frequency missing		5	0
Gender	Male	117	60.0
	Female	78	40.0
Total		195	100
Frequency missing		5	0
Highest level of education	Primary completed	2	1.0
	Some high school	21	10.6
	Matric	51	25.6
	Technical diploma/degree	54	27.1
	University degree/ Postgraduate	62	31.2
	Other	9	4.5
Total		199	100
Frequency missing		1	0

With regard to demographic variables, the sample mainly consists of respondents who are between 20 and 59 years of age [74.5% (26.5% + 18.5% + 17.0% +12.5%)]. 22.5% of respondents were younger than 20 years old, and only 3% of respondents were older than 60.

The majority of respondents earn an income of between R10,000 and R39,999 per month [66.9% (30.6% + 23.0% + 13.3%)] with 28.1% of respondents earning an income of less than R10,000 per month and 5.1% of respondents earning more than R40,000 per month. Most of the respondents were either married or living together [56.4% (36.9% + 19.5%)]. More male respondents (60.0%) than female respondents (40.0%) participated in the study. Concerning the level of education of respondents, 31.2% had a university or postgraduate degree, 27.1% had a technical diploma or degree, and 25.6% had a matric qualification.

5.3 RESULTS OBTAINED FROM SECTION B OF THE QUESTIONNAIRE

The purpose of section B of the questionnaire was to determine the level of consumer ethnocentrism among respondents by using an adapted version of the CETSCALE (see section 4.4.4.4). The following section presents a discussion of the results obtained for section B of the questionnaire.

5.3.1 Reliability of section B: Cronbach alpha value for section B

In order to determine the reliability of the questionnaire, the Cronbach alpha values are derived with a view to determine the homogeneity or correlation between items in a scale. These values are then used to establish the internal reliability of the data. Confirmatory factor analysis was used to derive the overall Cronbach alpha value for the adapted version of the CETSCALE that was used to measure the level of consumer ethnocentrism among respondents in section B of the questionnaire. Table 5.2 presents the overall Cronbach alpha value for the adapted version of the CETSCALE used in the questionnaire.

Table 5.2: Cronbach alpha reliability coefficient for section B of the questionnaire

Construct	Cronbach alpha
Consumer ethnocentrism	0.89

As indicated in table 5.2, the Cronbach alpha value is > 0.7 indicating a high level of reliability between items in the adapted version of the CETSCALE that was used to measure consumer ethnocentrism in section B of the questionnaire.

Main finding B1: The items in the adapted version of the CETSCALE are reliable to measure the level of consumer ethnocentrism among respondents.

5.3.2 Validity of section B: Factor analysis of section B

Confirmatory factor analysis was used to determine the validity of the items in the adapted version of the CETSCALE. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (from hereon referred to as MSA) was used to examine the appropriateness of the factor analyses. The communalities were also derived; these refer to the amount of variance a variable shares with all the other variables being considered.

The adapted version of the CETSCALE in section B of the questionnaire consisted of items B1-B17. When a confirmatory factor analysis was done using the items in the adapted version of the CETSCALE, four factors were retained which explained 59.45% of the variance in these items. The MSA was 0.87. The communalities varied between 0.40 and 0.75. The construct validity of the adapted version of the CETSCALE used in the questionnaire was thus confirmed.

Main finding B2: The confirmatory factor analysis showed that the adapted version of the CETSCALE used in section B of the questionnaire is valid to measure the level of consumer ethnocentrism among respondents.

5.3.3 The level of consumer ethnocentrism among respondents

The adapted version of the CETSCALE made use of a 7-point Likert scale to rate the response to each item (see section 4.4.4.4). Four independent groups were identified as follows:

- Respondents who responded between 1 and 3 were placed in a group representing low levels of consumer ethnocentrism.
- Respondents who responded between 3 and 4 were placed in a group representing moderately low levels of consumer ethnocentrism.
- Respondents who responded between 4 and 5 were placed in a group representing moderately high levels of consumer ethnocentrism.
- Respondents who responded between 5 and 7 were placed in a group representing high levels of consumer ethnocentrism.

The mean and standard deviation (SD) derived from the response of respondents with regard to this section of the questionnaire is listed in table 5.3.

Table 5.3: Mean and standard deviation of consumer ethnocentrism

Construct	Mean	SD
Consumer ethnocentrism	4.21	1.12

From table 5.3 it can be seen that a moderately high level (mean=4.21) of consumer ethnocentrism exists among respondents. The standard deviation (SD=1.12) is relatively low, indicating that respondents did not differ much in their response to this section of the questionnaire.

Main finding B3: A moderately high level of consumer ethnocentrism was found to exist among respondents.

5.4 RESULTS OBTAINED FROM SECTION C OF THE QUESTIONNAIRE

The purpose of section C of the questionnaire was to determine the lifestyle of respondents in terms of six respective lifestyle dimensions, namely: fashion consciousness; self-consciousness; health consciousness; homemaking; community orientation; and cost-consciousness. The AIO approach (see section 4.4.4.5) was used in the questionnaire to measure the level of lifestyle dimensions among respondents. A battery of statements concerning each lifestyle construct was used to measure the level of the respective lifestyle dimensions (fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness). The level of each lifestyle dimension was determined, and the results obtained for section C of the questionnaire are discussed below.

5.4.1 Reliability of section C: Cronbach alpha values for section C

Confirmatory factor analysis was used to derive the overall Cronbach alpha values for each of the factors retained in section C of the questionnaire to measure the respective lifestyle constructs. Table 5.4 presents the overall Cronbach alpha value for each lifestyle construct.

Table 5.4: Cronbach alpha reliability coefficient for section C of the questionnaire

Construct	Cronbach alpha
Fashion consciousness	0.79
Self-consciousness	0.81
Health consciousness	0.77
Homemaking	0.74

Community orientation	0.89
Cost-consciousness	0.70

As can be observed in table 5.4, the Cronbach alpha value of each lifestyle construct is ≥ 0.7 indicating a high level of reliability between items in each battery of statements that measured the levels of the respective lifestyle constructs.

Main finding C1: The batteries of statements used in section C of the questionnaire to measure the 6 factors are reliable measures.

5.4.2 Validity of section C: Factor analysis of section C

Confirmatory factor analysis was used to determine the validity of the statements aimed at measuring the level of each lifestyle construct in section C of the questionnaire. The MSA was used to examine the appropriateness of the factor analyses. The communalities were also derived; these refer to the amount of variance a variable shares with all the other variables being considered.

The statements used to measure the level of the first lifestyle construct (fashion consciousness) consisted of items C1.1 - C1.10. When a confirmatory factor analysis was done using these items, two factors were retained which explained 52.94% of the variance in these items. The MSA was 0.81. The communalities varied between 0.38 and 0.75. The construct validity of the statements used to measure the level of fashion consciousness was thus confirmed.

The statements used to measure the level of the second lifestyle construct (self-consciousness) consisted of items C2.1 – C2.10. When a confirmatory factor analysis was done using these items, two factors were retained which explained 51.65% of the variance in these items. The MSA was 0.84. The communalities varied between 0.39 and 0.63. The construct validity of the statements used to measure the level of self-consciousness was thus confirmed.

The statements used to measure the level of the third lifestyle construct (health consciousness) consisted of items C3.1 – 3.4. When a confirmatory factor analysis was done using these items one factor was retained, which explained 59.65% of the variance in these items. The MSA was 0.71. The communalities varied between 0.48 and 0.70. The construct validity of the statements used to measure the level of health consciousness was thus confirmed.

The statements used to measure the level of the fourth lifestyle construct (homemaking) consisted of items C4.1 – C4.7. When a confirmatory factor analysis was done using these

items, two factors were retained which explained 59.18% of the variance in these items. The MSA was 0.75. The communalities varied between 0.51 and 0.71. The construct validity of the statements used to measure the level of homemaking was thus confirmed.

The statements used to measure the level of the fifth lifestyle construct (community orientation) consisted of items C5.1 – C5.4. When a confirmatory factor analysis was done using these items, one factor was retained, which explained 75.52% of the variance in these items. The MSA was 0.82. The communalities varied between 0.69 and 0.81. The construct validity of the statements used to measure the level of community orientation was thus confirmed.

