MARKET POSITIONING OF BRANDED MEAT PRODUCTS IN MIDDELBURG, MPUMALANGA PROVINCE

by

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Anita C. Groenewald

DEDICATION

This study is lovingly dedicated to my husband Henk and son Hanno, who have been a source of inspiration and encouragement, for their endless love and loyal support. Thank you for the myriad ways in which you contributed to the completion of this dissertation. You were my constant reminder of “the light at the end of the tunnel”.

I am also very grateful to my family and friends whom each played a significant role along this journey.

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ABSTRACT

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Key words: Integrated marketing communications, small business, branding, brand equity, customer based brand equity, brand positioning, differentiation, perceptual mapping, meat product brand, retail brand name, brand attributes, consumer preference.

The South African consumer is privileged to have a wide range of quality meat products on the market. The marketing challenges for the meat retailers are quite unique, and require a different marketing perspective. Branding serves as a mechanism to solve some of these challenges. Branding is all about building assumptions, supporting the brand in the minds of the consumer, convincing them that the brand is distinctively different from other brands.

For the small business retail meat brand to be successful in an industry subjected to fierce competition, it is necessary to be innovative in a market where high quality meat serves as just another commodity.

Building a strong brand in the market is the goal of many small businesses due to the fact that it provides a host of benefits. To constantly anticipate competitors and reinforcing uniqueness of the products or services offered emphasises the true meaning of any strong brand. The small business retail meat brand owners in Middelburg, Mpumalanga Province face key challenges in positioning themselves in the mind of the consumer as a meat product with brand equity.

The research problem centres on the fact that small business retail brand owners have to implement strategies of branding and positioning to maintain and enhance their competitiveness. Furthermore, small business retail brand owners need to develop a competitive advantage based on a set of unique brand attributes. From

this the analogy can be drawn that the small business retail brand owners need to establish how to market the meat brand attributes to achieve brand equity. Then differentiating the brand from competitors and developing a competitive advantage.

This research study aims to stimulate discussion on what the true meaning of branding and positioning is and what the concept should facilitate or not. The proposed research will contribute to the small business retail brand and its consumers, by establishing how the marketing of its brand attributes facilitates consumer's acceptance.

The research design for this dissertation is based on 'applied research' conducted in the social world. The research is theoretical in nature using the quantitative and qualitative research paradigm as research basis. Case study research served as research method. The sample frame constitutes three (3) small business meat retailers in Middelburg, Mpumalanga, namely, Kanhym Fresh Meat; Farm Inn Meat; and Frank's Meat. The unit of analysis used in this dissertation, is represented by these three (3) small business branded meat retailers, and their consumers. Data collecting facilitated by means of semi-structured interviews with the brand owners of the three identified retail outlets, Kanhym Fresh Meat, Farm Inn Meat and Frank's Meat. After establishing, inter alia, the brand variables as portrayed by the brand owners this was then used as scaled questions in quantitative questionnaires and the questionnaire was issued and completed at the different retail outlets where consumers buy the branded meat products.

The aim of this data collection method is to establish what the consumers' preferred method of marketing is and which brand attributes consumers consider important when purchasing branded meat products. The results of this study will identify opportunities of implementing strategies to maintain and enhance the competitiveness of a meat brand as well as differentiating it as a meat brand with brand equity.

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NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND OF THE STUDY

The South African consumer is privileged to be served with arguably the best beef in the world. The marketing challenges for the producers in the meat industry in South Africa are quite unique, and require a different perspective. Branding serves as a mechanism to solve some of these challenges. Branding is all about building assumptions, and although it is easy to provide a product with a suitable pleasing name, it is totally different to establish the philosophy and associated ethics supporting the trade mark in the minds of the consumers, convincing them that the brand is distinctively different from other brands (Bruwer, 2002:2).

Branded beef of consistently high quality, has earned a reputation worldwide as a means to increase beef consumption. An estimated seventy percent of all beef consumed in South Africa is the result of cattle being fed in an intensive feeding system. The Feedlot Industry is therefore the main beef producer in South Africa and falls in the category of 'Small Businesses'. For these small business enterprises to be successful in an industry subjected to fierce competition, it is necessary to be innovative in a market where high quality beef serves as just another commodity (Prinsloo, 2006:1).

Marketing is everywhere, and 'good marketing' is no accident, but a consequence of cautious planning and execution. Marketing deals with identifying and meeting individual and social needs. One of the shortest definitions of marketing reads as follows: "Meeting needs profitably" (Kotler & Keller, 2006:5).

The term '*marketing*' means different things to different people. Some people think that it is synonymous with 'personal selling', while others think that marketing is synonymous with 'personal selling and advertising'. Marketing has two components: Firstly, it is a philosophy, an attitude, a perspective, or a management orientation that emphasizes customer satisfaction. Secondly, marketing is a 'set of activities', used to apply this philosophy. The American Marketing Association's definition encompasses both perspectives: "Marketing is the process of planning and executing the conception, pricing, marketing communication and distribution of ideas, products, and services to create exchanges that satisfy individual and organisational goals" (Strydom, Jooste & Cant, 2006:4).

According to Lamb, Hair, McDaniel, Boshoff & Terblanche (2004:5), marketing is -

- about anticipating and satisfying consumer needs,
- by means of shared beneficial exchange processes, and
- doing so profitably and more effectively than competitors,
- by means of efficient managerial practices.

The key aspect here is 'satisfying consumer needs'. Without satisfying consumer needs no business whether profit-driven or not, can continue to exist in the long term. Customer satisfaction is one of the principal goals of marketing. The other elements of the marketing concept, which contribute to an effective marketing effort, include, long term profitability, integrated systems and social responsibility programs.

Over the years marketers have been presented with a succession of philosophical approaches to marketing decision-making. One extensively used approach is the marketing concept approach, as mentioned, which directs the marketer to develop the product offering, and indeed the entire marketing program, to meet the requirements of the customer base (Jain, 2000:2).

Keeping customers satisfied by offering them superior value will increase the chances that they will become loyal customers, ensuring the long-term survival and growth of the business. Satisfied and thus devoted or loyal customers are more profitable to a business than those who are not loyal (Lamb *et al*., 2004:6).

The elements of the marketing concept challenge small businesses to identify and understand their markets in all their complexity. An understanding of small businesses is also needed in order for implementation of the marketing concept to be effective.

1.1.1 Definition of Small Business

The Small Business Administration Act of 1953 defines a Small Business as "one which is independently owned and operated and not dominant in its field of operation" (Scarborough & Zimmerer, 2006:36).

Within the ambit of the small business range, there is great diversity in the size of the business. There have been many attempts to define small businesses, using criteria such as number of employees, sales volume, and value of assets. There is no generally accepted or agreed-upon definition. Size standards are basically arbitrary, adopted to serve a particular purpose. According to Longenecker, Moore and Petty (2005:14), the term 'small business' is attributed to businesses that meet the following criteria:

- Financing of the business is supplied by one individual or a small group of individuals. Only in a rare case does the business have more than 15 owners.
- Apart from its marketing function, the business's operations are geographically restricted.
- Compared to the biggest business in the industry, the business is small.
- The number of employees in the business is usually less than 100.

In many instances small business owners perceive marketing as merely "selling, advertising or promotion". There is indication that small business failure can result from a lack of marketing, or poor marketing practices, including marketing communication planning and implementation (Bruno & Leidecker, 1998:34).

1.1.2 Marketing Communication and Small Businesses

In researching the Small Business marketing approach to branded meat products in Middelburg, Mpumalanga Province the assumption was made that the elements of the marketing mix, namely price, product and distribution, were already established. The promotional program element had to be combined with all other program elements in such a way as to achieve maximum impact.

Developing a marketing communication strategy for a small business requires systematic planning. Because each business is unique, the advertising strategy must be developed to meet specific requirements. Small business owners may feel that they cannot afford the expense of advertising their goods and services because of limited financial resources. Such an approach has the potential to significantly lessen the business's probability of success. Advertising should be considered an investment rather than an expense. Owners should realise that advertising on a continuous basis, will increase possibility and subsequent growth of the business. In a highly competitive business environment, a well-planned marketing communication strategy is one of the most effective means of increasing sales (Pickle & Abrahamson, 2000:556).

The average individual is subjected to hundreds of advertisements every day. In most instances the advertisements have been purchased by large businesses, however small businesses also advertise because they too know that advertising can increase market share. It is unusual for a small businessperson not to make use of some form of advertising to promote the business and its products. When a salesperson greets a customer who enters a store, the salesperson indirectly contributes in advertising the shop. When a satisfied customer tells a friend about how excellent the service is, this too constitutes advertising (Hodgetts & Kuratko, 2000:459).

For many years, the marketing communication purpose in most companies was dominated by mass-media advertising. The majority of marketers used additional marketing communication tools, but sales promotion and direct-marketing agencies, as well as package design businesses, were generally viewed as supporting services, and often used on an impromptu or a per-project basis. These companies failed to recognize that the wide range of marketing communication tools available should be coordinated to communicate effectively, and present a consistent image to target markets (Belch & Belch, 2007:9).

1.1.3 Integrated Marketing Communications perspective in Small Business

Every small business needs a plan to ensure that the money invested in its marketing communications is not wasted. A well-developed plan does not guarantee success, but it does increase the possibility of achieving positive results. Some entrepreneurs believe that because of limited budgets they cannot afford the luxury of marketing communications. These owners will discover that communicating with customers is not just an expense, it is an investment in a company's future. With a little creativity and ingenuity, a small company can make its voice heard above the clamour of its larger competitors and do this within a limited budget (Scarborough & Zimmerer, 2006:329).

One of the most important reasons for the growing importance of integrated marketing communications is that it plays a key role in the process of developing and sustaining a consistent image in the market. With more products and services competing for consideration by customers who have less time to make choices, well-known brands have a major competitive advantage in the marketplace (Kitchen, Bridgenell & Jones, 2004:19).

Integrated marketing communication is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programs over time with consumers, customers, prospects, employees, associates and other target relevant (external and internal) audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value (Belch & Belch, 2007:11).

In communicating with consumers, branded products make it easier to identify products. Brands also reassure consumers that they will get consistent quality. The reputation of a brand influences customer loyalty among buyers of consumer goods (Miller & Layton, 2000:308).

1.1.4 Branding a Product

At its most fundamental level, a brand is a sign of identification, the label which differentiates the product from the competitors. A strong brand is a business asset and delivers outstanding benefits. It commands a premium price and makes marketing more efficient (Gregory, 2004:3).

Brand identity is a combination of various factors, including the name, logo, symbols, design, packaging, and performance of a product or service, as well as the image or type of association that comes to mind when consumers think about the brand. It includes the complete spectrum of consumers' awareness, knowledge, and image of the brand, as well as the company behind it. It is the sum of all points of encounter or contact that consumers have with the brand. The challenge is to understand how to use the various marketing tools to make such a contact, and convey the branding message effectively and efficiently (Belch & Belch, 2007:15).

While companies are well aware of the importance of branding, they are learning that the ways of building strong brands are changing. Marketers find that they can no longer build and maintain brand equity merely by spending large sums of money on media advertising. Brands are becoming 'less' about the actual product and 'more' about how people relate to them. Astute marketers are finding ways to build relationships with customers. Brands are shifting from being mere 'product identifiers' to 'personal identifiers' and the ways they 'connect' consumers to them are changing. Branding expert Light said, "The key to all successful brands is that they stand for something and are more than simply trademarks or logos" (Brady, 2004:64).

One of the main reasons for the growing importance of marketing over the past decade is that it plays a major role in the process of developing and sustaining brand identity and equity. As branding expert Keller (2006:274) notes, "Building and properly managing brand equity has become a priority for companies of all sizes, in all types of industries, and in all types of markets." Building and maintaining brand identity and equity require the creation of well-known brands that have favourable, strong, and unique associations in the mind of the consumer (Belch & Belch, 2007:15).

1.1.4.1 Defining Brand equity and consumer-based brand equity

Brand equity is the added value awarded to products and services. This value may be reflected in how consumers think, feel and act with respect to the brand as well as the prices, market share, and profitability that the brand commands for the business. Brand equity is an important intangible asset that has psychological and financial significance for the business (Aaker & Joachimsthaler, 2000:76).

Consumer-based brand equity can be defined as, 'the differential effect that brand knowledge has on consumer response to the marketing of that brand'. A brand is said to have 'positive consumer-based brand equity', when consumers react more favourably to a product and the way it is marketed as opposed to when the brand has a negative consumer brand equity. According to Kotler & Keller, "There are three key elements to the definition of consumer brand equity. Firstly, brand equity arises from differences in consumer responses. If no differences occur, then the brand name product can essentially be classified as a commodity or generic version of the product. Secondly, these differences in response are a result of consumer knowledge about the brand. Thirdly, the differential response by consumers that makes up the brand equity is reflected in perceptions, preferences and behaviour related to all aspects of the marketing of a brand" (Kotler & Keller, 2006:276-277).

The challenge for small business meat producers in building a strong meat brand name is to ensure that customers first and foremost, have a positive experience when the product is purchased, and that their marketing programs create the desired knowledge structures for the brand. A competitive positioning strategy can also be used as a mechanism to generate higher value to brand equity.

1.1.5 Brand Positioning

Advertising is entering a different era where creativity and ingenuity are no longer the only keys to success. To succeed in an over-communicated society, a company must create a position in the consumer's mind in relation to directly competitive products (Ries & Trout, 2001:28).

The term '*positioning*' refers to placing in that part of the market where it will receive a favourable reception or response compared to competing products. As a matter of strategy, a product should be matched with that segment of the market in which it is in all probability most likely to succeed. The product should be positioned so that it stands apart from competing brands. Positioning tells what the product stands for, what it is, and how customers should evaluate it. Positioning is achieved by using marketing mix variables, especially design and communication. With some products, positioning can be achieved on the basis of tangible differences (e.g. product features); with many others, intangibles are used to differentiate and position products (Jain, 2000:359).

For positioning to be effective, it is important that the marketer understands customer-buying criteria and recognises the performance of each competitor on each of the evaluative criteria. Marketers often use positioning or perceptual maps to portray market positions visually. A perceptual map is a multidimensional graphic image depicting consumer perceptions. These maps assist marketers in developing focused marketing mixes or strategies. It also helps the manager to assess and consider the advantage of an organisation's marketing program. Marketing information and sophisticated statistical testing is necessary for the development of positioning maps (Cant, Strydom, & Jooste, 2004:188).

1.2 PROBLEM STATEMENT

1.2.1 Research problem

This research endeavoured to explore the marketing efforts of small business meat producers in Middelburg, Mpumalanga Province by drawing tangent planes between effective marketing and the knowledgeable consumer, and to determine if there is sufficient demand to ensure that the benefits of economies of scale are realized.

According to the researcher there is a difference between the meat retail owners brand building variables and consumer's variables, to establish brand equity.

The problem indicated that it is of importance to establish a link between brand variables and consumers' perception regarding the importance of these variables. Against the mentioned background, the research problem which was researched within the ambit of this dissertation, reads as follows: "There is a variation of brand equity amongst consumers of branded meat products in Middelburg, Mpumalanga."

1.2.2 Research question

The research question forming the crux of this research study, reads as follows: "Which alternative positioning strategy can a small business use to effectively market its branded meat products?"

1.2.3 Investigative questions

The investigative questions researched in support of the research question, read as follows:

- How can the various elements of the promotional mix be combined into an effective marketing program for branded meat products?
- How can a small business effectively use marketing communication within a limited budget?
- What are the distinctive attributes of branded meat products that can create product differentiation and brand equity?
- What is the most effective brand positioning strategy for branded meat products?

1.2.4 The aim and objectives of the study

The purpose of the proposed study was:

- To build a practical applicable positioning map for branded meat products in Middelburg, Mpumalanga Province.

In order to achieve the aims, the following objectives were addressed:

- To formulate a theoretical contribution within the ambit of this dissertation to not only have an academic application, but to also serve as a practical application in solving small business marketing and product positioning challenges.
- To determine the marketing and positioning strategy of Middelburg Mpumalanga small businesses for branded meat products.
- To identify opportunities that will differentiate and position branded meat products in the small business environment that will create consumer equity and build a strong brand name.

1.3 STUDY METHODS AND RESEARCH DESIGN

1.3.1 Research method

The research conducted in this dissertation was based on 'applied research' undertaken in the social world. The research was theoretical in nature, executed within the ambit of a combination of the positivistic and the phenomenological research paradigms serving as basis.

The research method used in this dissertation was the case study, and included quantitative and qualitative research, which is descriptive, (where the objective was restricted to describing current practices) and explanatory (where existing theory was used to understand and explain what was happening) in nature. According to Collis and Hussey (2003:68-70) case studies are often described as exploratory research used in areas where there are a few theories or a deficient body of knowledge.

1.3.2 Research design

Case study research entails empirical enquiry that investigates a contemporary phenomenon within a real life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 1994:18, as cited by Watkins 2008:46-47). Case study research comprises an all-encompassing method, uses multiple methods of data collection (qualitative and quantitative) and is used when contextual conditions are the topic of research.

The use of qualitative questions might lead to interviews as a form of data collection methodology: For this research paradigm the semi-structured interview type was used, that generally starts with a few specific questions and then follows the individual's tangents of thought with interviewer probes. This research classification is qualitative and the reasoning is inductive. A qualitative classification means to gain or obtain a detailed understanding of the insights of the research dilemma or problems proposed (Cooper & Schindler, 2006:201, 770).

This case study research focused on three (3) small business meat retailers in Middelburg, Mpumalanga, namely, **Kanhym Fresh Meat**; **Farm Inn Meat**; and **Frank's Meat**. The unit of analysis used in this dissertation, is represented by these three (3) small business branded meat retailers, and their consumers.

1.3.3 Data Gathering

The primary method used for this research was the questionnaire, which falls into the broader ambit of survey research. Remenyi, Williams, Money, & Swartz, (2002:290) defines the concept of a survey as "... the collection of a large quantity of evidence usually numeric, or evidence that will be converted to numbers, normally by means of a questionnaire". Furthermore, a questionnaire is a list of carefully structured questions, chosen after considerable testing with a view to elicit reliable responses from a chosen sample, or for this research, the consumer. A positivistic approach suggests structured 'closed' questions, while a phenomenological approach suggests unstructured 'open-ended' questions.

The data gathering for this research was done by the researcher. In the initial phase of the research study, semi-structured interviews were done with the brand owners of the three identified retail outlets, **Kanhym Fresh Meat**, **Farm Inn Meat** and **Frank's Meat**. According to Cooper & Schindler (2006:204-208) the interview serves as a data collection methodology for research methods falling within the context of the phenomenological research paradigm.

After establishing, inter alia, the brand variables as portrayed by the brand owners this was then used as scaled questions in a quantitative questionnaire. Respondents could then rate the indicated variables which were used as feedback during the perceptual positioning stage of the empirical study. The questionnaire was then first pilot-tested and afterwards, modifications were made to this data collection instrument to increase its ease of use. The final questionnaire was issued at the different retail outlets where consumers buy the branded meat products.

1.3.4 Sampling methods

According to Collis and Hussey (2003:155-160) a sample is made up of some members of a 'population' (the target population), the latter referring to a body of people or to any other collection of items under consideration for the purpose of the research. The sample and sample type used in this research was, non-probability sampling and the method which was used to select the sample was convenience sampling. The population was divided by the required sample size.

The population relevant to this research consisted of consumers buying meat products at the different outlets in Middelburg, Mpumalanga Province, which include only those retail shops that sell branded meat products within the mentioned region, namely **Kanhym Fresh Meat**, **Farm Inn Meat** and **Frank's Meat**. Within this population group the effort was to obtain a sample size that represents the chosen population. A minimum of 500 respondents were approached to participate as part of a convenient non-probability sample.

1.3.5 Data Analysis and Presentation

The initial interviews with the meat retail owners were captured on a voice recording and then transcribed in document format. Microsoft Office Excel 2007 was used as tool for data capturing. The statistical programme for social sciences (SPSS20) was used to analyse the gathered data. The presentation of the interpreted data is in the format of frequency tables (graphical presentation), cross tabulations, statistical analysis/tests and positioning charts.

1.4. VALIDITY AND RELIABILITY/ TRUSTWORTHINESS

Collis and Hussey (2003:186) describe 'validity' as the extent to which the research findings accurately represent what is happening. More specifically, whether the data is a true picture of what is being studied. According to Cooper and Schindler (2006:318-320), three major forms of validity can be identified, namely 'content validity', 'criterion-related validity' and 'construct validity'.

Reliability is concerned with the findings of the research (Collis & Hussey, 2003:186). The findings can be said to be reliable if you or anyone else repeat the research and obtain the same results. There are three common ways of estimating the reliability of the responses to questions in questionnaires or interviews, namely 'test re-test method', 'split-halves method' and the 'internal consistency method'. The attention of the reader is drawn to the fact that all of the elements pertaining to validity and reliability/trustworthiness were observed in this research study.

1.5. ETHICS

Ethics refer to the appropriateness of your behaviour in relation to the rights of those who become the subject of the research, or are affected by it. All information gathered for this research will be used for academic purposes only. An ethical issue of concern when using questionnaires is confidentiality/anonymity. Collins and Hussey (2003:38-39) state that it is good research practice to offer confidentiality or anonymity to participants in a research project, as this will encourage open and honest responses.

All information gathered will be for academic purposes only and an approval statement of the respondents was signed for this purpose. Each questionnaire included a cover letter stating that the researcher will adhere to the emotional, physical, and intellectual well-being of the respondents.

1.6. TIME SCHEDULE

The time schedule for this research study, the following:

May 2012	Submission of research proposal for approval
May 2012	Submit Chapter 1
June 2012	Submit Chapter 2
July 2012	Submit Chapter 3
August 2012	Submit Chapter 4
August 2012	Survey questionnaire distribution
November 2012	Submit Chapter 5
January 2013	Submit Chapter 6
February 2013	Submit required changes
March 2013	Final submission of dissertation

1.7. CHAPTER AND CONTENT ANALYSIS

The chapter and content analysis of the research entails the following:

- **Chapter 1 -** Scope of the research.

- **Chapter 2 -** Communication and Marketing.
  The term communication, is defined and the communication process is discussed. The Integrated Marketing Communication process is analysed and explained and the differences in the Integrated Marketing Communication strategy for small businesses is highlighted. An overview on the current Marketing Communication strategy concludes this chapter.

- **Chapter 3 -** Branding and Positioning.
  Branding and Positioning are examined from a marketing perspective. The origins and definitions of branding are discussed. Brand equity is explained as well as the importance of branding in the Integrated Marketing Communication process. Branding and Positioning within the small business has its own challenges and to conclude this chapter some alternatives for expensive branding solutions are discussed.

- **Chapter 4 -** The research design and methodology.
  The primary objective of this dissertation is to determine the positioning of branded meat in the mind of the consumer. This research is theoretical in nature and the process of collecting data was done with a questionnaire compiled of structured questions intended for the meat consumer.

- **Chapter 5 -** Analysis and interpretation of the research results.
  The survey data was analysed statistically and thematic analysis was applied for any open-ended questions.

- **Chapter 6 -** Conclusion and recommendations.
  Interpretation of research results.

1.8. BUDGET

Registration		R5 900.00
Proofreading		R6 000.00
Printing costs	4 Copies	R4 500.00
Research/Field work	Questionnaires	R10 000.00

1.9. RECORDS

Records will be kept at North West University for at least 3 years.

1.10. PUBLICATIONS

The journals in which the results could be published:

- Communicare: Journal for Communication Science in Southern Africa.
- Journal of Business & Industrial Marketing.
- Journal of Marketing Research.

CHAPTER 2
COMMUNICATION AND MARKETING

2.1 INTRODUCTION

In this chapter Communication will be examined from a marketing perspective. The term, communication, will be defined and the communication process will be discussed. Following this discussion, the Integrated Marketing Communication process will be analysed and explained and the differences in the Integrated Marketing Communication strategy for small businesses will be highlighted. An overview of the current Marketing Communication strategy will conclude this chapter.

2.2 DEFINING COMMUNICATION

Communication is derived from the Latin word, *communicare*, and the French word *communis,* meaning 'to give to another' or 'to share'. Although the growth of communication technology has tremendously changed the ways of communicating ideas, the meaning of the word 'communication' remains unchanged (Bhatnagar & Bhatnagar, 2010:1).

Although there are multiple definitions of communication, most focus on one or both of the following two themes; communication as the transfer of information, or communication as the generation of meaning (Frey, Botan & Kreps, 2000:18).

The Oxford advanced learners dictionary (2010:290) defines communication as "the activity process of expressing ideas and feelings or of giving people information".

According to Clow & Baack, (2010:30) communication can be defined as "transmitting, receiving, and processing information". When a person, group, or organisation attempts to transfer an idea or message, communication occurs when the receiver (another person or group) is able to understand the information. The model of communication shown in Figure 2.1 suggests that communication takes place when the message that was sent, reaches its destination in a form that is understood by the intended audience.

Communication could be simply described as 'the passage of information' or 'the exchange of ideas' or as 'the process of establishing a commonness or oneness of thought between a sender and a receiver' (Belch & Belch 2007:137).

These definitions imply that for communication to occur there must be an understanding between two parties – information must be exchanged as a transactional process between one person and another or between one group and another and the main purpose of this process is to transmit, receive and process information between each other. According to Engel, Warshaw & Kinnear (cited by Koekemoer, 2004:32) three important elements can be identified from these definitions:

- communication is premeditated – a deliberate effort is made to bring about an intended response. This is especially true when the purpose is to persuade.
- communication is a transaction – messages are exchanged based on the motivations of all participants in expectation of mutual response.
- communication is representational – symbols (words or pictures) are deliberately created and used to cause another party to focus on the object or person represented by that symbol.

Besides the exact nature of the mentioned definitions and to firmly understand the function of communication, more in depth analysis thereof is needed.

2.3 AN OVERVIEW OF COMMUNICATION THEORY

After examining the definitions, it is clear that, communication basically requires a sender (source of the communication), a message and a receiver (destination). Communication is the process of creating meaning between two or more people through the expression and interpretation of messages. It is necessary however to examine the theory of communication if you want to be a first-class communicator in a professional environment. When we study communication we examine it theoretically. To do this we use models. Models of communication are illustrations intended to help understand the elements and interactions in the communication process. Communication theorists have developed many models based on various theories of communication. Most of these models share certain essential elements, but vary in terms of how the elements interact when communication is portrayed as a transaction (Cleary, 2008:2).

A basic model of communication is shown in Figure 2.1. This model is based on work, more than fifty years ago, of the American communication theorist, Wilbur Schramm, who is considered by most to be the founder of the field of communication studies. Schramm considered decoding and encoding as activities maintained simultaneously by the sender and the receiver. He also made provision for a two-way interchange of messages and an interpreter as a representation of the problem of meaning. Communicators create and interpret messages within personal fields of experience. The more communicators' field of experience overlap, the better they understand each other (Schramm, 1955:3-26).

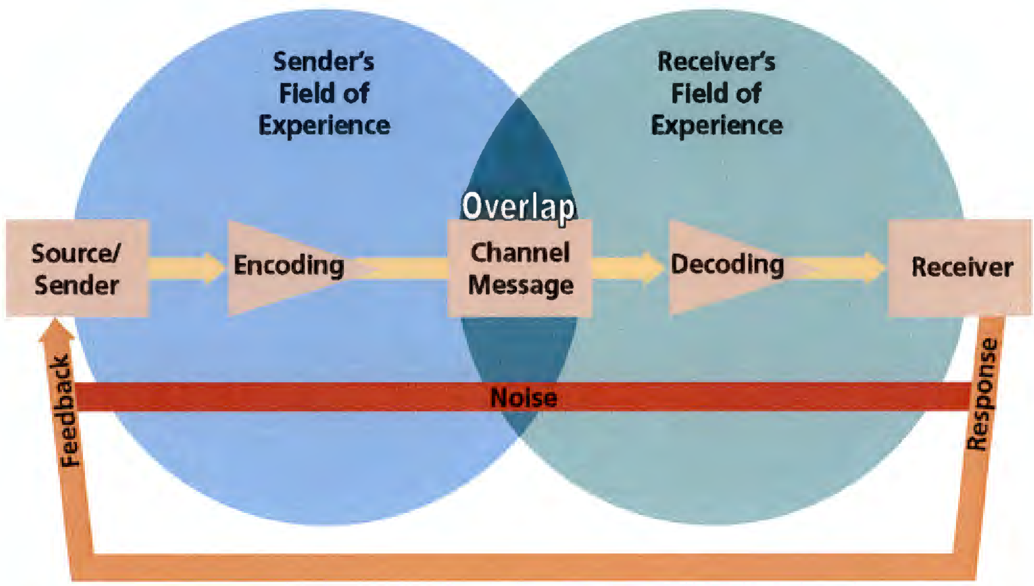


Figure 2.1

A communication process model.

Source: Adapted from Schramm, 1955. Belch & Belch., 2007:139.

The model in Figure 2.1 is cyclical and represents communication as a process, a series of operations or events. Communication is 'circular' and requires feedback to 'close the circle' (Scholtz, 2003:60). The meanings of words are directly affected by the situation in which they are used. Think of the word 'necklace' and how it took on a new and terrible meaning in South Africa during the eighties (Cleary, 2004:7).

An important feature of the communication process is that the receiver has control over the communication content that he or she receives. The receiver can use perceptual protection mechanisms to block out the communication stimuli that are sent. This happens especially if the message does not fit into the receiver's frame of reference. Figure 2.1 indicates that the sender's and the receiver's frames of reference or fields of experience are not the same, but that they do overlap in some ways in terms of common experience, knowledge, language, attitudes and habits. Only when the message fits into the overlapping area (see Figure 2.1) can the sender and receiver understand the message in the same way. The dilemma with mass communication is that in a multicultural country, such as South Africa, the overlapping parts either do not exist or are very small and, therefore, the possibility of misunderstanding is significant (Strydom, Jooste & Cant, 2000:346).

The sender's field of experience and the receiver's field of experience must overlap, at least to the extent of having a common language. Advertisements typically use references from mutual culture such as proverbs and common sayings and often use puns or half-statements, which the audience is able to complete because it is aware of the cultural referents involved. This is why foreign television advertisements often seem unintentionally humorous or even incomprehensible (Blythe, 2008:190).

Communication is a process through which an idea is conveyed to someone or a group of people and is effective if the idea is expressed clearly and unambiguously. Communication cannot be successful unless it moves successfully through all five phases of the communication process as illustrated in Figure 2.1 (Bhatnagar & Bhatnagar, 2010:4-5).

Although the communication process can take place in theory it is important to note the level of effective communication and to determine the most efficient way of communicating.

2.4 COMMUNICATION EFFECTIVENESS AND COMMUNICATION EFFICIENCY

The difference between Communication effectiveness and Communication efficiency can be explained as follows:

2.4.1 Communication effectiveness

Communication is effective when the idea or message, as it was initiated and intended by the sender, matches closely with the message as it is perceived and responded to, by the receiver. Understanding and comprehension are the results of communication effectiveness. If there has been accurate reception and response of the intended message, understanding occurs. A sender may communicate an unintentional message that can also be clearly understood. The more overlap there is between the meaning of the sender and the meaning of the receiver, according to both's 'field of experience' the more effective the communication transaction will be. The idea is to attain an overlap of meaning, as conveyed in Figure 2.1 (Cleary, 2004:7).

Scholtz explains that effective communication basically depends on three factors, namely contact, code and context. A receiver must make contact with a sender's message by recognising the codes and by interpreting and understanding the codes. The context refers to the subject of the message or what the speaker refers to, and the communication situation that prevails at that time (Scholtz, 2003:61).

2.4.2 Communication efficiency

Communication efficiency refers to the cost in terms of time and money involved in sending the message. The purposes in business communication are briefly to inform, to persuade or to create goodwill. The purpose in marketing communications could be to create or increase awareness, to change perceptions, to build brand image or to re-position a brand in the minds of consumers. (Koekemoer, 2004:124).

Some companies specialize in improving marketing efficiency. At international companies such as General Foods, DuPont, and Johnson & Johnson they perform a sophisticated financial analysis of marketing expenditure and results. They examine adherence to profit plans, prepare brand management budgets, measure the efficiency of promotions, analyse media production costs, evaluate customer and geographic profitability and educate marketing personnel on the financial implications of marketing decisions. They can with the application of the mentioned financial analysis, examine the efficiency of any form of marketing communication that they embark on (Kotler & Keller 2009:696).

To elaborate on this it is necessary to explain the different components of the communication process to be able to understand how this would be applied in marketing communications.

2.5 COMPONENTS OF THE COMMUNICATION PROCESS

The communication process is part of any marketing program. For example, think about a person who plans to buy a new pair of athletic shoes. Using the communication model shown in Figure 2.1, the **senders** are companies that manufacture and sell shoes. Saucony, ASICS, Reebok, and Nike all try to get the customer's attention. **Encoding** the message is the second step in the communication process. A 'creative' takes the idea and changes it into attention-getting advertisements designed for different media vehicles (print, broadcast, or outdoor media). Messages to audiences go through a variety of transmission devices. The third stage of the marketing communication process takes place when a channel or medium delivers the message. The channel may be a television carrying an advertisement, a billboard, a newspaper, a magazine with a coupon placed in it, or a letter to the purchasing agent of a large retail store. **Decoding** occurs when the message reaches one or more of the receiver's senses. Consumers both hear and see television advertisements. Other consumers handle (touch) and read (see) a coupon offer. It is even possible to "smell" a message. A perfume sample in a magazine may tempt a buyer to purchase the perfume being advertised. People who are interested in purchasing athletic shoes pay closer attention to advertisements and other information about shoes (Clow & Baack, 2010:30).

Within the communication theory, the term noise refers to anything which distorts or disrupts a message, or may interfere during the communication process. It can be a physical noise, such as a shocking sound or someone talking in the background, or a psychological noise which is the result of preconceived biases, stereotypes, prejudice and assumptions. The last type of noise, called semantic noise, is a function of differences in meaning which people assign to words, to voice inflections in speech, or to gestures and expressions. Semantic noise also includes jargon, and technical or complex terms which lead to confusion or misinterpretation of the intended message (Chitty, Barker & Shimp, 2005:18).

Previously the importance of communicating effectively and efficiently was discussed and one obstacle that prevents marketing messages from being efficient and effective is called **noise**. Sometimes noise or barriers to communication prevent or hamper successful communication where the receiver is unable to decode the message fully or might misinterpret the message. Barriers can be physical, such as noise, or perceptual, such as age, race stereotypes, or background (Scholtz, 2003:61).

The most common form of noise that has an effect on marketing communications, is **clutter**. Consumers are exposed to numerous marketing messages every day. It is very important for a marketer to develop processes that help consumers to cut through the clutter. There are also five myths about communication and marketing that are considered clutter, but many marketers use these methods and thereby prevent effective communication:

- marketers are in control.
- the more choices the better.
- advertising creates interests.
- it worked before so it will work again.