The statements used to measure the level of the sixth lifestyle construct (cost-consciousness) consisted of items C6.1 – C6.5. When a confirmatory factor analysis was done using these items, two factors were retained which explained 69.38% of the variance in these items. The MSA was 0.75. The communalities varied between 0.58 and 0.95. The construct validity of the statements used to measure the level of cost-consciousness was thus confirmed.

Main finding C2: The confirmatory factor analysis showed that the retained factors in section C of the questionnaire are valid for measuring the level of lifestyle constructs of respondents (fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness).

5.4.3 Lifestyle dimensions

The AIO measurement scale that was used in the questionnaire to measure the levels of various lifestyle dimensions made use of a 5-point Likert scale to rate the response to each AIO statement (see section 4.4.4.5). Four independent groups were identified as follows:

- Respondents who responded between 1 and 2 were placed in a group representing low levels of agreement.
- Respondents who responded between 2 and 3 were placed in a group representing moderately low levels of agreement.
- Respondents who responded between 3 and 4 were placed in a group representing moderately high levels of agreement.
- Respondents who responded between 4 and 5 were placed in a group representing high levels of agreement.

The mean and standard deviation (SD) derived from the response of respondents with regard to this section of the questionnaire are listed in table 5.5.

Table 5.5: Mean and standard deviation of lifestyle constructs

CONSTRUCT	MEAN	SD
Fashion consciousness	3.00	0.78
Self-consciousness	3.57	0.70
Health consciousness	3.13	1.03
Homemaking	2.84	0.83
Community orientation	2.11	1.16
Cost-consciousness	3.04	0.93

Table 5.5 indicates that a moderately high level (mean=3.00) of fashion consciousness was found among respondents. It was found that a moderately high level (mean=3.57) of self-consciousness and a moderately high level (mean=3.13) of health consciousness exist among respondents. A low level interest (mean=2.84) in homemaking and a low level (mean=2.11) of community orientation were found among respondents. Furthermore, it was found that a moderately high level (mean=3.04) of cost-consciousness exists among respondents. The standard deviation of all lifestyle constructs was relatively low, indicating that there was little difference in response from respondents.

Main finding C3: A moderately high level of fashion consciousness was found among respondents.

Main finding C4: A moderately high level of self-consciousness was found among respondents.

Main finding C5: A moderately high level of health consciousness was found among respondents.

Main finding C6: A low level interest in homemaking was found among respondents.

Main finding C7: A low level of community orientation was found among respondents.

Main finding C8: A moderately high level of cost-consciousness was found among respondents.

5.5 THE UNDERLYING RELATIONSHIPS BETWEEN CONSUMER ETHNOCENTRISM AND THE LIFESTYLE DIMENSIONS

Pearson product-moment correlation coefficients (see section 4.6.3.3) were determined in order to identify the underlying linear relationships between the constructs of consumer ethnocentrism (CE) and the various lifestyle dimensions, namely fashion consciousness (FC), self-consciousness (SC), health consciousness (HC), homemaking (H), community orientation (CO) and cost-consciousness (CC). Table 5.6 shows the correlations that emerged between the various constructs.

Table 5.6: Pearson correlation coefficients between consumer ethnocentrism and the lifestyle dimensions of respondents

CONSTRUCTS	CE	FC	SC	HC	H	CO	CC
Consumer Ethnocentrism	1	0.13	0.03	0.30 ^Δ	0.14	0.11	0.05
Fashion Consciousness	0.13	1	0.33 ^Δ	0.30 ^Δ	0.20	0.34 ^Δ	0.22
Self-consciousness	0.03	0.33 ^Δ	1	0.19	0.09	0.10	0.13
Health Consciousness	0.30 ^Δ	0.30 ^Δ	0.19	1	0.50 ^{ΔΔ}	0.50 ^{ΔΔ}	0.21
Homemaking	0.14	0.20	0.09	0.50 ^{ΔΔ}	1	0.51 ^{ΔΔ}	0.30 ^Δ
Community Orientation	0.11	0.34 ^Δ	0.10	0.50 ^{ΔΔ}	0.51 ^{ΔΔ}	1	0.40 ^Δ
Cost-consciousness	0.05	0.22	0.13	0.21	0.30 ^Δ	0.40 ^Δ	1

^Δ Medium effect in practice

^{ΔΔ} Large effect in practice and also practically significant

As can be deduced from table 5.6, a correlation with medium effect was found between consumer ethnocentrism and health consciousness. No correlations with medium effect, or any significant correlations, were found between consumer ethnocentrism and the other lifestyle dimensions, namely fashion consciousness, self-consciousness, homemaking, community orientation and cost-consciousness.

Main finding D1: No practically significant correlations were found to exist between consumer ethnocentrism and the lifestyle dimensions of respondents.

5.6 THE UNDERLYING RELATIONSHIPS BETWEEN THE VARIOUS LIFESTYLE DIMENSIONS

Pearson product-moment correlation coefficients (see section 4.6.3.3) were determined in order to identify the underlying linear relationships between the various lifestyle dimensions of

respondents, namely fashion consciousness (FC), self-consciousness (SC), health consciousness (HC), homemaking (H), community orientation (CO) and cost-consciousness (CC). Table 5.7 shows the correlations that emerged between the various lifestyle dimensions.

Table 5.7: Pearson correlation coefficients between the various lifestyle dimensions

CONSTRUCTS	FC	SC	HC	H	CO	CC
FC	1	0.33 ^Δ	0.30 ^Δ	0.20	0.34 ^Δ	0.22
SC	0.33 ^Δ	1	0.19	0.09	0.10	0.13
HC	0.30 ^Δ	0.19	1	0.50 ^{ΔΔ}	0.50 ^{ΔΔ}	0.21
H	0.20	0.09	0.50 ^{ΔΔ}	1	0.51 ^{ΔΔ}	0.30 ^Δ
CO	0.34 ^Δ	0.10	0.50 ^{ΔΔ}	0.51 ^{ΔΔ}	1	0.40 ^Δ
CC	0.22	0.13	0.21	0.30 ^Δ	0.40 ^Δ	1

^Δ Medium effect in practice

^{ΔΔ} Large effect in practice and also practically significant

As can be deduced by looking at table 5.7, correlations with medium effect were found between fashion consciousness and self-consciousness, health consciousness and community orientation. A correlation of medium effect was found between self-consciousness and fashion consciousness. Practically significant correlations were found between health consciousness and the lifestyle constructs of homemaking and community orientation, as well as a correlation of medium effect with fashion consciousness. Homemaking shares a practically significant correlation with health consciousness and community orientation, and also a correlation of medium effect with cost-consciousness. Community orientation shows a practically significant correlation with health consciousness and homemaking, as well as a correlation of medium effect with fashion consciousness and cost-consciousness. A correlation of medium effect was found between cost-consciousness and homemaking and community orientation.

Main finding D2: A practically significant correlation was found between health consciousness and the lifestyle dimensions of homemaking and community orientation.

Main finding D3: A practically significant correlation was found between homemaking and the lifestyle dimensions of health consciousness and community orientation.

Main finding D4: A practically significant correlation was found between community orientation and the lifestyle dimensions of health consciousness and homemaking.

5.7 THE DIFFERENCE IN PERCEPTIONS OF CONSUMER ETHNOCENTRISM AND THE LIFESTYLE DIMENSIONS OF RESPONDENTS WITH REGARD TO THEIR DEMOGRAPHIC DIFFERENCES

In order to determine if statistically significant differences exist between respondents in terms of their demographic differences, and also with reference to their perceptions of consumer ethnocentrism and the various lifestyle dimensions, Cohen's effect sizes were determined (see section 4.6.3.3). Initial analyses indicated no statistically significant differences for four of the five demographic variables (income, marital status, gender and level of education), when comparing the perceptions of respondents regarding consumer ethnocentrism and the six lifestyle dimensions measured in this study. However, statistically significant differences were found between respondents' perceptions when comparing their different age categories to consumer ethnocentrism (CE) and the six lifestyle dimensions, namely fashion consciousness (FC), self-consciousness (SC), health consciousness (HC), homemaking (H), community orientation (CO) and cost-consciousness (CC). The age categories are as follows: (1) = younger than 20 years; (2) = 20 to 29 years; (3) = 30 to 39 years; (4) = 40 to 49 years; (5) = 50 to 59 years; (6) = 60 and older.

Main finding E1: The demographic variables of respondents, namely income, marital status, gender and level of education, do not influence respondents' perceptions of consumer ethnocentrism and the lifestyle dimensions of fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness.