- people care about what you say.

When marketers change their point of view in communication from what they think needs to be said to what the consumers think they need, then marketers might have a better chance of actually getting their message across (Meyer, 2009:175).

The final element of the communication process is **feedback**. Feedback during communication provides the source with a mechanism for examining the accuracy with which intended messages are being received and whether communication is achieving the intended objective (Chitty *et al.* 2005:19).

The marketer receives feedback through enquiries received, complaints, increase in sales, hits on a Web site or through findings of market surveys on the increase in brand awareness and brand loyalty. Each indicates that the message has reached the receiver and that the receiver is now responding (Strydom, 2007:136).

Communicating with consumers and other businesses requires more than simply creating attractive advertisements; it necessitates effective interpersonal communication and will therefore, be examined further.

2.6 INTERPERSONAL COMMUNICATION AND MARKETING

Interpersonal communication can be defined as "the process of creating meaning between two or more people through the expression and interpretation of messages" (Cleary, 2008:2).

Interpersonal communication is a cornerstone in what social scientists refer to as the communication climate, and is the key to successful relationships in business. Positive relationships are built over time and they require on-going maintenance (Krizan, Merrier, Logan & Williams, 2008:365-366).

The interpersonal communication between buyer and seller is very important. The seller evaluates the personal interaction, determines what is going to influence or persuade the buyer, and then uses communication techniques to convince the buyer to buy the product or service. Verbal communication in informal conversations between people (word-of-mouth communication) can be on the following subjects: the need-satisfying attributes of a product, service, institution or idea; the places where it can be bought; the prices or fee; and the ways in which the marketer communicates with the target market. Positive verbal communication is to the benefit of the business and its products. The contrary can also be true. Informal verbal communication can also have a negative effect. If consumers are dissatisfied with a product or service and tell other consumers, it can have a negative influence on sales. Should consumers be unhappy with the services of a retailer, they will convey negative informal communication, which could lead to a decline in store loyalty (Strydom *et al.*, 2000:345-347).

The purpose in interpersonal communication is to understand behaviour and not just to pin down the information received from new technology, including requesting information from individuals on the internet. In a digital world, all sorts of behavioural data can be aggregated in real time with no differentiated interaction with the subject being observed. The point is that a lot of information, perhaps the most important part of conversation, is found in the relations to verbal communication. In a face-to-face conversation, we may hear that a consumer is dissatisfied with the product in question, but we learn that he is also deeply disappointed, through many non-verbal messages such as facial expression, vocal intonations, tone and body language. A company that relies too much on the internet to gather so-called observations, may move away from the luxury of personal interaction (Turner, 2002:21-22).

Now that the importance of interpersonal communication is explained it is necessary to note how marketers can communicate to their target markets.

2.7 MARKETING COMMUNICATION

When *The Boston News Letters* published the first newspaper in America in 1704, they could hardly have foreseen that 300 years later there would be more than 40 different channels for marketers to use for the communication of their messages to consumers (Van Vuuren, 2007:50).

A definition for marketing communications is "... the process by which the marketer develops and presents an appropriate set of communications stimuli to a target audience with the intention of eliciting a desired set of responses" (Yenshin, 1998:341).

Another definition states that marketing communications can be regarded as the process of informing, persuading and reminding consumers, directly or indirectly, about the products and brands that the company sells (Cronje, Du Toit, Marais & Motlatla, 2004:329).

The term marketing communications refers to the collection of tools used in communication between organisations and their customers such as advertising, personal selling, sales promotions, public relations, and event marketing (Chitty *et al.* 2005:18).

How do marketers communicate with their target markets? The process of communicating with consumers and customers is called promotion or marketing communication, and all the elements of marketing communication need to be integrated to convey the marketing message to the target audience. In order to understand how marketing communication 'works', the basic principles of marketing should be reviewed. A marketing strategy is the set of conscious decisions a marketer makes in determining **who** is going to be offered a particular product or service, referred to collectively as the **target market**, and **how** the chosen target market will be reached. The target market is a well-defined set of existing and/or potential customers the marketer aims to satisfy with a particular product offering which consists of the product or service (Koekemoer, 2004:1).

Marketers use communication to try to increase sales and profits. To increase sales, marketers communicate their products' superior benefits, lower cost or combination of benefits and costs to their targeted audiences. Marketing communications also represent the 'voice' of the company and its brands, and it can establish a dialogue and build relationships with consumers. Marketing communications can also inform consumers on how and why a product is used and by what type of person. Consumers can learn about who manufactured the product and what the company and brand represent. Marketing communications allow companies to link their brands to people, places, events, other brands, experiences, and feelings (Luo & Donthu, 2006:79-80).

Businesses should communicate information about their products and the needs that could be satisfied, the prices of the products, and places where they can be obtained to their target markets. This marketing communication task is not only the responsibility of certain people in specific departments of a business, but in a market-driven business all the relevant parties should communicate with the target market in a similar way. The business's products, prices, workers, appearance of the office or factory, delivery vehicles, and the behaviour of its sales representatives – in other words, the whole image of the business – communicate a certain message to the target audience. Although marketing communication occurs primarily through the six marketing communication elements, the price of the product and/or the place where it is being sold (distribution) can support and strengthen the message. Packaging transfers content information and the Internet provides interactive communications (Strydom *et al.*, 2000:346-349).

Modern marketing requires more than the developing of a good product, pricing it attractively and making it accessible to consumers. Thus, every company is unavoidably cast in the role of communicator and promoter (Kotler & Keller, 2009:509).

Marketing has gone from being a cost or expense to an investment or an asset. Promotional money spent must add value as it generates new sales and higher profits (Brady, 2004:112).

When discussing marketing communications, the major problem is that certain aspects like advertising or promotional campaigns are emphasized and not blended together with all the aspects of Integrated Marketing Communications (IMC). For this reason IMC will be analysed in the following section.

2.8 INTEGRATED MARKETING COMMUNICATIONS

An IMC program can be built on the foundation provided by the communications model illustrated in Figure 2.1.

"Integrated marketing communication is the process of building and reinforcing mutually profitable relationships with employees, customers, other stakeholders, and the general public by developing and coordinating a strategic communications program that enables them to have a constructive encounter with the company/brand through a variety of media or other contacts" (Arens, 2004:16).

Although IMC programs have been described in a number of ways, the consensus is to define it as follows: "Integrated marketing communications (IMC) is the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. This integration affects all of a company's business-to-business, marketing channel, customer-focused, and internally directed communications". Before further examining the IMC concept, first consider the traditional framework of marketing from which it originated. The marketing mix is the starting point. Promotion, as shown in Figure 2.2, is one of the four components of the mix. For years the traditional view was that promotional activities included advertising, sales promotions, and personal selling. The need to incorporate all promotional efforts has expanded beyond the three traditional elements of advertising, sales promotions, and personal selling. Currently, promotion also includes activities such as database marketing, direct marketing, sponsorship marketing, internet marketing, and public relations. A complete IMC plan incorporates every element of the marketing mix: products, prices, distribution methods, and promotions (Clow & Baack, 2007:8-9).

The marketer communicates with the customers through advertising, personal selling, direct marketing, sales promotion and publicity, attempting to inform them and persuade them to buy a specific product or brand repeatedly. Large sums of money are spent on effective messages to reach customers. It is therefore very important that the communication between the marketer and the target market is successful (Du Toit, Erasmus & Strydom, 2007:349).

Figure 2.2
Components of the marketing mix.
Source: Kotler & Keller, 2009:63.

Marketing mix decisions should influence trade channels and final consumers. Figure 2.3 shows the company preparing an offering mix of products, services and prices, and utilizing a communication mix strategy of advertising, sales promotion, events and experiences, public relations, direct marketing, and personal selling to reach the trade channels and the target markets. The business can change its price, sales force size and advertising expenditure in the short term, but can only develop new products and modify its distribution channels in the long term (Kotler & Keller, 2009:63).

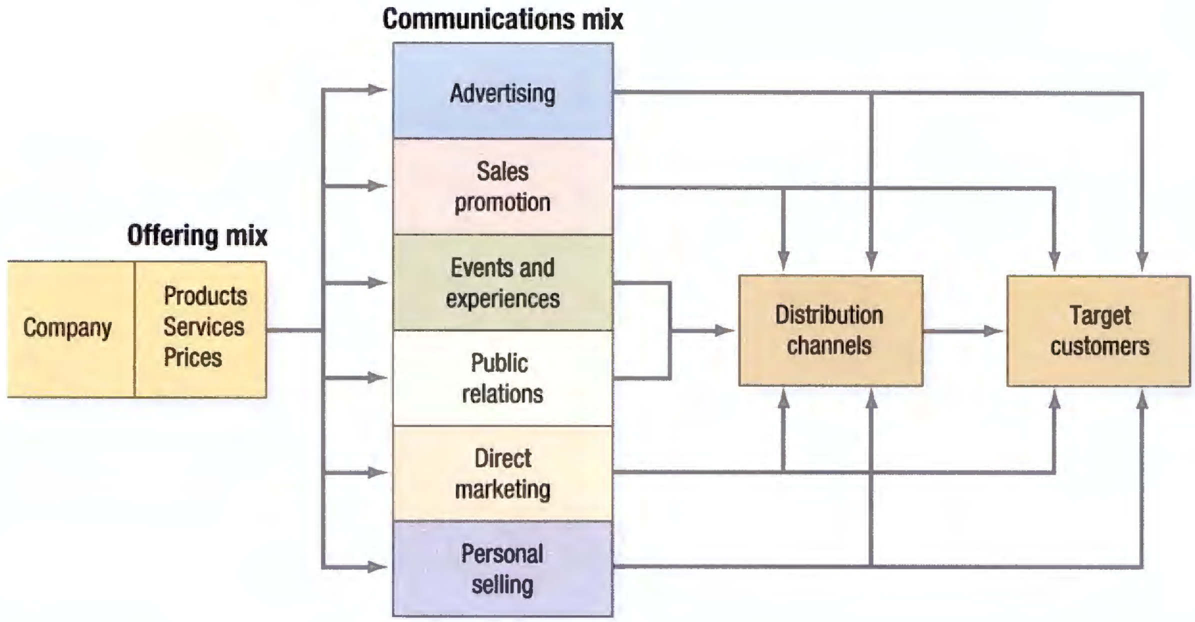


Figure 2.3

Marketing mix strategy.

Source: Kotler & Keller, 2006:19.

The eight steps in developing effective communication are illustrated in Figure 2.4. The process must start with a clear target market in mind. The target market is a critical influence on the communicator's decisions about what to say, how, when, where and to whom. Marketers can set communication objectives, for example brand awareness or brand purchase intention. The most effective communication often achieves multiple objectives. Designing communication to achieve the desired response will require solving three problems: what to say (message strategy), how to say it (creative strategy), and who should say it (message source). Selecting efficient means to carry the message becomes more difficult as channels of communication become more fragmented and cluttered. To determine how much to spend on the marketing communication budget, a marketer can use one of four common methods: the affordable method, the percentage-of-sales method, the competitive-parity method or the objective-and-task method. After the budget is determined, the company must decide where to allocate the funds amongst the different promotional mix components. An important step in this process is to measure the communications results and to project the outcomes and revenues resulting from the communication investments. All that is left is to effectively manage the integrated marketing communication process, which entails to evaluate the strategic roles of a variety of communication disciplines (Kotler & Keller, 2009:516-531).

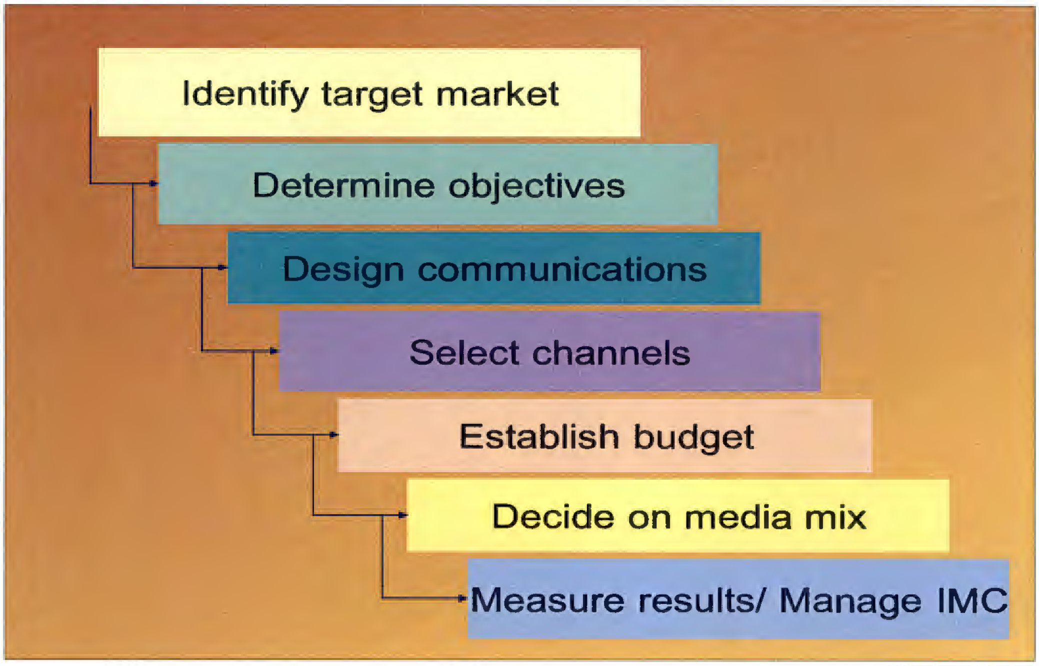


Figure 2.4
Steps in developing effective communication.
Source: Kotler & Keller, 2009:516.

The Marketing mix strategy (Figure 2.3) reflects the company preparing an offering mix of products, services, prices, and utilizing a communications mix of advertising, sales promotions, events, public relations, direct marketing and personal selling in order to reach the target market. Following on this discussion, the application of this mentioned strategy and how it is utilized in the small business will be analysed.

2.9 THE INTEGRATED MARKETING COMMUNICATIONS STRATEGY AND THE SMALL BUSINESS

For the small business marketing strategy, planning is the process of setting objectives and then determining the steps that must be carried out to implement them. The steps of this planning process include becoming aware of opportunities, setting objectives, forecasting the environment, determining alternative courses of action, evaluating the alternative courses of action, selecting a course of action and implementing it, formulating support plans, and budgeting the plans (Hodgets & Kurato, 2000:309).

The size of a business's marketing communications budget can vary to a great extent and this mainly depends on the expectation that the expenditure will accomplish the stated objectives. The budget decision for a small business spending a smaller amount is no less critical to a business. The ultimate success or failure may depend on the monies spent. For this reason the marketing manager faces a critical decision on how much to spend on the marketing communications promotional budget. No mathematical formula can suggest how much a small business should spend on promotion. Shown in Figure 2.5 is a four step method to determine a suitable promotional budget for any business. (Belch & Belch, 2007:209).

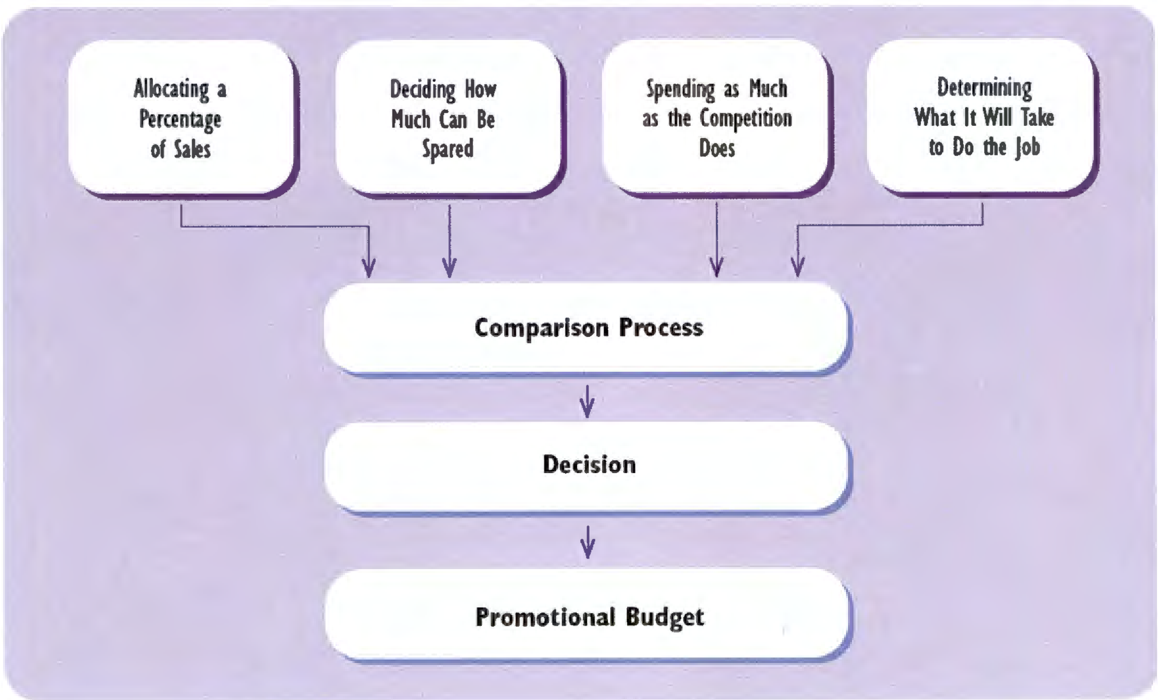


Figure 2.5

Four step method of determining a promotional budget.

Source: Moore, Petty, Palich & Longenecker, 2008:424.

Small business entrepreneurs often have some advantages that can be exploited. Small businesses usually know their customers better than do large, bureaucratic businesses. The small business owner can have personal contact with customers and keep in touch with their product or service needs. A small business can respond quickly to change and can follow a hands-on approach in the management of the business (Machado & Cassim, 2007:19).

Marketing decisions play a vital role in establishing a new business enterprise. Not only does an organisation need a market focus in its strategy, there must be a level of marketing expertise to put together the best total package consisting of the product, price, distribution and promotion for successful launching of the new small business enterprise. Successful small business enterprises know their markets, their market segment needs, the demographics of the market and how to communicate effectively in the market (Nieman, Hough & Niewenhuizen, 2003:18).

One of the major variables for success in a small business is to be noticeable in the market place. This requires careful planning and a well-thought-out IMC program (Clow & Baack, 2007:438).

Marketing communications create sales for the organisation by implementing various supportive media tools such as billboards, the internet, SMS, direct mailing, brochures, special events, photography, television- and radio commercials, press releases, corporate social responsibilities, pricing strategy, and product information. Gone are the days when someone opened a shop, erected a signpost and expected customers to crowd in. In modern business organisations, IMC has taken the centre stage. IMC plays a vital role in today's competitive marketplace where people are constantly exposed to all sorts of commercials; hence, the marketing communication must be unique, timely, informative, usable, creative and memorable. The marketing communications effort of any organisation becomes effective when their advertising campaign attract sales; when their web site provides an intended effect; when their bulk SMS campaign keeps the phone ringing; and when their sales representatives make huge sales with little effort. The small business owner should, therefore, focus on his business demeanour: how the organisation communicates, interacts, persuades, informs, relates, publicizes, promotes, and how it chooses and uses its words in sales pitches (Bankole, 2010:Online).

A well-developed integrated marketing communications plan is essential for every small business to ensure that money invested in its marketing communications efforts is not wasted. Although it does not guarantee success, it does increase the likelihood of achieving positive results. Some small business owners believe that limited budgets deprive them of the luxury of marketing communications. This mind-set views the process as an expense they undertake only when their budgets permit – a leftover expense, something to spend money on if anything remains after paying the creditors. The reality is that communicating with customers is not just an expense; it is an investment in the small business's future. A mega-budget is not a prerequisite for building an effective marketing communications campaign. With a little creativity and ingenuity, a small business can make its voice heard above the clamor of its larger competitors and it can do this within a limited budget. It is important to start by defining the purpose of the company's marketing communications program by creating specific, realistic, and measurable objectives. The marketing communications program must be efficient, effective, and consistently reach the people who are most likely to buy a company's product or services (Scarborough & Zimmerer, 2006:330).

When the small business owner understands that promotion is just another form of communication, it makes it easier to apply the concept of the communication process to the marketing communications plan. The similarity in communication between personal and the small business communication process as shown in Fig 2.6 is a blend of non-personal, personal, and special forms of communication aimed at the target market. Once business owners have defined their target audience, they can design marketing messages and choose the media for transmitting them. The small business owners decide what to say and how to say it. Creativity and originality come into play as advertising, publicity, personal selling, and direct marketing are weaved together for increased marketing impact. The difference in the communication effort of the small business can be viewed as encompassing non-personal (advertising), personal (personal selling), and special (sales promotion) forms of communication aimed at the target audience (Longenecker, Moore, Petty & Palich, 2009:441-442).

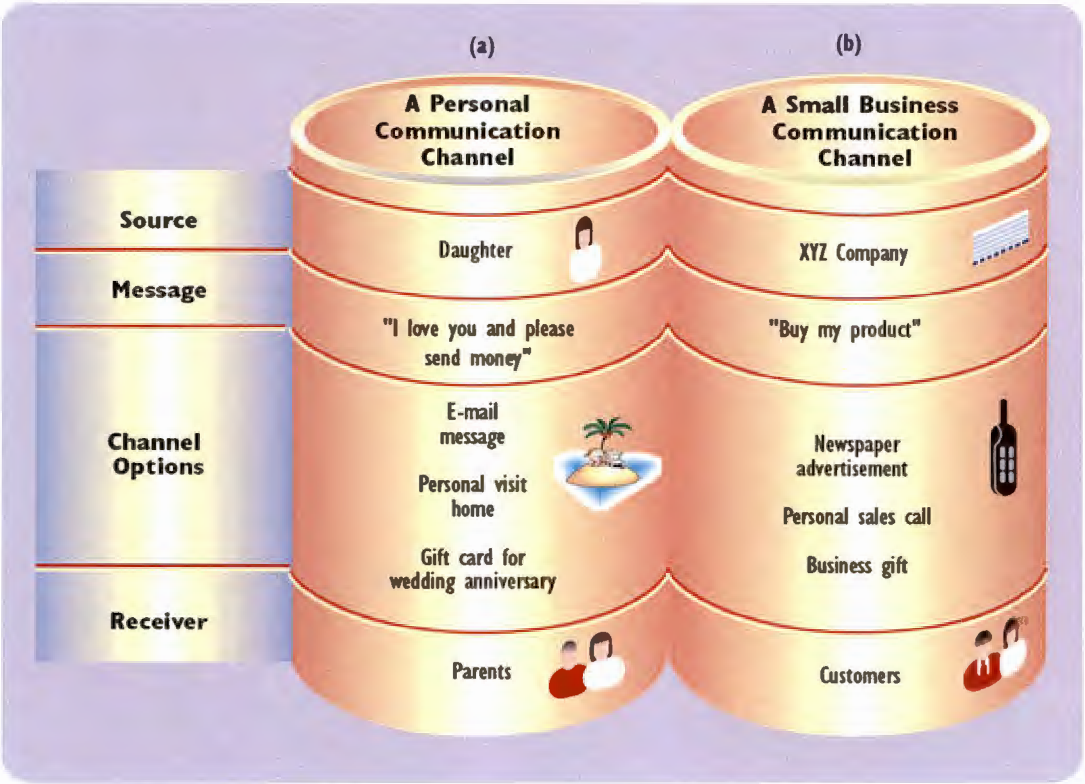


Figure 2.6

Similarity of personal and small business communication process.

Source: Longenecker *et al.*, 2009:422.

The goal of selecting the elements of proposed integrated marketing communications is to create a marketing campaign that is effective and consistent across all media platforms. Therefore, the different elements of integrated marketing communications and how it can be used by the small business will now be discussed.

2.10 THE ELEMENTS OF THE INTEGRATED MARKETING COMMUNICATION STRATEGY AND THE SMALL BUSINESS

Communication is an important and vital strategic area of an organisation's success. The company can have the best or most innovative products or services, but if the internal and external communications are weak, then the demand for the products or services raises concern. When communicating the value of the products or services, the small business wants to focus on how they will benefit the clients. When planning a strategy for IMC, the small business owner wants to have dialogue with the customers by inviting interaction through the coordinated efforts of content, timing and delivery of the products or services. IMC strategies define the target audience, establish objectives and budgets, analyse any social, competitive, cultural or technological issues, and conduct research to evaluate the effectiveness of the promotional strategies. Decisions linking the overall objectives and strategies during the marketing planning phases help to evaluate and adjust the specific activities of IMC. Before selecting an IMC tool, marketing, product and brand managers must look at social, competitive, legal, regulatory, ethics, cultural and technological considerations (Moore, 2010:Online).

Small businesses implement a marketing communications plan by ensuring that all elements of the plan (advertising, publicity, public relations, sponsorships, and personal selling) deliver a consistent message that is based on the unique selling proposition of the business. The concept of a unique selling proposition (USP) was developed by Reeves in 1961 and explained in his book, Reality in Advertising. He noted three characteristics of unique selling propositions:

- each advertisement must make a proposition to the consumer,
- the proposition must be one that the competition either cannot or does not offer, and
- the proposition must be strong enough to draw new customers to your brand (Belch & Belch, 2007:255).

All the elements of the marketing mix support the others and are designed to constantly reinforce the company's fundamental marketing message. Each of the marketing mix elements will now be discussed briefly and how the small business can implement the elements of the marketing communications plan effectively.

2.10.1 Advertising and the small business

More than fifty years ago the American Marketing Association adopted the definition of Ralph Alexander of Advertising as "any paid form of non-personal communication about an organisation, product, service, or idea by an identified sponsor" (Alexander, 1960:16).

Advertising is an important element of a business's marketing communication strategy. Advertising is not merely an element of business expense, it is an investment in building sales. The future growth of a business will be influenced by the ability to plan and execute an effective advertising program. Advertisements reach masses of consumers with only one marketing communication message. Therefore, it is no surprise that South African business organisations pay millions of Rands annually to reach the mass market with messages about their products. Advertising's purpose is not only to convey factual information, but on the contrary, advertisers must persuade potential consumers to buy – and often remind them to buy again and again. Messages conveyed by sales representatives, direct marketing, sales promotion, publicity and sponsorship, support and strengthen the advertising message (Strydom *et al.*, 2000:341).

In the broadest sense, anything that promotes your business might be considered advertising, whether it's a radio spot, a brochure, or a booth at a trade show. The term advertising usually refers to any paid commercial message in newspapers or magazines or on radio, television, the Internet, wireless devices, or billboards. Set out in Table 2.1 is advantages and disadvantages of five different advertising media that can be of significance to the small business advertiser. According to Lesonsky, the following are key media options for small business advertising:

- **Newspapers:** An inexpensive way to reach a mass audience, they are flexible and the ads are reasonably priced. Ideal approach to promote a sale or a special deal on a product or service. Newspapers carry a lot of advertisements, however, so there's a risk that advertisements may get lost in the clutter. Most newspapers have an online edition and a better deal can be negotiated when buying space in both the newspaper and on its website.
- **Magazines:** They offer a slightly better opportunity than newspapers to catch a reader's attention, but they typically cost more. Magazines are good for promoting a company's image and building its credibility. Trade magazines

and general business publications are worthwhile for business-to-business advertising.

- **Radio:** A relatively low-cost, high-impact choice for local advertising, it's one of the best ways to reach a target market; however, its cost is slightly higher than print advertisements. Repetition is especially important in radio advertising.
- **Television:** It is extremely high-impact, but spots on commercial television network stations are expensive. There are services that will help a company to produce and air spots on public service channels where it can even be aired in regional markets.
- **Outdoor advertising:** It offers high visibility, and the cost per viewer is relatively low. However outdoor advertisements, such as billboards and public transit advertisements, are best used in conjunction with other forms of advertising.
- **Internet:** This offers a means to rapidly adjust your advertising reach. Tools such as 'Facebook', 'Twitter' and 'Google AdSense' enable you to analyse a broad number of metrics such as click-through rates.
- **Mobile:** This is the fastest-growing ad category. Advertising that can be sent to and viewed on cell phones will continue to grow as more people purchase smartphones with increasing video capabilities.

Rather be dominant in one medium than having a minimal presence in many. A small business should try one advertising medium at a time, and give it a chance to work (Lesonsky, 2010:online).

The primary objective of any promotion is to create awareness of the existence of a business, product or brand which will hopefully lead to a sale as well as future sales, amongst potential buyers. Advertising helps marketers increase or maintain brand awareness and, subsequently market share (Lamb *et al.*, 2004:346).

Deciding on how much to allocate to advertising is an important decision and one that varies between companies. The advertising budget is the way the entrepreneur can determine how much will be spent on advertising and as shown in Figure 2.7 is an example of fund allocation for small business advertising. To ensure flexibility, it is advisable for the small business entrepreneur to work with a short budget period and set aside a contingency fund for specific situations for example an unexpected competitor (Machado & Cassim, 2007:203).

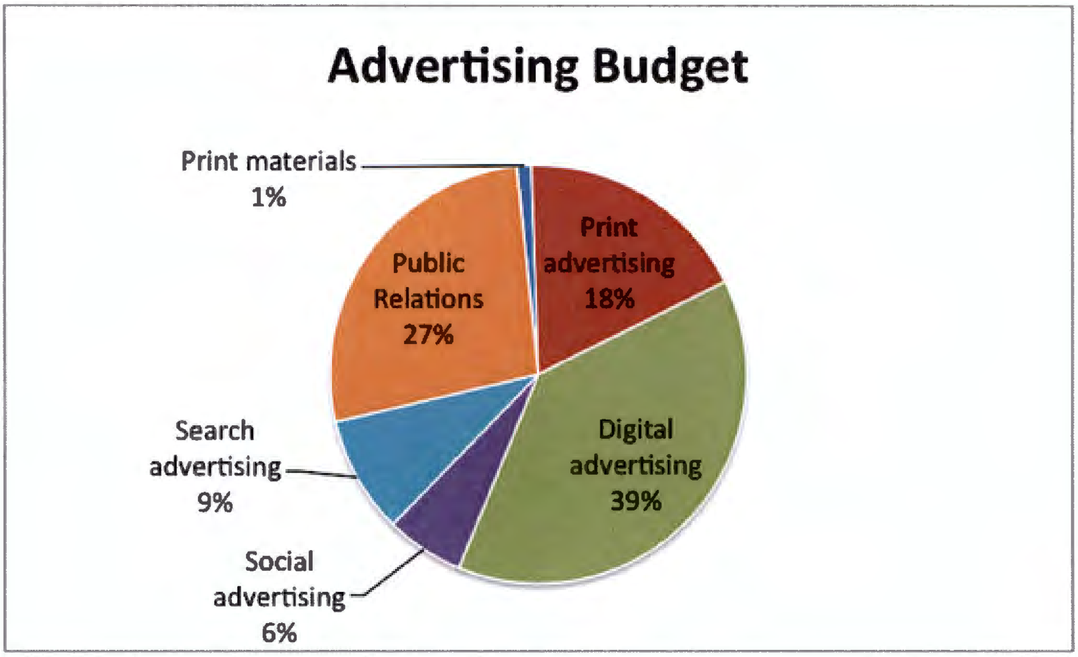


Figure 2.7

Fund allocation for small business advertising expenditure.

Source: Smith, 2011:Online.

Limited funds and lack of influence in the marketplace create major challenges. Guidelines to maximize an advertising budget include:

- The design of advertisements that speak clearly and effectively.
- To work towards brand (company) awareness first.
- Advertising on television is expensive; rather look for cooperative advertising opportunities on television.
- Radio can be targeted to stations with a company's primary listening audience, but drive time is more costly.
- People tend to have an affinity with a local radio DJ. The advertisement can take advantage of this affinity.
- Newspaper advertising is relatively expensive, and it works best for older markets, but newspaper advertisements can include coupons and specials to entice customers to the store.
- Advertising in regional magazines can work for some regional start-up

companies.

- Using billboard rotations allow for wide exposure in a city or province.
- Internet represents a new method to reach some customers. Links can be created with the chamber of commerce or city sites. It is possible to provide more information using the internet (Clow & Baack, 2007:448-450).

A decision on which advertising media to use is a complex one, depending on a number of factors. A wide variety of media and media vehicles are available to advertisers. While it is possible that only one media might be employed, it is much more likely that a number of alternatives will be used. The objectives required, the characteristics of the product or service, the size of the budget and individual preferences are just some of the factors that determine what combination of media will be used. Each medium has its own advantages and disadvantages as portrayed in Table 2.1 (Belch & Belch, 2007:314).

Table 2.1

Advantages and disadvantages of traditional advertising

Medium	Advantages	Disadvantages
Newspapers	Geographic selectivity and flexibility; short-term commitments; short lead time; immediacy; year-round readership	Little demographic selectivity; limited color capabilities; low pass-along rate; may be expensive
Magazines	Good reproduction; demographic and regional selectivity; relatively long life; high pass-along rate	Long-term commitments; slow audience buildup; long lead time
Radio	Low cost; immediacy; highly port able; short-term commitments; entertainment carryover	No visual treatment; short message life; commercial clutter
Television	Wide, diverse audience; creative opportunities for demonstration; immediacy; entertainment carry-over	Short message life; high campaign cost; long-term commitments; long lead times; commercial clutter
Outdoor media	Repetition; moderate cost; flexibility; geographic selectivity	Short message; lack of demographic selectivity; distracting noise levels

Source: Lamb *et al.*, 2004:351

The major benefit accumulation to a small business from effective advertising is recognition over the long term. Effective advertising, in any medium, is constructed on a strong, positive, and well-researched product or brand positioning statement that represents a precise understanding of who the target audience is, how a company's product or services are capable of satisfying their needs and wants, and the message to which customers will respond most positively. A company's target audience and the nature of its message determine the advertising media it will use. However, the process does not end with creating and broadcasting an advertisement. The final step involves evaluating the advertising campaign's effectiveness. Did it accomplish the objectives it was designed to accomplish? Immediate-response ads can be evaluated in a number of ways. For example, an owner can include coupons that customers redeem to get price reductions on products and services. Dated coupons identify customer responses over certain time periods. Some businesses use concealed offers, which are statements hidden somewhere in an advertisement that offer customers special deals if they mention an advertisement or bring in a coupon from an advertisement. Effective advertising should increase store traffic, which boosts sales of advertised and non-advertised items (Scarborough & Zimmerer, 2006:331-332).

2.10.2 Personal Selling and the small business

In the analysis done by Webster during 1968 on effective selling strategies, it was suggested that the reputation of the company (developed through advertising, research and publicity) is very significant in determining how customers respond to the salesperson and his sales presentation. Salespeople for companies with good reputations will obtain better response to their efforts, but company reputation also creates expectations from customers for the salespeople (Webster, 1968:13).