Main finding E2: Respondents' perception of consumer ethnocentrism and the lifestyle dimensions of fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness, differ according to the various age categories of respondents.

Table 5.8 exhibits the mean, standard deviation (SD) and d-value (effect size) when comparing the perceptions of respondents by examining the demographic variable (age) for which statistical significance was found when compared to consumer ethnocentrism and the six lifestyle dimensions.

Table 5.8: Cohen's effect sizes of the difference in perceptions of consumer ethnocentrism and the lifestyle dimensions of respondents with regard to their age categories

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
CE	(1)	45	4.35	1.21		-	0.39	0.07	0.02	0.19	0.80 ^{ΔΔ}
	(2)	53	3.88	1.01		0.39	-	0.34	0.50 ^Δ	0.61 ^Δ	0.43
	(3)	37	4.27	1.13		0.07	0.34	-	0.09	0.27	0.72 ^Δ
	(4)	34	4.37	1.07		0.02	0.50 ^Δ	0.09	-	0.18	0.86 ^{ΔΔ}
	(5)	25	4.58	1.14		0.19	0.61 ^Δ	0.27	0.18	-	1.00 ^{ΔΔ}
	(6)	6	3.45	0.93		0.80 ^{ΔΔ}	0.43	0.72 ^Δ	0.86 ^{ΔΔ}	1.00 ^{ΔΔ}	-

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
FC	(1)	45	2.73	0.71	5-1	-	0.37	0.40	0.30	1.08 ^{ΔΔ}	0.04
	(2)	53	3.02	0.78		0.37	-	0.04	0.08	0.64 ^Δ	0.41
	(3)	37	3.05	0.80		0.40	0.04	-	0.12	0.59 ^Δ	0.44
	(4)	34	2.95	0.76		0.30	0.08	0.12	-	0.80 ^{ΔΔ}	0.33
	(5)	25	3.52	0.73		1.08 ^{ΔΔ}	0.64 ^Δ	0.59 ^Δ	0.80 ^{ΔΔ}	-	1.12 ^{ΔΔ}
	(6)	6	2.70	0.56		0.04	0.41	0.44	0.33	1.12 ^{ΔΔ}	-

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
SC	(1)	45	3.57	0.65		-	0.03	0.18	0.06	0.21	0.30
	(2)	53	3.59	0.76		0.03	-	0.20	0.09	0.15	0.28
	(3)	37	3.44	0.73		0.18	0.20	-	0.12	0.37	0.43
	(4)	34	3.53	0.71		0.06	0.09	0.12	-	0.25	0.34
	(5)	25	3.71	0.56		0.21	0.15	0.37	0.25	-	0.17
	(6)	6	3.88	1.04		0.30	0.28	0.43	0.34	0.17	-

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
HC	(1)	45	3.23	0.92		-	0.12	0.03	0.39	0.15	0.32
	(2)	53	3.08	1.20		0.12	-	0.10	0.18	0.25	0.17
	(3)	37	3.20	1.03		0.03	0.10	-	0.32	0.18	0.29
	(4)	34	2.87	0.89		0.39	0.18	0.32	-	0.50 ^Δ	0.01
	(5)	25	3.38	1.02		0.15	0.25	0.18	0.50 ^Δ	-	0.50 ^Δ
	(6)	6	2.88	1.12		0.32	0.17	0.29	0.01	0.50 ^Δ	-

Table 5.8: Cohen's effect sizes of the difference in perception of consumer ethnocentrism and the lifestyle dimensions of respondents with regard to their age categories (continued)

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
H	(1)	44	2.79	0.78		-	0.06	0.23	0.01	0.16	0.59 ^Δ
	(2)	53	2.85	0.94		0.06	-	0.14	0.04	0.08	0.54 ^Δ
	(3)	37	2.98	0.82		0.23	0.14	-	0.21	0.07	0.80 ^{ΔΔ}
	(4)	34	2.81	0.77		0.01	0.04	0.21	-	0.15	0.62 ^Δ
	(5)	25	2.92	0.74		0.16	0.08	0.07	0.15	-	0.80 ^{ΔΔ}
	(6)	6	2.33	0.61		0.59 ^Δ	0.54 ^Δ	0.80 ^{ΔΔ}	0.62 ^Δ	0.80 ^{ΔΔ}	-

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
CO	(1)	44	2.06	1.10		-	0.01	0.26	0.22	0.21	0.25
	(2)	53	2.08	1.30		0.01	-	0.21	0.20	0.18	0.22
	(3)	37	2.35	1.12		0.26	0.21	-	0.50 ^Δ	0.03	0.50 ^Δ
	(4)	34	1.82	1.02		0.22	0.20	0.50 ^Δ	-	0.41	0.03
	(5)	25	2.32	1.22		0.21	0.18	0.03	0.41	-	0.43
	(6)	6	1.79	0.84		0.25	0.22	0.50 ^Δ	0.03	0.43	-

Construct	Age category	N	Mean	SD	Comparison significant at the 0.05 level*	d-value					
						(1)	(2)	(3)	(4)	(5)	(6)
CC	(1)	44	2.98	0.85		-	0.10	0.17	0.08	0.33	0.27
	(2)	53	3.08	0.94		0.10	-	0.26	0.01	0.20	0.15
	(3)	37	2.82	0.99		0.17	0.26	-	0.24	0.50 ^Δ	0.40
	(4)	34	3.07	1.04		0.08	0.01	0.24	-	0.19	0.14
	(5)	25	3.27	0.81		0.33	0.20	0.50 ^Δ	0.19	-	0.06
	(6)	6	3.22	0.66		0.27	0.15	0.40	0.14	0.06	-

*Tukey's comparison significant at the 0.05 level

^Δ Medium effect in practice

^{ΔΔ} Large effect in practice and also practically significant

From table 5.8 it is clear that medium and significant effect sizes were obtained between the age categories of respondents and the constructs of consumer ethnocentrism, fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. These differences are subsequently discussed in greater detail, and the relevant constructs are listed together with an indication of how the perceptions of

respondents towards the respective construct differed with regard to their various age categories.

- **Consumer ethnocentrism (CE)**

There was a practically significant difference between age categories 1 and 6 concerning the level of consumer ethnocentrism. Age category 1 (mean=4.35) was significantly more consumer ethnocentric than age category 6 (mean=3.45).

There was a difference of medium effect, and thus noticeable with the naked eye, between age category 2 (mean=3.88) and age category 4 (mean=4.37), as well as between age category 2 and age category 5 (mean=4.58), which indicates that age categories 4 and 5 were more consumer ethnocentric than age category 2 with a medium effect.

There was a difference of medium effect between age categories 3 and 6 concerning the level of consumer ethnocentrism. Age category 3 (mean=4.27) was more consumer ethnocentric than age category 6 (mean=3.45), with medium effect.

There was a practically significant difference between age categories 4 and 6 concerning the level of consumer ethnocentrism. Age category 4 (mean=4.37) was significantly more consumer ethnocentric than age category 6 (mean=3.45).

There was a practically significant difference between age categories 5 and 6 concerning the level of consumer ethnocentrism. Age category 5 (mean=4.58) was significantly more consumer ethnocentric than age category 6 (mean=3.45).

- **Fashion consciousness (FC)**

There was a practically significant difference between age categories 1 and 5 concerning the level of fashion consciousness. Age category 1 (mean=2.73) was significantly less fashion conscious than age category 5 (mean=3.52).

There was a difference of medium effect between age categories 2 and 5 concerning the level of fashion consciousness. Age category 2 (mean=3.02) was less fashion conscious than age category 5 (mean=3.52), with medium effect.

There was a difference of medium effect between age categories 3 and 5 concerning the level of fashion consciousness. Age category 3 (mean=3.05) was less fashion conscious than age category 5 (mean=3.52), with medium effect.

There was a practically significant difference between age categories 4 and 5 concerning the level of fashion consciousness. Age category 4 (mean=2.95) was significantly less fashion conscious than age category 5 (mean=3.52).

There was a practically significant difference between age categories 5 and 6 concerning the level of fashion consciousness. Age category 5 (mean=3.52) was significantly more fashion conscious than age category 6 (mean=2.70).

- **Self-consciousness (SC)**

As can be deduced from table 5.7, no differences of medium effect or statistically significant differences were found between the various age categories of respondents as compared to respondents' levels of self-consciousness. For this reason, respondents do not differ in their perception of the lifestyle dimension of self-consciousness in terms of their various age categories.

- **Health consciousness (HC)**

There was a difference of medium effect between age categories 4 and 5 concerning the level of health consciousness. Age category 4 (mean=2.87) was less health conscious than age category 5 (mean=3.38), with medium effect.

There was a difference of medium effect between age categories 5 and 6 concerning the level of health consciousness. Age category 5 (mean=3.38) was more health conscious than age category 6 (mean=2.88).

- **Homemaking (H)**

There was a difference of medium effect between age categories 1 and 6 concerning the level of homemaking. Age category 1 (mean=2.79) showed a higher interest in homemaking than age category 6 (mean=2.33).

There was a difference of medium effect between age categories 2 and 6 concerning the level of homemaking. Age category 2 (mean=2.85) showed a higher interest in homemaking than age category 6 (mean=2.33).

There was a practically significant difference between age categories 3 and 6 concerning the level of homemaking. Age category 3 (mean=2.98) showed a significantly higher interest in homemaking than age category 6 (mean=2.33).

There was a difference of medium effect between age categories 4 and 6 concerning the level of homemaking. Age category 4 (mean=2.81) showed a higher interest in homemaking than age category 6 (mean=2.33).

There was a practically significant difference between age categories 5 and 6 concerning the interest level in homemaking. Age category 5 (mean=2.92) showed a significantly higher interest in homemaking than age category 6 (mean=2.33).

- **Community orientation (CO)**

There was a difference of medium effect between age category 3 (mean=2.35) and age category 4 (mean=1.82), as well as between age category 3 and age category 6 (mean=1.79); these results indicate that age categories 4 and 6 were less community orientated than age category 3, with a medium effect.

- **Cost-consciousness (CC)**

There was a difference of medium effect between age categories 3 and 5 concerning the level of cost-consciousness. Age category 3 (mean=2.82) showed a lower level of cost-consciousness than age category 5 (mean=3.22), with medium effect.

In conclusion, only the practically significant results were regarded as main findings from this section of the study.

Main finding E3: Respondents who are younger than 20 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age.

Main finding E4: Respondents between 40 and 49 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age.

Main finding E5: Respondents between 50 and 59 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age.

Main finding E6: Respondents who are younger than 20 years of age are significantly less fashion conscious than respondents who are between 50 and 59 years of age.

Main finding E7: Respondents who are between 40 and 49 years of age are significantly less fashion conscious than respondents who are between 50 and 59 years of age.

Main finding E8: Respondents who are between 50 and 59 years of age are significantly more fashion conscious than respondents who are older than 60 years of age.

Main finding E9: Respondents who are between 30 and 39 years of age have a significantly higher interest in homemaking than respondents who are older than 60 years of age.

Main finding E10: Respondents who are between 50 and 59 years of age have a significantly higher interest in homemaking than respondents who are older than 60 years of age.

5.8 CONCLUSION

This chapter presented the results of this study regarding the influence of consumer ethnocentrism and lifestyle on the buying behaviour of respondents. The main findings obtained from each section of the questionnaire were presented. The results were discussed in the same order the questions appeared in each section of the questionnaire used in this study. The next chapter will provide a discussion of the results presented in this chapter.

CHAPTER 6

OVERVIEW, CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

6.1 INTRODUCTION

In this chapter, an overview of the research study is offered and conclusions pertaining to consumer ethnocentrism and lifestyle among Black Diamonds in Sandton are presented. Recommendations on how marketers and organisations can effectively target the Black Diamond consumer segment, in view of the findings of the empirical study, are also provided. In conclusion to this chapter, the limitations of the study and directions for future research are set out.

6.2 OVERVIEW

The primary objective of this study was to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton. In support of the primary objective of this study, the literature review included a discussion of the central concepts of consumer behaviour, culture, consumer ethnocentrism, segmentation, and lifestyle.

Consumer behaviour (discussed in chapter 2) refers to the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs (Dumitrescu & Vinerean, 2010:757). With regard to this study, consumer behaviour was analysed in terms of the consumer decision-making process, and specifically with reference to the various psychological and group factors that affect Black Diamonds' buying behaviour and decision-making. Smith and Rupp (2003:430) note that considering group factors when developing market strategies is extremely useful; this strategy serves as an aid to both academics and practitioners in order to frame, and eventually understand, the processes behind consumer decision-making and buying behaviour. For this reason, culture was examined as a group factor in terms of consumer ethnocentrism. From this discussion it became clear that some consumers may find it inappropriate or immoral to purchase foreign-made products (Sheth & Mittal, 2004:202; Vida *et al.*, 2008:329; Rose *et al.*, 2009:331). As a result, the level of consumer ethnocentrism among Black Diamonds was measured by using an adapted version of the CETSCALE, which had been developed and tested by Shimp and Sharma (1987). The measurement of Black Diamonds' level of consumer ethnocentrism can be seen as an identifiable characteristic that will aid marketers to describe and target this segment of consumers.

In order for marketers to develop a clearer focus of consumer characteristics and needs, market segmentation (discussed in chapter 3) is necessary. Market segmentation facilitates corporate decision-making towards an improved competitive advantage (Geraghty & Torres, 2009:145). Van Rensburg and De Meyer (2007:65) affirm that market segmentation can be described as the process by means of which an organisation divides the total market into groups of consumers who have common needs or characteristics. Market segmentation therefore enables marketers to focus their attention and marketing efforts on specific segments of the total market (like the Black Diamond segment), thus gaining a better understanding of consumers' needs. Marketers can then devise customised marketing strategies that will serve the specific needs of consumers within a specific segment. In this study, segmentation was discussed together with an overview of the importance and criteria for segmenting a market, and by explaining the various bases for market segmentation.

One of the bases that marketers can use to segment a market is psychographics. Psychographic segmentation encompasses numerous variables. One of these variables is lifestyle. Lifestyle segmentation divides consumers into groups according to the way they spend their time, the importance of the things around them, their beliefs, and socioeconomic characteristics such as income and education (Armstrong & Kotler, 2011:207). Lamb *et al.* (2009:77) describe lifestyle as a mode of living as identified by a consumer's activities, interests and opinions (AIO). With regard to this study, the aim was to determine the lifestyle of Black Diamonds in Sandton. The lifestyle of Black Diamonds in Sandton was determined by using the AIO approach developed by Plummer (1974). Six lifestyle domains were analysed, including fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation, and cost-consciousness. The identification of the most prominent lifestyle patterns of Black Diamonds in Sandton can, in turn, indicate how these lifestyle patterns influence their buying behaviour.

This study used descriptive statistics to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton. The population of this study comprised Black Diamond consumers in the Sandton area of Johannesburg, in the Gauteng province, and 200 respondents participated in this study. A quantitative research design was used in the form of interviewer-administered questionnaires (see section 4.4.4 and appendix A). Convenience sampling and judgement sampling, which are both non-probability sampling techniques, were used (see section 4.5.2.3). The data obtained from the questionnaires was analysed using the SAS (SAS, 2007) statistical programme. The results obtained from this study were presented in chapter 5.

6.3 CONCLUSIONS AND RECOMMENDATIONS

The primary objective of this study was to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton. In support of the primary objective of this study, various secondary objectives were formulated (see section 1.3.2). In this section, the conclusions that were obtained with respect to each secondary objective of the study are discussed. The literature review and results obtained for this study guided the process of drawing conclusions for the respective secondary objectives that were set for this study.