Advertising and promotion often mark the beginning of a sale, but personal selling typically is required to close the sale. Personal selling is the personal contact between salespeople and potential customers resulting from sales efforts. Effective personal selling can give the small business company a distinct advantage over its larger competitors by creating a feeling of personal attention. Personal selling deals with the salesperson's ability to match customer needs to the goods and services of the business. Superior salespeople have the following profile:

- They are enthusiastic and alert to opportunities. They realize that they may find the next great account through a chance social meeting rather than a scheduled sales call. Star sales representatives also express deep concentration, high energy, and drive.

- They are proficient and experts in the products or services they sell. They understand how their product lines or services can help their customers, and they are able to communicate this to customers.
- Top salespeople concentrate on select accounts. They focus on customers with the greatest sales potential.
- They plan thoroughly. On every sales call, the best representatives act with intention to close the sale.
- They work from the customer's perspective. They have empathy for their customers and know their customers' businesses and their needs.
- They use past success stories. They encourage customers to express their problems and then present solutions using examples of previous successes.
- They leave sales material with clients. The material gives the customer the opportunity to study the company and product literature in more detail.
- Top salespeople see themselves as problem solvers, not just vendors. Their perspective is "How can I be a valuable resource for my customers?"
- They evaluate their success not just by sales volume but also by customer satisfaction.
- The best salespeople look at the sale from the customer's viewpoint, not their own. Doing so encourages the sales representative to stress value to the customer. (Scarborough & Zimmerer, 2006:331-333).

Personal selling is a person-to-person process by which the seller learns about the prospective buyer's wants and seeks to convince him by offering suitable goods or services and making a sale. Personal selling primarily involves the relationship and interaction between the buyer and the seller. In this relationship there are two important aspects, namely salesmanship, and the steps in the selling process (Strydom, Jooste & Cant, 2006:250).

Figure 2.8

The personal selling process.

Source: Anderson, Dubinsky & Metha, 2007:136

Once the wheel of personal selling as seen in Figure 2.8 is set in motion, it continues to rotate from one stage to the next. It is then easy to see that stage seven is not really the end of the cycle but rather a new beginning, because the salesperson's follow up and service activities can generate repeat sales or purchases of new products and services as customer needs grow. Sensitivity and flexibility in responding to feedback from customers about their needs and wants are critical for the salesperson to make the most effective and efficient use of the personal selling process. The center axle of the wheel (Figure 2.8) consists of prospects and customers, without them the personal selling process would have nothing to revolve around (Hair, Anderson, Metha, Babin, 2009:92).

Effective selling is built on a basis of product knowledge. If the small business sales person is familiar with a product's advantages, uses and limitations, he can educate customers by successfully answering their questions and countering their objectives or intentions. Most customers expect a salesperson to provide educated answers, no matter what the product is. Personal selling disintegrates into mere order-taking when a salesperson lacks product knowledge (Longenecker, Moore, Petty & Palich, 2006:356).

Small businesses are emphasizing with renewed vigour the importance of customer relations. Customer traits are constantly changing. Companies that fail to keep abreast of such changing customer demands are missing sales opportunities. To be successful a business person must adapt and adjust to the needs and wants of customers, including staying open at hours which suit customers and offering the kinds of goods and services that will attract them. Without properly trained salespeople, the sales potential of the best products and services will not be reached. Salespeople provide the day-to-day contact with the customers and the impression made and image presented will shape the business's image. Therefore, it is important to maintain good personal selling techniques. The reasons sales people miss sales opportunities include lack of product knowledge, improper training, indifference to their work and lack of concern for customers. The salesperson whom a customer encounters in any retail or service establishment often creates more lasting impressions than the merchandise, decor, prices or any part of the store image. The customer should be made to feel comfortable and important because he or she is the reason for any company to be in business. A principal rule for any small business company should be that "customer service takes precedence over any other task in the store" (Zetocha, 2011:Online).

The "personal touch" remains an essential part of keeping customers, regardless of the size or extent of the company. In the case of a small company it is absolutely vital. Knowing the names of customers, their preferences and other key information makes a sales call or retail operation, a much more positive and constructive experience. Uncaring and unprepared salespeople and service personnel may cost the company business it cannot afford to lose (Clow & Baack, 451:2007).
To many customers, the salesperson is the business. Therefore, if the sales personnel are bad, then so is the business. Although important to all business, effective sales personnel are especially important for small businesses to compete effectively with big companies on entities like assortment, price, and promotion. Selling effort is one variable where the small business can effectively compete with larger competitors. Effective selling does not occur by accident. The small business

entrepreneur must work to achieve high levels of sales effectiveness. Applying these high levels of sales effectiveness to a business situation should result in the desired goal of effective sales personnel which gives a business the competitive advantage (Douglas, 2007:Online).

2.10.3 Sales promotion and the small business

Sales promotion refers to those marketing activities designed to intensify the efforts of the marketer's sales force, induce intermediaries to stock and sell the marketer's product offering and/or persuade consumers to buy the product offering within a specified, limited time period. Different types of sales promotions can include an advertising campaign, public relations activities, a free sampling campaign, a free gift campaign, a trading stamps campaign, through demonstrations and exhibitions, prize giving competitions, temporary price cuts, and door-to-door sales, telemarketing, personal sales letters, and emails. Three sales promotion methods can be identified: those directed at the consumer, those directed at the intermediary, and those directed at the sales representative (Strydom *et al.*, 2006:250).

Sales promotion is defined as "a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale". This definition expresses several important aspects of sales promotion that need to be emphasized. In the first place, sales promotion involves some type of inducement that provides an added incentive to buy, and is therefore essentially an acceleration tool designed to speed up the selling process and maximize sales volume. The final important aspect is that sales promotion activities can be targeted to different participants in the marketing channel. Set out below (in Table 2.2) sales promotion can be broken into two major categories: consumer-orientated and trade-orientated promotions (Belch & Belch, 2007:495).

Table 2.2

Types of sales promotion activities.

Consumer-Oriented	Trade-Oriented
Samples	Contests, dealer incentives
Coupons	Trade allowances
Premiums	Point-of-purchase displays
Contests/sweepstakes	Training programs
Refunds/rebates	Trade shows
Bonus packs	Cooperative advertising
Price-off deals	
Loyalty programs	
Event marketing	

Source: Belch & Belch, 2007:496.

When developing a sales promotion strategy for a small business, the following variables should be kept in mind:

- consumer attitudes and buying patterns,
- brand strategy,
- competitive strategy,
- advertising strategy, and
- other external factors that can influence products' availability and pricing (Strauss, 2008:483).

A sales promotion strategy is an activity that is designed to help boost the sales of a product or service over the short term. The importance of a sales promotion strategy cannot be underestimated. Manufacturers aim their promotional mix at both intermediaries and end users or consumers. There are three types of sales promotion strategies:

- a push strategy,
- a pull strategy, and
- a combination of the two.

A 'push' sales promotion strategy involves 'pushing' distributors and retailers to sell products and services to the consumer by offering various kinds of promotions and personal selling efforts. A company promotes their product/services to a reseller who in turn promotes it to another reseller or to the consumer. The basic objective of this strategy is to persuade retailers, wholesalers and distributors to carry your brand, give it shelf space, promote it and ultimately 'push' it through the distribution channel to the consumer. Typical push sales promotion strategies include buy-back guarantees, free trials, contests, discounts, and specialty advertising items. A 'pull' sales promotion strategy focuses more on the consumer instead of the reseller or distributor. As indicated in Table 2.2, the consumer-orientated promotions are used along with advertising to encourage consumers to purchase a particular brand and create demand for it. This strategy involves getting the consumer to 'pull' or purchase the product/services directly from the production company. This strategy targets its marketing efforts directly on the consumers with the hope that it will stimulate interest and demand for the product. This pull strategy is often used when distributors are reluctant to carry or distribute a product. Typical pull sales promotion strategies include samples, coupons, cash refunds or rebates, loyalty programs and rewards, contests, sweepstakes, games, and point-of-purchase displays (Rix, 2006:383-384).

A 'combination' sales promotion strategy is just that; it is a combination of a push and a pull strategy. It focuses both on the distributor as well as the consumers, targeting both parties directly. It offers consumer incentives side by side with dealer discounts. Some of the most common methods used in sales promotion strategies include: coupons; price discounting; gift with purchase offers; sweepstakes; sampling; mail in offers and rebates; refund and premium offers; group promotions; frequent user/loyalty incentives; point-of-sale displays (Mishra, 2009:196).

Sales promotion serves as an inducement to buy a certain product while typically offering value to prospective customers. Sales promotion should seldom comprise all the promotional efforts of a small business. It should be used in combination with personal selling and advertising. Popular sales promotional tools include specialties, contests, premiums, trade show exhibits, point-of-purchase displays, free merchandise, sampling and coupons. A small business can use sales promotions to accomplish various objectives. For example, small businesses can use sales promotions to stimulate channel members – retailers and wholesalers – to market their product. Wholesalers can use sales promotions to induce retailers to buy inventories earlier than they normally would, and retailers, with similar promotional tools, may be able to persuade customers to make a purchase (Moore *et al.*, 2008:436-438).

2.10.4 Publicity and public relations and the small business

Public relations is the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders. It is popular and accepted to make events that have commercial or sales-stimulating news value available to the media for broadcasting or publishing. Publicity created like this, is inexpensive because the sponsor (sender) usually does not pay for the space or time of the news report. When measured in monetary value, publicity can have several thousands of Rands worth of communication value for the business. News reports are generally more believable than advertisements (Strydom *et al.*, 2006:251).

Public relations and publicity are essential to the growth of any business, but especially small businesses. Small businesses have tight budgets. When there isn't enough advertising and marketing money to go around, small businesses get creative by finding every means possible to gain free exposure for their products and/or services. This creativity leads to cost-effective promotions that enhance name-brand recognition, credibility, and company position. And if a company is really lucky, the media coverage could be worth huge amounts of free advertising (Strauss, 2008:351).

Publicity provides visibility for a small business at little or no cost. Publicity can be used to promote both a product or service and a company's image, and it is a vital part of public relations for a small business. Cypriana Porter, owner of the educational toy store, The *Ginger-bread house* in New York, wanted to get the attention of the news media. Porter came up with the idea of *Puzzleman*, defender of creativity – a man in a superhero costume. *Puzzleman* visits the toy store to encourage creative play among the young children. Porter invited a local television station to the superhero's debut appearance in the store. The television station later invited the *Puzzleman* superhero to be a guest on one of its shows. *Puzzleman* participated in programs at the local library and fire department and appeared in town parades. The total monetary cost of this publicity was minimal, but the return on this small investment was substantial (Klinck, 2003:12-13).

In recent years, small business owners have begun to explore new methods of placing their products or services before the targeted market in a more subtle fashion. The key is to have your product or service identified with an individual, group, or sport that your target customers admire and then the next step is product placement, a term that broadly describes the strategy of having your product seen in successful movies or television programs. It is highly sophisticated yet subtle brand exposure. Karen Neuburger, owner of Karen Neuburger's Sleepwear, started her eponymous company at the age of 40. For a small business like Karen Neuburger's Sleepwear, to sponsor an event designed to attract attention is always an excellent idea because local news media will almost always cover the party, giving the small business lots of free exposure. Karen Neuburger's Sleepwear throws pyjama parties in stores across the USA to promote her line of sleepwear. Another creative marketing campaign that Neuburger undertook was to involve celebrities "on the cheap." Few small businesses can afford to hire celebrities as spokespersons for their companies, but by being creative it is possible to get celebrities to promote the company's products. When Karen Neuburger learned that Oprah Winfrey is a "pyjama connoisseur", she sent the talk show host a pair of her panamas as a gift. The move paid off, Neuburger has appeared on Winfrey's popular television show on three separate occasions (Tate, 2008:Online).

Scarborough & Zimmerer suggests some tactics that can help any small business to stimulate publicity for the business:

- Write an article that will interest your customers or potential customers. Business owners often overlook the fact that newspapers and magazines are almost always in search of interesting and newsworthy material that fits their audiences. Whenever possible, support your article with photos, charts, or diagrams that further illustrate your message and improve reader understanding.

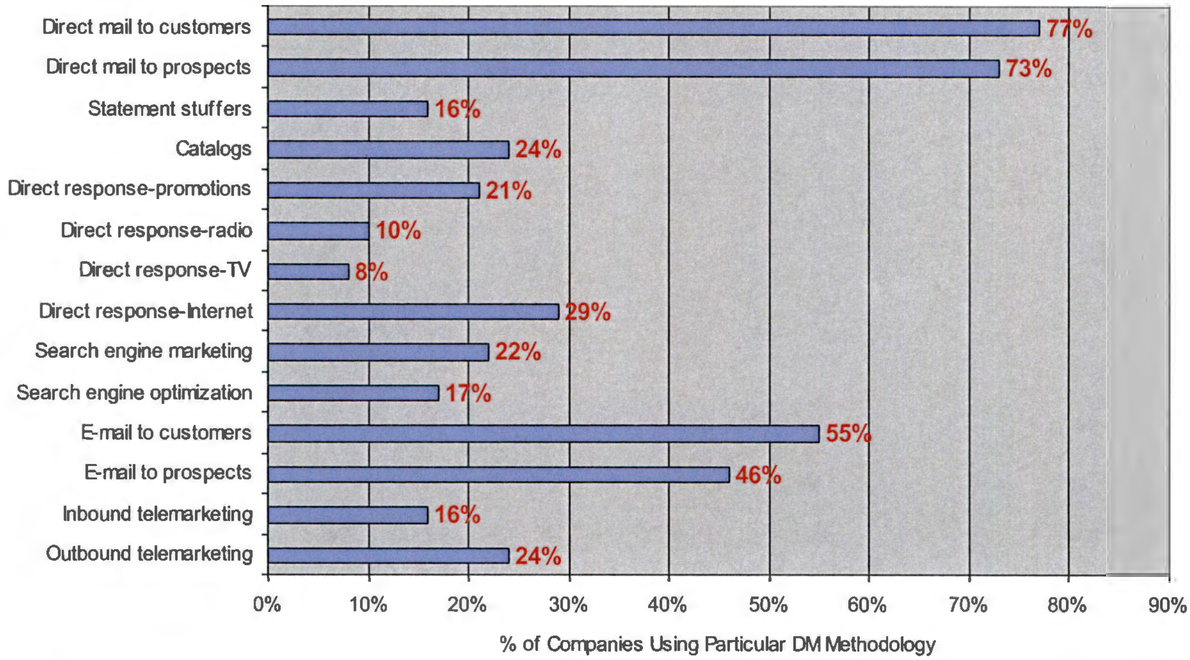
- Contact local or regional radio stations and offer to be interviewed. Many local news or talk shows are looking for guests to talk about issues of significance to their listeners.
- Publish a professional-looking company newsletter. Freelancers can offer design and editing advice. Use the newsletter to reach present and potential customers.
- Contact local business and municipal or community organisations and offer to speak to them. A powerful, informative presentation can win new business.
- Offer or sponsor a seminar. Teaching people about a subject you know a great deal about builds confidence and goodwill among potential customers. The owner of a nursery offers a short course in landscape architecture and always sees sales climb afterward.
- Write news releases and fax or e-mail them to the local media. The key to having a news release printed, is finding a distinctive angle on your business or industry that would interest an editor. Keep it short, simple, and interesting and always include a company's web site address.
- Volunteer to serve on community and industry boards and committees.
- Sponsor a community project or support a non-profit organisation or charity. Your small business will be giving something back to the community, and you will gain recognition, goodwill, and possibly customers for your business.
- Promote a cause. Business owners who have a passion for a cause should act on its behalf. Socially responsible acts often turn into highly successful public relations efforts that attract valuable and important publicity (Scarborough & Zimmerer, 2006:334-335).

2.10.5 Direct marketing and the small business

Direct marketing is much more than direct mail and mail-order catalogues. It involves a variety of activities, including data-base management, direct selling, telemarketing, and direct-response advertisements through direct mail, the internet, and different broadcast and print media. In Table 2.3, the different methods of direct marketing are shown as the percentage of companies that use different direct marketing methods. The key issue is, that it is measurable – and therein lies its appeal since marketers are under increasing pressure to be able to measure the results of their marketing communications investments (Belch & Belch, 2007:18-20).

Table 2.3

Methods of direct marketing.



Source: Levy, 2004:5

Patrick Dineen suggests the following steps when creating a direct-marketing program:

- Define the goals of the program and make sure those goals are more than simply generating sales.
- Define the target market. A concrete database helps this process.
- Target the prospective customers to be contacted. Once again, the database is crucial to providing relevant information about the customer.
- Produce the art and copy. Make it simple, direct and professional.
- Print and mail the package.
- Track responses for the future.

A follow-up call is sensible, because it can generate additional sales (Dineen, 2001:42).

A crucial feature of a small business's direct marketing effort is the development and maintenance of a database. Creating a database is the most cost-effective method of keeping track of customers. The benefit of a database is the ability to use direct marketing, which can be in the form of mail, e-mail, telephone or personal contacts.

Most small businesses think of only direct mail, but the customer base should be examined carefully. A telephone call, a fax or an e-mail may be a more effective way of contacting customers (Clow & Baack, 2007:451).

Direct marketing often consists of interactive communication and has the advantage of being customized to match the needs of specific target markets. Messages can quickly be developed and adapted to facilitate one-on-one relationships with customers. It is important to emphasize a measureable customer response, because that is what distinguishes direct marketing from other promotional techniques. Some of the most inexpensive and often very effective forms of direct marketing that small business owners can use, include e-mail marketing, e-zines, direct promotion on social networking sites, such as Facebook, Twitter or MySpace. Direct 'mobile marketing' is exploding in terms of its usage by small business owners. If a company decides to use direct marketing, it is best to use a permission-based approach – gaining the customer's consent before engaging in this marketing activity (Crane, 2010:180).

2.10.6 Sponsorships or special events and the small business

Sponsorship is the marketing activity whereby a sponsor contractually provides financial and/or other support to an organisation or individual in return for the right to use the sponsor's name (company, product, brand and logo) in connection with the sponsored event or activity. Sponsorship has become a very important part of the integrated marketing communications mix and large amounts of money are invested in events, teams and individuals. Very often the sponsor receives little benefit from the sponsorship due to a lack of careful planning and/or leverage (Strydom *et al.*, 2006:252).

Sponsorship marketing implies that the company pays money to sponsor someone, some group or something that is part of an activity. Figure 2.9 provides a breakdown of how money is spent. Sports represents nearly 70 percent of all sponsorships, mainly because sporting events often attract large crowds and many more watch on television (Clow & Baack, 2007:385).

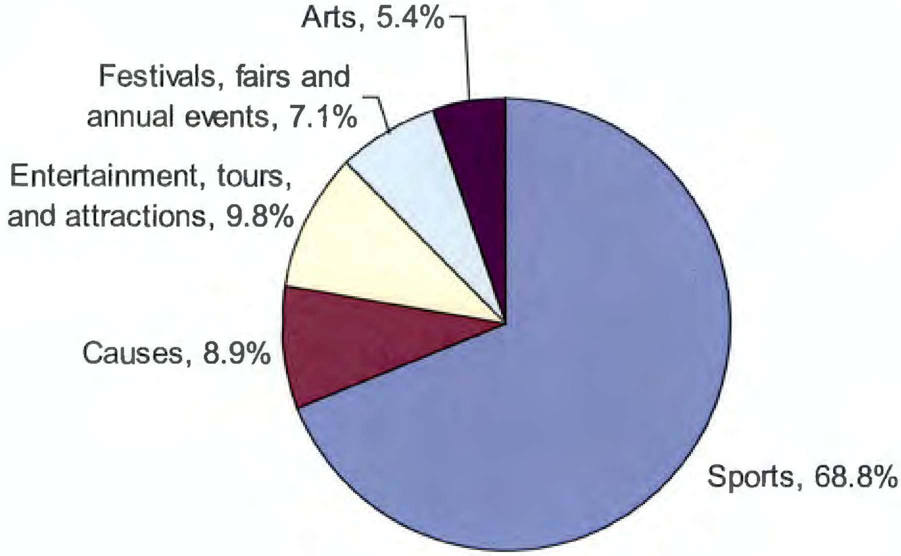


Figure 2.9
Breakdown of marketing expenditures on sponsorships and events.
Source: Anon, 2004:18.

There is a wide range in the cost of sponsorships. Sponsorships and involvement in special events can be very cost effective if the entrepreneur supports events where attendees are potential customers. Local festivals and events gain the sponsor a great deal of positive public relations. Support for charity functions enhances the sponsor's community image and often attracts new customers. Small companies do not have to rely on other organisations' events to generate advertising opportunities; they can create their own special events. Creativity and uniqueness are crucial ingredients in any special event promotion, and most small business entrepreneurs do extremely well at those. The following guidelines will help the small business to get the most promotion impact from their sponsorship of an event:

- Do not count on sponsorships for your entire advertising campaign. Sponsorships are most effective when they are part of a coordinated advertising effort. Most sponsors spend no more than 10 percent of their advertising budgets on sponsorships.
- Look for an event that is appropriate for your company and its products and services. The owner of a small music store in an expensive mountain resort sponsors a local jazz festival every summer during the busy tourist season and generates a great deal of business among both residents and tourists. Ideally,

an event's audience should match the sponsoring company's target audience. Otherwise, the sponsorship will be a waste of money.

- Research the event and the organisation hosting it before agreeing to become a sponsor. How well attended is the event? What is the demographic profile of the event's visitors? Is it well organized?
- Attempt to become a dominant or the only sponsor of the event. A small company can be easily lost in a crowd of much larger companies sponsoring the same event. If sole sponsorship is too expensive, make sure that your company is the only one from its industry or trade, sponsoring the event.
- Explain the costs and level of participation required for sponsorship up front.
- Get involved. Do not simply give the sponsorship fee and then walk away. Find an event that is meaningful to you, your company, and its employees and take a participative role in it (Scarborough & Zimmerer, 2006:334-335).

Sponsorships and special events are a relatively new promotional medium for small companies. A growing number of small businesses are finding that sponsoring special events attracts a great deal of interest and provides a lasting impression of the company in customers' minds. Instead of focusing on big holiday promotions during Easter or Christmas, rather make an effort to help others while enhancing your company's image in the process. Your small business can sponsor meals for the homeless or you and your staff can engage in a visible community improvement project and share your story with the local media. A small business should host special events like open houses, celebrity visits, clearance sales, "meet the owners", or other events like wine tastings and beach volleyball tournaments, fitness walks and car races, that give you a reason to invite customers and prospects to your place of business. It is an excellent way of introducing your business to the target market. Never forget to invite the media; this includes newspaper editors and reporters and similar titles from local radio and television stations. Meeting people from the local media will help to establish good relationships with those that control the news and features (Lynn 2007:199,226).

2.10.7 Packaging and the small business

Packaging is a very important component of the product, because customers see both the name and the packaging as part of the product. In addition to the physical product or core service, a product also includes complementary components, such as packaging. Packaging is an important part of the total product offering. In addition to protecting the basic product, packaging is a significant tool for increasing the value of the total product. Innovative packaging is frequently the deciding factor for consumers. It is true that the physical product or core service is usually the most important element in the total bundle of satisfaction, but sometimes that main element is perceived by customers to be similar for all competing products. If this is the case, it would make great sense for the small business owner to make an effort with the complementary components, because that may very well then become the most significant features of the product. If products are otherwise similar to competitive products, their packaging may create the distinctive impression that makes the sale. As an example, biodegradable packaging materials may differentiate a product from its competition (Longenecker, Donlevy, Calvert, Moore, Petty & Palich, 2008:161).

Packaging is the design and production of the container of the product item so that it can be protected, stored, handled, transported, identified and marketed successfully. It is important for the small business entrepreneur to decide what type of packaging to use. There are a number of choices available,

- family packaging – all the products in the product mix have more or less the same packaging,
- individual packaging – each product gets its own special pack, this helps to give the product an image of exclusivity,
- reusable packaging – is designed to be used for another purpose once the contents have been used up, and
- multiple packaging – when several similar types of products are packed together (Machado & Cassim, 2007:84-86).

A package design must stand out, it must tell consumers what is inside and why the brand should be purchased; however more and more packages are increasingly viewed as a key part of a company's integrated marketing communications program and some of the new trends in packaging are based on changes in the ways in which consumers use products: a package design -

- must meet consumer's need for speed, convenience and portability,
- must be contemporary and striking, and
- must be designed for ease of use (Clow & Baack, 2007:50).

The packaging material and/or the label can carry the trademark and other important marketing messages. Directions for use, the content and the expiry dates are important items of information the consumer needs to reduce the risk associated with buying the product. The pictures and bright colours on the package communicate with the consumer and create a specific product image. The shape of the package also has symbolic meaning that contributes to the desirability of the market offering (Strydom *et al.*, 2006:253).

It is important for small business owners to know that marketing surveys have revealed that only 31 percent of purchases are planned prior to reaching a store, this means that 69 percent of purchase desicions are made in the store. Other research indicates that when customers walk within 10 to 15 feet (3 to 4.5 metres) of a product, the brand has three seconds to make contact with the consumer (Perry, 2004:8).

2.10.8 The internet and the small business

Internet advertising was created in 1994, making it still relatively young approach to target consumers. In the beginning of this new advertising trend, failure was more common than success. The internet has since 1994 became one of the most competitive retail marketplaces. Companies operating in this area face demanding customers intolerant of any service failure, and a large number of competitors. A key issue in how companies can serve this market is the way in which they internally manage the relationship between the marketing and operations departments of the business. These two areas, according to Piercy, represent the "value adding" core of all organisations. Cooperation and collaboration between these two functions are crucial for success in a highly competitive marketplace such as internet retail (Piercy, 2009:551).

The ever-expanding number of mechanisms designed to exploit internet accessibility is having an intense impact on global communications. As a pervasive global network, the Internet provides a means for geographically distributed parties to work from the same system, using the same information, in a real-time environment. This includes the ability to make use of external systems such as cooperative research databases for marketing purposes (Timmons & Spinelli, 2007:65).

The internet's availability, broadband upgrades, and behavior targeting, are all factors that have contributed to the internet achieving tha status of a major advertising medium. When using digital advertising on the internet and new interactive media, there are six principles of digital advertising that can be widely applied:

- marketers must be sensitive to consumer concerns about privacy and spam,
- consumers are more likely to be receptive to digital ads from marketers they trust,
- consumers are more likely to be receptive to respond to digital ads for products that are relevant to them,
- digital approaches that incorporate interactivity are more likely to be effective,
- advertising messages that are entertaining have a higher chance of success in the digital context, and
- new interactive media messages need to build the brand over a period of time to be effective (Taylor, 2009:411-418).

For most small businesses, advertising on the internet may be effective and valuable. A small business can often purchase advertisements on the community's Chamber of Commerce site or the city/town's webste or even having the small business's name on the site or link to the city/town's website. The internet can be a very powerful tool to provide information for potential customers that cannot be placed in an advertisement. On the website, a small business can place information about the business, its goods and services, guarantees, current customers or clients and special offers as well as prices. When used correctly, the internet can be a beneficial form of advertising once consumers have been directed to it by some other form of advertising (Clow & Baack, 2007:450).

An effective website is one that creates an attractive presence that meets the objectives of the business or organisation. These objectives include:

- attracting visitors to the website,
- making the website interesting enough that visitors stay and explore,
- convincing visitors to follow the web site's links to obtain information,
- building a trusting relationship with visitors,
- reinforcing positive images that the visitor might already have about the organisation, and
- encouraging visitors to return to the website (Schneider, 2007:141).

The internet is a great cost-effective way to promote a small business, but it may seem a very daunting task because there are billions of websites trying to get attention, there are trillions of emails sent out every year, and the average person is bombarded with thousands of advertising messages every day from TV, radio, billboards and the internet. There are however important must have's for your business to stand out in the overcrowded internet space:

- Compelling website copy with solid content and attention-grabbing headlines that your target market is searching for on the web. Make sure your small business website doesn't appear to be only selling something. People want information, not propaganda.
- A way to capture site visitors' contact information. The small business must get net-surfers to stay long enough to view an 'opt-in' offer that is irresistible so that they will join the mailing list. Then the small business can start a relationship with the potential customers. Most of the company's online marketing and sales will come from this e-mail list.
- Jadon Wellman, manager of interactive web marketing for small businesses at Hewlett Packard says, the key to web marketing is to respect the customer's agenda, the focus should always be on the customer. Find out what your customers want, find out where they are on the web, and then go 'talk' to them on blogs or forums or on the small business company's own website. Start building a relationship, and let customers know clearly and briefly how your

service or product might solve their problems. Wellman goes further and says it is important to be humble when you design your website. You think you know what your customers want. You don't. Ask them. Do informal usability tests, get feedback, and build it into your site (Urquhart-Brown, 2008:140-141).

According to Veronis Suhler, a specialist at International Media Merchant Bank, the Internet is the fastest growing communication medium in the world. Meanwhile, as traditional media companies expand their presence in the burgeoning online and mobile markets, they are facing challenges. Online and mobile platforms are not likely to generate spending tantamount to traditional media in the near-term due to changing media usage patterns. Consumers spend less time with online and mobile versions of traditional media; they tend to read only a few news stories on the web, but entire sections of a printed newspaper. Furthermore, consumers are reluctant to pay for online content because they have grown accustomed to receiving content for free on the Web. The emergence of free user-generated content, such as blogs and podcasts, is further limiting opportunities to charge for content, although advertising growth in this segment is exploding (Suhler, 2010:Online).

2.11 CONCLUSION

The marketplace consists of a complex set of competitors battling for customers in a rapidly changing environment. New companies are created on a daily basis. Small businesses, internet-based operations, and global conglomerates that have expanded through takeovers and mergers are all part of a worldwide marketing environment. A wide variety of media beckon the leaders of these companies to spend money on marketing. Marketing methods range from approaches as simple as stand-alone billboard advertisements to complex multilingual global Web sites. The number of ways to reach potential customers continually increases. In the face of these sophisticated and cluttered market conditions, businesses try to be heard. Marketing experts know that a company's communications must speak with a clear voice. Customers need to understand the essence of a business and the benefits that will come from using their goods and services. With so many advertising and promotional venues available, and so many companies bombarding potential customers with messages, the task is challenging (Clow & Baack, 2007:4).

The need for marketers to be flexible and adaptable to the dynamic and changing world around them has never been greater. As competition in markets grows rapidly, and consumer's demands increase on the companies from which they choose to purchase, marketers must be increasingly sensitive to a multitude of changing socio-cultural nuances (Parsons & Maclaran, 2009:1).

Life in marketing used to be much simpler and more straightforward than it is today. In the past, marketers segmented consumers based on their demographic information. Most consumers had traditional roles and responsibilities and the buying power and decision making processes were clear for most categories. However, today's consumer comes in multiple guises and is much more complex. Marketers have been forced to respond to the growing sophistication of consumers and marketing paradigms that were developed in the 1950s when products were sold by focusing on their quality and functional benefits and through mass production. By the 1970s this process had evolved beyond pushing brands based on their functional and emotional platforms – and by the late 1990s it had reached a stage where marketing had become contingent on building strong consumer relationships. The modern day marketer is faced with a consumer who wants personalized brand solutions as well as functional and emotional brand superiority. This opens the door for personal and participatory marketing activities that have the ability to offer integrated customer experiences across all points of contact. In recent years the evolution of consumer marketing customization has been coupled with the ever-increasing pace of consumer technology development. The basic mass media channels of the early 1950s have developed into highly individualized and customized channels such as third screen technology, cellular, PSP, iPod and other personalized communication channels. In order to appreciate how the media landscape is changing, it is important to understand consumer interaction and the role of each communication channel within the greater media context and marketing environment. It is clear that the world of traditional marketing and communication is changing rapidly. South Africa is not isolated from these changes. Marketers need to be constantly aware of how to reach consumers with marketing messages – and of how this information needs to change based on its interaction with different channels. Furthermore due to the growing aversion to advertising, the increasing importance of channels such as word of mouth and consumer blogs is opening up an entirely new world of experiential marketing possibilities for the successful marketers of the future (Van Vuuren, 2007:50).

One of the reasons for the importance of integrated marketing communications is that it plays a major role in the process of developing and sustaining brand identity and equity. Building and properly managing brand equity has become a priority for companies of all sizes and in all types of industries and in all types of markets (Belch & Belch, 2007:15).

The next chapter focuses on Branding and Positioning from a marketing perspective. The origins and definitions of branding will be discussed. Brand equity will be explained as well as the importance of branding in the Integrated Marketing Communication process. Branding and Positioning within the small business has its own challenges and to conclude this chapter, some alternatives for expensive branding solutions as well as the developing and implementation of positioning strategy will be discussed.

CHAPTER 3
BRANDING AND POSITIONING

3.1 INTRODUCTION

Integrated marketing communications are designed to maximize the value of a company's expenditures for advertising, promotion, public relations, direct marketing and personal selling techniques by ensuring that each element delivers the same clear, consistent, and compelling message about the business and its products or services. The market receives a single powerful reinforcing message from all marketing communications sources. Customers respond best to a positive message that is delivered consistently by each source. Almost every brand in existence today can be reduced to the status of a commodity if it fails to effectively evolve both its products and its marketing communications (Bedbury, 2002:14).

As products become increasingly similar, companies are turning to branding as a way to create a preference for their offerings. Branding has been the essential factor in the success of well-known consumer goods such as *Coca Cola*, *McDonalds*, *Kodak* and *Mercedes*. In fact, these brands are worth many times more than the book value of the property used to make these brands (Kotler & Pfoertsch, 2006:394).

To achieve maximum benefit, all marketing communications must convey the same positive message about the business and its products or services. A company's brand represents the customer's perceptions and feelings about its products or services. Perceptions and feelings exist in the mind of the customer, and when these are very positive feelings, the result is customer loyalty. The strength of a brand is however not limited by the size of the business or its marketing budget. Many small local businesses have created a powerful bond with their customers and, consequently, have a strong market position. One goal of an integrated marketing communications strategy is to increase brand equity, which is measured in terms of customer loyalty and the customer's willingness to pay a premium for the product or service (Scarborough & Zimmerer, 2006:328).

Branding is a complex and diverse subject, and to understand the essentials of brand positioning it is important to first understand the fundamentals of branding. In this chapter branding will be examined from a marketing perspective. The origins and definitions of branding will be discussed. Brand equity will be explained as well as the importance of branding in the integrated marketing communication process. Branding within the small business has its own challenges and some alternatives for expensive branding solutions will be examined. The second part of this chapter will focus on positioning, and the importance of differentiation and a positioning strategy for branded products.

3.2 THE ORIGINS OF BRANDING

The word 'branding' in itself is an indication of why we brand. To brand literally means to burn, i.e. to burn a mark on something, like the farmer putting his symbol on cattle with the help of a hot iron. The word comes from the Scandinavian word for burning which is 'bränna' and a fire in Swedish is a 'brand'. In other words, to brand is to put one's mark on one's property, or on items one has produced. Branding has its roots in ancient times. The first example of branding is found in the manufacture of oil lamps on the Greek Islands more than two thousand years ago. Apparently it was impossible to distinguish between a good and a bad lamp at the time of purchase. However, craftsman on one Greek Island produced a better, more long-lasting lamp as they were either more efficient, or had better clay. So, they started to mark their lamps with a special symbol to differentiate it from competitive oil lamps and presumably to enable them to charge a premium price. Already this first example illustrates that branding is a method for identifying quality products. The brand signaled to the customer the source of the product, and protected both the customer and the producer from competitors who would attempt to provide products that appear to be identical. Another early way of branding was the application of signatures on paintings and furniture by the artists. Rembrandt signed his works of art, as did most other recognized painters, as that was his way of authenticating the painting and thus branding it. Thomas Chippendale, the eighteenth-century cabinetmaker, was very successful with his furniture, representing at the time an innovative style. In this case, not only did Chippendale become a famous brand, the name became synonymous with a specific style (Nilson, 1998:57-58).

Branding which can be traced from ancient civilizations gathered momentum through the decades, driven primarily by the industrial revolution and advancements in communication technology. Rosser Reeves and David Ogilvy are the two experts primarily responsible for the modern concept of branding. Reeves seeks to establish the branding of a product by means of facts and reason. Ogilvy seeks to make a product famous in its market by the impact of emotion. In reality branding is a mixture of both these concepts. It is a process of presenting your product to your customers, with strong reason for trying or buying it (Yadin, 2001:19).

A highly challenging issue among marketing experts is in fact the definition of a brand. There are many varying opinions of what a brand is and the researcher will now reflect on some of these definitions and also an overview of what a brand is.

3.3 BRAND DEFINITION AND OVERVIEW

In searching for a definition of what a brand is, it is revealing to consider the differences between a product and a brand:

- you buy a product for what it does; you choose a brand for what it means,
- a product sits on retailers' shelves; a brand exists in consumers' minds,
- a product can quickly be outdated; a brand is timeless, and
- a product can be copied by a competitor; a brand is unique.

A product becomes a brand when the physical product is improved by something else – images, symbols, perceptions, feelings – to produce an integral idea greater than the sum of its parts (Batey, 2008:3).

A brand is a name, term, symbol, design or a combination thereof that identifies a seller's products and differentiate them from competitors' products. A brand name is that part of a brand that can be verbalized, including letters (*MTN, CNA, IBM*), words (*Nando's, Edgars, McDonald's*), and numbers (*3M, 7-Eleven*). The CEO of the advertising agency Ogilvy & Mather Rightford, Robyn Putter, describes a brand as 'a product that has earned a place in a consumer's life through perceptual experience, beliefs and feelings to the extent that a relationship of consequence has developed'. Whereas an unbranded product is mostly about tangible things, a brand is about intangibles such as trust, loyalty, friendship and belonging. Good branding thus leads to an emotional bond between the consumer and the product (Lamb *et al.*, 2008:214).

The former worldwide head of advertising for *Nike* and former vice president of marketing of *Starbucks* said, "Branding is about taking something common and improving upon it in ways that make it more valuable and meaningful. A coffee bean is just a coffee bean until someone like Howard Schultz and *Starbucks* comes along, and creates from it a branded product, a hand-crafted espresso drink served in an environment such as a coffeehouse" (Bedbury, 2002:14).

Many of the benefits of a strong corporate image also apply to brands. The primary difference between the two is that of scope. Brands are names generally assigned to individual goods or services or to a group of complementary products. A corporation's image covers every aspect of the business operations. An effective brand name allows a company to charge more for products, which in turn increases gross margins. Strong brands provide customers with assurances of quality and reduction of search time in the purchasing process. One primary feature that keeps a brand strong, is that it contains something that has salience to customers. Salience occurs when customers are aware of the brand and that the brand has attributes or features they desire. Salience comes from several sources. One is that the product or brand has benefits which consumers consider important or that the brand is good value. Consumers buy the item and use it on a regular basis or consumers recommend salient brands to their families and friends (Clow & Baack, 2007:39-40).

A more recent definition from De Chernatony, McDonald & Wallace, (2011:31) states that, "A brand is a cluster of functional and emotional values that enables organisations to make a promise about a unique and welcomed experience". Companies make a promise about their brands, and brands succeed because companies meet the promise made to their customers. This definition goes further and adopts a strategic perspective. Unless the values and experiences received by the customer are unique and sustainable against competitive activity, the lifetime of the brand will be short (De Chernatony *et al.*, 2011:31-36).

Choosing a brand name for a product is significant from a promotional perspective, because brand names communicate attributes and meaning. Marketers search for a brand name that can communicate product concepts or ideas and help position the product in customers' minds (Belch & Belch, 2007:60).

3.4 A BRAND NAME

During 1879 Harley Procter, one of the founders of the candle and soap company *Procter & Gamble* (P&G) heard a Sunday sermon based on Psalm 45, "...all thy garments smell of myrrh, and aloes, and cassia, out of ivory palaces". The word "ivory" stuck in his mind, and became the name of the company's white soap. *Ivory* was a remarkable product at a time when most soaps were yellow or brown, irritated skin, and damaged clothes. From the outset, it was stressed that it was mild enough for babies, and babies were often featured in the advertising. The soap's brand name, along with its distinctive wrapping, is meant to give customers confidence that they are buying the mild, gentle soap they want. Although the label and packaging have been redone at least 18 times since 1890. Exhibit 3.1 shows some of the advertisement and package changes that *Ivory* soap went through over more than a century. The loyalty and market presence that *Ivory* built over a period of more than a century, became the cornerstone of all *Procter & Gamble*'s future product branding efforts (Aaker, 1991:1-5).

Exhibit 3.1

Ivory soap 1890-2012.

Source: http://zakta.com/zakta/view_1_5_1951_Ivory_Soap_Advertising_History

Although certain things about a brand may change over time, the name will remain the same. Customers will use the brand name to describe or define the product. An example of this is *Coca-Cola*. The first thing that comes to mind when *Coca-Cola* is mentioned, is the dark, sweet, reddish-brown liquid. Therefore it is reasonable to say that *Coca-Cola* is the product, not the brand (Ries & Ries, 2003:108).

Since a product's brand name is so important to the image of the business and its products, considerable attention should be given to the selection of a name. According to Longenecker, Moore & Petty (2005:284-285) there are five guidelines that apply in naming a product:

- select a name that is easy to pronounce and to remember,
- decide on a descriptive name,
- use a name that can have legal protection,
- select a name with promotional possibilities, and
- select a name that can be used on several product lines of a similar nature.

A brand name has advantages for the consumer, as it is easy to recognise the product and easy to identify with it. Because most purchases involve only limited problem-solving behaviour, branding helps to reduce the decision–making time and also the effort of evaluating competing products. Brands do not necessarily need to have unique features for this to occur. Consumers who either do not want to spend time on an extended information search, or do not have the expertise or knowledge to do so, can use the brand as an implicit guarantee of quality (Blythe, 2008:138-139).

According to Clow & Baack (2007:40-41), to develop a strong brand begins with discovering why consumers buy a brand and why they rebuy the brand. Questions to be asked include:

- What are the brand's most convincing benefits?
- What emotions are elicited by the brand either during or after the purchase?
- What one word best describes the brand?
- What is important to consumers in the purchase of the product?

Once the answers to these questions are known, a company's marketing team can cultivate a stronger brand position. The goal is then to set a product apart from its competition. Marketers must find the 'one thing' the brand can stand for, that consumers recognize and that is outstanding to consumers. When these tasks are successfully completed, more powerful brand recognition will occur.

Careful thought should be given to the choice of a brand name since names convey images. *Renault* chose the brand name *Safrane* for one of its executive saloons because research showed that this brand name conveyed an image of luxury, exotica, high technology and style. The brand name *Pepsi Max* was chosen for the diet cola from *Pepsi* targeted at men as it conveyed a masculine image in a product category that was associated with women. One important principle for deciding on a suitable brand name is that it evokes positive associations (Jobber & Fahy, 2009:137).

To a marketing team, a new brand name is an opportunity to write business history in one, maybe two, words. Choosing a great brand name is one of the most important aspects when it comes to building a successful brand. (Travis, 2000:152).

3.5 SUCCESSFUL BRANDING

Now that branding has been described, the researcher will look at the aspects of what it is that makes a brand successful. Building successful brands is an exceptionally challenging marketing task. As recently as 2005, after almost a century of marketing, the *Harvard Business Review* reported that of the thirty thousand (30 000) new products launched in the USA, 90 per cent failed because of poor marketing, and only 10 per cent went on to become successful brands (De Chernatony *et al.*, 2011:3). Management must be prepared to provide a consistently high level of brand investment to establish and maintain the position of a brand in the marketplace. Only 18 per cent of Britain's top 50 brands has been developed since 1975. This also implies that when a brand becomes established, it tends to survive for a very long time (Jobber & Fahy, 2009:139).

Building a strong brand requires careful planning and a great deal of long-term investment. At the heart of a successful brand is a great product or service, backed by creatively designed and executed marketing (Berry & Seltman, 2008:13).

There are certain unwritten rules when it comes to making a brand successful, and having customers become loyal followers. According to Ries & Ries there are four rules that must be discussed: First, one needs to get the brand to stand for something when the customer sees or thinks about it. It is all about maintaining a word in the customer's mind. When people start using a brand name generically, it means that that brand owns the category name. To become generic, one needs to be the first to sell something, and establish a category. Secondly, after successfully establishing the associations of this word, the brand owner decides whether to expand or contract the scope of its focus, so as to make more money. Although it seems logical to expand the scope to increase sales, this is a common mistake. As Ries and Ries (2003:46) explains: "By far the most successful brands are those that kept a narrow focus and then expanded the category as opposed to those brands that tried to expand their names into other categories". The third and fourth aspects to consider when building a successful brand are quality and credentials. Quality exists in the mind of the customer, but it is only a perception. "There is almost no correlation between success in the marketplace and success in comparative testing of brands", claim Ries and Ries (2003:58). Credentials are needed to claim authenticity or validity and have people believe almost anything being said by the brand owner about the performance of the brand. Having a high price is also a factor when building a perception of high quality in a brand. To a customer, a high price means good quality, even if this is not true. (Ries & Ries: 2003:40-60).

For branding strategies to be successful and brand value to be created, consumers must be convinced that there are meaningful differences among brands in the specific product or service category. Brand differences are often related to attributes or benefits of the product itself. *Gillette, 3M* and others have been leaders in their product categories for decades, due in part, to continual innovation. Brands like *Gucci, Chanel, Louis Vuitton* and others have become leaders in their product categories by understanding consumer motivation and desires and creating relevant and appealing images around their products (Kotler & Keller, 2009:278).

Successful brands are those which are the focus of a coherent blending of marketing resources, and represent valuable marketing assets. A successful brand delivers sustainable competitive advantage and invariably results in superior profitability and market performance (De Chernatony *et al.*, 2011:24-29).

3.6 BUILDING A BRAND

Building and maintaining a brand is one of the critical tasks of the marketing manager. We now live in a world where the technical differences between products are becoming fewer and fewer. What will determine which company's product is purchased will be how consumers feel about the brand. Branding permits customers to develop associations (prestige, status, economy) and eases the purchase decision (Jobber & Fahy, 2009:134).

Strong brands survive crises of all kinds more easily than feeble brands. Strong brands are protected against economic crises. Brands do not just create value and competitive advantage in good times but protect companies in tough times by forging strong links with consumers, investors and other stakeholders. Brand-building and brand management become critically important in this very competitive era. The strongest brands of all are those that are well built over time (Ghodeswar, 2008:5).

3.6.1 Brand building blocks

Marketers mostly agree about basic branding principles, but a number of brand equity models offer different perspectives. The brand resonance model, according to Kotler and Keller (2009:284-285), views brand building as an ascending series of steps, from bottom to top, as illustrated in Figure 3.1. This process includes the following steps:

<u>Step 1</u>: Ensuring identification of the brand with customers and an association of the brand in customers' mind with a specific product class or customer need.

<u>Step 2</u>: Firmly establishing the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.

Step 3: Eliciting the proper customer responses in terms of brand-related judgement and feelings.

Step 4: Converting brand response to create an intense, active loyalty relationship between customers and the brand.

When enacting the four steps, the six brand building blocks can be assembled to build a brand pyramid with customers as shown in the brand resonance pyramid reflected in Figure 3.1. This model emphasizes the duality of brands. The rational route to brand building is left on the pyramid, and the emotional route is on the right side of the pyramid.

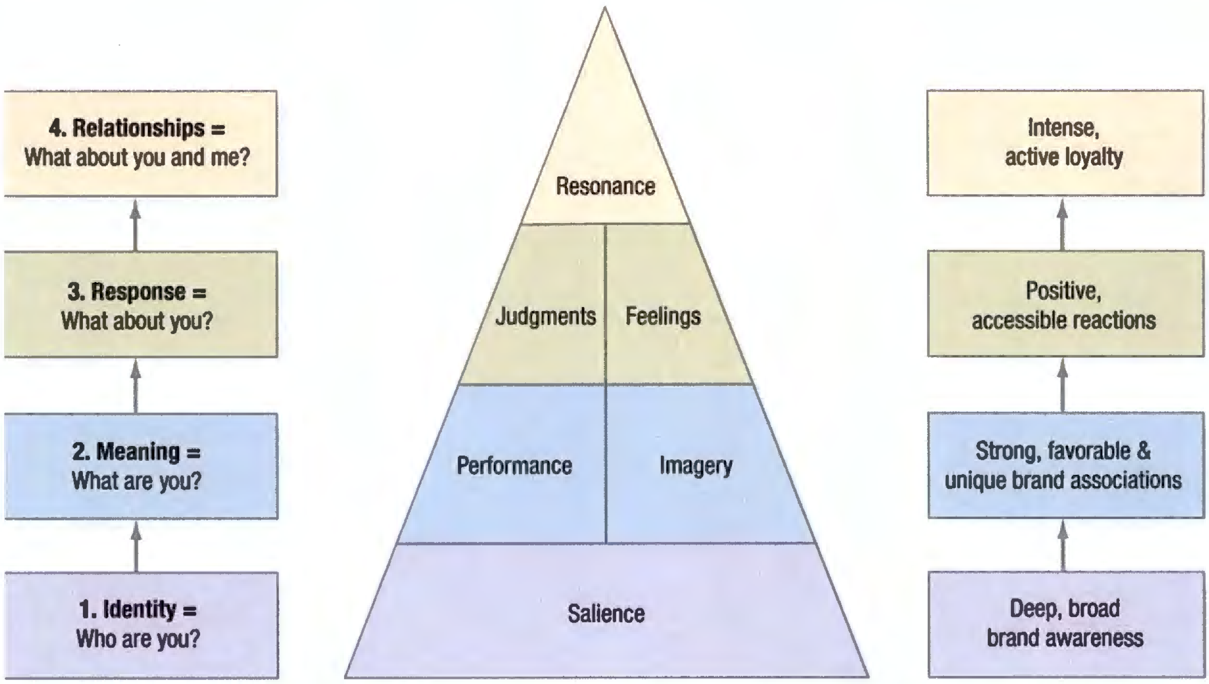


Figure 3.1

Brand resonance pyramid

Source: Kotler & Keller, (2009:285).

To reach the top of the pyramid (Figure 3.1), the right building blocks have to be in place:

- **Brand salience** relates to how often and easily the brand is evoked under various purchase or consumption situations.
- **Brand performance** relates to how the product or service meets customers' functional needs.

- **Brand imagery** deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs. Brand judgements focus on customers' own personal opinions and evaluations.
- **Brand feelings** are customers' emotional responses and reactions with respect to the brand.
- **Brand resonance** refers to the nature of the relationship that customers have with the brand and the extent to which customers feel that they are in sync with the brand.

Resonance is characterised in terms of the intensity or depth of the psychological bond customers have with the brand, as well as the level of activity stimulated by this loyalty (Kotler & Keller, 2009:285).

Brand elements play an important role in the brand-building process and where they are placed in a strategic brand-building process view, we need to define the overall organisational objective: *"The overall objective for the brand owner is, through branding strategies and investments in brand building activities and in brand elements, to strengthen the organisation's brand building capability, including innovation power to enhance brand equity, which will in turn enhance financial performance and brand value."* This definition indicates the linkage of everything inside the organisational group together to deliver something of value to customers. To enable a better understanding of the connections between these terms and the brand-building process, see the illustration in Figure 3.2 (Ind & Bjerke, 2007:122-124).

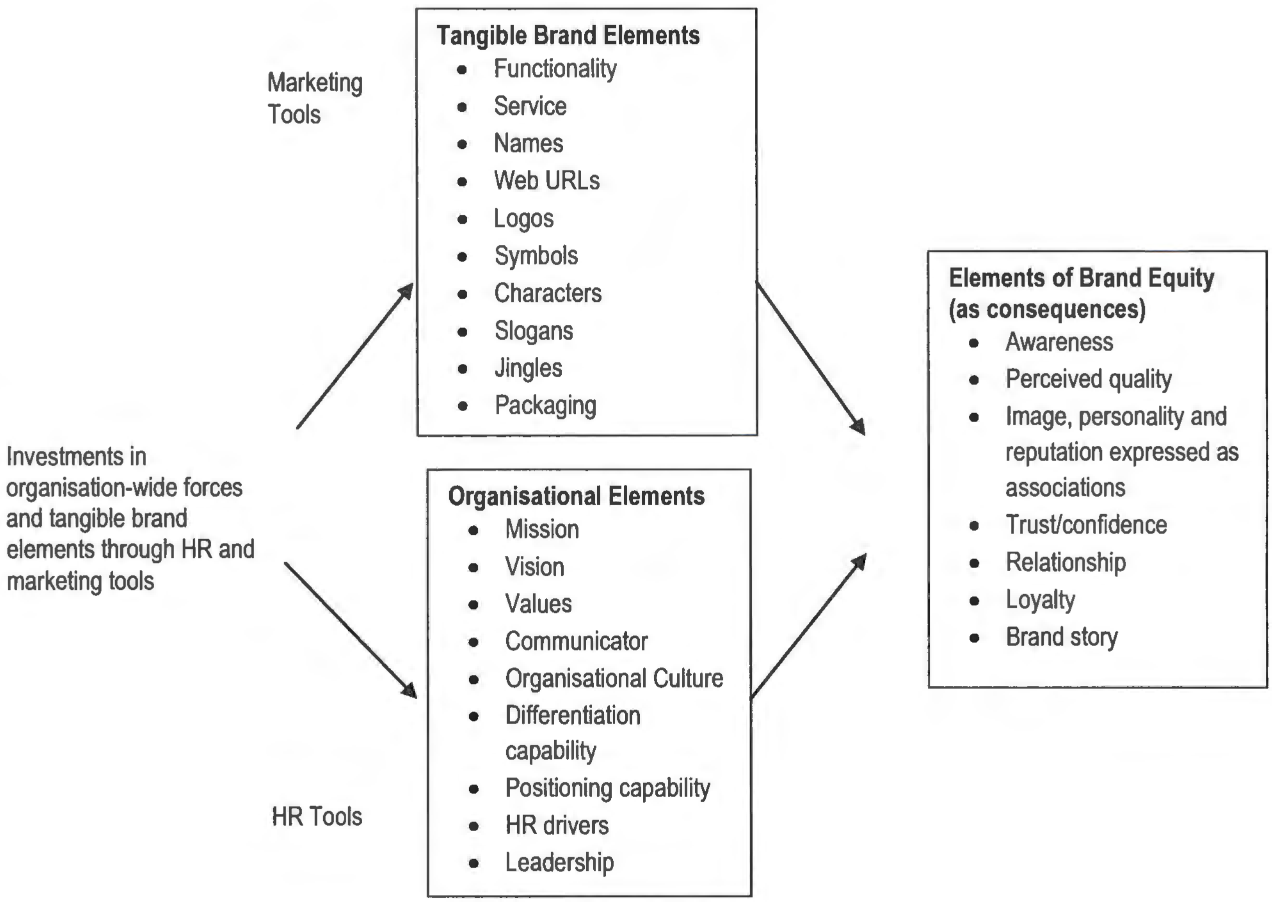


Figure 3.2

Building brand equity through investments in organisation-wide forces and tangible brand elements.

Source: Ind & Bjerke, (2007:124).

The ultimate aim for an organisation with a branded product is to create brand equity amongst their consumers. The concepts of brand parity and brand equity will now be discussed as well as the components and benefits of brand equity.

3.6.2 Brand Parity

Many established companies encounter this problem called brand parity. Brand parity can be defined as 'the overall perception held by consumers that the differences between the major brand alternatives in a product category are small". For this reason it is therefore negatively correlated to product differentiation. The development of a differentiation scale is justified by the fact that consumers are increasingly viewing products as similar to each other, whereas marketers need to follow the decree of product differentiation in order to gain a competitive edge. The parity measure is composed of five items:

- I can't think of many differences between the major brands of X.
- To me, there are big differences in the various brands of X.
- The only difference between the major brands of X is price.
- X is X; most brands are basically the same.
- All major brands of X are basically alike (Schmitt & Rogers, 2008:200).

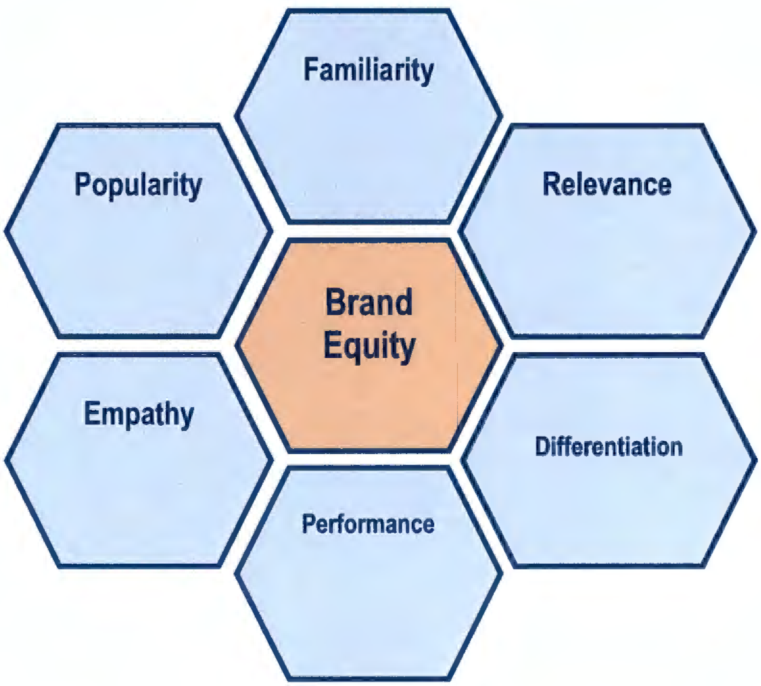
Brand parity occurs when there are few tangible or noticeable distinctions between competing brands in established markets. Brand parity means only insignificant product differences exist. In many product categories, even minor variations are hard to find. One major force that can help combat the problem of brand parity is called brand equity (Clow & Baack, 2007:41).

3.6.3 Brand Equity

Brand equity has been one of the main marketing research topics since the late 1980s. Kevin Keller, a marketing professor, has since 1985 to date published more than 92 articles and books on the concepts of branding. Keller (1993:2-5) identified two general motives for studying brand equity. One is a financially based motivation to estimate the value of a brand, more precisely for accounting purposes in terms of asset valuation of the balance sheet, or for merger, acquisition, or divesture purposes. A second reason for studying brand equity relates to a strategy-brand motivation to improve marketing productivity. Keller argues that financial valuation issues have little relevance if no underlying value for the brand has been created or if managers do not know how to exploit that value by developing profitable brand strategies.

In line with this, it is important to examine the main dimensions for brand equity. Firstly, brand equity refers to the total monetary value of a brand as a separable and intangible asset, for example when it is sold or included on a balance sheet. Secondly, it is the measure of the strength of consumers' attachment to a brand. Thirdly, it is the description of the associations and beliefs the consumer has about the brand. Thus, brand equity is a "measure" of loyalty, perceived quality and leadership, association and differentiation, awareness, and market behaviour (De Chernatony *et al.*, 2011:454-455).

Brand equity can be achieved through an accumulation and increase of components or sources (Aaker, 1991:44). These components are described in Figure 3.3 in the Morar Consulting Adaptation. Fig 3.3 gives an overall measure of brand performance and the key factors that have the highest impact on brand performance. The components of brand equity as described in Figure 3.3 are the aspects that influence purchase decisions the most (Morar Consulting Ltd, 2012: Online).



Familiarity: Depth of understanding the target market has for a brand.
Relevance: Appropriateness of a brand to its target market.
Differentiation: Distinctive nature of a brand in comparison to competitors.
Performance: Perceived effectiveness of a brand to deliver stated benefit.
Empathy: Ability of a brand to connect with its target market.
Popularity: Perception of a brand's widespread use and acceptance

Figure 3.3
Components of brand equity
Source: http://www.morarconsulting.com/BrandPerforma.aspx

Brand equity has been described by the Marketing Science Institute as "the set of associations and behaviour on the part of a brand's customers, channel members and parent corporations that permits a brand to earn greater volume or greater margins than it could without the brand name". This indicates two aspects to brand equity, one from the point of view of the business and the other from that of the consumer (Chaudhuri, 2006:44).

The impression exists that brand equity always adds positive aspects to a product or service. Occasionally a brand will have negative equity in that it adds no value or even diminishes the worth of a basis product. In a study done in 1993 of personal computers, consumers indicated that a discount of $69 would be necessary for them to select the *Packard Bell* brand. Consumers were then prepared to pay $295 and $232 more for the *IBM* and *Compaq* brands, respectively. In the service field during the same time, *Trans World Airlines* (*TWA*) suffered from financial problems and inconsequent customer service. Therefore in the minds of many air travellers, the *TWA* brand had negative brand equity. Building a brand's equity consists of developing a favourable, memorable, and consistent image. Product quality and advertising play vital roles in this endeavour. If substantial brand equity can be achieved, the organisation that owns the brand can benefit in several ways:

- The brand itself can become a differential advantage, influencing consumers to buy a particular product.
- Because it is expensive and time-consuming to build brand equity, it creates a barrier for companies that want to enter the market with a similar product.
- Brand equity can help a product survive changes in the operating environment, such as a business crisis or a shift in consumer tastes (Miller & Layton, 2000:318-319).

As an example of a brand crisis the difference in handling a crisis will be explained shortly. Perrier water suffered a brand crisis in February 1990 and was never able to recover completely. In 1992 the Perrier group was taken over by Nestlé, and the brand had not been able to regain its pre-1990 volume. *Tylenol* seemed to fare better than *Perrier* when both products faced crises involving their purity. Tylenol, the leading painkiller medicine in the United States in the 1980's faced a tremendous crisis when some Tylenol capsules were infected with cyanide in October of 1982. Seven people died in Chicago after taking Tylenol capsules. Johnson and Johnson's handled the crisis by placing the consumer first and recalling 31 million bottles of Tylenol capsules from store shelves and offering replacement product in the safer tablet form free of charge. Marketers predicted that the Tylenol brand would never recover from the sabotage. But only two months later, Tylenol was headed back to the market, this time in tamper-proof packaging and bolstered by an extensive media campaign (Kerzner, 2006:488-492).

In contrast, not all brand crises were handled so effectively. In 1990 high levels of toxic substance benzene were discovered in bottles of Perrier water during an environmental testing at a laboratory in North Carolina. When the media first found out about the problem Perrier did not know what to do. For a brand whose whole identity was based around the idea of 'natural purity', the benzene incident was clearly a disaster. Perrier refused to see it as a global issue. There was a lack of coherent and consistent response from Perrier subsidiaries, and no lead or coordination from the French parent company Source Perrier. Mixed messages were given being given, with contradictory and conflicting statements emerging from different divisions of the company. Perrier made a bad situation worse and failed to tackle the global implications of the crisis (Barton, 1991:6-8).

Brand equity forms an integral part of this study and therefore the researcher had to examine the benefits of brand equity in more detail.

3.6.4 Benefits of Brand Equity

Brand equity is a set of characteristics that are unique to a brand. In essence, brand equity is the perception that a product or service with a given brand name is different and better. Brand equity creates several benefits. Brand equity allows the company to charge a higher price. The company may retain a greater market share than would otherwise be expected for an undifferentiated product. Brand equity is a source of channel power as the company deals with retailers. This power, in turn, leads to an improved position in terms of shelf space and displays. Brand equity also influences wholesalers by affecting what they stock and which brands they encourage their customers to purchase. Wholesalers often will stock several brands but place greater emphasis on high-equity brands. Brand equity is a strong weapon that might discourage consumers from looking for a cheaper product or for special deals or incentives to purchase another brand. Brand equity prevents erosion of a product's market share, even when there is a proliferation of brands coupled with endless promotional manoeuvres by competitors (Clow & Baack, 2007:41-42).

According to Dahlén, Lange & Smit (2010:227) the main benefits of having high brand equity are profitability and growth, as shown in Figure 3.4.

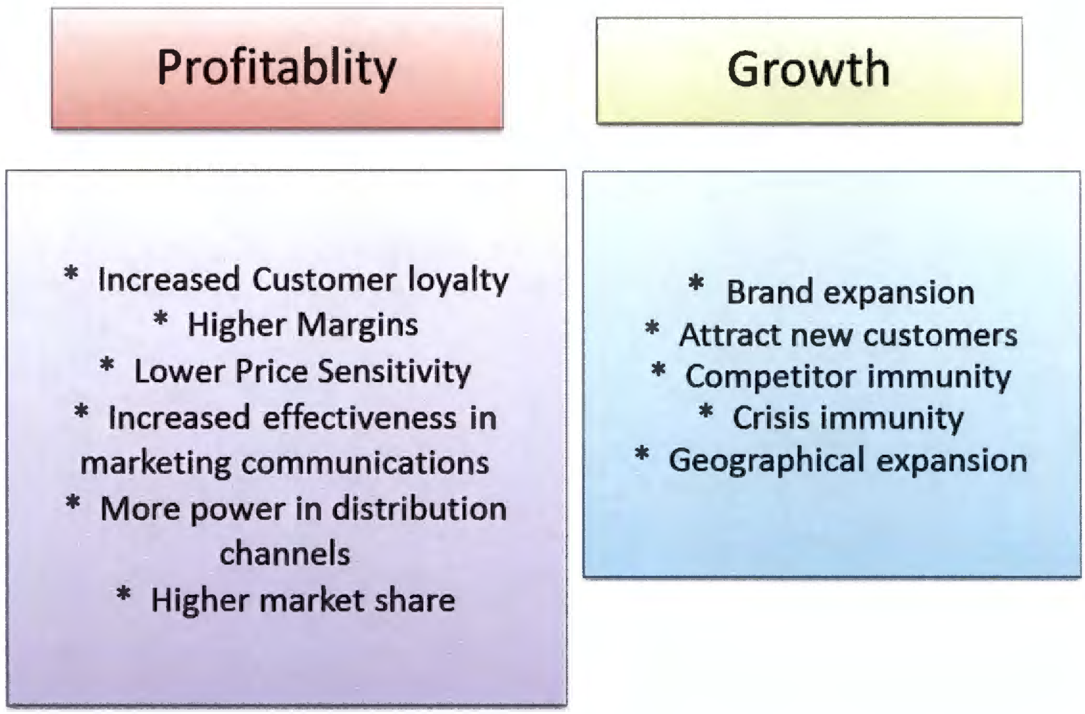


Figure 3.4

Benefits of high Brand Equity

Source: Dahlén, Lange & Smit, 2010:227.

Customer loyalty may increase as a result of high brand equity and this translates into repeat purchase and attitudinal loyalty, which has a positive effect on sales. Increased market share may come from more purchases by existing customers (profitability) and by new customers converting to the brand (growth). Strong brands are less price sensitive and able to attract a price premium and as a result get higher margins. High-equity brands have established brand awareness and favourable brand associations, so marketing communications are more effective, which reduces the costs of reaching customers with the brand message. High-equity brands are also more protected against competitors' actions, especially when consumer preferences are built on non-product-related attributes or user imagery. The potential for brand expansion is highest for high-equity brands (Dahlén, Lange & Smit, 2010:227-228).

3.7 CUSTOMER BASED BRAND EQUITY

Kevin Keller introduced the customer-based brand equity (CBBE) model, in an award-winning journal article in 1993. This model, as illustrated in Figure 3.5, approaches brand equity from the perspective of the consumer. The model is based on the principle "that the power of a brand lies in what customers have learned, felt, seen and heard about a brand as a result of their experiences over time". Keller defines CBBE "as the differential effect that brand knowledge has on consumer response to the marketing of that brand", which developed from two sources: brand awareness and brand image. Brand awareness consists of brand recognition and brand recall. On the other hand, "brand image is created by marketing programs that link strong, favourable and unique associations to the brand memory". The CBBE model is built by establishing in a specific sequence the six brand building blocks with customers that can be assembled as a brand pyramid, known as the Brand Resonance pyramid, shown in Figure 3.2. Brand salience relates to awareness of the brand. Brand performance relates to the satisfaction of customers' functional needs. Brand judgements focus on customers' opinions based on performance and imagery. Brand feelings are the customers' emotional responses and reactions to the brand. Brand resonance is the relationship and level of identification of the customer with a brand (Keller, 2003:59-75).

From the perspective of the customer, a brand possesses equity to the extent that people are familiar with the brand and have stored in memory favourable, strong and unique brand associations. Brand equity consists of two forms of brand-related knowledge: brand awareness and brand image as illustrated in Figure 3.5. Brand awareness is an issue of whether a brand name comes to mind when consumers think about a particular product category and the ease with which the name is evoked. Brand awareness is the basic dimension of brand equity. For the individual consumer, a brand has no equity unless the consumer is at least aware of the brand, therefore achieving brand awareness is the initial challenge for new brands.

Maintaining high levels of brand awareness is the task faced by all established brands. Figure 3.5 indicates two levels of awareness: *brand recognition* and *recall*. *Brand recognition* reflects a relatively superficial level of awareness, whereas brand recall indicates a deeper association. Consumers may be able to identify a brand if it is presented to them on a list. However, fewer consumers are able to retrieve a brand name from memory without any reminders. It is this deeper level of awareness, *brand recall*, to which marketers aspire (Shimp, 2010:36-38).

Customer-based brand equity is the differential effect that brand knowledge has on consumer response to the marketing of that brand. A brand has positive customer-based brand equity when consumers react more favourably to a product and the way it is marketed. A brand has negative customer-based brand equity if consumers react less favourably to marketing activities for the brand under the same circumstances (Kotler & Keller, 2009:280).