6.3.1 Secondary objective 1: To determine consumer ethnocentrism among Black Diamonds in Sandton

In order to determine consumer ethnocentrism among Black Diamonds in Sandton, an adapted version of the 17-item CETSCALE developed and tested by Shimp and Sharma (1987) was used in the questionnaire, comprising a 7-point Likert scale to rate the response of respondents. It was observed through **main finding B1 p. 118** that a Cronbach alpha coefficient of 0.89 was derived, thereby confirming the reliability of the 17 items of the adapted version of the CETSCALE to measure consumer ethnocentrism. According to **main finding B3 p. 120** it can be **concluded** that a moderately high level of consumer ethnocentrism exists among Black Diamonds in Sandton. The following **recommendations** can be made:

- International organisations that export their products to the South African market could overcome the unfavourable impact of consumer ethnocentricity on Black Diamonds' attitudes toward imported products by stressing their products' attributes, benefits, and superiority and underplaying the product's country of origin. In so doing, the focus would therefore shift from the country of origin of the product; to the actual benefits and attributes of the product – allowing less opportunity for Black Diamonds to reject the product based on the fact that it has been manufactured in a foreign country. In their efforts to expand their share of the Black Diamond segment in South Africa, organisations will also have to be more need-orientated; that is, international organisations will need to undertake more market research aimed at assessing ethnocentric consumer needs and filter this information and data through their research and development departments (Kucukemiroglu, 2006:73). This kind of effort will assist international organisations to develop appropriate products and marketing strategies aimed at fulfilling the needs of ethnocentric Black Diamond consumers.
- For local organisations, it is recommended that the pragmatic element of consumer ethnocentrism among Black Diamonds should be used in order to gain a competitive

advantage in South Africa's market. South African organisations should emphasise the fact that their products are locally produced. Black Diamonds' ethnocentric tendencies are thus pertinent to the design of buy local campaigns for local organisations such as the "Proudly South African" campaign. Such campaigns emphasise the fact that products are locally produced and manufactured, and that purchasing these locally produced products helps to support the local economy and to provide employment to fellow South Africans. The advantages of purchasing locally-produced products may be incorporated into product advertising campaigns to encourage Black Diamonds to purchase locally-produced products and to improve the sales and profitability of locally-produced products, given the moderately high level of consumer ethnocentrism that exists among Black Diamonds in Sandton.

6.3.2 Secondary objective 2: To determine the lifestyle of Black Diamonds in Sandton in terms of fashion consciousness

In order to measure the level of fashion consciousness of respondents, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning fashion consciousness was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.79 was derived, thereby confirming the reliability of the items in the battery of statements used to measure the level of fashion consciousness. According to **main finding C3 p. 123** it can be **concluded** that a moderately high level of fashion consciousness exists among Black Diamonds in Sandton.

According to Schiffman and Kanuk (2007:383), fashion conscious consumers tend to have a strong preference for T-shirts, caps, and other clothing that offer an external point of identification, such as the name of an admired person or group (for example, the Kaiser Chiefs soccer team), a respected company or brand name (like the new Nelson Mandela "46664" clothing brand or Gucci), or a valued trademark (Louis Vuitton's "LV"). These consumers are prime targets for licensed goods (with well-known logos). Therefore it is **recommended** that organisations in the fashion industry, and which target Black Diamond consumers, should ensure that their logos or brand names are displayed on the exterior of the product, thus providing an external point of identification of the brand being worn by the consumer. This is of particular importance to organisations with prestigious brand names. Furthermore, it is recommended that organisations (even those who are not in the fashion industry) that target Black Diamonds should adapt their branding strategies and marketing strategies to be more fashion orientated, trendy and "cool", by using bright colours, bold text, slang language, attractive images and modern music. This approach is particularly applicable to the cosmetics

industry; the clothing and retail industry; the motor vehicle industry; the insurance and banking industries; and even the tourism/hospitality industry such as hotels, lodges and travel agencies. The incorporation of a sense of high fashion, style and trendiness into marketing strategies and advertising campaigns, as well as an emphasis on the “fashionable element” associated with the product or service offering is certain to attract and reach Black Diamonds more acutely than standard, classical advertising campaigns and marketing strategies do. Modifying the organisation’s marketing strategy to be more fashion orientated and trendy could improve the organisation’s ability to communicate with their Black Diamond consumers, thereby improving the relationship between the organisation and its Black Diamond consumers.

6.3.3 Secondary objective 3: To determine the lifestyle of Black Diamonds in Sandton in terms of self-consciousness

In order to measure the level of self-consciousness of respondents, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning self-consciousness was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.81 was derived, thereby confirming the reliability of the items in the battery of statements used to measure the level of self-consciousness. According to **main finding C4 p. 123** it can be **concluded** that Black Diamonds in Sandton have a moderately high level of self-consciousness. Therefore, the current study supports the findings of a study on Black Diamonds conducted by the University of Cape Town’s Unilever Institute of Strategic Marketing, in which it was found that Black Diamonds are self-determined, extremely ambitious and they feel that they possess the ability to achieve their own goals (UCT, 2008a:88).

According to Bemporad and Baranowski (2011) self-conscious consumers prioritise issues that affect them directly, and therefore it is **recommended** that organisations offer products and services to their self-conscious Black Diamond consumers that deliver quality, affordability and sustainability, as these organisations will do better with self-conscious Black Diamonds than those who do not offer such products and services. Organisations who attempt to target self-conscious Black Diamonds must align their values with their actions, as this will earn enduring loyalty among self-conscious consumers. Bemporad and Baranowski (2011) affirm that self-conscious consumers are prizing transparency, accountability and authenticity more than ever, and are looking for deeper, more meaningful relationships. Organisations should therefore strive to offer superior quality products and services to self-conscious Black Diamond consumers, have sound consumer relationship marketing strategies in place to serve these self-conscious consumers more effectively, and ensure that self-conscious consumers receive personal

attention and assistance when required. Furthermore, organisations must be transparent with their product and service offerings to Black Diamonds, and provide a sense of accountability and authenticity in their marketing strategies and advertising campaigns, as well as their actual product offerings. A loyalty programme offered by the organisation may appeal to the self-conscious Black Diamonds by awarding the consumer with recognition for his or her duration of patronage and loyalty to the organisation.

6.3.4 Secondary objective 4: To determine the lifestyle of Black Diamonds in Sandton in terms of health consciousness

In order to measure the level of health consciousness of respondents, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning health consciousness was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.77 was derived, thereby confirming the reliability of the items in the battery of statements used to measure the level of health consciousness. According to **main finding C5 p. 123** it can be **concluded** that Black Diamonds in Sandton have a moderately high level of health consciousness.

According to Bemporad and Baranowski (2011), health conscious consumers seek natural, organic and unmodified products that meet their essential health and nutrition needs. They avoid chemicals or pesticides that could harm their health or the planet. They are looking for standards and safeguards that will ensure the quality of the products they consume. Health conscious consumers also regularly engage in physical exercise activities in order to stay fit and healthy. It is therefore **recommended** that organisations should emphasise the health and nutritional benefits of their product or service offerings on the labelling of the product itself, as well as on the advertising material used to promote the product or service to Black Diamonds. This can be achieved by listing the ingredients of the product that are beneficial to the consumer's health, together with a clear indication of how the product or service can enhance the consumer's health and the positive results that the consumer can expect when using the product or service. For health conscious Black Diamonds, the sell-by date or expiry date of the product is likely to be of great importance, and should therefore be displayed clearly on the product itself. In addition, the nutritional content should also be displayed clearly on the label or packaging of the product. Organisations that target the health conscious Black Diamonds should stress the fact that the product is composed of ingredients that are beneficial to one's health, and that it contains no harmful chemicals, whilst downplaying any side-effects that may occur when consuming the product. Even though this information is vitally important and should

be communicated clearly to the consumer, it should not be a focus when advertising the product to health conscious Black Diamonds. Instead, a sense of well-being and vitality should be the core theme in marketing strategies and advertising campaigns of products targeted at Black Diamonds.

6.3.5 Secondary objective 5: To determine the lifestyle of Black Diamonds in Sandton in terms of homemaking

In order to determine whether respondents enjoy forms of homemaking or not, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning homemaking was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.74 was derived, thereby confirming the reliability of the items in the battery of statements. According to **main finding C6 p. 123** it can be **concluded** that Black Diamonds in Sandton do not enjoy homemaking.

It is therefore **recommended** that organisations specialising in advertising and selling products and services mostly used by homemakers – household products, detergents, DIY products, gardening tools and the like – should not solely target the Black Diamond consumer segment, given the low interest in homemaking activities of this segment. Instead, such organisations should focus their marketing efforts on consumer segments that are more inclined to enjoy homemaking activities. Organisations that aim at targeting Black Diamonds can therefore channel their promotional activities at an outgoing group of consumers who prefer to go out with their friends and family, or to party the night away at the trendiest clubs and hangouts in town by placing advertising material at restaurants, clubs, cocktail lounges, cinemas, coffee shops and other places where Black Diamonds would be more likely to spend their time. Since Black Diamonds are not fond of homemaking activities and prefer to spend less time at their homes, organisations should avoid spending too much of their advertising budget on television commercials when targeting this segment of consumers. This recommendation is based on the idea that since Black Diamonds do not spend much time at home, it follows that they do not watch a lot of television as they are out with their friends or family most of the time. Organisations could rather place these “television commercials” at cinemas, where Black Diamonds would be more likely to watch them. This will enable the organisation to reach these consumers more effectively.

6.3.6 Secondary objective 6: To determine the lifestyle of Black Diamonds in Sandton in terms of community orientation

In order to determine their community orientation, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning community orientation was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.89 was derived, thereby confirming the reliability of the items in the battery of statements. According to **main finding C7 p. 123** it can be concluded that Black Diamonds in Sandton are not community orientated.

It is **recommended** that organisations could therefore save on marketing and advertising costs by downplaying on emphasising and advertising the organisation's contribution to a community-orientated or charitable cause, as this is of little interest to Black Diamonds.

6.3.7 Secondary objective 7: To determine the lifestyle of Black Diamonds in Sandton in terms of cost-consciousness

In order to measure the level of cost consciousness of respondents, the AIO approach that was developed by Plummer (1974) was used (see section 4.4.4.5). Therefore, a battery of statements concerning cost-consciousness was used, and a 5-point Likert scale was used to rate the response of respondents. It was observed from **main finding C1 p. 121** that a Cronbach alpha coefficient of 0.70 was derived, thereby confirming the reliability of the items in the battery of statements used to measure the level of cost-consciousness. According to **main finding C8 p. 123** it can be **concluded** that Black Diamonds in Sandton have a moderately high level of cost-consciousness.

It is **recommended** that organisations should emphasise the cost benefits when advertising their products or services. Organisations can target price-sensitive consumers by offering products at a lower price while making sure that consumers are indeed aware that they are buying a good quality product at a low price. This could be achieved by accentuating the low price of a product; the cost saving that the consumer enjoys when purchasing a product or service; the superior value and quality of the product in contrast to the low cost of the product; and by advertising sales and promotions of products by emphasising words such as *bargain*, *sale*, *value* and *save*. Furthermore, organisations can use combination packaging to offer a set of products at a lower price than the consumer would have paid for them separately, and then by emphasising the money saved by purchasing the combined product package instead of

purchasing the products separately. As was discovered in this study, Black Diamonds prefer to pay cash for the products and services they buy, and organisations should use this fact to gain a competitive advantage, i.e. by offering products at a lower price to the consumer if the consumer pays cash for the product.

6.3.8 Secondary objective 8: To determine the underlying relationships between consumer ethnocentrism and lifestyle dimensions of Black Diamonds in Sandton

This section of the study examined whether linear relationships exist between consumer ethnocentrism and the various lifestyle dimensions, including fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. According to **main finding D1 p. 124** no practically significant correlations were found to exist between consumer ethnocentrism and the lifestyle dimensions of respondents. Therefore, it can be **concluded** that no linear relationship exists between the consumer ethnocentrism and the various lifestyle dimensions of Black Diamonds in Sandton. The various levels of lifestyle dimensions, therefore, do not have an influence on the level of consumer ethnocentrism among Black Diamonds in Sandton.

It is therefore **recommended** that marketers and organisations need to understand that the construct of consumer ethnocentrism should be treated as a separate construct that influences consumer behaviour, and that it is not necessarily linked to, or influenced by the various lifestyle dimensions of Black Diamonds in Sandton.

6.3.9 Secondary objective 9: To determine the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton

This section of the study examined whether linear relationships exist between the various lifestyle dimensions, including fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. The following linear relationships were found to exist between the various lifestyle dimensions of Black Diamonds in Sandton:

- According to **main finding D2 p. 125** health consciousness is practically significantly related to homemaking and community orientation.
- According to **main finding D3 p. 125** homemaking shares a practically significant relationship with health consciousness and community orientation.

- According to **main finding D4 p. 125** community orientation is practically significantly related to health consciousness and homemaking.

From these main findings, the following **conclusion** can be made:

- Black Diamonds in Sandton who are more health conscious tend to enjoy homemaking activities and are also more community orientated.

It is **recommended** that marketers should take cognisance of these various relationships in order to target Black Diamonds more effectively. If marketers wish to target health conscious Black Diamonds, they should keep in mind that the health conscious Black Diamonds also tend to be homemakers and are also fairly community orientated. Similarly, Black Diamonds who enjoy homemaking activities, and who are fairly community orientated, also tend to be health conscious. It could therefore be beneficial for an organisation to group these Black Diamonds together in a separate consumer segment with reference to their enjoyment of homemaking activities and high levels of health consciousness and community orientation.

One way of targeting these various groups of Black Diamonds effectively would be to ensure that marketing strategies and advertising material appeal to their three preferred lifestyle dimensions, namely health consciousness, homemaking and community orientation. For example, an organisation that wants to target Black Diamonds who enjoy homemaking, by advertising a new washing powder, should take cognisance of the fact that the Black Diamond consumers who enjoy homemaking are quite likely to be health conscious and community orientated as well. Therefore, the benefits of using the washing powder should be emphasised in terms of the consumer's health - both on the product as well as in the various advertising and promotional materials. This could, for example, entail that the specific brand of washing powder contains no harmful chemicals, and is therefore not harmful to the consumer's skin when handled. In addition, because health conscious and homemaking Black Diamonds also tend to be community orientated, marketers and organisations could consider emphasising the name of a specific charity or cause to which a percentage of the organisation's profit is donated.

Therefore, an organisation that wants to target Black Diamonds with its washing powder could reach these consumers more effectively by being aware of their preferred lifestyle patterns and interests, as well as the correlations between the various lifestyle dimensions.

6.3.10 Secondary objective 10: To determine the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences

This section of the study examined the associations between demographic variables and the constructs that were measured in this study, namely consumer ethnocentrism, fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness, with the aim of determining whether a difference in perception exists with regard to respondents' demographic variables. The following demographic variables were examined:

- Age: It was found that Black Diamonds in Sandton differ in their perception of consumer ethnocentrism and lifestyle dimensions according to the various age categories (**main finding E2 p. 126**);
- Income: It was determined that Black Diamonds in Sandton in different income groups do not differ in their views of consumer ethnocentrism and the various lifestyle constructs that were considered (**main finding E1 p. 126**);
- Marital status: Whether married, single or living together, it was found that Black Diamonds in Sandton do not differ in their response with regard to consumer ethnocentrism and the lifestyle constructs being considered (**main finding E1 p. 126**);
- Gender: A study on Black Diamonds conducted by the University of Cape Town's Unilever Institute of Strategic Marketing indicated that Black Diamond women are more involved with homemaking activities than men (UCT, 2008a:122). The current study does not support the findings of previous research, as it was found that male and female respondents do not differ in their involvement of homemaking activities. In fact, the current study shows no difference between male and female respondents with regard to their levels of consumer ethnocentrism, fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation or cost-consciousness (**main finding E1 p. 126**); and
- Highest level of education: It was found that the level of education of Black Diamonds in Sandton has no influence on their perception of consumer ethnocentrism or any of the lifestyle dimensions that were considered in this study (**main finding E1 p. 126**).

According to **main finding E1 p. 126** this study found no differences relating to Black Diamonds' demographic variables of income, marital status, gender and level of education, with regards to their perceptions of consumer ethnocentrism and the lifestyle dimensions of fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness. Therefore, it can be **concluded** that when examining the demographic details of Black Diamonds in Sandton, including income, marital status, gender and level of

education, Black Diamonds can be considered to constitute one homogeneous market when they are targeted by organisations.

It is **recommended** that marketers and organisations should view Black Diamonds as a one homogeneous market with regard to their demographic details of income, marital status, gender and level of education when considering the behavioural influences of consumer ethnocentrism, fashion consciousness, self-consciousness, health consciousness, homemaking, community orientation and cost-consciousness, as these particular demographic details do not have an influence on the levels of the constructs that were considered in this study.

However, according to **main finding E2 p. 126** statistically significant differences were found with regard to one demographic variable of Black Diamonds, namely age, and the perceptions of consumer ethnocentrism, fashion consciousness and homemaking. These statistically significant findings are discussed in more detailed subsequently.