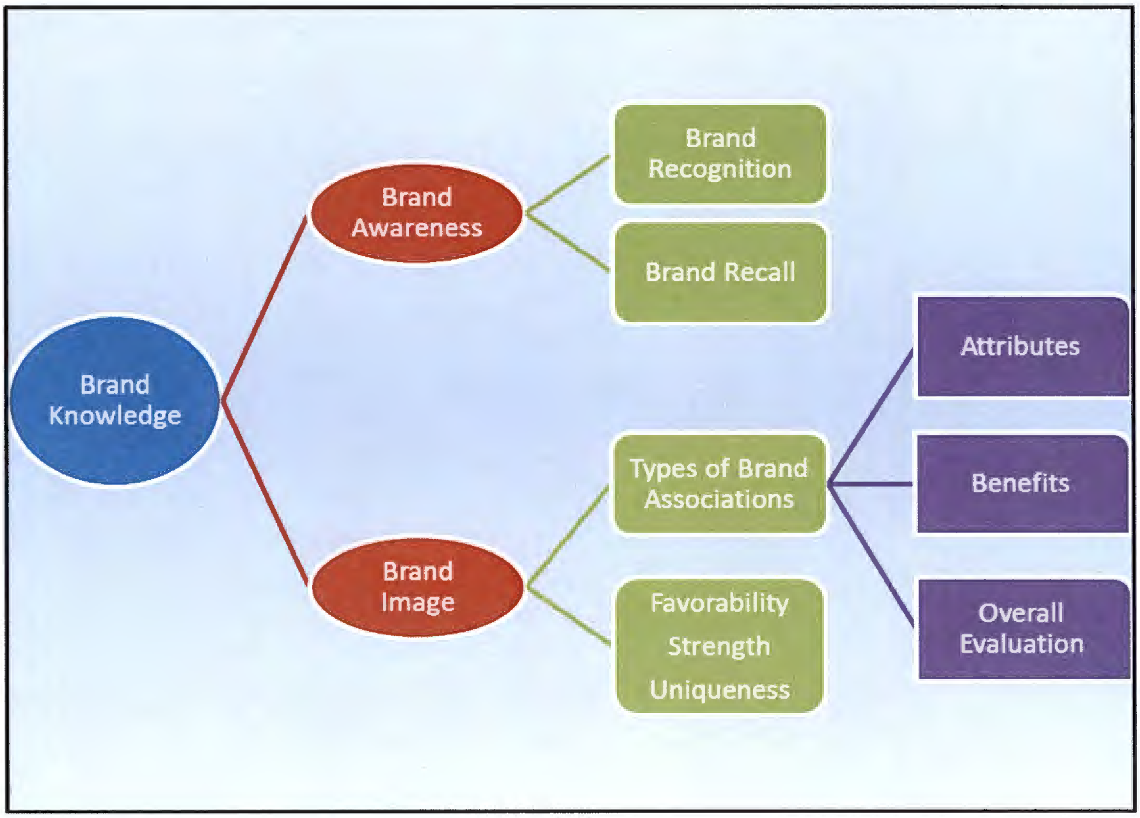


Figure 3.5

Customer-based brand equity framework

Source: Adapted from Keller, 1993:15.

The next aspect of branding that will be discussed is brand loyalty. The descriptive dimensions of brand equity can enhance brand loyalty, as perceived quality, associations and awareness provide reasons to buy and effect satisfaction. Brand loyalty is closely connected to brand equity because the more loyal the consumers are to the brand, the higher the value of the brand can be estimated (Motisescu, 2006:1128-1130).

3.7.1 Brand Loyalty

Every marketer knows that it is far cheaper to retain an existing customer than it is to attract a new customer. It is six times more costly to attract a new customer than to retain an existing one. Therefore more attention is being dedicated to understanding and measuring brand equity and brand loyalty (Bleuel, 2008:8).

The Oxford advanced learners dictionary (2010:887) defines loyalty as "the quality of being faithful in your support".

Brand loyalty is a personal experience with a brand that develops into a brand relationship, which is a connection over time that results in customers preferring the brand and buying it over and over. People have unique relationships with the brands they buy and use regularly, and this is what makes them brand loyal. The company's attitude toward its customers is another important factor in customer loyalty (Moriarty, Mitchell & Wells, 2009:254).

Marketers strive to develop and maintain brand loyalty among consumers. Marketers use reminder advertising to keep their brand in front of consumers, maintain prominent shelf position and displays in stores, and run periodic promotions to discourage consumers from switching brands. Maintaining consumer loyalty is not easy. Competitors use many techniques to encourage consumers to try their brands. Marketers must continually battle to maintain their loyal consumers while replacing those who switch to other brands. Marketers must ensure that consumers have top-of-mind awareness of their brands (see Figure 3.8) so that the brand can be quickly recognised and considered (Belch & Belch, 2007:119-120).

3.7.2 Brand Knowledge

Brand equity is driven by consumer knowledge. The true value of a brand lies in how customers perceive the brand. A positive brand knowledge held by the customer will positively impact the brand value. Brand awareness and brand image constitute the two components of brand knowledge. As the customer's expertise and knowledge about the product and brand increase, the customer becomes more aware of how effectively the brand could satisfy his/her needs. Brand trust is then developed over time, as the customer acquires positive brand knowledge through experience and through information from external sources (Kumar, 2008:192-193).

Brand knowledge consists of all the thoughts, feelings, images, experiences and beliefs (as illustrated in Figure 3.6) that become associated with the brand. Brands must create strong, favourable and unique brand associations with customers, as have *Hallmark* (caring) and *Harley Davidson* (adventure) (Kotler & Keller, 2009:281).

Knowledge of how consumers acquire and use information from external sources is important to marketers in formulating communication strategies. Marketers are particularly interested in:

- how consumers sense external brand information,
- how they select and attend to various sources of information, and
- how this information is interpreted and given meaning (Belch & Belch, 2007:112).

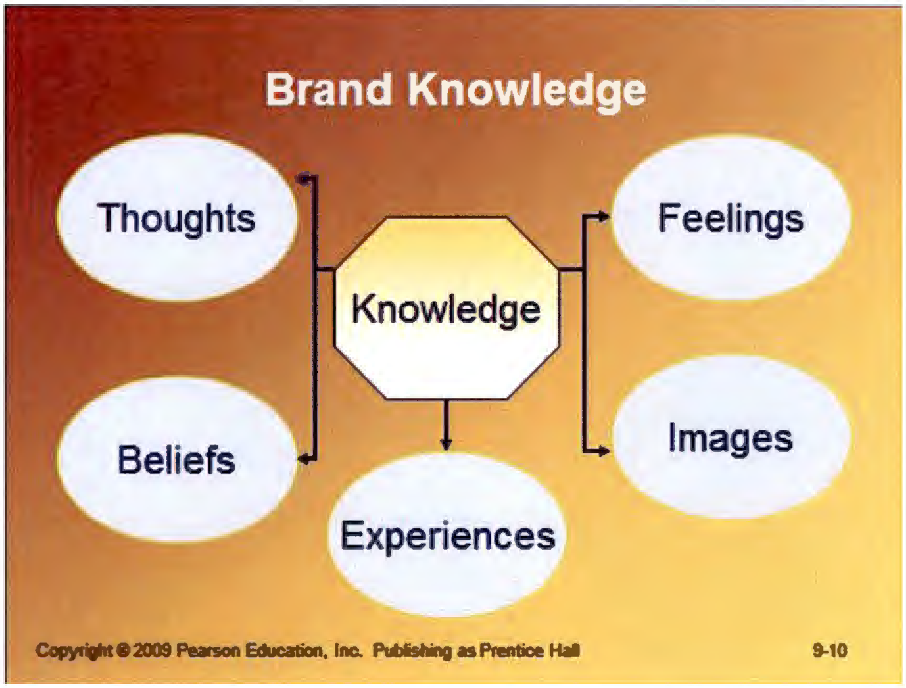


Figure 3.6
Brand knowledge
Source: Adapted from Kotler & Keller, 2009:281.

While a cognitive strategy focuses on influencing what people should think and what knowledge they should have about a brand, a perception strategy focuses on building awareness (Moriarty, Mitchell & Wells, 2009:254). Following on this discussion the researcher aims to explain the difference between brand awareness and brand recognition.

3.7.2.1 Brand Awareness, Brand Recognition and Brand Recall

Brand recognition is more than brand awareness. Brand awareness is the function of communication only, while brand recognition is a result of brand perception. Brand recognition has to do with how a brand is distinguished from and associated to other brands. These other brands can be competitors, but it can also be brands belonging to the same organisation or to other non-competitive organisations (Van Gelder, 2005:149).

Brand awareness involves a continuum ranging from an uncertain feeling that the brand is recognised, to a belief that it is the only one in the specific product range.

The continuum can be represented by four very different levels of brand awareness as illustrated in Figure 3.7, namely from where a consumer is unaware of a brand, then a brand is recognised, then the brand can be recalled, and eventually exists at the top of the mind where it assumes an instinctive nature (Aaker, 1991:61-62).

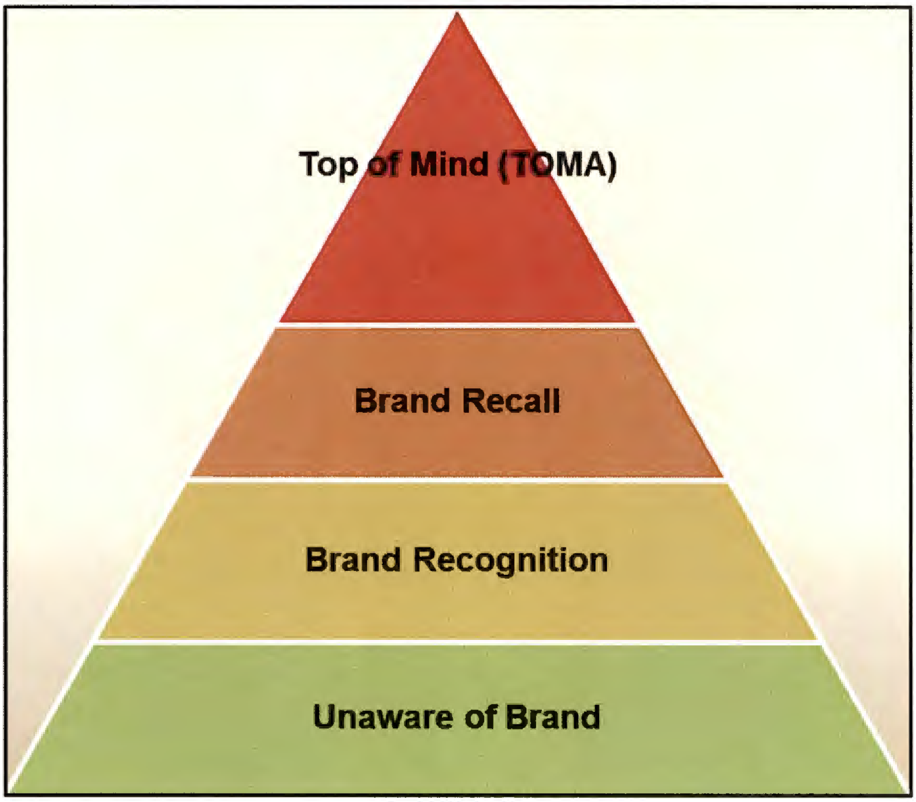


Figure 3.7
Brand Awareness Pyramid
Source: Aaker, 1991:62.

Certain brands are so well-known that virtually every person with normal intellect can recall the brand. For example, if asked to mention names of luxury automobiles, most people would include *Mercedes-Benz* or *BMW* on the list. The main imperative is to move brands from a state of unawareness, to recognition, on to recall, and ultimately to top-of-mind awareness (TOMA as indicated in Figure 3.7). This pinnacle of brand-name awareness, or TOMA status, exists when the company's brand is the first brand that consumers recall when thinking about brands in a particular category. Figure 3.7 illustrates this brand awareness progression, from an absence of brand awareness to TOMA status (Aaker, 1991:66).

Swerdlick (2008:9) states that brand awareness is important because:

- it is a necessary condition for inclusion in the set of brands being considered for purchase,
- in low-involvement decision settings it can be a sufficient condition for choice, and
- it influences the nature and strength of associations that comprise the brand image.

Two important processes help establish stronger brand prestige and recognition. First, the brand name must be prominently promoted through repetitious ads. The colossal number of brands and advertisements consumers see, makes repetition essential to capturing the buyer's attention. Repetition increases the odds that a message will be stored in memory and recalled. Secondly, the brand name should be associated with the product's or service's most prominent characteristic. *Coca-Cola* seeks to associate its name with a product that is "refreshing." For Swedish car manufacturer *Volvo*, the impression is "safety." For the German car manufacturer *BMW*, it is "performance driving." Brands develop histories. They have personalities. They include strengths, weaknesses, and flaws. Many brands produce family trees. A family brand is one in which a company offers a series or group of products under one brand name. The *Black & Decker* brand is present on numerous power tools. The advantage of a family brand is that consumers usually transfer the image associated with the brand name to any new products added to current lines. When *Black & Decker* offers a new power tool, the new item automatically assumes the reputation associated with the *Black & Decker* name. These transfer associations occur as long as the new product is within the same product category. When additional products are not related to the brand's primary merchandise, the transfer of loyalty may not occur as easily (Pettis, 1998:52-53).

Recognizing the brand means that the consumer knows the brand's identification markers - name, logo, colours, typeface, design, and slogan - and can connect those marks with a past experience or message (Moriarty *et al.*, 2009:253). After brand recognition has been achieved, the next step is to prolong its success. The secret to a long brand life is finding one unique selling point and sticking with it. *Crest* toothpaste has been advertising its cavity-fighting ability almost since its inception.

Remember that some brands experience decline. If the company waits too long to respond, the result may be eventual brand death. If caught in time, a brand can be revived and given new life. The marketing team must pay careful attention to how each brand is perceived and how it is performing over time (Clow & Baack, 2007:41).

Although brand awareness is a very important element of brand knowledge it is subsequently necessary for this research to attempt to clarify what the term 'brand image' entails and also how the brand elements contribute to the consumer's idea of brand image.

3.7.2.2 Brand Image and Brand Elements

Brand image reflects consumers' perceptions of a brand's characteristics and is evaluated by the associations they hold in their memory. The different types of brand associations can be grouped according to their level of abstraction, the amount of information held, whether they are product related or non-product related and whether they refer to attributes considered essential by consumers (De Chernatony *et al.*, 2011:455).

Understanding brand meaning involves understanding the symbolism and associations that create **brand image**, the mental impression consumers construct for a product. The richness of the brand image determines the quality of the relationship and the strength of the associations and emotional connections that link a customer to a brand. Advertising researchers call this connection or association, **brand linkage** (Moriarty *et al.*, 2009:254).

Brand elements are those characteristics that identify and differentiate the brand. Most strong brands employ multiple brand elements. *Nike* has the distinctive 'swoosh' logo, the empowering 'Just Do It' slogan, and the '*Nike'* name based on the winged goddess of victory. Brand elements can play a number of brand-building roles (Wheeler, 2006:53).

Kotler & Keller (2009:286) expanded on this statement by Wheeler and stated that there are three 'brand building' criteria and three 'defensive' criteria that deal with how to influence and preserve the equity in a brand element in the face of opportunities and limitations. Marketers should select brand elements to build as much brand equity as possible. The six main brand element choice criteria are:

- **Memorable** – How easy is a brand element remembered and recognized?
- **Meaningful** – Does it suggest something about a product ingredient or the kind of person who might use the brand?
- **Likeable** – How aesthetically appealing is the brand element?
- **Transferable** – Can the brand element be used to introduce new products in a similar or different category?
- **Adaptable** – How adjustable or updateable is the brand element?
- **Protectable** – How legally and competitively protectable is the brand element?

The fundamental role of brand elements is to contribute to the formation and development of consumer confidence and trust. Brand elements by themselves do not create trust. If the story conveyed by the brand elements is coherent, consumers would more likely be receptive and then more willing to trust, but trust comes only through positive experience (Ind & Bjerke, 2007:122).

Most people believe that branding is the sole domain of large corporate organisations. This research aims to determine the value of branding for small businesses. The next part of this chapter will discuss brand strategies for small businesses.

3.8 BRANDING AND THE SMALL BUSINESS

Many small businesses fail because they do not use the powerful branding and marketing principles used by the most successful companies in the world. Often a small business opens its doors and hopes that customers will find it. Unfortunately that is not how it works. The two major reasons why owners of small businesses may not use the full power of branding are:

- The owners may think of branding as consisting of tactics and ignore the strategic aspects of branding. Often people think of branding as advertising or promotion or possibly public relations. In fact these are only tactics used to implement a branding strategy.

- The owners may believe that branding is too expensive. Most businesses do not have the branding budgets of *Toyota, IBM* or *Apple*. For those companies it is especially important that they concentrate their efforts through a clear branding strategy. Small businesses are flexible and have the ability to implement their branding strategies inexpensively but effectively (Sexton, 2008:211-212).

The small business' views on branding are limited to advertising plus the brand name and/or logo. However, personal selling or face-to-face communication is a critical part of their marketing communications. Due to their limited promotional resources, they have to show directly to their customers what they can do for them. The small business owner believes in branding power and demonstrates a certain level of interest in conducting branding activities if the business grows and if time allows him to do so, but he is preoccupied with the daily routine and business pitching to such an extent that he does not find the time to focus on an effective promotional strategy to build a strong brand image (Wong & Merrilees, 2005:155-160).

Small businesses should keep the following guidelines in mind when focusing on building a strong brand name:

- concentrate on building one or two strong brands,
- focus a creatively-developed marketing program on one or two important brand associations, to serve as the source of brand equity,
- make use of a well-integrated mix of brand elements that support both brand awareness and brand image,
- design a "push" campaign that aims to build the brand, and a creative "pull" campaign that will attract attention, and
- broaden the brand with as many secondary associations as possible (Keller, 1998:169-174).

Krake (2005:228) examined brand management and found that in many small businesses, brand management receives little or no attention in the daily running of affairs. The owners or directors are the ones to take the lead in branding; however, they either seldom have the time for it or are not even aware of "brand management" as a concept. The entrepreneur, as a person, can be extremely important in building and acquiring recognition for a brand. This includes passion, logic and personification of the brand. Co-branding, or working with other companies to boost the value of a brand, receives very little if any attention in small businesses. The creation of higher brand awareness is not often a conscious goal when determining a company's marketing budget. Small business entrepreneurs are proud of their products and want the brand to reflect not only "quality" but also attractive style and distinguished design. Small businesses are product-centred and consider (growth in) turnover to be at least as an important a goal for their marketing plans as the long-term goal of brand recognition. Small businesses want to create brand recognition, but at the same time they also want to generate turnover. This means that they have to concentrate on selling. The small business brand management activity should lead to brand recognition and association, reflecting sympathy, quality, attractiveness and style, as well as turnover (Krake, 2005:228-238).

Emily Boyle conducted a case study in the UK on branding in a small business. The context of her study was the brand of *Dyson* vacuum cleaners, which were developed by an innovative entrepreneur, James Dyson. She found that the examined brand became firmly established on the basis of a well-designed and suitably branded outstanding first product which was drenched with an impressive brand personality. This personality had been created by associating the first product with its innovator, whose life-story was highly publicized in a way that reflected the trials and tribulations of the mythical hero. In her research, Boyle highlights the benefits that brand managers can derive from the creation of positive brand values. The first step in doing so is to identify the values that can impact most positively on brand personality. Boyle suggests that brand associations operate more effectively at a subconscious level than at a conscious level and suggests further that brand building is likely to be more successful if the creation of associations is based on personal identification rather than on abstract concepts (Boyle, 2004:209-222).

It is evident in the previous fragment that small businesses do not give appropriate attention to their brand building strategy. The researcher will now focus on what a small business can do to communicate its unique selling proposition.

3.9 SMALL BUSINESS COMMUNICATING A UNIQUE SELLING PROPOSITION

A unique selling proposition (USP) is a feature that allows a small business to stand alone and be distinct from all other competitors. The USP may be based on price, the offer of a service not previously available, or some other feature that is not easily duplicated (Clow & Baack, 2007:441). Donald Trump named it 'the company's benefit advantage'. The small business's benefit advantage should be the one or two – at most three benefits that you will emphasize and communicate to your target market. These benefits must be benefits that are important to the customers and they must be benefits that your small business can provide more successfully that the competitors (Sexton, 2008:85).

Very successful brands have customers who consistently define the product in terms of one or more specific attributes or benefits. For example, *Nordstrom* department stores are defined by friendly customer service, *Volvo* automobiles are known for safety, and *FedEx* for guaranteed overnight delivery. A positive brand image is an intangible asset that must be protected. Consequently, all marketing communications must support and reinforce those initial attributes and benefits that distinguish and differentiate the company's product or service. For this reason, one of the first steps is to carefully and thoughtfully define the company's unique selling proposition. Small businesses should build their integrated marketing communications around a USP, a key customer benefit or a product or service that sets it apart from its competition. To be effective, a USP must be unique – something the competition does not or cannot provide – as well as compelling enough to encourage customers to buy. A successful USP answers the critical question every customer asks: "What's in it for me?" Can your product or service save your customers time or money, make their lives easier or more convenient, improve their self-esteem, or make them feel better? If so, you have the foundation for building a USP. The USP becomes the heart of your advertising message. Sometimes the most powerful USP is the intangible or psychological benefit a product or service offers customers – for example, safety, security, acceptance, status, and others. Avoid stressing minuscule differences that are irrelevant to customers. Building a company's marketing message around a USP spells out for customers the specific benefit they get if they buy that product or service and why they should do business with your company rather than with the competition (Scarborough & Zimmerer, 2006:328-329).

In order to position the brand successfully it is necessary to create a unique customer-focused value proposition: a persuasive reason why the target market should buy the product. Table 3.1 shows how three companies – *Perdue Farms*, *Volvo*, and *Domino's* – have defined their value proposition given their target market, benefits, and prices (Kotler & Keller, 2009:309).

Table 3.1

Examples of Unique Value Propositions

Company & Product	**Target market**	**Benefits**	**Price**	**Value Proposition**
Perdue Farms (Chicken)	Quality-conscious consumers of chicken	Tenderness	10% premium	More tender golden chicken at a moderate premium price
Domino's (Pizza)	Convenience-minded pizza lovers	Delivery speed and good quality	15% premium	A good hot pizza, delivered promptly to your door, at a moderate price
Volvo (Station wagon)	Safety-conscious 'upscale' families	Durability and safety	20% premium	The safest, most durable wagon in which your family can ride

Source: Kotler & Keller, 2009:309.

When an organisation has decided on the USP, it is then necessary to apply an effective brand positioning strategy to guide the marketing effort by explaining the brand's essence to the target market.

3.10 BRANDING AND POSITIONING

No company can be successful if its products and offerings resemble every other product and offering. Companies must pursue relevant positioning and differentiation. As part of the strategic brand management process, each company must represent a distinctive big idea in the mind of the target market (Kotler & Keller, 2009:307).

Branding, the creation of a unique image for a product, is the most obvious way to differentiate one product from another. The popular *Swatch* watch, for example, differentiates itself as a reasonably priced watch that makes a fashion statement. Internet-based *Mozilla*, a web site containing classified ads and reader forums for 450 cities worldwide, and *Craigslist*, the maker of a popular web browser, are both small companies but big brands. They have created strong brands because they have the support of dedicated users. The customer-brand relationship reflects a leadership position, a brand that has defined or created its category. It is not just hot internet companies that have achieved this type of leadership. *McIlhenny's* tabasco sauce, which was launched in 1868, created and still owns the hot sauce category (Moriarty *et al.*, 2009:251).

What does the brand position stand for? Brand strategists sometimes focus on the *soul or essence* of the brand. This is related to position, but it goes deeper into the question of what makes the brand distinctive. As Jack Trout explained, "You have to stand for something," and it has to be something that matters to consumers. *Kodak* is a classic example of a brand with a soul, one deeply embedded in personal pictures and memories. *Hallmark*'s soul is found in the expression of sentiment. Brand essence is also apparent when a brand dominates or defines its category. Category leadership often comes from being the first brand in the market, and with that comes an ownership position. The American cable TV channel *ESPN*, for example, owns sports information, *Starbucks* created the high-end coffeehouse, *Google* is the search engine, and *eBay* owns the world of online auctions (Moriarty *et al.*, 2009:253-254).

Marketers should not leave product or brand market positioning to chance. Plan a unique position that will afford the brand the maximum advantage in selected target markets. Design marketing mixes to establish and support these planned positions (Lamb *et al.*, 2008:175).

Brand positioning is based on the four questions depicted in Figure 3.8. If a company does an excellent job of positioning, then it can work out the rest of its marketing planning and differentiation from its positioning strategy (Kapferer, 2004:99-101).

Figure 3.8

Brand positioning

Source: Adapted from Kapferer, 2004:99.

Understanding how consumers view a product is important to successful positioning. It is important that the concept of positioning is explained further, as well as the differentiation of brands in the marketing efforts of the small business.

3.11 THE CONCEPT OF POSITIONING

In the very early eighties, Ries and Trout were the first to coin the term 'positioning', which revolutionized how marketers conceived the branding proposition. Ries and Trout saw positioning as a matter for communications, and according to them it had nothing to do with products, services or the organisation itself, but rather with the ability to command a position in consumers' minds distinct from the competition. A quest for differentiation or distinctness implies having your gaze steadily fixed upon the competition and constantly striving to 'out position' one or another competing brand (van Gelder, 2005:30).

Positioning is the activity of creating meaning for a brand in the collective minds of consumers in comparison to what they think and feel about competitive brands. Strategically and tactically, positioning is a short statement that represents the message a company wishes to imprint in customers' minds. This statement tells how a brand differs from and is superior to competitive brands. It gives a reason why consumers should buy the brand rather than a competitor's brand and promises a solution to the customer's needs or wants. A brand positioning statement represents how a company wants customers and prospects to think and feel about the brand. These thoughts and feelings should stand out in comparison to competitive offerings and motivate the customer or potential customer to want to try the brand. A good positioning statement should satisfy two requirements:

- it should reflect a brand's competitive advantage, and
- it should motivate consumers to action (Shimp, 2010:132).

Positioning the brand should entail focusing on factors that reinforce the perception of what the brand represents. How a company 'positions' a brand is not necessarily how the consumer perceives that brand. Brands allow marketers to add meaning to products and services, but it is consumers who ultimately determine what a brand means (Batey, 2008:262).

Positioning assumes that consumers compare products on the basis of important features. Marketing efforts that emphasize irrelevant features are therefore likely to fail. Effective positioning requires assessing the positions occupied by competing products, determining the important dimensions underlying these positions, and choosing a position in the market where the company's marketing efforts will have the greatest impact. If all automotive competitors are marketing large, five-seat passenger vehicles that appeal to luxury needs, why not build small, economy cars? If major competitors are all stressing low prices, why not introduce a prestige brand? (Lamb *et al.*, 2008:175).

Marketing information and statistical testing is necessary when developing a positioning strategy. The positioning process consists of a seven-step approach when positioning brands. These steps are illustrated in Figure 3.9.

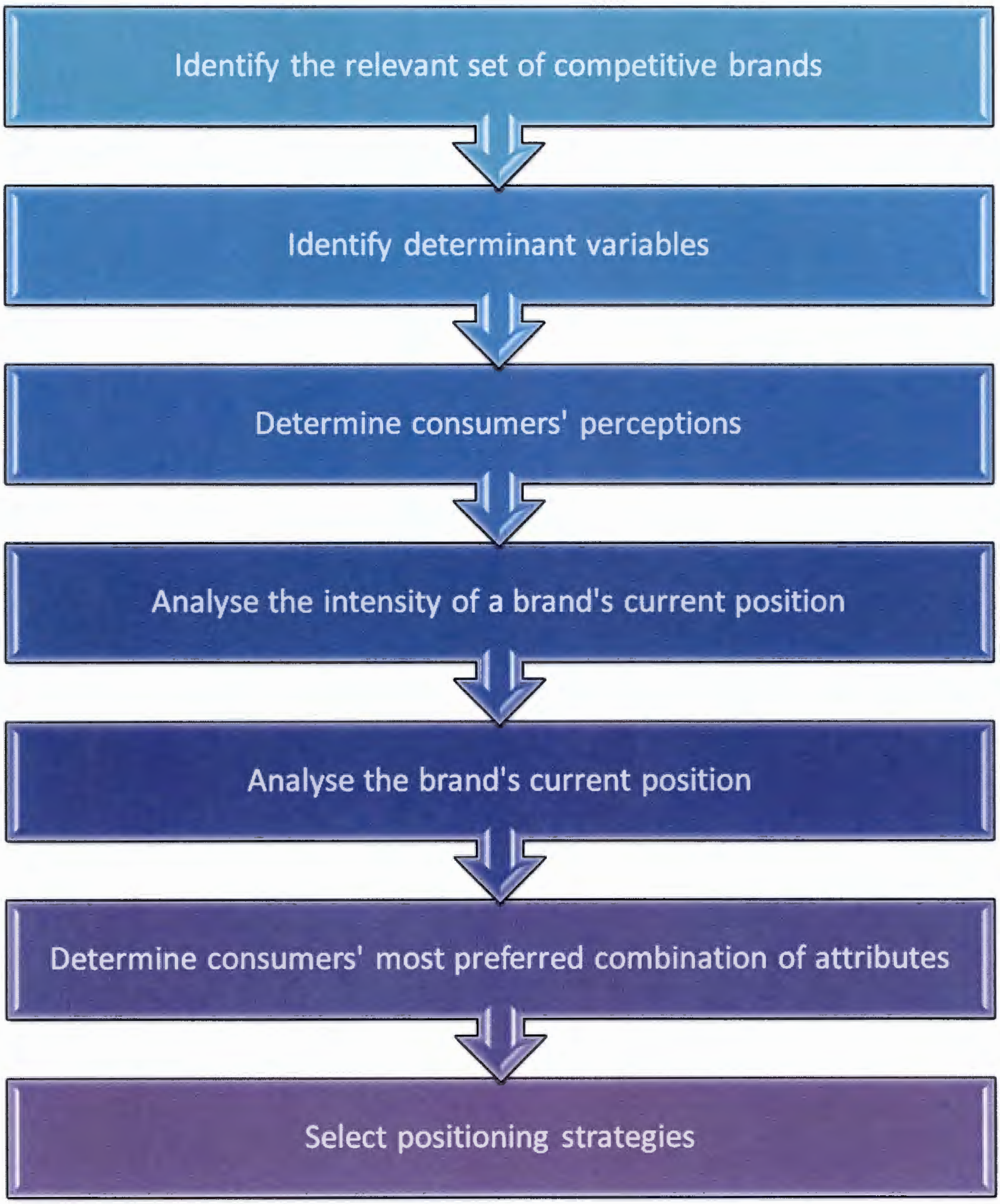


Figure 3.9

The positioning process

Source: Adapted from Walker, Boyd & Larréché, (1996:180)

The positioning process as illustrated in Figure 3.9 starts with the identification of a relevant set of competitive brands to which a particular producer's brand will be compared. It is essential that all relevant competing brands must be identified in order to make the positioning effort worthwhile. This enables the marketer to identify the strengths and weaknesses of his brand against a competing brand. The next step in this process suggests to identify determinant variables, and in essence, product positioning has to do with competitive differentiation and the effective communication of this to customers. In Table 3.2, the four main categories of differentiation are listed. The marketer must decide which of these differentiation variables should be used in developing a positioning map. It is important that the marketer must establish how consumers perceive the various brands in terms of the determinant variables selected in the previous step. Now the marketer can collect primary data from consumers using a structured questionnaire about their perceptions of the various brands. When a consumer is unaware of a brand, brand awareness must first be established. When consumers are aware of a brand, the intensity of awareness may vary. In such markets, the marketer of the lesser-known brand must attempt to increase the intensity of awareness by developing a strong relationship between the brand and a limited number of variables. In the next step to analyse the brand's current position, the marketer can use the data collected from consumers about their perceptions of the various brands in the market, and the marketer can establish how strongly a particular brand is associated with a variety of determinant variables. A positioning map (as discussed in more detail later in this dissertation) can be developed. Determining customers' most preferred combination of attributes can be achieved by asking survey respondents to think of the ideal product or brand within a particular product category and rate their ideal product and existing products on a number of determinant variables. The determinant variables that are closest to the ideal point are more important to consumers, while those that are further apart are considered less important. The last step in the positioning process, is deciding where to position a new brand or where to reposition an existing brand. The position chosen must reflect customer preferences and the positions of competitive brands (Cant, Strydom & Jooste, 2004:190-194).

Positioning strategies generally focus on either the consumer or the competition. While both approaches involve the association of product benefits with consumer needs, the former does so by linking the product with the benefits the consumer will derive, or by creating a favourable brand image. The latter approach positions the product by comparing it and the benefit it offers with the competition (Belch & Belch, 2007:53).

Positioning can be considered the 'value proposition' or 'marketing promise' to the customer. It is critical to link the needs of the target market to the organisation's positioning strategy. As mentioned before the positioning must distinguish you from the competitors, and it must be meaningful and valuable to the target market. *Wall-Mart* positions itself as the low-price leader and *Diet-Coke* is positioned as the best-tasting diet cola on the market. Finally it is also critical that the entire marketing effort be built to support the chosen positioning (Crane, 2010:200-201).

Effective positioning created an interesting problem for *Coca-Cola*. Although *Diet-Coke* was not exclusively marketed towards females, 80 per cent of *Diet-Coke* sales are to women. Research by the company showed that men were also interested in a low-calorie drink but were reluctant to drink *Diet-Coke*. So *Coca-Cola Zero*, which has been labelled 'bloke *Coke*' was targeted at the male market using very male-orientated advertising. Though its ingredients are virtually indistinguishable from those of *Diet Coke*, its market appeal is very different (Madden, 2007:12).

Positioning is based on the variables that differentiate the business from the competition, and therefore it is not possible to discuss positioning without a detail explanation of differentiation.

3.12 DIFFERENTIATION – THE CORNERSTONE OF POSITIONING

It is true that most profitable strategies are based on differentiation: offering consumers something they value that competitors do not have. This differentiation is generally what has been described as 'a competitive advantage' and is indeed the cornerstone of the positioning strategy. Differentiation is therefore the process of identifying 'something' that is different about a business or its products. The differentiating variable (price, quality, product, attribute or image) is not necessarily a competitive advantage, however. The differentiating variable has to be evaluated against at least four criteria:

- **Is that differentiating variable or characteristic desired by consumers?** If not, it is not a competitive advantage. Unleaded fuel is certainly a characteristic many consumers desire.
- **Can the advantage be sustained over an extended period of time?** If not, it is not a competitive advantage. For instance, in the fuel industry having the only unleaded brand proved not to be sustainable.
- **Can the product be manufactured and marketed at a price that consumers will be prepared to pay?** If not, it is not a competitive advantage. Fuel companies have succeeded in marketing unleaded fuel at prices that can be described as affordable.
- **Is it profitable?** If not, it is not a competitive advantage.

A business gains a competitive advantage if it succeeds in positioning itself as providing superior value to selected target markets (Lamb *et al.*, 2008:176-177).

Brands can be differentiated on the basis of a number of different product or service dimensions. One more general positioning for brands is as '*best quality*'. The Strategic Planning Institute studied the impact of higher relative product quality and found a significantly positive correlation between relative product quality and return on investment. Quality is also communicated through other marketing elements, for example, a high price signals premium quality. Quality image is additionally affected by packaging, distribution, advertising, and promotion. A manufacturer's reputation also contributes to the perception of quality. The image portrayed by brands is another strategy that is used to separate brands. Buyers respond differently to company and brand images. Identity is the way a company aims to identify or position itself or its product. Image is the way the public perceives the company or its products (Toms & Taves, 2004:305).

As mentioned before, differentiation is the basis on which a positioning strategy is built. Businesses are restricted in respect of the number of options available to them for **differentiating a product**. The following bases have been preferred for positioning depending on the business or product's differential or competitive advantage.

- **Attribute**. A product is normally associated with an attribute or product feature. For example, *Windhoek Lager* is positioned as a 'natural beer with no additives or preservatives' used in the brewing process.
- **Benefit**. A consumer benefit is something a consumer gains as a result of a product attribute or product feature. *Knorr* market its Light and Tasty soup as, 'It'll fill you up without the fat rolls' and 'Staying in shape has never been this tasty'.
- **Price and quality**. This positioning base may focus on high price as a signal of quality or emphasize low price as an indication of value. *Pierre Cardin* clothing, *Gino Ginelli* ice cream, *Alpha Romeo* cars, and *Michel Herbelin* watches are all positioned as expensive but high quality products.
- **Use or application**. Stressing uses or applications can be an effective means of positioning a product with buyers. Orange juice is often positioned as a breakfast drink and sparkling wine as a drink for celebrations.
- **Product user**. This positioning base focuses on a personality or type of user. The retailer *Sport 'n Surf* is 'where the real surfers shop', while *Dooleys* Lemon Ale is 'for the elegant woman'.
- **Product class**. The objective here is to position the product as being associated with a particular category of products. An example is to position a margarine brand relative to butter. *Canderel* sweetener uses this approach to position itself against sugar, while *Hansa* wants to be positioned as a pilsner. The marketers of *Red Bull* state: 'It's not a soft drink' while *Vivitar*, proclaims' 'We're the *point & shoot* people'.
- **Competitor**. Positioning against competitors is part of any positioning strategy. The *Avis* rental car positioning as number two represents positioning against specific competitors. *PSG Asset Management* states: 'In the race to the top we've simply left the rest behind'.
- **Origin**. Some businesses want to be associated with a certain geographical region or origin. Examples are Scotch whisky, Perrier water (French) and Audi's 'Vorsprung durch Technik' (Lamb *et al.*, 2008:201-202).

To avoid the commodity trap, marketers must start with the belief that you can differentiate anything. Customers must see any competitive advantage as a customer advantage. Companies must focus on building customer advantages.

Then they will deliver high customer value and satisfaction, which lead to high repeat purchases and ultimately to high company profitability. Marketers can differentiate brands on the basis of many variables. The obvious means of differentiation relates to aspects of the product and service. *Subway* sandwiches differentiate itself in terms of healthy sandwiches as an alternative to fast food. In very competitive markets companies may need to go beyond product differentiation. Besides **product differentiation** (as discussed in the previous paragraph) there are also other options to consider among the many that a company can use to differentiate its market offerings which include:

- **Personnel differentiation**. Companies can strive to have better trained employees. Singapore Airlines is well regarded in large part because of its flight attendants.
- **Channel differentiation**. Companies can more effectively and efficiently design their distribution channels' coverage, expertise, and performance. *Iams* pet food based in Dayton, Ohio, found success in selling premium pet food through regional veterinarians, breeders, and pet stores, whereas it was previously only sold in supermarkets.
- **Image differentiation**. Companies can craft powerful, compelling images. The primary explanation for *Marlboro*'s extraordinary worldwide market share (30%) is that *Marlboro*'s 'macho cowboy' image has struck a responsive chord with much of the cigarette smoking public. Even a seller's physical space can be a powerful image generator. *Hyatt Regency* hotels developed a distinctive image through its atrium lobbies (Kotler & Keller, 2009:316-318).

Illustrated in Table 3.2 is a summary of the main differentiation variables suggested by Kotler. Kotler suggests that a market offering can be differentiated along four different dimensions, namely product, services, personnel or image.

Table 3.2

Differentiation variables

PRODUCT	SERVICES	PERSONNEL	IMAGE
• Product features • Performance quality • Conformity to the target standard • Durability • Repairability • Style • Design	• Delivery • Installation • Customer training • Consulting service • Repair • Miscellaneous	• Competence • Courtesy • Credibility • Reliability • Responsiveness • Communication	• Symbol • Media • Atmosphere • Events

Source: Adapted from Kotler, 1997:283.

Currently with all the basic differentiation variables discussed, the small business marketer can focus on a suitable positioning strategy.

3.13 SMALL BUSINESS AND A POSITIONING STRATEGY

When the small business is focusing on all customers, then in essence it is not focusing on any customers at all. Focusing on too many market segments can deplete resources and blur the brand. Positioning is the heart of the branding strategy; it is the theme that orchestrates all the branding programs. Small business positioning consists of one, two or maybe three benefits that customers want and that you can provide at a level superior to what competitors can do. To determine the small business positioning strategy involves four questions:

- To whom specifically must you communicate?
- What competitor do you need to defeat?
- What is your unique selling proposition that customers would want to do business with you?
- What is your competitive advantage that will help your small business succeed? (Sexton, 2008:84-86).

Small business brands have to be crafted and managed with care. Brand positioning is a very important aspect in the branding process. As mentioned, positioning is the place the product or service will occupy in the hearts and minds of the consumer in relation to the competition. It is critical to link the 'benefits sought' by the target market to the positioning strategy of the small business brand. In addition to connecting the small business brand with the benefits the customer is seeking from the product/service, it is also important to connect on an emotional level with the customer. If this can be achieved, then brand positioning goes beyond mere product/service benefits and engages the customer on a much deeper level. Emotional branding is often the best way to position a new brand, especially if it is a 'service brand'. The small business brand can be positioned as the 'best product' but also offers a very meaningful experience to the customer. This emotional branding is a higher-level step from the benefit approach, as explained above. It is designed to forge a deep, lasting, and intimate emotional connection to the brand so that the customer develops a special bond with and unique trust in the brand. If a small business can achieve this, it will be a tremendously strong brand positioning (Crane, 2010:124-125).

Positions are difficult to establish and are created over time. Once established, they are difficult to change. Two factors can be used to locate a position for a brand:

- ***Psychological factors.*** Positioning is easy if something is faster, fancier, safer, or newer, but often brands are designed around non-product differences. The auto-rental company *Avis* uses an underdog position, 'We try harder'.
- ***Consumer decision factors.*** A position is often based on the key factors, usually features or attributes that consumers use to make a decision, such as fashion or price. We've been talking about a position as a point in a consumer's mind, so think of a map. The way planners compare positions is by using a technique called a *perceptual map* that plots all the competitors on a matrix based on the two most important consumer decision factors. Many advertising campaigns are designed to establish the brand's position by giving the right set of cues about these decision factors to help place the brand in the consumer's mind (Moriarty *et al.*, 2009:251-252).

Jumping Jack and *Diddle Daddle* gourmet popcorn brands were launched by *Baker Street Snacks* in 1993. (Not only has the company created a R100 million popcorn segment, but it has been so successful that the giants like *Simba* and *Willards* have decided to follow *Baker Street*'s lead). *Baker Street Snacks*, with a brand-new factory in Montague Gardens in Cape Town, was established in July 1993 by two ex-*Simba* directors in conjunction with Cape Town entrepreneur Dave Mostert. Their vision was to dominate the niche snack market in South Africa by developing and manufacturing a range of premium quality gourmet snack brands. The aim was to be low-cost producers, while still offering a product that is up-market and high in quality. The prime target market was defined as persons aged 18-45 years in the upper income groups, focusing on housewives, and secondly teenagers aged 13-18 years (Machado & Cassim, 2007:60).

As explained, it is very important to position a place for the small business brand in the mind of the target market. The perceptual map is a useful tool to help the small business marketer to determine the position of the brand in the marketplace and will be discussed in the following section.

3.14 PERCEPTUAL MAPPING

The perceptual map is a visual representation of consumer perceptions of a brand and its competitors, using attributes that are important to consumers. According to Jobber & Fahy (2009:123) the key steps in producing a perceptual map are as follows:

- identify a set of competing brands,
- identify – using qualitative research – the important attributes consumers use when choosing between brands, and
- plot brands on a two-dimensional map.

The key to effective positioning is understanding the perceptions customers have of product categories and brands within those categories. To determine the most appropriate position for a product or service, the following information is necessary:

- the purchase criteria considered important by the customers when selecting products/services,
- customer ratings of existing brands on those criteria, and
- what an 'ideal' brand would offer.

From the abovementioned information, a perceptual map can be constructed, which is a means of displaying customer perceptions of alternative products/brands. The map as illustrated in Figure 3.10 displays the relative ratings/performance of competing products on key criteria. The perceptual map provides a 'visual awakening' of the space occupied by the various brands and if there is any particular valuable space available for a new brand to occupy (Crane, 2010:93-94).

Product positioning depends on the attitudes of the particular target market, so the marketer must either take these attitudes as they are and tailor the product to fit those attitudes, or must seek to change the attitudes of the target market. Usually it is easier and cheaper to change the product than it is to change the customers, but sometimes the market's attitudes to the product are so negative that the manufacturer feels constrained to reposition the product. In order to determine the product's position, research is carried out with the target group of consumers, and a perceptual map such as the one illustrated in Figure 3.10 is created. From this diagram it can be seen that Brand B has the image of being both high price and high quality: in this perceptual map Brand B represents the Rolls-Royce of the products (top-of-the-range factor). Brand D is perceived as being low price, but also low quality: this would be a cheap, everyday brand. Brand A has a problem: although tending towards a high price, this product is perceived as being below-average quality. Sales are likely to be low, or will take place only when the consumer has no other choice available. Instead, Brand C enjoys a low price and good quality, so is probably the top-selling brand (value-for-money factor). In Figure 3.10 the products have been mapped against only two dimensions, but it is perfectly possible or even advisable, to map the product against more dimensions. This can be done on a computer using multidimensional mapping software. One of the most useful tactical aspects of positioning maps is that they can be used to identify gaps in the market. Using Figure 3.10 as an example, there is clearly a gap next to brand A and below Brand B for a medium–to-high quality product at a medium-to-high price. Currently this example market seems to be dominated by lower-priced brands; a brand entering this market would need to be perceived as higher quality than Brand C, but at a lower price than Brand B (Blythe, 2008:86-87).

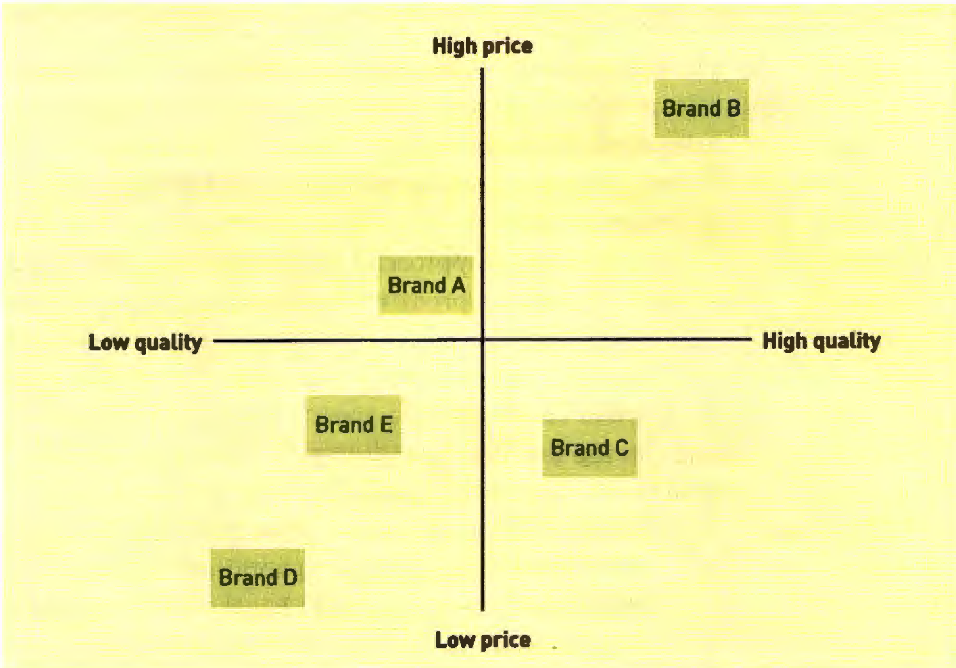


Figure 3.10
Perceptual mapping
Source: Blythe, 2008:87.

In Figure 3.11 is another example of a perceptual map for seven supermarket chains. The result shows that the supermarkets are grouped into two clusters: the high-price, wide product range group, and the low-price, narrow product range group. These are indicative of two market segments and show that supermarkets C and D are close rivals, as measured by consumers' perceptions, and have very distinct perceptual positions in the marketplace compared with E, F and G. Perceptual maps are useful in considering strategic moves. For example, an opportunity may exist to create a differential advantage based on a combination of wide product range and low prices (as shown in Figure 3.11 by the theoretical position at X) (Jobber & Fahy, 2009:123).

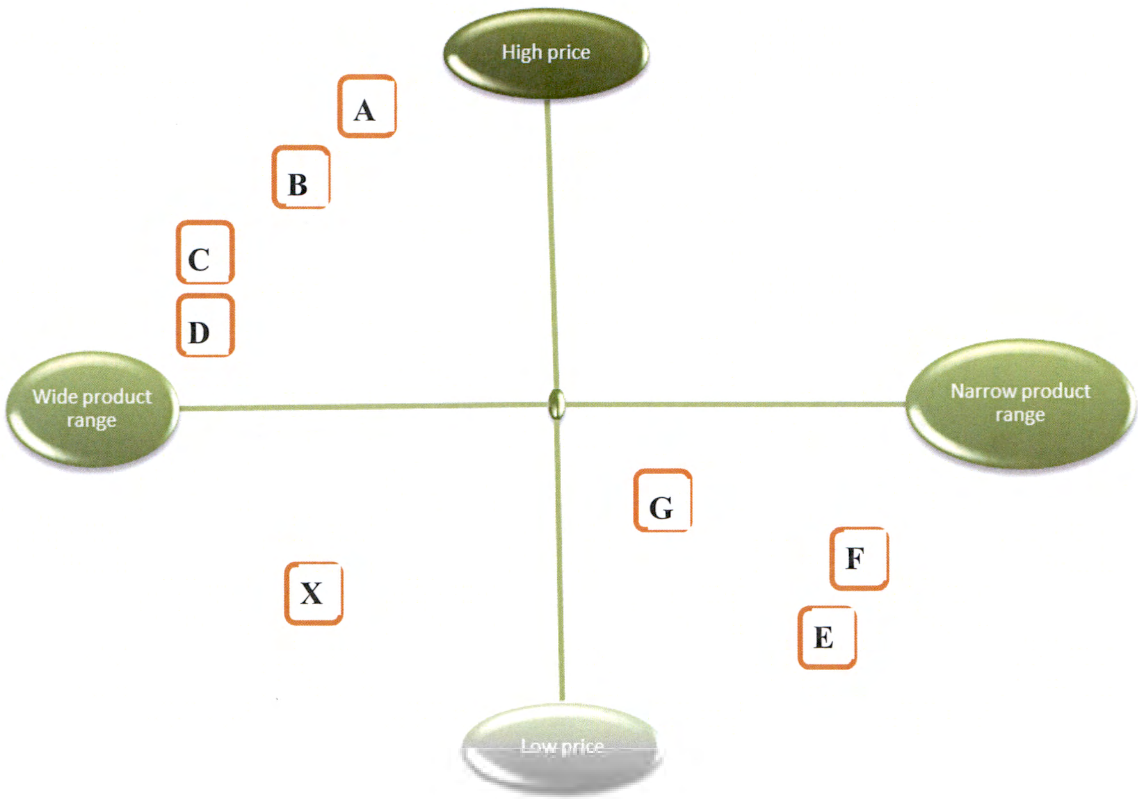


Figure 3.11

A perceptual map of supermarkets

Source: Jobber & Fahy, 2009:123.

The risks involved in positioning a product or service can be extremely high. The technique of perceptual mapping can be used beneficially to substantially reduce those risks. It helps managers to understand how competing products or services are perceived by various consumer groups in terms of strengths and weaknesses, to understand the similarities and dissimilarities between competing products and services, and to understand how to reposition a current product in the perceptual space of consumer segments (Lamb *et al.*, 2008:215).

3.15 CONCLUSION

A prominent advertising research professional, Larry Light, was asked in the late 1980's, by the editor of the Journal of advertising research, for his perspective on marketing three decades into the future. Light's analysis was instructive:

- the marketing battle will be a battle of brands, a competition for brand dominance. Business and investors will recognize brands as the company's most valuable assets. It will be more important to own markets than to own factories. The only way to own markets is to own market-dominant brands (Aaker, 1991:1).

In a more recent article published by the *Harvard Business Review* (17 June 2011) Aaker said that what was true about branding fifty years ago is still true. He suggests that a brand needs to deliver extraordinary functional, self-expressive, or social benefits to its customers. That is more likely to be the case when the brand is associated with an offering that is innovative and differentiated in a way that truly resonates with customers. It is unlikely to happen when the brand represents a me-too offering in an established category or subcategory. So it comes back to creating and leveraging innovation and differentiation and integrating it into the new social media communication channels available (Aaker, 2011:1).

A quality IMC program is in part designed to gain the benefits associated with a strong brand name. Branding is an important strategy decision and the right decisions can add value for customers and give a product a competitive edge. The challenge for the marketer is to try to create a message that expresses how the branded product is superior to competitive products (Perreault, Cannon & McCarthy, 2008:216).

Building brands involves making decisions about the brand name and how the brand is developed and positioned in the marketplace (Jobber & Fahy, 2009:136). Building and sustaining a powerful small business brand is critical if a venture is to survive, grow, and endure in a complex and competitive marketplace. The small business must focus on creating brands that clearly communicate the value desired by the customer and reinforce the intended position that the small business brand wishes to occupy in the market. Importantly the brand must be consistent and sustained over time (Crane, 2010:121-122).

Creating an effective brand image is a difficult and challenging assignment. It is important to identify how the target market views the business before seeking to build or enhance a brand image. Brand positioning is a critical part of image and brand name management. Consumers have an extensive set of purchasing options. This means consumers can try products with specific advantages or attributes. Effective positioning, by whatever tactic chosen, increases sales and strengthens the long-term positions of both individual products and the total organisation (Clow & Baack, 2007:54).

The marketer must understand potential needs and attitudes when planning marketing strategies. If customers treat different products as substitutes, then a business has to position itself against those products too. Customers won't always be conscious of all the detailed ways that a companies marketing mix might be different, but careful positioning can help highlight a unifying theme or benefits that relate to the determining dimensions of the target market. It is useful to think of positioning as part of the broader strategy planning process, because the purpose is to ensure that the whole marketing mix, as discussed in chapter 2 of this dissertation, is positioned for competitive advantage (Perreault *et al.,* 2008:79).

In today's over-communicated and product saturated consumer world, effective positioning can be critical to brand success (Marsden, 2002:307). Positioning requires that similarities and differences between brands be defined and communicated. Specifically, deciding on a positioning requires determining a frame of reference by identifying the target market and the competition and identifying the ideal points-of-parity (associations that are not necessarily unique to the brand but may be shared with other brands) and points-of-difference (attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand) brand associations (Kotler & Keller, 2009:309-310).

Ultimately the success of marketing management will depend on the ability to select profitable target markets in an ever-changing marketing environment, as well as the ability to satisfy the needs of the chosen target market through product positioning and brand differentiation (Cant *et al.*, 2004:195).

CHAPTER 4
RESEARCH METHODOLOGY

4.1 INTRODUCTION

In this chapter, the literature reviewed in chapter 2 and 3 was used as basis for the development of the instruments for an empirical investigation. This chapter will focus on the research methodology that was followed to attain the primary and secondary objectives of the study. Several key components of the empirical enquiry are covered in this chapter. The research approach provides an outline of the research process and research design followed. The layout of the questionnaire and interview used to gather data will be discussed as well as the testing of survey instruments; validity and reliability of the instruments. The sample size and sample procedure as well as gathering of data and analysis of the data will be explained. The chapter will be concluded with the research limitations and opportunities for future research.

The purpose of this chapter is to describe the research methodology followed during the empirical phases of the study.

Mouton and Babbie (2000:111) states that the four steps that constitute good research are conceptualisation, instrumentation, information gathering and closure. These four steps were used as the broad guide for this chapter in the following way:

- **Conceptualisation:** The chapter begins by examining the attributes of brand differentiation and reducing them to the brand attributes most supported by the retail brand owners mentioned in the qualitative research interviews. After justification of these brand differentiation influences, the conceptual framework is then presented.
- **Instrumentation:** These brand differentiation influences mentioned were refined to reflect the understanding of the concepts in the context of this study.
- **Data gathering:** The process of qualitative interviews with the three retail brand owners, questionnaire development, sampling and accumulation of data followed along with the required statistical analysis and tests to ensure validity and reliability.

- **Closure:** The empirical analysis is explained with a description of factor analysis and the factor analysis process as well as cluster analysis and the cluster analysis process to be undertaken in Chapter Five.

According to Parasuraman, Grewal & Krishnan (2007:34), it is convenient and helpful to divide the research process into a series of chronological steps, although in reality the steps are interrelated. Given the approaches of various authors and the nature and purpose of this study, the following research steps were used to ensure that the methodology is clear, concise and appropriate:

- Define the research problem and purpose.
- Define the research objectives.
- Develop the research design.
- Determine the research method.
- Design data collection procedures.
- Select the sampling procedure.

For clarity and comprehension purposes the researcher chose to use the research process steps as proposed by Parasuraman *et al.*, to explain the research methodology used in this study.

4.2 DEFINE THE RESEARCH PROBLEM AND PURPOSE

Marketing research can be defined as the 'systematic and objective identification, collection, analysis, dissemination and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing" (Malhotra, 2007:7).

The research problem addressed in this study aims to explore the marketing efforts of three different small meat retailer businesses in Middelburg, Mpumalanga Province. In chapters two and three, influences from the marketing literature were identified, which reflect the impact that integrated marketing communications and branding have on the differentiation of a product.

The problem indicates that it is of importance to establish a link between brand variables and consumers' perception regarding the importance of these variables. Against the mentioned background, the research problem to be researched within the ambit of this dissertation, reads as follows: "There is a variation of brand equity amongst consumers of branded meat products in Middelburg, Mpumalanga Province."

Skimming the surface to answer some research questions is not advisable. It is impeccable to dig deep to get a complete understanding of the phenomenon that is being studied. In qualitative research, numerous forms of data are collected and examined from various angles to construct a rich and meaningful picture of a complex, multifaceted situation (Leedy & Ormrod, 2001:147).

4.2.2 Conceptualisation

A conceptual framework explains the main dimensions to be studied – the key factors, or variables – and the presumed relationships among them. It is often easier to generate a conceptual framework after a list of research questions is formulated (Foster, 1998:72).

For this study the first research question is to determine how the elements of the promotional mix can be combined into an effective marketing program for branded meat products, and the second question asks how a small business can effectively use marketing communications within a limited budget. The next question is aimed at determining what distinctive attributes of branded meat can create brand equity, and the last question to determine the most effective positioning strategy for branded meat products.

Figure 4.1 illustrates the conceptual framework with the selected influences that were tested. The strength of each influence as well as the relationship between influences is explored and explained in Chapter Five. Research into each influence reveals its sub influences which are a vital consideration in the formation of the research instrument.

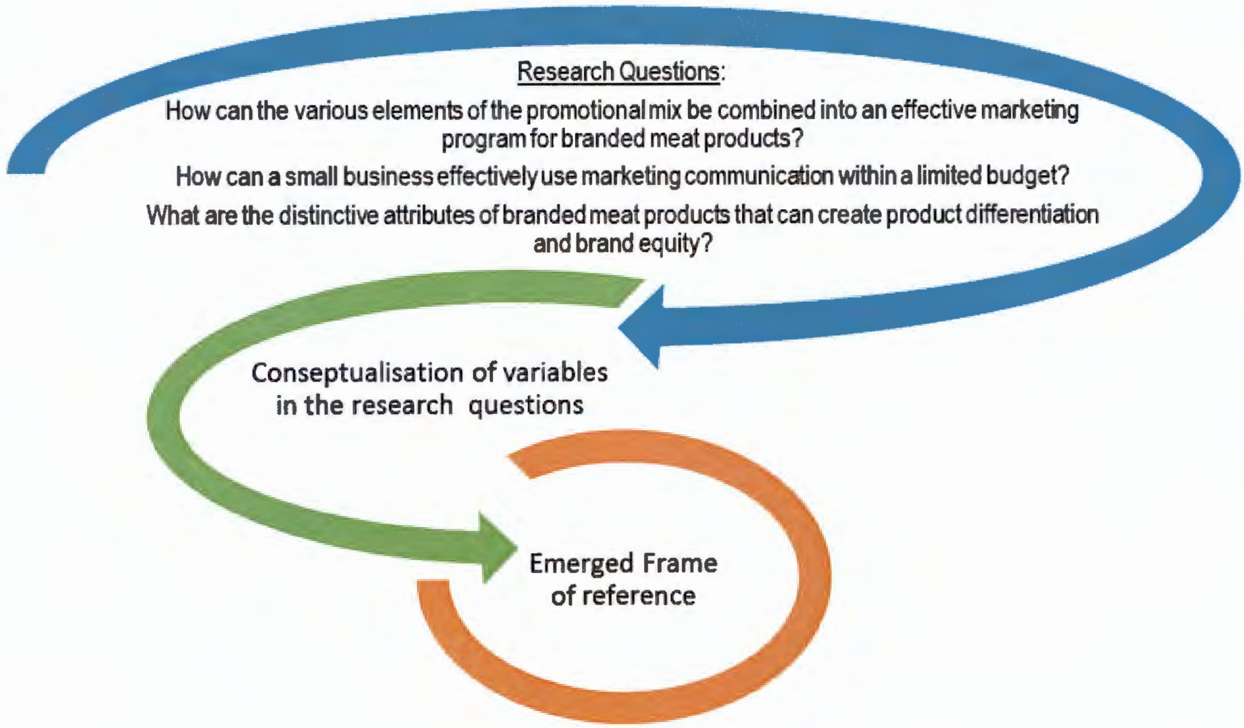


Figure 4.1

Schematic presentation of Chapter four.

Source: Foster, 1998:73.

4.2.3 Emerged frame of reference

The conceptualization in Figure 4.2 is what will allow the researcher to answer the research questions. The frame of reference, which results from this conceptualization, is what will guide the data collection for this dissertation.

According to Foster (1998:75) the conceptualisation will allow the researcher to answer the study's research questions. The frame of reference, which results from the conceptualisation, is what will guide the study's data collection. The emerged frame of reference for this study is graphically illustrated in Figure 4.2. Expectations for the purpose of the study refers to what are the marketing influences on branded meat consumers and what the customers of branded meat products value as important attributes when buying branded meat products. Opinions for the purpose of this study refers to how the respondents rate the attributes of their favourite branded meat retailer and then respondents were asked to rate the meat attributes in order of importance while deciding to buy branded meat products.

Research concluded by Baltas and Argouslidis (2007:335-338) confirms that demographic factors can influence brand preferences. The relationships between language and brand attribute preference had been indicated in literature stating cultural, regional and ethnic group differences (Veloutsou, Gioulistanis, & Moutinho, 2004:230-231).

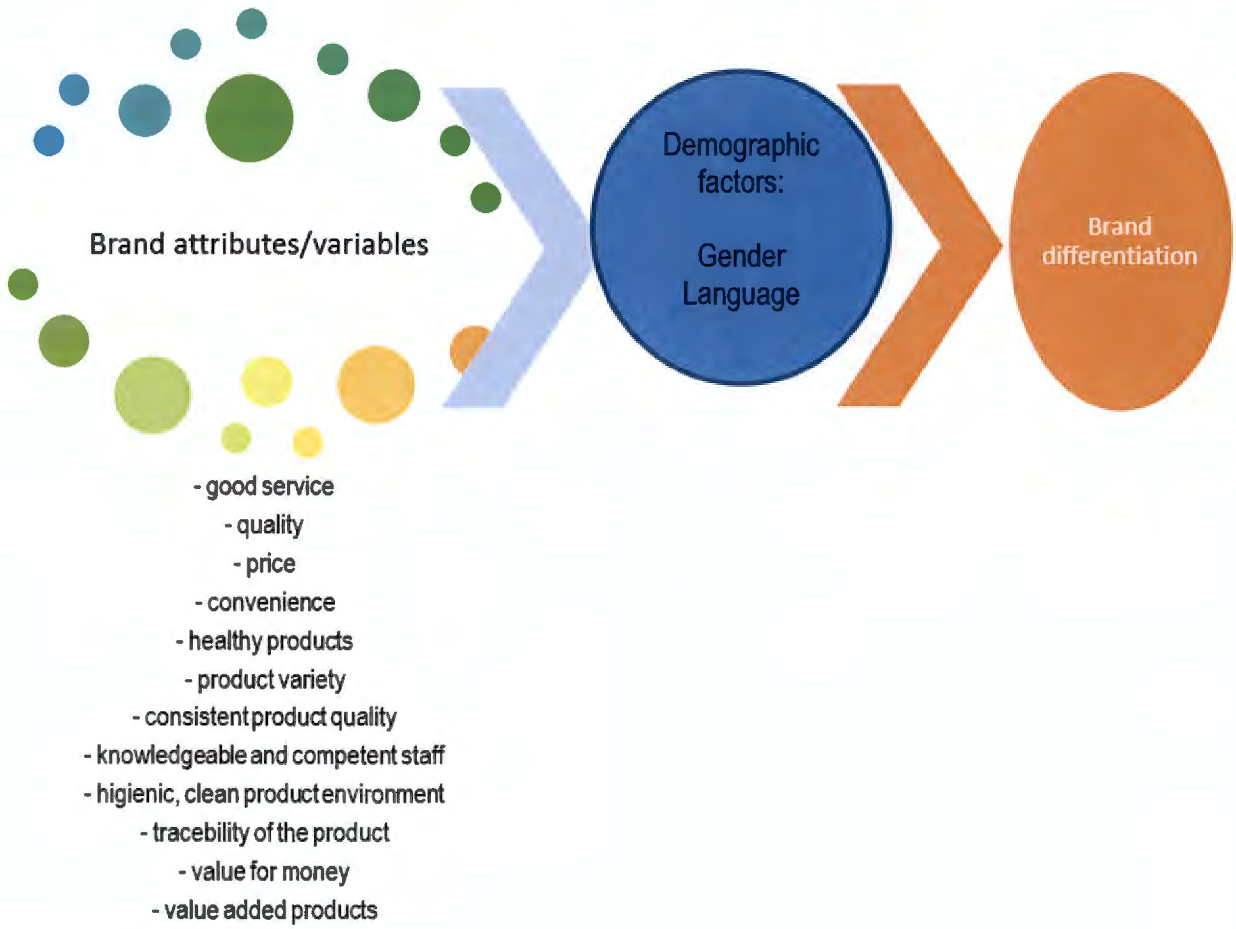


Figure 4.2
Brand attributes – conceptual framework
Source: Researcher's own illustration of the conceptual framework for this study.

In Figure 4.3, the frame of reference indicates that the branded meat product has distinctive brand attributes and when these attributes are effectively communicated using the available promotional mix elements, it will be possible to develop an effective brand positioning strategy for branded meat products in Middelburg, Mpumalanga Province.

Figure 4.3
The emerged frame of reference.
Source: Researcher's own illustration

In a previous study done by Baltas & Argouslidis (2007:339-337) that explained heterogeneous consumer preferences for store brands, it was clear that store brand preferences derive from a broad evaluation process, in which quality has the most significant role. This type of research information has important implications for retailers and manufacturers of consumer products. For this reason it is very important to predetermine the research objectives for this study.

4.3 RESEARCH OBJECTIVES

Cooper and Schindler (2011:139) state that the research objectives flow naturally from the research purpose. It is the planning and determining of specific, concrete and achievable goals.

The research aim and objectives of this dissertation were mentioned in Chapter 1, section 1.2.4. For convenience, the research aim and objectives are stated below:

- To build a practical applicable positioning map for branded meat products in Middelburg, Mpumalanga Province.

In order to achieve the aim, the following objectives will be addressed:

- To formulate a theoretical contribution within the ambit of this dissertation to not only have an academic application, but to also serve as a practical application in solving small business marketing problems.
- To determine the marketing strategy of Mpumalanga small businesses for branded meat products.
- To identify any tangent planes between consumer assumptions about branded meat products, and consumer value proposition of branded meat products.
- To identify opportunities that will differentiate and position branded meat products in the small business environment and create consumer equity and build a strong brand name.

After the research objectives have been determined it is important to decide on an effective research design for the study.

4.4 RESEARCH DESIGN

According to Yin (1994:19), a research design can be defined as, '... the logical sequence that connects the empirical data to a study's initial research question and ultimately, to its conclusions. Colloquially, a research design *is an action plan to getting from here to there*, where *here* may be defined as the initial set of questions to be answered, and *there* is some set of conclusions (answers) about these questions'.

A research design involves the selection and use of a variety of techniques and methods that are scientifically verifiable. 'A research design attempts to reduce the influence of the researcher to an absolute minimum, while establishing the highest possible degree of objectivity and quantifiability of phenomena' (Churchill & Iacobucci, 2002:90).

A research design is a specification of the methods and procedures to be used in acquiring the information that is required. It is a systematic enquiry that permits the researcher to report the findings scientifically. 'A research design situates the researcher in the empirical world and links the research questions to the investigation'. It is a plan of action that includes four main ideas, namely strategy, conceptual framework, the questions regarding who or what is to be studied, and the tools and procedures to be used in the empirical study (Malhotra & Birks, 2003:58).

This research study sought to gain a better understanding of what role brand attributes play in the consumer's decision making process when buying branded meat. Most research on brand attributes has been done on large multinational brands and comparatively little research has been done on small business branding (Wong & Merrilees, 2005:157).

Exploratory research is typically used when there is not sufficient data available to support the existing theory.

4.4.1 Exploratory research

Proctor (2003:527) defines exploratory research as having no prior assumptions and the data itself allows for the findings obtained.

An exploratory study is undertaken when not much is known about the situation at hand as in the case of this study, or no information is available on how similar problems or research issues have been solved in the past. In such cases, extensive preliminary work needs to be done to gain familiarity with the phenomenon in the situation and understand what is occurring before developing a model and setting up a demanding design for comprehensive investigation (Brown, 2006:117).

For the purpose of this study, exploratory research was used to obtain information about the consumer preferences on attributes for branded meat.