6.3.10.1 Difference in perception of consumer ethnocentrism with regard to the different age categories of Black Diamonds in Sandton

With regard to Black Diamonds' perception of consumer ethnocentrism, it was found that respondents who are younger than 20 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age (**main finding E3 p. 131**). Furthermore, it was found that respondents between 40 and 49 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age (**main finding E4 p. 131**). Respondents between 50 and 59 years of age are significantly more consumer ethnocentric than respondents who are older than 60 years of age (**main finding E5 p. 132**). According to these main findings, it can be **concluded** that Black Diamonds in Sandton who are younger than 60 years of age tend to be more consumer ethnocentric than Black Diamonds in Sandton who are older than 60 years of age.

It is therefore **recommended** that international organisations that primarily target the younger generation of Black Diamonds, meaning those Black Diamonds who are younger than 60 years of age, should ensure that they downplay the country of origin of the product when the product is imported into South Africa. Instead, these organisations should emphasise the other attributes of the product – such as price, ingredients, health benefits and usefulness – in order for the product to appeal to the consumer ethnocentric Black Diamonds. This recommendation is based on the finding that Black Diamonds below the age of 60 prefer to buy locally-produced products instead of buying foreign, imported products from other countries. International

organisations that export products to South Africa, and that primarily aim at targeting the older, more mature Black Diamond consumers (those above the age of 60 years) do not necessarily have to take extra-precautionary measures to “hide” the country of origin of the product from these elderly consumers. As found in this study, Black Diamonds above the age of 60 tend to be less consumer ethnocentric than those younger than 60. Therefore, Black Diamonds who are older than 60 years of age are less likely to reject a product because of its country of origin. It is also recommended that organisations that are wary of Black Diamonds’ level of consumer ethnocentrism should conduct more extensive research among Black Diamonds who are older than 60 years of age, in order to confirm or refute the findings of this study (that Black Diamonds have moderately high levels of consumer ethnocentrism). Additional research on the elderly segment of Black Diamonds could help to establish whether, indeed, the majority of the older Black Diamonds have lower levels of consumer ethnocentrism than the rest of the Black Diamonds, or whether older Black Diamonds have higher levels of consumer ethnocentrism. Organisations that target the elderly sector of Black Diamonds can then use this information to modify their existing marketing strategies, or to create new marketing strategies in order to reach this segment of Black Diamonds more effectively.

For local organisations that target the younger Black Diamonds (those Black Diamonds under the age of 60), it is recommended that the country of origin should be one of the focal points in the promotional strategies. These Black Diamonds prefer to support local organisations by buying locally-produced products, and therefore, it could be beneficial towards the local producers/manufacturers to emphasise that the product has indeed been produced/manufactured locally.

6.3.10.2 Difference in perception of fashion consciousness with regard to the different age categories of Black Diamonds in Sandton

With regard to Black Diamonds’ perception of fashion consciousness, it was found that respondents who are younger than 20 years of age are significantly less fashion conscious than respondents who are between 50 and 59 years of age (**main finding E6 p. 132**). Respondents who are between 40 and 49 years of age are significantly less fashion conscious than respondents who are between 50 and 59 years of age (**main finding E7 p. 132**). Respondents who are between 50 and 59 years of age are significantly more fashion conscious than respondents who are older than 60 years of age (**main finding E8 p. 132**). According to these main findings, it can be **concluded** that Black Diamonds who are between 50 and 59 years of age tend to be the most fashion conscious of all the various age categories.

It can therefore be **recommended** that organisations that primarily target Black Diamonds who are between the ages of 50 and 59 should take extra measures to ensure that they appeal to these consumers' higher levels of fashion consciousness. This could be achieved by conducting further research on Black Diamonds between the ages of 50 and 59, in order to determine which fashion items are most important to them, whether it be clothing, vehicles, residencies, vacation destinations, hairstyles or cosmetic products. The organisation could then target these consumers based on the relative findings. For example, if it was found that Black Diamonds between the ages of 50 and 59 attach great importance to the trend and style of their clothing, then marketers should ensure that clothing lines, which is aimed at targeting the Black Diamonds in this specific age category, are of the very latest style, and is advertised in the latest fashion magazines. Organisations should ensure that a large variety of fashion items are made available to this age group of Black Diamonds, because according to Zhou *et al.* (2010:46-47) consumers who are fashion conscious, enjoy seeking variety of products.

6.3.10.3 Difference in perception of homemaking with regard to the different age categories of Black Diamonds in Sandton

With regard to Black Diamonds' perception of homemaking, it was found that respondents who are between 30 and 39 years of age have a significantly higher interest in homemaking activities than respondents who are older than 60 years of age (**main finding E9 p. 132**). Respondents who are between 50 and 59 years of age have a significantly higher interest in homemaking activities than respondents who are older than 60 years of age (**main finding E10 p. 132**). According to these main findings, it can be **concluded** that Black Diamonds who are between the ages of 30 and 39, and between 50 and 59, tend to enjoy homemaking more than Black Diamonds who are older than 60 years of age.

It can therefore be **recommended** that organisations that specialise in products and services aimed at the homemaking sector should include Black Diamond consumers who are between the ages of 30 and 39, and 50 and 59, in their target segments. These organisations could then promote their homemaking products and services in a manner that will reach these age segments of Black Diamonds more effectively by using the most appropriate advertising vehicles and promotional appeals. Furthermore, it is recommended that organisations that plan to target Black Diamonds with homemaking products and services should conduct further research on the Black Diamonds aged between 30 and 39, and 50 and 59, since it has been found in this study that Black Diamonds in these age categories tend to enjoy homemaking more than Black Diamonds in other age categories. This research could then help the organisation to gain a more specific picture of the type of homemaking activities these

consumers enjoy; whether it is cooking, cleaning, gardening or entertaining, and thereby target these consumers based on their preferred forms of homemaking.

6.4 LINKING OBJECTIVES TO MAIN FINDINGS

The link between the secondary objectives and the main findings derived in chapter 5 are presented in table 6.1 below:

Table 6.1: Linking objectives to main findings

Secondary objective		Main findings
1	To determine consumer ethnocentrism among Black Diamonds in Sandton.	B3
2	To determine the lifestyle of Black Diamonds in Sandton in terms of fashion consciousness.	C3
3	To determine the lifestyle of Black Diamonds in Sandton in terms of self-consciousness.	C4
4	To determine the lifestyle of Black Diamonds in Sandton in terms of health consciousness.	C5
5	To determine the lifestyle of Black Diamonds in Sandton in terms of homemaking.	C6
6	To determine the lifestyle of Black Diamonds in Sandton in terms of community orientation.	C7
7	To determine the lifestyle of Black Diamonds in Sandton in terms of cost-consciousness.	C8
8	To determine the underlying relationships between consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton.	D1
9	To determine the underlying relationships between the various lifestyle dimensions of Black Diamonds in Sandton.	D2, D3 & D4
10	To determine the difference in perception of consumer ethnocentrism and the lifestyle dimensions of Black Diamonds in Sandton with regard to their demographic differences.	E1 – E10

In view of the information presented in table 6.1 above, it can be deduced that the secondary objectives that have been set for this study have been met. **The primary objective, namely to determine consumer ethnocentrism and lifestyle among Black Diamonds in Sandton, has therefore been achieved by realising the secondary objectives of the study.**

6.5 LIMITATIONS OF THE STUDY

There have been a number of limitations to this study and, therefore, the findings must be viewed as tentative. The following limitations were identified:

- The study is area-specific, having been conducted in the Sandton area in Johannesburg in the Gauteng province only. It can therefore not be justifiably generalised toward Black Diamonds in other geographical regions;
- While the data set used in this study was sizeable, it was a convenience sample;
- Respondents for the study were selected by using convenience and judgement sampling, due to time and financial constraints, and as a result the most applicable respondents may have been omitted from the study; and
- Only six lifestyle dimensions were measured in this study due to time constraints and fear of the questionnaire being too long. To gain a more holistic insight into the lifestyle of Black Diamonds, more lifestyle dimensions must be measured in future studies.