According to Brown (2006:45), successful exploratory research accomplishes the following:

- familiarity with basic details, settings and concerns,
- a well-grounded picture of the situation is developed,
- generation of new ideas and assumptions, development of tentative theories or hypothesis,
- determination of whether the study is feasible in future,
- refinement of issues for more systematic investigation and formulation of new questions,
- direction for future research and techniques get developed.

The researcher chose to use a combination of qualitative and quantitative methods to obtain primary data which will be discussed in the following section.

4.4.2 Qualitative and quantitative research

The notion of quality is essential in the nature of things. On the other hand, quantity amounts to something. Quality refers to the what, how, when and where of a thing. Qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of things (Berg, 2007:3).

It is possible to distinguish between the two main research approaches, namely the quantitative approach and the qualitative approach. Proctor (2003:528) defines quantitative research as an approach involving a large sample which is designed to generate data that can be projected to the whole population. Qualitative research is defined as an approach usually involving small samples, which attempts to elicit descriptive information about the thoughts and feelings of the respondents on a topic of interest to the research.

Quantitative and qualitative have come to represent a whole set of assumptions that can unfortunately dichotomize methods and limit the potential of researchers to build holistic understandings. It is these descriptors that define the social science research landscape, so there is no question that understanding these traditions, the assumptions that underlie them, and the well-established and highly valuable research strategies they offer, is extremely important. It is also important to understand the potential for traversing the divide and working across what has traditionally been quite disparate ways of knowing. Figure 4.4 is a schematic explanation of the quantitative and qualitative traditions by focusing on the premises of each tradition.

For the researcher there are several reasons why mixed approaches are growing more common in social science research. Mixed approaches can help to capitalize on the best of both traditions and overcome many of their shortcomings, allow for the use of both inductive and deductive reasoning, build a broader picture by adding depth and insights to 'numbers' through inclusion of dialogue, narratives, and pictures, add precision to 'words' through inclusion of numbers tallying, and statistics which can make results more generalizable, allow you to develop research protocols in stages, cover more than one way of looking at a situation, facilitate capturing varied perspectives, and allow for triangulation (O'Leary, 2010:105).

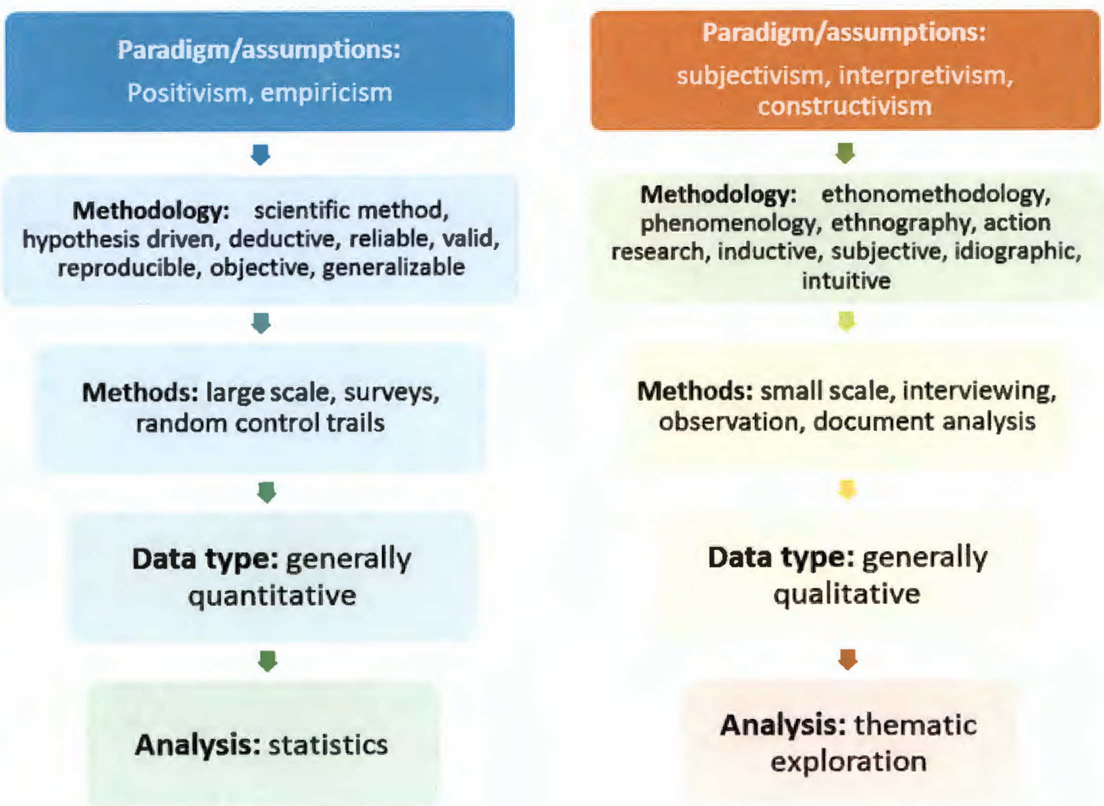


Figure 4.4

Assumptions related to the quantitative and qualitative traditions

Source: O'Leary, 2010:105.

For the purpose of this research, to obtain primary data the researcher has chosen the combination of a qualitative and quantitative method. The qualitative method is used to gain information that cannot be directly observed and measured, for example thoughts, intentions, perceptions, ideas and feelings. The quantitative method is used to gain information about the consumer's preference on brand attributes. This part is expressed in numbers and also analysed quantitatively. The research conducted included a qualitative and quantitative contribution, namely personal interviews and questionnaires.

4.4.2.1 Personal Interviews

Zikmund (2003:198-199) states that there are certain advantages and disadvantages when using the face-to-face interview data collection method.

Advantages are:

- The interviewer is in control of the interview process, which allows the interviewer to clarify any misunderstandings or rephrase questions, allowing the respondent the opportunity to answer the questions fully. This allows for high quality data.
- The interviewer is also in the position to offer feedback to the respondent if there are any queries or misunderstandings regarding any part of the interview process.
- The interviewer has the respondent's undivided attention as a result of them agreeing to set time aside to conduct the interview. This allows for high quality data.
- The response rate is very good, often better than telephonic interviews, and postal or e-mail surveys.

The disadvantages are:

- The respondents cannot always be guaranteed anonymity and therefore may be reluctant to provide sensitive or confidential information.
- The manner, tone, or rephrasing of questions could result in interviewer bias, thus possibly influence the respondent's answer.
- Costs are generally higher compared to telephone interviews and postal or e-mail surveys. These costs include both travel and time costs related to preparing and conducting the interviews.

- Interviewees may also give responses that they think the interviewer wants to hear.

Personal qualitative interviews were held between the researcher and the three branded meat retail owners. Each individual was asked nine semi-structured questions regarding the marketing of their branded meat and the attributes they regard important for their branded product. Interviews were recorded and later transcribed. The research objective was to answer nine research questions. The researcher conducted semi-structured in-depth interviews. The researcher made use of an interview document during the interview process. The researcher scheduled and conducted three face-to-face interviews over a period of one week. Interviews were held at various locations, including business premises and coffee shops. The researcher sat with each individual and explained the purpose of the research, i.e. to gain a better understanding regarding the consumer's preference to brand attributes. Although the interview was recorded the researcher made personal notes of all the answers and certain key points during the interview. These transcribed interviews and the list of owners/managers are shown in Appendix B, C & D.

4.4.2.2 Questionnaire development

A questionnaire was used to collect quantifiable information. The English questionnaires were translated into Afrikaans and isiZulu by an independent person to ensure reliability of the questionnaire. These questionnaires are shown in Appendix E, F & G.

From the interviews held with the brand retail owners a list of attributes was identified. The questionnaire was developed in such a manner that selected customers had to indicate their preferences on the 12 different brand attributes. For this study, the technique comprised a process where respondents had to evaluate the importance of each of the attributes relative to the remainder of the attributes using a 5-point Likert scale.

According to Kothari (2006:86), Likert scales are named after its originator, Rensis Likert. Likert scales are a research instrument that offers several benefits. Firstly, it is relatively easy to construct the Likert-type scale questions because it can be performed without a panel of judges. Secondly, the Likert-type scale is considered more reliable because under it respondents answer each statement included in the instrument. Thirdly, each statement is given an empirical test for discriminating ability and permits the use of statements that are not manifestly related to the attitude being studied. Fourthly, Likert-type scale questions or statements can easily be used in respondent-centred and stimulus-centred studies. Finally, Likert-type scale questions are easy to construct and it is frequently used by students of opinion research because the responses can easily be captured, analysed and evaluated.

The questionnaire was designed and structured according to the guidelines of Leung (2002:144) who provides detailed guidelines in the following areas of questionnaire design:

- defining the objectives of the survey,
- determining the sampling group,
- writing the questionnaire,
- administering the questionnaire, and
- interpretation of the results.

When the questionnaire for this research was developed, great care was taken to ensure that the wording of the questionnaire was clear, simple and easy to comprehend without compromising the objectives of the study. The questions followed the natural direction that conversation would flow, from simple questions to more complex questions towards the end. The researcher decided to end the questionnaire with questions relating to demographics. The demographic questions were included at the end of the questionnaire to prevent them causing annoyance (Parasuraman *et al.*, 2007:299). Demographic variables were adapted to fit the South African context by using a validated South African demographic questionnaire from Hardy (2008) and included age, gender, education level, employment status, marital status, home language and Living Standard Measure (LSM). LSM is the most widely used marketing research tool in South Africa. It involves a classification of the population into ten LSM groups, 10 being the highest. This system does not distinguish between races. It categorises households according to their living standards using selected criteria such as degree of urbanisation and ownership of major appliances and monthly income (SAARF, 2012). Respondents therefore had to indicate the household's monthly income as listed and were then classified into one of the ten LSM categories.

The demographics questions were used to provide a tentative profile of the consumer and provide consumer attributes that could be used for effective marketing segmentation. These include age, gender, income and level of education. All of these were used to check if there were distinct differences in consumer attribute preferences with regard to branded meat products.

4.4.2.3 Pilot study

An essential step that was taken before collection of the data was pilot testing. A pilot study conducts research on a small scale, in similar circumstances and with similar participants as those that would be used in the full scale study. The pilot study serves as a guide for the larger scale study, to make sure that the selected procedures would work and to prevent the risk that the actual study would be flawed (Zikmund & Babin, 2010:62).

The pilot study was intended to increase the effectiveness of the instruments and provide an opportunity to make modifications and corrections. The pilot test was conducted during August 2012. It was undertaken in order to validate the study instruments and a total of 30 people were used in the pilot test. There were no significant matters identified after completion of the pilot study. The questionnaire was only slightly refined by rephrasing and deleting a few items and by adding some more specific demographic variables, for example respondents were asked to indicate their exact age. Moreover, an initial statistical inspection revealed good scale reliabilities as well as appropriate loadings between items and their respective constructs.

Ethical approval for the study was obtained from the Chairperson of the Human Research Ethics Committee of the North-West University, Mafikeng Campus (refer to Appendix A). Data collection was done in a manner that did not disrupt the lives of respondents; participation was voluntary, anonymous and confidential. Prior to any activity the respondents were informed about the nature and purpose of the study; they were also assured that they could withdraw at any given stage if they wished to. Although the nature of the study and type of data required did not expose the participants to physical harm, caution was taken to ensure that the questions asked in the questionnaire and during the interviews did not cause emotional discomfort.

The questionnaire comprised of three sections. The first section was the introductory questions on branded meat and the marketing communications tools that influence consumers to buy a specific branded meat product. The second section focused on the meat product attributes and variables that consumers consider as important when buying branded meat and were asked on a five-point Likert-scale ranging from "strongly disagree" to "strongly agree". Then the attribute criteria important for the consumer when buying meat were asked in order from "very high" to "very low". In the third section the questions focused on demographic information. Demographic questions were included in the study since these questions provide classification data, useful for cross-classifying responses to other questions (Martínez & Montaner, 2006:166).

4.5 RESEARCH METHOD: SELECTION OF DATA SOURCES

Data is the basis for any research. Parasuraman *et al.*, (2007:42) identified two types of data, namely primary data and secondary data. Secondary data refers to information that has already been collected and is readily available from other sources, while primary data is collected for specific research needs.

Primary data are the sources involving the oral or written testimony of eyewitnesses, whereas secondary data sources involve the oral or written testimony of people not immediately present at the time of a given event. These sources are documents written, or objects created by others that relate to a specific research question or area of research interest (Berg, 2007:268).

Both primary and secondary data sources were used in this study. Secondary sources were used to form the theoretical foundation of the study and to define and structure the methods used as well as processes followed to conduct primary research.

The research method used for collecting data and to obtain answers to the research questions was descriptive and exploratory. The researcher selected an exploratory and descriptive approach to the research because the research problem suggests that there is a lack of brand equity amongst consumers of branded meat products in Middelburg, Mpumalanga Province. Since the researcher seeks insights into the general nature of the problem, the possible decision alternatives, and relevant variables that need to be considered, an exploratory research was conducted.

4.6 DATA COLLECTION PROCEDURES

According to Yin (1994:5-6) there are five research strategies available to collect data, namely experiment, survey, archival analysis, history and case study. There are several criteria for choosing one or several of these strategies, which include: the form of the research question, if it requires control over behavioural events and if it focuses on contemporary events, as shown in Table 4.1.

Table 4.1

Relevant situations for different research strategies

Strategy	Form of research question	Requires control over behavioural events	Focus on contemporary events
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how many, how much	No	Yes
Archival analysis	Who, what, where, how many, how much	No	Yes/No
History	How, why	No	No
Case study	How, why	No	Yes

Source: Yin, 1994:6

- Case study research aims to not only explore certain phenomena, but also to understand them in a particular context.
- 'How' and 'why' questions are explanatory, and likely to be used in case study research.
- A case study illuminates a decision or set of decisions – why they were taken, how they were implemented, and with what result.
- The case study as a research strategy comprises an all-encompassing method – with the logic of design incorporating specific approaches to data collection and data analysis. In this sense, the case study is neither a data collection tactic nor merely a design feature alone, but 'a comprehensive research strategy'.
- A case study is typically used when contextual conditions are the subject of research (Watkins, 2008:46-47).

As a result of minimal prior research done on small business meat branding and no known research done on small business meat branding in Middelburg, Mpumalanga, it was deemed prudent to conduct exploratory research. Exploratory or explanatory research seeks to investigate or understand relationships between variables and so the researcher is required to probe (diagnosing situations); explore (screening for alternatives) or seek (discovering new ideas around a particular problem) (Zikmund, 2003:114).

The case study research method which included qualitative and quantitative research was used in this study. Qualitative semi-structured interviews were done with the three brand owners of the three different retail outlets. Information obtained from the interviews was then used as a guide to construct the quantitative research. A quantitative approach, namely a survey that implemented a structured interviewer administrated questionnaire was used to collect quantifiable data in Middelburg, Mpumalanga Province. The study was cross sectional. i.e. reflected consumers' preferences at a specific point in time, namely August, September, and October 2012.

4.6.1 Study environment and population

Population can be defined as the total group to be studied. It is the grand total of what is being measured (Proctor, 2003:102). Parasuruman (2007:256) defines population as consisting of the entire body of units of interest to decision-makers in a situation.

Data was obtained using a retail outlet intercept method. Due to limited resources, an interviewer administered questionnaire was handed out to a conveniently recruited sample in Middelburg which is situated in the Mpumalanga Province, 160km from Johannesburg in South Africa. Middelburg in Mpumalanga is a farming and industrial town. In 2007 the town of Middelburg had an estimated population of 182 507 people, with an average growth of 3.61% per annum over the previous six years. There are a total of 50 449 households and an average of 4.06 people per household of which 76% live in formal and 22% in informal dwellings. The demographic profile of Steve Tshwete Municipality indicates that there are a total of 78,3% Blacks, 2,4% Coloureds, 1,5% Asian and 17,8% Whites (Statistics South Africa, 2008:14).

Performing the research in Middelburg, Mpumalanga seemed ideal, based on the fact that it is an agricultural area and there are many meat producers in the area who supply meat to many different retail outlets. Three (3) well established prominent retail meat outlets were included in this study, namely **Frank's Meat**, **Farm Inn Meat**, and **Kanhym Fresh Meat**. These outlets are geographically in the same area, within a radius of 500m – 1km from each other. The three branded meat retail outlets that were chosen are similar in their type of customers, store outlay, size of the store and type of products available in the store. With a retail outlet intercept survey, it is not possible to recruit a representative sample of the total population of the area, since each retail outlet has its own target market characteristics. However, research conducted in retail outlets is viewed as representative of the demographics of its immediate location (Aaker, Kumar, Day & Leone 2009:8) considering people visiting the retail outlet. The sample was meant to provide responses representative of branded meat purchasers of the specific retail outlets rather than the population of Middelburg in general. Respondents were recruited when exiting the different retail outlets to ensure that they had purchased branded meat products.

Permission was obtained from the management of the various retail outlets to approach respondents. Two field workers were used to intercept respondents and complete the interviewer administrated questionnaire. The fieldworkers were placed at each retail outlet every second day according to a roster to ensure that a wide variety of respondents were included in the sample. Data was gathered at the three different retail outlets at different times of the day, and different days of the week over a two week period during September and October, 2012.

4.6.2 Data gathering

When researchers gather data from the whole population for a given measurement of interest, it is called a *census*. A census is a government's attempt to measure all persons living in a country. A *sample* is a portion of the whole and, if properly taken, is representative of the whole (Black, 2013:5).

During this phase of the research process fieldwork is executed and the survey methodology is put into practice by means of data collection (Malhotra, 2007:412).

The study of statistics can be subdivided into two main areas, namely descriptive statistics and inferential statistics. Descriptive statistics result from gathering data from a body, group, or population and reaching conclusions only about that group. Inferential statistics are generated from the process of gathering sample data from a group, body, or population and reaching conclusions about the larger group from which the sample was drawn (Black, 2013:13). For the purpose of this research study, inferential statistics were used as illustrated in the diagram in Figure 4.5. The data gathered from the sample is used to conclude something about a larger group.

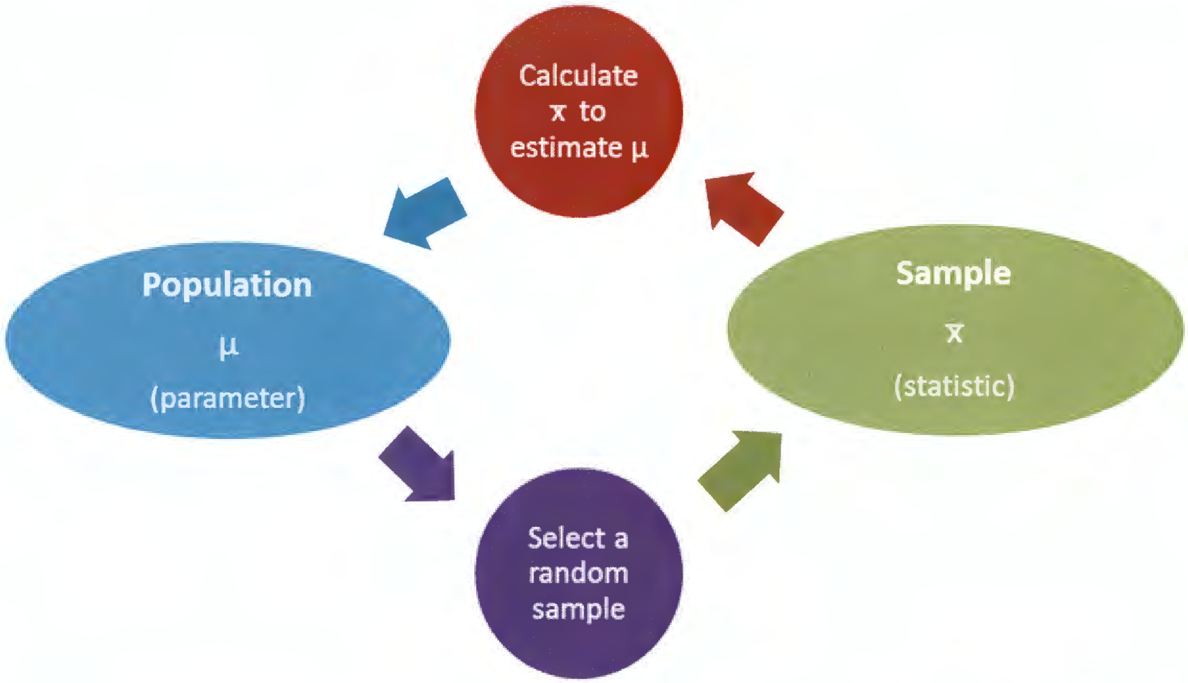


Figure 4.5
Process of inferential statistics to estimate a population mean (μ)
Source: Black, 2013:7.

Market researchers use inferential statistics to study the impact of advertising on various market segments. The advantage of using inferential statistics is that they enable the researcher to study effectively a wide range of phenomena without having to conduct a census (Black, 2013:6).

Many authors have researched how to apply the perceptual map to determine a brand's current position in the mind of their consumers (Aaker, 2004:63; Gioi & Huy, 2006:2-5). These authors state that the brand positioning strategy includes: (1) ranking the important attribute, which customers are interested in each brand, and (2) ranking the difference of each of the above attributes in the same type brand. The purpose of this establishment is to compare the advantages of this brand with another brand based on the awareness, comparison, and the discrimination of a customer against the attribute of different brands.

Surveying is the process of collecting data by asking a range of individuals the same questions relating to their characteristics, attributes, how they live, or their opinions through a questionnaire (O'Leary, 2010:181).

Data gathering for case study research can rely on many sources of evidence. There are six important sources of evidence namely, documentation, archival records, interviews, direct observations, participant observation, and physical artefacts. No single source has a complete advantage over all the others. In fact, the various sources are highly complementary, and a good case study will therefore use as many sources as possible. Any findings or conclusions in a case study are likely to be more convincing and accurate if these are based on several different sources of information. The six different sources that are suggested by Yin (1994:80) along with the strengths and weaknesses of the respective sources, are presented in Table 4.2.

Table 4.2

Six sources of evidence: strengths and weaknesses.

Source of Evidence	***Strengths***	***Weaknesses***
Documentation	Stable: can be reviewed repeatedly Unobtrusive: not created as a result of the case Exact: contains exact names, references and details of an event Broad coverage: long span of time, many events and many settings	Retrievability: can be low Biased selectivity: if collection is incomplete Reporting bias: reflects (unknown) bias of author Assess: may be deliberately blocked
Archival records	Same as above for documentation Precise and quantitative	Same as above for documentation Accessibility due to privacy reasons
Interviews	Targeted: focuses directly on case study topic Insightful: provides perceived causal inferences	Bias due to poorly constructed questionnaires Response bias Inaccuracies due to poor recall Reflexivity: interviewee gives what interviewer wants to hear
Direct Observations	Reality: covers events in real time Contextual: covers context of event	Time consuming Selectivity: unless broad coverage Reflexivity: event may proceed differently because it is being observed Cost: hours needed by human observers
Participant Observations	Same as for direct observations Insightful into interpersonal behaviour and motives	Same as for direct observations Bias due to investigator's manipulation of events
Physical Artefacts	Insightful into cultural features Insightful into technical operations	Selectivity Availability

Source: Yin, 1994:80.

In this case study research the researcher used three sources of evidence, namely documentation, archival records and interviews. Interviews as a source of evidence provided primary data as well as a survey which was designed to ask respondents to complete the questionnaire and answer questions to determine the respondent's preference towards brand attributes.

For this research the researcher decided that the most suitable research strategy was the multiple, contrasting, case study strategy. This is due to the fact that the research questions were of "how" character and that the research questions provided the researcher with relatively many variables. A multiple case study was conducted since this would make the findings more credible and it would also make it possible to detect possible similarities and/or differences. In addition, the intention was to investigate a limited number of cases in different dimensions, this in order to receive as detailed and in-depth information as possible from each case regarding the area of research.

A direct approach was used to distribute the questionnaires to respondents. This method was regarded as appropriate since respondents that satisfied the demographic profile of the study were available at the three different branded retail outlets in Middelburg, Mpumalanga. The retail-intercept approach was effective because it allowed the interviewer to clarify questions that participants had and at the same time permitting the participants to answer the survey questions while buying the branded meat products. In this way, non-response and memory bias was avoided. The semi-formal nature of the approach reduced the problem of non-responsive errors as people were more willing to answer questions. Anticipating that consumers would be in a hurry, the survey instrument was designed to be quick and easy to complete (Mayen & Marshall, 2005:5).

4.6.3 Data analysis

After the data has been collected, the researcher turns to the task of analysing the data. The analysis of data requires a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences. The data should be condensed into a few manageable groups and tables for further analysis (Kothari, 2006:18).

The process involves the researcher applying reasoning in order to understand and interpret the data collected. 'In simple descriptive research, analysis may involve determining consistent patterns and summarizing the appropriate details revealed in the investigation' (Zikmund, 2003:73).

The *Statistical Package for the Social Sciences* Incorporated (SPSS Inc) version 16 of 2008 was used to statistically analyse the data collected in the survey. Descriptive statistics (means and standard deviations) were used to analyse the data. SPSS was chosen for its superior analysis capabilities while retaining an ability to handle the multiple forms of data collected in the survey. SPSS was therefore used to calculate all frequency and descriptive statistics as well as most graphical presentations presented in the findings in Chapter 5.

The Microsoft excel software package was selected due to the ease of handling both string and coded variables. Supplementary charts, such as chain mapping were generated either in the Microsoft Excel of Microsoft Word software packages due to their compatibility with the final document layout and that unlike SPSS permitted post production editing.

Construct validity of the questionnaire was assessed by means of an exploratory factor analysis. Cronbach alpha coefficients were used to assess the reliability of the measuring instrument (Field, 2007:666). Cronbach's alpha, according to Sprinthall (2007:314), is a measure of internal consistency, that is, how closely related a set of items are as a group. A "high" value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure an underlying or latent construct. However, a high alpha does not imply that the measure is uni-dimensional. If, in addition to measuring internal consistency, it is desired to provide evidence that the scale in question is uni-dimensional, additional analyses can be performed. Prior to the extraction of the factors, several tests were used to assess the suitability of the respondent data for factor analysis. These tests include Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, and Bartlett's

Test of Sphericity. The KMO index, in particular, is recommended when the cases to variable ratio are less than 1:5. The KMO index ranges from 0 to 1, with 0.50 considered suitable for factor analysis, as illustrated in Table 4.3. The Bartlett's Test of Sphericity should be significant (p<.05) for factor analysis to be suitable (Tabachnick & Fidell, 2007). The Bartlett test of sphericity was used to examine the appropriateness of factor analysis in this research study. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was utilized.

Table 4.3

Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity (SPSS Output).

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.536
Bartlett's Test of Sphericity	Approx. Chi-Square	2582.571
	Df	1225
	Sig.	.000

Source: Williams, Onsman & Brown (2010:5).

The statistics used in the study are explained in the following section.

4.7 SELECTING A MULTIVARIATE TECHNIQUE

Kothari (2006:316) states that multivariate research techniques are largely empirical and deal with the reality and possess the ability to analyse complex data. A variate is a weighted combination of variables. The purpose of the analysis is to find the best combination of the weights.

Multivariate statistical techniques are used to analyse data when there are two or more measurements on each element and the variables are analysed simultaneously. If only two sets of measurements are involved the data typically is referred to as bivariate. Multivariate techniques are concerned with the simultaneous relationship among two or more phenomena (Malhotra, 2007:441).

The multivariate techniques that were used in this study include cross-tabulation, factor analysis and cluster analysis. Tests of association are commonly used in cross-tabulations. The cross-tabulations were done with the demographic and preference questions to determine the relationship between demographics and brand attribute preferences in this study.

The chi-square test statistic is used to determine 'the statistical significance of the observed association in a cross tabulation. It assists in determining whether a systematic association exists between two variables' (Malhotra, 2007:468, 474). In this study the chi-square test was used to determine whether a statistical significance exsist between the different variables and if the relationship between those variables are substantively important. This is done to evaluate the relative strength of a statistically significant relationship between the variables. A variable with a strong association would have been very useful as an indicator variable and would have provided insight as to which variables were associated with the use of a specific retail meat brand.

The exclusion of relevant variables can seriously bias the results and negatively affect any interpretation of them. If the omitted relevant variables are uncorrelated with the included variables, the only effect is to reduce the overall predictive accuracy of the analysis. When correlation exists between the included and omitted variables, the effects of the included variables will become biased to the extent that they will be correlated with the omitted variables. The estimated effects of the included variables would then represent not only their actual effects, but also the effects that the included variables share with the omitted variables. This can lead to serious problems in model interpretation and the assessment of statistical and managerial significance (Aaker *et al*., 2004:527-528).

Throughout business, more and more problems are being addressed by considering multiple independent and/or multiple dependent variables. Researchers consider the complex set of buyer preferences and preferred product options and analysts classfy levels of risk based on a set of predictors. Multivariate analysis can be defined as 'those statistical techniques which focus upon, and bring out in bold relief, the structure of simultaneous relationship among three or more phenomena'. A diagram is used in Figure 4.6 to guide a researcher in the selection of multivariate techniques (Cooper & Schindler, 2011:528).

With the use of factor analysis, sets of variables that are highly interrelated, known as factors or dimensions can be identified (Hair *et al.*, 2010:94). Factor analysis was used to analyse the structure of the interrelationships or correlations among the meat retail brand variables. Factors or dimensions were identified for the meat retail brand variables. The analysis provided insight into the relationship between the variables included in the dimensions (factors) as the dimensions (factors) provided meaning in terms of what they collectively represented. In addition to factor interpretation, the factor analysis was also used for data reduction purposes. Summated scales were developed to replace original variables with a new set of smaller variables. This new set of smaller variables represented a particular factor or dimension (Hair *et al.*, 2010:123).

Statistical significance tests (e.g. t-tests, ANOVA's) were used in this research to determine if biographical variables had a significant effect on the results. An analysis study appropriate for within-subjects research design was adopted. In a first step we ran two repeated measures analysis of variance (ANOVA) with the brand attributes covariates as dependent variables to investigate whether we needed to adjust for the impact of these variables.

Howell (2008:374-375) stated that the analysis of variance (ANOVA) proved to be the most used statistical technique in psychological research. The popularity and usefulness of this technique can be attributed to two facts. Firstly, the analysis of variance and *t*-tests deals with differences between sample means, but unlike *t*-tests, it has no restriction on the number of means. So for this study we were able to not merely ask if two means differ, we were able to ask whether any of the means differ. Secondly, the analysis of variance allowed us to deal with two or more independent variables simultaneously, looking not only at the individual effects of each variable separately but also at the interacting effects of two or more variables.

To visualize the data the researcher made use of profile plots. Profile plots are useful when the researcher wants to draw attention between the independent factors in the data. When the interaction of the data was statistically/practically significant the use of profile plots was implemented to visualise the differential effects. Parallel or near parallel lines in the plot indicate that there is no interaction between the independent factors. Intersecting lines usually indicate a significant interaction. The interpretation, of the profile plots, based on a visual inspection of the plot, needs to be checked with inferential statistics (Leech, Barrett & Morgan, 2005:143-146).

In marketing science the concept of modelling consumer preferences among multi-attribute alternatives has received much attention. The idea is to characterize a product into a bundle of attributes and assign levels for each attribute. Figure 4.6 is an illustration of the most common multivariate techniques used in marketing research (Reutterer & Kotzab, 2000:28-29).

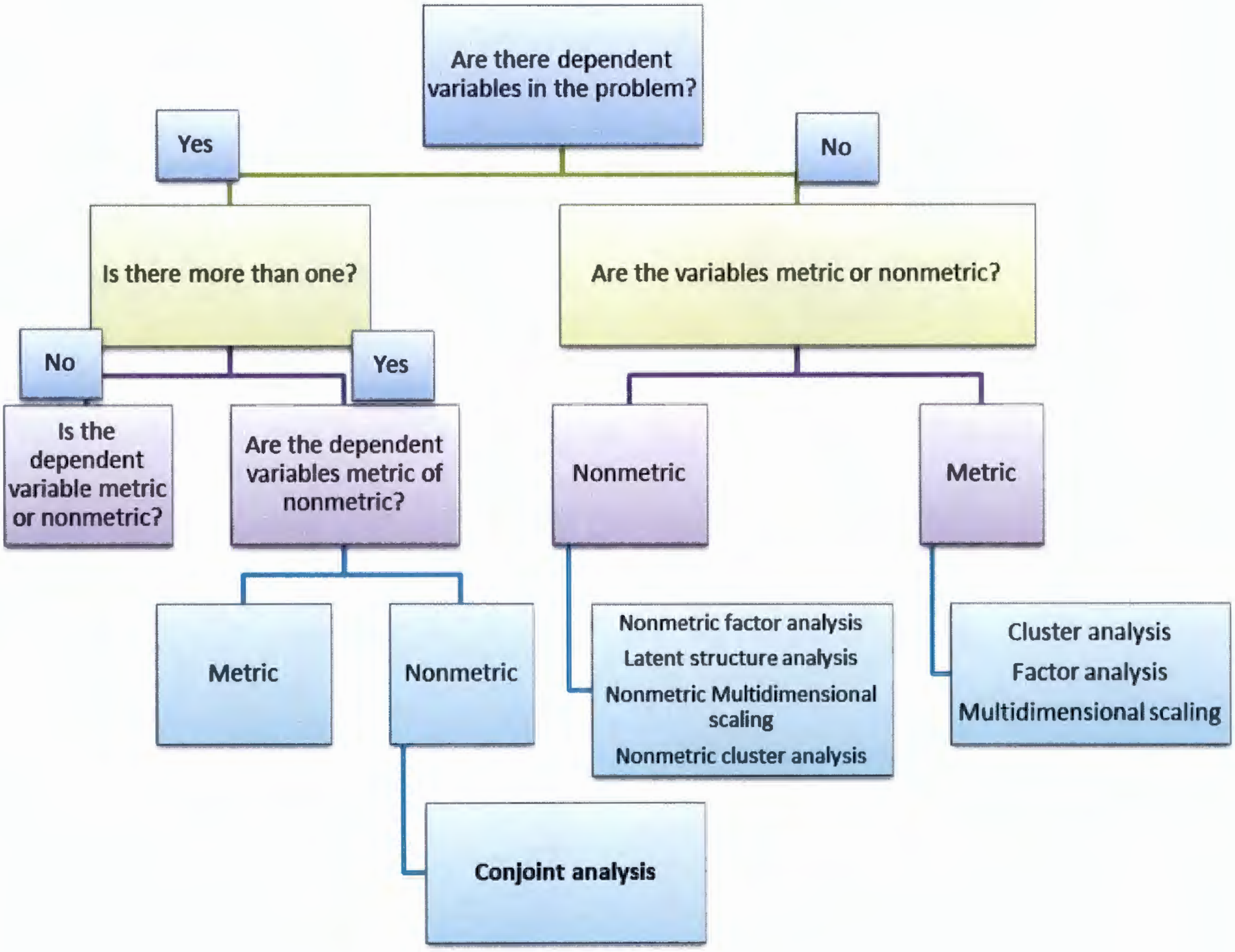


Figure 4.6

Selecting from the most common multivariate techniques

Source: Adapted from Cooper & Schindler, 2011:529.