6.6 DIRECTIONS FOR FUTURE RESEARCH

The following recommendations can be made for future research:

- By considering the limitations of this study, future research should encompass a wider geographic area of study by including all nine provinces of South Africa in order for generalisation of the results of the study to be made possible for all Black Diamonds in South Africa;
- Furthermore, it is recommended that future research should use selected respondents who would be more applicable to the study. Qualitative research methods such as focus groups and interviews can be considered in order to gain a more intimate and holistic understanding of Black Diamonds' ethnocentric tendencies and lifestyle, and how these affect their buying behaviour;
- The current study used only one research instrument, namely the survey, for collecting the data. In order to improve the validity of the study, future research can incorporate consumers' behavioural data such as actual purchase data (He *et al.*, 2010:627);
- This study was conducted at one point in time only. In order for the results of the study to have high external validity, He *et al.* (2010:627) suggest that longitudinal research designs could be incorporated when conducting future research;
- More lifestyle dimensions can be included and measured in the study, as these will provide a better insight into the lifestyle of Black Diamonds;

6.7 CONCLUSION

This chapter provided an overview of the study and the conclusions of this study on the determining consumer ethnocentrism and lifestyle among Black Diamonds in Sandton. The main findings and recommendations for marketers and organisations who intend on targeting the Black Diamond consumer segment were discussed according to the secondary objectives of the study. The link between the secondary objectives of this study and the main findings was presented. Limitations of the study and recommendations for future research concluded this chapter.

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APPENDIX A:
FINAL QUESTIONNAIRE USED IN THIS STUDY

Consumer ethnocentrism and lifestyle

This questionnaire is designed to determine whether you prefer to buy imported or domestic products, and to gain a better understanding of your lifestyle. The results from this survey will be used to gain a better understanding of the buying behaviour of Black consumers in South Africa. Taking part in this survey is completely voluntary and anonymous. The questionnaire consists of three sections. The questionnaire should take no more than 15 minutes of your time.

When evaluating the questions, please answer the question from your own perspective. Place an X in the appropriate box where applicable or complete where required.

Thank you for taking the time to complete this questionnaire. Should you have any questions, please feel free to contact:

Roland Goldberg: 083 988 5715 or roland@rogo.co.za

Indicate your answer by placing a cross (X) in the appropriate block

SECTION A - DEMOGRAPHICS

A1. How old are you?

Younger than 20	1
20 to 29 years	2
30 to 39 years	3
40 to 49 years	4
50 to 59 years	5
60 to 69 years	6
70 and older	7

A2. What is your monthly income?

Less than R10,000	1
R10 - R19,999	2
R20 - R29,999	3
R30 - R39,999	4
R40,000 or more	5

A3. What is your marital status?

Single	1
Married	2
Living together	3

A4. What is your gender?

Male	1
Female	2

A5. What is your highest level of education?

SECTION B - CONSUMER ETHNOCENTRISM

Please indicate how you feel about the following statements on a scale of 1 to 7 where 1 is 'strongly disagree' and 7 is 'strongly agree'.

Statement	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B1. South African people should always buy South African made products instead of imports	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B2. Only those products that are unavailable in South Africa should be imported	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B3. Buy South African made products and keep South Africans employed	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B4. Always buy South African made products	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B5. Purchasing foreign-made products is un-South African	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B6. It is not right to purchase foreign products, because it puts South Africans out of jobs	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B7. A real South African should always buy South African made products	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B8. We should purchase products manufactured in South Africa instead of letting other countries get rich off us	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B9. It is always best to purchase South African products	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B10. There should be very little trading or purchasing of goods from other countries unless it is really necessary	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B11. South Africans should not buy foreign products, because this hurts South African business and causes unemployment	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B12. The number of products consumers are allowed to import should be limited	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B13. It may cost me in the long run, but I prefer to support South African products	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B14. Foreigners should not be allowed to sell their products on our markets	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B15. Foreign products should be taxed heavily to reduce their entry into South Africa	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B16. We should buy from foreign countries only those products that are not available within South Africa	1	2	3	4	5	6	7	1	2	3	4	5	6	7
B17. South African consumers who purchase products made in other countries are responsible for putting their fellow South Africans out of work	1	2	3	4	5	6	7	1	2	3	4	5	6	7

SECTION C - LIFESTYLE

Please indicate how you feel about the following statements on a scale of 1 to 5 where 1 is 'strongly disagree' and 5 is 'strongly agree'.

C1 - Fashion Consciousness

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C1.1 I usually have one or more outfits that are of the very latest style	1	2	3	4	5			
C1.2 When I must choose between the two I usually dress for fashion, not for comfort	1	2	3	4	5			
C1.3 An important part of my life and activities is dressing smartly	1	2	3	4	5			
C1.4 I often try the latest hairdo styles when they change	1	2	3	4	5			
C1.5 I dress more fashionably than most people	1	2	3	4	5			
C1.6 People criticise your social status by looking at the brand of clothes you wear	1	2	3	4	5			
C1.7 I read fashion-related magazines	1	2	3	4	5			
C1.8 I consult the internet for the latest fashion and styles	1	2	3	4	5			
C1.9 I spend a lot of time talking with my friends about the latest fashion trends	1	2	3	4	5			
C1.10 I like to watch fashion-related programs on television	1	2	3	4	5			

C2 - Self-Consciousness

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C2.1 I think I have more self-confidence than most people	1	2	3	4	5			
C2.2 I am more independent than most people	1	2	3	4	5			
C2.3 I think I have a lot of personal ability	1	2	3	4	5			
C2.4 I like to be in charge of a group	1	2	3	4	5			
C2.5 My friends or neighbours often come to me for advice	1	2	3	4	5			
C2.6 I sometimes influence what my friends buy	1	2	3	4	5			
C2.7 I would like to be seen as a leader	1	2	3	4	5			
C2.8 I like the challenge of doing something that I have never done before	1	2	3	4	5			
C2.9 People come to me more often than I go to them for information about brands	1	2	3	4	5			
C2.10 I believe that I possess leadership skills and abilities	1	2	3	4	5			

C3 - Health Consciousness

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C3.1 I drink a lot of water or low-calorie drinks	1	2	3	4	5			
C3.2 I prefer to buy low-calorie, healthy foods	1	2	3	4	5			
C3.3 I do physical exercises regularly	1	2	3	4	5			
C3.4 I would say that I lead a healthy lifestyle	1	2	3	4	5			

C4 - Homemaker

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C4.1 I enjoy working in my garden	1	2	3	4	5			
C4.2 I clean my house on a regular basis	1	2	3	4	5			
C4.3 I like to entertain my friends at my house	1	2	3	4	5			
C4.4 I usually keep my house very neat and tidy	1	2	3	4	5			
C4.5 I'd rather cook a meal at home instead of going out to eat at a restaurant	1	2	3	4	5			
C4.6 I enjoy most forms of housework	1	2	3	4	5			
C4.7 I would rather spend a quiet evening at home than go out to a party	1	2	3	4	5			

C5 - Community Oriented

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C5.1 I am an active member of more than one charity organisation	1	2	3	4	5			
C5.2 I do volunteer work for a charity or a non-profit organisation on a fairly regular basis	1	2	3	4	5			
C5.3 I like to work on community projects	1	2	3	4	5			
C5.4 I have personally worked in a political campaign	1	2	3	4	5			

C6 - Cost Consciousness

Statement	Strongly disagree				Strongly agree			
	1	2	3	4	5			
C6.1 I shop for specials	1	2	3	4	5			
C6.2 I find myself checking the prices in the grocery store even for small items	1	2	3	4	5			
C6.3 I usually watch the advertisements for announcements of sales	1	2	3	4	5			
C6.4 A person can save a lot of money by shopping around for bargains	1	2	3	4	5			
C6.5 I like to pay cash for everything I buy	1	2	3	4	5			

Thank you for taking the time to complete this survey!

APPENDIX B:
ASSISTANCE IN STATISTICAL ANALYSIS



NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOMKAMPUS

Privaatsak X6001, Potchefstroom
Suid-Afrika, 2520

Tel: (018) 299-1111/2222
Web: <http://www.nwu.ac.za>

Statistiese Konsultaediens

Tel: (018) 2992017
Faks: (018) 2992557
E-pos: wilma.breytenbach@nwu.ac.za

3 November 2011

Aan wie dit mag gaan

Verhandeling Mnr Roland Goldberg, studentenommer: 20770626

Hiermee word bevestig dat die data-analise deur die Statistiese Konsultasiediens van die Noordwes-Universiteit gedoen is en dat hulp verleen is met die interpretasie van die resultate.

Vriendelike groete

A handwritten signature in black ink, appearing to read 'Wilma Breytenbach', written over a horizontal line.

Mev. J.W. Breytenbach (MSc Wits)

Statistiese Konsultaediens