For the purpose of this study the researcher made use of factor analysis to determine the specific variables in the semi-structured interviews with the three different brand retail owners. A factor analysis was done on the data to indicate which factors prove to be significant for the consumer when positioning branded meat in Middelburg, Mpumalanga Province. Descriptive statistics were used to determine the demographical characteristics and the preferences of the respondents. Cross tabulations were done with the demographics and brand attributes questions to determine a relationship between the demographics and the brand attributes in this study.

Factor analysis or cluster analysis can be used as exploratory techniques to reduce data. Cluster analysis is an interdependence technique: it makes no distinction between dependent and independent variables. The entire set of interdependent relationships is examined. In this study a Ward's Cluster analysis were performed on the variables using the Euclidian distance measure.

This is confirmed by Cooper & Schindler (2011:542) when they state that the first step to select the attributes most pertinent to the purchase decision, may require an exploratory study such as a focus group or interviews, or it could be done by an expert with thorough market knowledge. The attributes selected are the independent variables, called factors. The possible values for an attribute are called factor levels. After selecting the factors and their levels, a computer program determines the number of product descriptions necessary to estimate the utilities. SPSS builds a file structure for all possible combinations, and analyse results.

4.7.1 The use of factor analysis to reduce the number of variables

The statistical technique particularly appropriate to determine the dimensional nature of a number of variables is referred to as a factor analysis. It is a procedure that groups a variety of items on the basis of correlations. The main aim of factor analysis is to describe a larger number of variables by means of a smaller set of composite variables. Factor scales are developed through factor analysis or on the basis of inter correlations of items which indicate that a common factor accounts for the relationships between items. Factor scales are particularly useful in uncovering latent attitude dimensions and approach scaling through the concept of multi-dimension attribute space. An important factor scale based on factor analysis is semantic differential and also multidimensional scaling (Kothari 2006:89-90).

Exploratory factor analysis attempts to summarize or identify the few themes or dimensions that underlie a relatively larger set of variables. These underlying dimensions are the factors that emerge from the analysis, thus revealing the structure of the set of variables. Each factor is a weighted linear composition on which all the variables in the analysis are represented (Meyers, Gamst & Guarino, 2006:11).

Factor analysis is a correlation technique to determine meaningful clusters of shared variance. Common data analysis techniques include principal component analysis (PCA), exploratory factor analysis (EFA) and structural equation modelling (SEM). Confirmatory factor analysis (CFA) is mainly used for four purposes: (1) psychometric evaluation of measures; (2) construct validation; (3) testing method effects; and (4) testing measurement invariance (e.g., across groups or populations) (Harrington, 2009:3-4).

There are several proven methods of conducting exploratory research, including surveys, focus groups, secondary-data analysis, case studies and observations. For the purpose of this study interviews were done with the three retail brand owners. Parasuraman *et al.*, (2007:57,62) states that conducting exploratory research by interviewing knowledgeable individuals is also called a key-informant technique. Insights gained through exploratory research pave the way for conclusive research. Many research projects involve an exploratory phase followed by a conclusive phase. There are two basic forms of conclusive research, namely descriptive research and experimental research.

The variables used for interdependence techniques such as factor analysis, are not classified as dependent or independent because these variables are considered interrelated. They are analysed simultaneously in order to identify an underlying structure. The objective of factor analysis techniques is to create a more manageable number of variables (data reduction) from a larger set of variables (Cooper & Schindler, 2011:545).

One or more observations with frequencies less than 5 may be grouped together to represent a single category before calculating the difference between observed and expected frequencies (Sharma, 2010:281). Factor analysis begins with a large number of variables and then tries to reduce the interrelationships amongst the variables to a smaller number of clusters or factors. Factor analysis was used for the purpose of data reduction and summarisation. This is an interdependence technique because an entire set of interdependent relationships can be examined (Malhotra, 2007:636).

For the purpose of this study the three different brand retail owners were asked to judge and list the brand attributes that they consider to be important for their brand. This can however not be used to plot the brand's position in the consumer's perceptual space, which can only be obtained through field research. To conclude this study, consumers were asked to rate the mentioned set of brand attributes to determine the consumer's preferences to specific attributes. The former technique is used for factor analysis and the latter technique is used in multidimensional scaling (MDS). According to Sengupta (2007:33-35), both conceptually and operationally, these two techniques are well suited for marketing management's use in perceptual mapping. Developed by mathematical psychologists, the MDS technique provides a representation of consumers' perceptions of brands as points in a geometric space of which the axes (attributes/dimensions) can be described as frames of reference along which brands are compared by consumers. Essentially this method involves studying relative positions of different brands in a product field. Various other techniques can also be used for perceptual mapping, like hierarchical cluster analysis (to refine perceived similarities or dissimilarities), multiple discriminant analysis and conjoint analysis. For the purpose of this study the cluster analysis technique was used.

Kothari (2006:91-92) states that multidimensional scaling is a relatively more complicated scaling device, but is useful to scale objects, individuals or both with a minimum of information. Multidimensional scaling can be characterised as a set of procedures for portraying affective dimensions of substantive interest. It provides useful methodology for portraying subjective judgements of diverse kinds. MDS is used when all the variables in a study are to be analysed simultaneously and all such variables happen to be independent. The underlying assumption in MDS is that respondents perceive a set of objects as being more or less similar to one another on a number of dimensions instead of only one. Generally, the judged similarities among a set of objects are statistically transformed into distances by placing those objects in a multidimensional space of some dimensionality. The significance of MDS lies in the fact that it enables the researcher to study 'the perceptual structure of a set of stimuli and the cognitive processes underlying the development of this structure and then use a perceptual map in multidimensional space of objects', which in the case of this research will indicate the consumer's preference of meat brand attributes.

The exploratory factor analysis done in this research revealed that twelve factors could be identified from the interview data, namely:

- Added product value.
- Convenience.
- Good service.
- Healthy wholesome organic meat.
- Hygienic meat.
- Marbled meat.
- Packaging.
- Good price.
- Quality product.
- Tender meat.
- Traceable product.
- Unique customised product.

In order to compare two factor structures that have been extracted by factor analysis, the normal visual comparison is employed to determine if the same statements loaded onto each of the factors. Although it may reveal interesting comparisons on the common statements and their factor loadings, this comparison is neither scientific nor accurate. However, the comparison remains difficult and the sampling error alone may cause inversions in the factor order. Another more acceptable method of factor comparison is to make use of correlation coefficients between the factors. If strong correlations exist between the factors and its statement that loads onto the factor, it is plausible to perform comparative analysis between the factors (Wuensch, 2009:11-14).

To expand on this research the researcher made use of cluster analysis which will be explained next.

4.7.2 Cluster analysis

Cluster analysis, like factor analysis and multi-dimensional scaling is an interdependence technique: it makes no distinction between dependent and independent variables. The entire set of interdependent relationships is examined. It is similar to multi-dimensional scaling in that both examine inter-object similarity by examining the complete set of interdependent relationships. The difference is that multi-dimensional scaling identifies underlying dimensions, while cluster analysis identifies clusters. Cluster analysis is the obverse of factor analysis. Whereas factor analysis reduces the number of variables by grouping them into a smaller set of factors, cluster analysis reduces the number of observations or cases by grouping them into a smaller set of clusters.

The established method to analyze open sort data is cluster analysis or multidimensional scaling. Hair *et al.*, (2006) describe cluster analysis as a method that can also be used for confirmatory purposes, for example, comparing theoretically based classifications to that empirical-based classifications derived from the cluster analysis.

In most applications of cluster analysis a partition of the data is sought, in which each individual or object belongs to a single cluster, and the complete set of clusters contains all individuals. In some circumstances, however overlapping clusters may provide a more acceptable solution. It must also be remembered that one acceptable answer from a cluster analysis is to that no grouping of the data is justified (Everitt, Landau, Leese & Stahl, 2011:6).

Cluster analysis searches for the natural groupings among objects described by *p* variables. It places together the objects that are similar in terms of the *p* variables. Their similarity is properly captured with a coefficient reflecting the scale of measurement that underlies the variables (Churchill & Iacobucci, 2009:533).
To visualize the data the researcher made use of profile plots. Profile plots are useful when the researcher wants to draw attention between the independent factors in the data. When the interaction of the data was statistically/practically significant the use of profile plots was implemented to visualise the differential effects. Parallel or near parallel lines in the plot indicate that there is no interaction between the

independent factors. Intersecting lines usually indicate a significant interaction. The interpretation, of the profile plots, based on a visual inspection of the plot, needs to be checked with inferential statistics (Leech, Barrett & Morgan, 2005:143-146).

The researcher intended to provide a perceptual map with the analysed data. As explained in Chapter 3 perceptual mapping is a technique used by marketers that attempts to visually display the perceptions of customers or potential customers. Typically the position of a brand name or company is displayed relative to their competition.

4.7.3 Multidimensional scaling (MDS) tool in brand positioning

The researcher wishes to clarify the study in terms of why brand positioning is important. An important aspect of a brand's position in a product category is how similar or different the brand is in comparison with other brands in the product category. Positioning is the attempt to control the public's perception of a product or service as it relates to competitive products. To achieve the benefit of brand positioning, it is necessary to deeply research the market position (or lack thereof) of the brand. Brand maps are the profile for brand positioning, comparing the results with competitive brands. Brand positioning is an important strategy for achieving differential advantage. Positioning reflects the "place" a brand occupies in a market or segment. A successful position is both different and important to consumers. Every brand has some sort of position - whether intended or not. Positions based upon consumer perceptions or preferences, entails mapping the location of the products using multidimensional scaling (MDS). As explained in chapter 3 of this dissertation, perceptual maps have been a useful tool for marketers to understand product differentiation, product positioning and product preferences.

Certain popular approaches, some dating back almost twenty five years, that attempt to explain product differentiation in market research, such as multidimensional scaling (Manrai & Sinha, 1989:140; Cooper & Schindler, 2011:555), and factor analysis treat products as bundles of common perceptual attributes. These techniques assume that all products are differentiated with only differences in levels of common physical or perceptual attributes, thereby ignoring the effects of differentiation due to perceptual factors such as perceptions unique to a product.

Multidimensional scaling is often used in conjunction with cluster analysis and conjoint analysis. It allows a respondent's perception about a product to be described in a spatial manner. MDS helps the researcher to understand difficult-to-measure constructs such as product quality or desirability which are perceived and cognitively mapped in different ways by different individuals. Items judged to be similar will fall close together in multidimensional space and are revealed numerically and geometrically by spatial maps. MDS models were widely considered as positioning models especially in the advertising literature. In MDS, the concept of 'positioning accuracy' is modeled as distances between brands in the MDS solution (Cooper & Schindler, 2011:555-557). In this section, the researcher models brand positioning through the multidimensional scaling of similarity results.

Previous research has defined a variety of forms of customer satisfaction. In order to apply marketing research contexts, researchers are often interested in assessing the relationship of overall satisfaction to satisfy with the major attributes or processes of the service or product experience. Attribute satisfaction measures are often collected to determine which are "key drivers" of cumulative satisfaction that can be used to improve resource allocations and plan quality improvement initiatives (Woo & Fock, 2004:187-197).

As previously stated cluster analysis is a statistical technique well suited for product positioning strategy. It is proven to assist in the bundling of product attributes that will enhance the appeal of a product to a given target market. In the next section the researcher will explain the sampling procedure of this study to ultimately reach the target market of the branded meat product.

4.8 THE SAMPLING PROCEDURE

Sampling is the selection of a fraction of the total number of units of interest for the ultimate purpose of being able to draw general conclusions about the entire body of units (Parasuraman, Grewal & Krishnan, 2007:356).

Samples are used because it is not possible to work with the entire population. The statistics computed from the sample will estimate the corresponding parameters accurately, at least on average. A sample that does this is said to be representative (Sharpe, De Veaux & Velleman, 2011:33).

A sampling procedure was drawn up in accordance with the seven steps that are outlined in Figure 4.7, by Tustin, Ligthelm, Martins & Van Wyk, (2005:339).

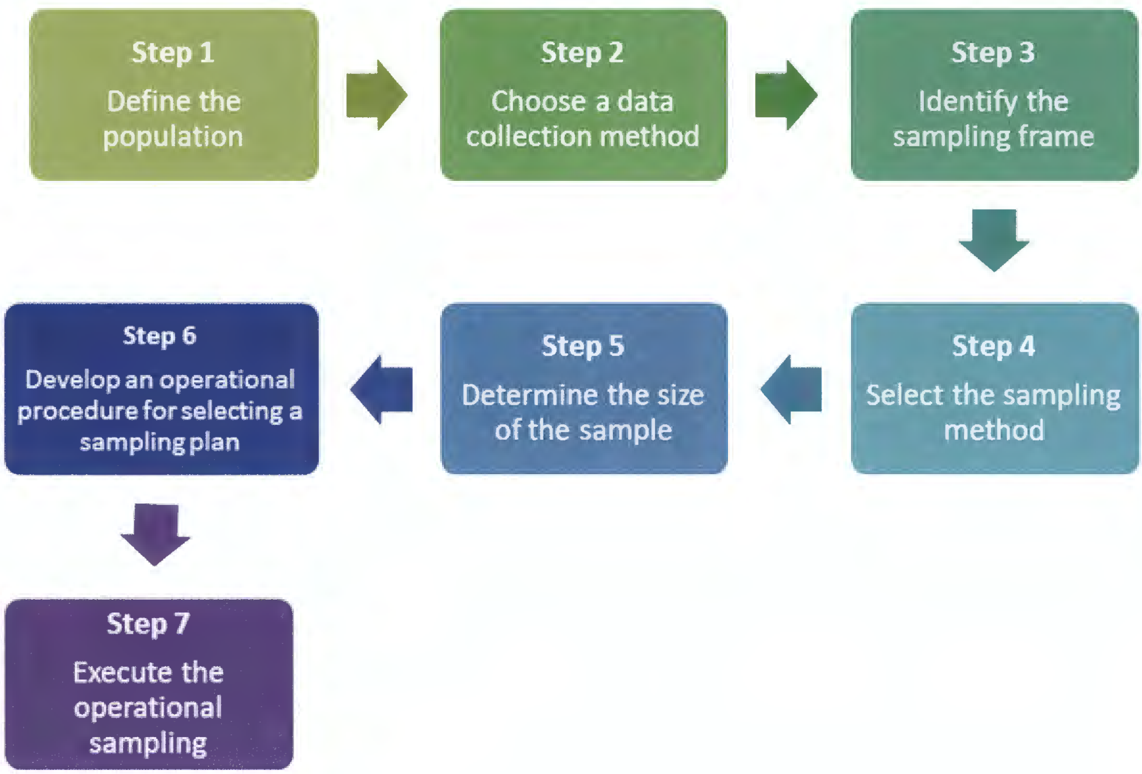


Figure 4.7
The sampling procedure
Source: Tustin *et al.*, 2005:339.

According to Collis and Hussey (2003:155-160), a sample is made up of some of the members of a 'population' (the target population), the latter referring to a body of people or to any other collection of items under consideration for the purpose of the research. A 'sampling frame' in turn refers to a list or any other record of the population from which all the sampling units are drawn.

For the purpose of this research the sampling frame consisted of all the customers of the three branded meat retailers, i.e. **Frank's Meat**, **Farm Inn** and **Kanhym Fresh Meat**. The sample however, who formed part of this research, were customers buying meat on the specific days that the questionnaires were distributed at the three different branded meat retailers.

4.8.1 Sampling method

This phase of the study comprised a survey held amongst consumers of the three branded meat retailers. The researcher made use of a non-probability sample, 'a sampling technique in which units of the sample are selected on the basis of personal judgement or convenience' (Zikmund, 2003:380). A disadvantage of using a non-probability sample was that there were no appropriate statistical techniques for measuring random sample error.

Sampling methods can be grouped into two broad categories, namely probability sampling and non-probability sampling. Probability sampling refers to samples in which all the subsets of the population have a known non-zero chance of being selected, while non-probability sampling is used when certain subsets of the population have little or no chance of being selected for the sample (Churchill & Iacobucci, 2002:453). The various methods of probability and non-probability sampling are shown in Table 4.4.

Table 4.4

Methods of probability and non-probability sampling

PROBABILITY SAMPLING	***NON-PROBABILITY SAMPLING***
Simple random sampling	Convenience sampling
Systematic random sampling	Judgemental sampling
Stratified, random, proportionate, disproportionate sampling	Quota sampling
Cluster / Area sampling	Snowball / Internet sampling

Source: Adapted from McDaniel & Gates, 2004:277.

A non-probability sampling method can yield good estimates of the population's characteristics. It involves the use of personal judgement. A judgemental sample is defined as an approach in which the researcher attempts to draw a representative sample of the population by using a judgemental procedure (Churchill & Iacobucci, 2002:454).

The category of sampling evident in this research will be 'non-probability' sampling; the reason being that the researcher has no way of forecasting or guaranteeing that each element of the population will be represented in the sample. Three methods of non-probability sampling can be used to select a sample. They are convenience sampling, quota sampling and purposive sampling. For this research the researcher decided to use convenience sampling, also known as 'accidental sampling'. Convenience sampling does not identify a subset of a population and makes use of people that are 'readily available' (Watkins, 2008:55).

For reasons of convenience and as a result that the actual percentage of the Middelburg population that buy from the three branded meat retailers, are not known, the researcher made use of the convenience sampling technique, as this was deemed most appropriate. Kothari (2006:15) describes convenience sampling as the procedure where access is convenient and immediately available. If the researcher wishes to secure data from, for example, gasoline buyers, he may select a fixed number of petrol stations and may conduct interviews at these stations. This would then be an example of convenience sampling of gasoline buyers.

4.8.2 Sample size

A recommendation that exist to provide researchers with guidance regarding the amount of participants required in a sample size is called 'the sample to variable ratio' (N:p ratio) where N refers to the number of participants and p refers to the number of variables (Williams, Onsman & Brown, 2010:5). The sample size for quantitative Mall survey research is normally determined by the number of variables in the questionnaire, the sample size of similar studies and resource constraints. The common 'rule of thumb' is to suggest that the researcher has at least 10-15 participants per variable (Field & Miles, 2010:559). The target was a sample size of approximately 600 questionnaires and more were printed to have questionnaires available in the different languages and to compensate for uncompleted questionnaires.

Respondents had to be willing and had to be branded meat purchasers at one of the three branded meat retail outlets (**Kanhym Fresh Meat, Farm Inn Meat** or **Frank's Meat**). Field workers invited consumers to participate when they were in the store waiting for their meat orders or when exiting the stores. Respondents were approached, irrespective of gender and racial group. The minimum age for participation was 18 years to allow for informed consent as a major. Respondents received no remuneration for participation.

A sample of 612 was conveniently selected for the study. The sample size imitates and exceeds the recommendation by Hair *et al.,* (2006:707-708) in that the number of respondents should be a ratio of 14 observations to each variable in order to perform factor analysis. When the 12 variables identified in 3 categories are multiplied by the suggested 14 observations, a sample of 504 is recommended.

As illustrated in Figure 4.8 a total of 588 questionnaires were completed of which 24 were not taken into consideration because the data on the questionnaire was either incomplete or inconclusive.

Figure 4.8

Survey questionnaires completed.

It is not only the type of data or sample size that influences the choice of statistical analysis but also the types of validity and reliability that are being investigated.

4.9 VALIDITY

Validity describes measures that accurately reflect the concept which it is intended to measure (Babbie, 2010:153). Field (2007:795) defines validity as evidence that a study allows inferences about the question it was aimed to answer or that a test measures what it set out to measure conceptually. The term validity also refers to whether a study is able to scientifically answer the questions it is intended to answer, and as such, it is vital for a test to be valid in order for the results to be accurately applied and interpreted (Iacobucci & Churchill, 2010:255).

Although various types of validity exist, the important validity concept for this research is construct validity. To achieve or prove construct validity, empirical evidence is required to support the theoretical basis of the research. This study aims to provide the empirical evidence that supports the selection of attributes that determine meat brand positioning. The validity of a questionnaire is to be assessed to evaluate whether the questionnaire in fact measures what it is supposed to measure. Three different categories of validities could be assessed: content (face) validity, criterion validity and construct validity (Zikmund, 2003:282-284):

- ***Content or face validity*** refers to a subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand (Malhotra, 2004:269). By assessing content validity it is therefore considered whether the questionnaire covers the entire domain of the construct that is being measured (Iacobucci & Churchill, 2010:257). However, content validity is often regarded as a more informal and even weak assessment of validity.

- ***Criterion validity*** is to determine whether the data correlates with other data measuring the same construct. Two different types of criterion validity exist, namely ***concurrent*** and ***predictive*** *validity*. The two measures differ only on the basis of a time dimension. *Concurrent validity* is the extent to which one measure of a variable may be used to estimate an individual's current score on a different measure of the same, or a closely related, variable. *Predictive validity* is assessed by investigating the possibility that the questionnaire predicts or correlates with a criterion measure which is administered at a later stage (Zikmund 2003:283).

The focus of this study was on the assessment of *construct validity*. Construct validity refers to the realisation of a construct in a practical application setting. Construct validity is an important concept for this research, because the validation of the research questionnaire put forward in this study, requires a high level of construct validity (Iacobucci & Churchill, 2010:256).

When construct validity is evaluated, both theory and the data are evaluated. According to Malhotra (2004:269), construct validity requires a sound theoretical knowledge of the nature of the construct being measured and the way it relates to other constructs. Construct validity involves more than just knowing how well a given measure works, as it also indicates why the measure works.

Iacobucci and Churchill (2010:255) state that three different types of **construct validity** are often considered:

- ***convergent validity***: the measure correlates positively with other measures,

- ***discriminant validity:*** the measure does not correlate with other constructs from which it is supposed to differ, and
- ***nomological (theoretical) validity:*** the degree to which the measure correlates in theoretically predicted ways with measures of different but related constructs. By focusing on discriminant validity in the present study, the purpose was therefore to use questionnaire items that would discriminate sufficiently between the different constructs measured in this study.

Yin (1994:33) is considered to be a leading expert in case study research and in Table 4.5 he lists the four most widely used tests and the recommended case study tactics as well as a cross-reference to the phase of research when the tactics are to be used. Internal validity is disqualified for this research due to the fact that it is for explanatory and causal use only. This left the researcher with construct validity, external validity and reliability to consider.

Table 4.5

Case study tactics for four design tests.

Tests	Case study tactic	Phase of research in which tactic occurs
Construct validity	- Use multiple sources of evidence	- Data collection
	- Establish chain of evidence	- Data collection
	- Have key informants review draft case study report	- Data collection
Internal validity	- Do pattern matching	- Data analysis
	- Do explanations building	- Data analysis
	- Do time series analysis	- Data analysis
External validity	- Use replication logic in multiple studies	- Research design
Reliability	- Use case study protocol	- Data collection
	- Develop case study database	- Data collection

Source: Yin, 1994:33.

Validating a research instrument in terms of construct validity is challenging. Construct validity is concerned with the following question: What construct is the instrument actually measuring? The more abstract the concept, the more difficult it is to establish the construct validity of the measure. Construct validation is addressed in several ways, but there is always an emphasis on testing relationships predicted on the basis of theoretical considerations. Researchers make predictions about the manner in which the construct will function in relation to other constructs. Another approach to construct validation employs a statistical procedure known as factor analysis, which is a method for identifying clusters of related items on a scale. The procedure is used to identify and group together different measures of some underlying attribute and to distinguish them from measures of different attributes (Loiselle, Profetto-McGrath, Polit & Beck, 2010:68)

Validity tests were done to check for the validity and usability of the research instrument. Cronbach alpha, Kaiser-Meyer Olkin (KMO) measure of adequacy and Bartlett's test of sphericity were conducted. Kaiser-Meyer Olkin (KMO) test was done to measure the homogeneity of variables and Bartlett's test of sphericity was done to test for the correlation among the variables used. To examine the appropriateness of factor analysis in this research study, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is utilized. The KMO measure of sampling adequacy provides an index (between 0 and 1) of the proportion of variance among the variables that might be common variance. Values between 0.5 and 0.7 are mediocre and values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Field, 2007:647). The KMO value for this research was > 0.8, which is acceptable as a good value.

In the development of a measurement, scale reliability is an important consideration, and will subsequently be explained.

4.10 RELIABILITY

Malhotra states that (2007:284) 'Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made.' Various methods can be used to ensure reliability. These include the following:

- Test-retest reliability. According to this method the same instrument is used twice under similar conditions. Correlation scores between the answers for the first and second tests are examined.
- Equivalent form reliability. In this method two similar instruments are used to measure the same object during the same period of time.
- Internal consistency reliability. This method compares different samples of items used to measure a construct during the same period of time. A split-half reliability test or coefficient alpha, also referred to as "Cronbach's alpha", can be used (Malhotra, 2007:284-285).

Since factor analysis is used to validate the questionnaire in this study, reliability of the scale is required to ensure that the questionnaire reflects the construct it is measuring. It is for this reason that Cronbach alpha is used. The justification for using Cronbach coefficients was based on the general acceptability in the marketing literature for the use of this type of analysis (Hair *et al.*, 2006:118). Exploratory factor analysis is one method of checking dimensionality. Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability (Lund, 2012:1). For this study, the minimum reliability coefficient is set at $\alpha \geq 0.70$. However, in cases of lower reliability coefficients, a lower coefficient may be sufficient for analytical scrutiny. An acceptable minimum coefficient for attitudinal and behavioural constructs on ratio scales is 0.7 (Field, 2007:668).

Cronbach alpha is a reliability coefficient which measures the internal consistency of a group of items (Malhotra & Birks, 2003:358). Values range between zero and one, where a value of 0.6 or less indicates unsatisfactory internal consistency reliability. In this study coefficient alpha was used as a measure of internal consistency to determine the reliability of the factor analysis of the brand variables.

4.11 LIMITATIONS OF THE STUDY

The researcher made use of a non-probability convenience sample and although subconsciously the researcher aimed at obtaining respondents from across different industries, the sample was by no means representative of the population. A total of

588 questionnaires were completed of which 564 were used. The sample size of 564 may not be large enough to draw any accurate and conclusive results. The study was confined to the residents in Middelburg, Mpumalanga Province. The findings of this study cannot be generalized beyond those who participated in the study. Very little research has been done in the south African context, which limited available background information.

Although perceptual mapping techniques are highly useful methods in positioning analysis, they may be subject to some specific limitations and assumptions in the context of positioning effectiveness measurement that may justify the need for an alternative or complementary measurement instrument. In the case of methods based on attribute ratings, the attributes must be known and it is assumed that the attributes are valid or relevant and complete (Aaker, Kumar & Day, 2004:607). Furthermore, consumers 'may not perceive or evaluate objects in terms of underlying attributes but as a whole that is not decomposable in terms of separate attributes' (Churchill & Iacobucci, 2002:856).

A limitation of multidimensional scaling is that dimension interpretation relating to physical changes in brands or stimuli to changes in the perceptual map is difficult at best (Malhotra, 2007:705).

4.12 CONCLUSION

In this chapter research design has been presented. Use of questionnaire, interview and case study methodology have been made and explained for this exploratory research. The details of research methodology, questionnaire design, its validation and administration were discussed. This chapter described and substantiated the selected research type. It detailed the research process that had been undertaken, and explained each phase. The implementation plan and tools were explained and justified in this chapter. The analytical tools, interviews, questionnaires and sample were discussed.

This chapter described the methodology and techniques used during the different phases of the empirical study. A key focus of this chapter was on the manner in which each step in the marketing research process is relevant to this study. The process of obtaining the brand variables through brand retail owner interviews was explained and justified to present those 12 brand attributes as the variables in the quantitative questionnaires.

The respondents were then asked to scale the variables in order of importance. The research study itself was explained, with a description of questionnaire development, sampling procedure, data collection and data analysis. The statistical techniques used in the study were then presented. The technique to ensure construct validity was first made, followed by the technique to ensure reliability using Cronbach alpha. To ensure that variables were uncorrelated in the population, Bartlett's test of sphericity was selected and described followed by the description of the KMO measure used to ensure appropriateness of factor analysis. Exploratory research, factor analysis and cluster analysis which formed the principal statistical method for the study was then described in detail.

Chapter Five presents the empirical findings of the study by applying the research methodologies and statistical methods described in this chapter to the data obtained.

CHAPTER 5

ANALYSIS AND INTERPRETATION OF THE RESEARCH RESULTS

5.1 INTRODUCTION

The marketing research methodology followed in the execution of this study was discussed in the previous chapter. This chapter focuses on the execution of the primary research. Empirical findings will be presented and discussed to address the research question of this dissertation. Research results will be analysed to determine the theoretical and practical implications resulting from the findings. Figure 5.1 is an outline structure of chapter 5.

A preliminary data analysis by means of coding and tabulation has to be performed before analysing the data set. Burns & Bush (2010:352) define coding as the use of numbers associated with question response options to facilitate data analysis after the survey has been done. The data should be grouped into meaningful categories and numerical codes assigned to these categories. This enables a data set to be created that is suitable for analysis.

Many researchers believe that results for Likert scale items should be reported using the proportion of responses for each scale point, it is being argued that Likert data is not “equal interval”, the data is said to be ordinal, not metric. However several research studies have calculated the numerical difference between Likert-type scale points and showed that they are close to “equal interval” (Dawes, 2008:63-69).

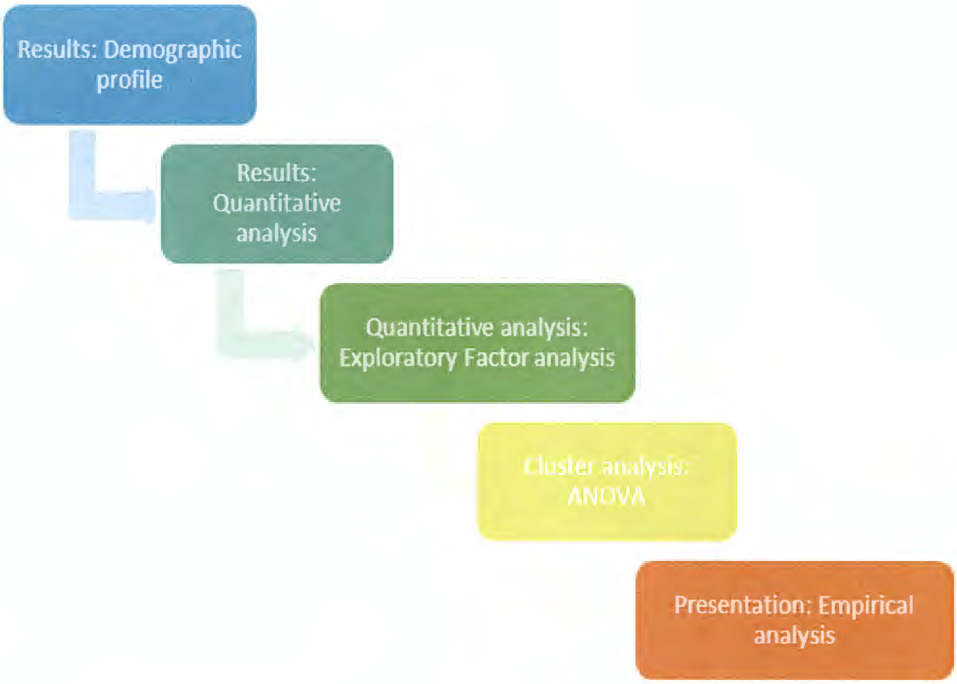


Figure 5.1

Outline Structure of chapter 5

5.2 STATISTICAL ANALYSIS

The following represents a detailed description of the statistical techniques used to analyse the data in this chapter. As a starting point, the distinction between inferential and descriptive statistics is being explained, as the techniques used in this study, are categorised into these two groups. Descriptive statistics utilizes numerical and graphical methods to look for patterns in a data set, to summarise the information revealed in a data set, and to present that information in a convenient form (McClave & Sincich, 2009:5).

The descriptive statistics used in the research sample include frequencies and means:

- A "frequency" can be defined as the number of times a certain value or category appears in the results, which Field (2005:8) explains that when a plot or graph is made to show the number of times that each score occurs, this is referred to as a frequency distribution or histogram.

- The "mean" is defined as a set of quantitative data which is the sum of the measurements, divided by the number of measurements contained in the data set (McClave & Sincich, 2009:51).

Descriptive statistics were used to determine the demographical characteristics and the preferences of the respondents. Cross tabulations were done with the demographics and brand attributes questions to determine a relationship between the demographics and the brand attributes in this study. McDaniel and Gates (2002:488) indicate that the most efficient way of summarizing the characteristics of a large set of data is by means of descriptive statistics. Wells *et al.* (2002:232) illustrate that descriptive statistics may be presented graphically by means of histograms, bar diagrams and pie charts. Graphical illustrations of the data make it easier to interpret and understand large sets of data.

Descriptive statistics (means and standard deviations) were used to analyse the data. Mean values ≥ 3.5 were seen as positive, ≤ 2.5 negative and between these two values as neutral or indecisive.

In this research, data were obtained from convenience sampling and cannot be analysed as if it were obtained by random sampling. In this research *p*-values will be reported for completeness, but more emphasis will be given to effect sizes. Cohen's *d*-values that are standardised differences between means will be used as a measure of the practical importance of differences (Ellis & Steyn, 2003:51).

The effect sizes (d) for this study were interpreted according to Cohen's guidelines, where $d = 0.2$ is a small effect; $d = 0.5$ is a medium effect; $d = 0.8$ is a large effect. In terms of interpretation, results with medium effects ($0.5 < d < 0.8$) were regarded as visible effects and $d > 0.8$ as practically significant, being the result of a difference causing a large effect (Ellis & Steyn, 2003:52).

To search for response patterns in the data of the 12 items measuring the process to generate the favourable branded meat variables, Ward's cluster analysis was conducted on Euclidean distances using the SPSS computer programme.

Inferential statistics include those techniques by which decisions about a statistical population or process are made based only on a sample having been observed (Kazmier, 2003:1). The different inferential techniques used in this study include correlation analysis, t-tests for independent means and analysis of variance.

5.2.1 Statistical significance tests

5.2.1.1 Correlations

Many relationships among variables exist in the real world. One way to determine whether a relationship exists is to use statistical techniques known as correlation and regression. The strength and direction of relationships are measured by the value of the correlation coefficient. It can assume values between and including +1 and -1. The closer the value of the correlation coefficient is to +1 or -1, the stronger the linear relationship is between the variables (Bluman, 2007:575).

The correlation coefficient reveals the nature of similarity between the variables. The Spearman correlation coefficient was used in this research and is defined as the Pearson correlation coefficient between the ranked variables (Myers & Well, 2003:508). Spearman's rank correlation coefficient (Spearman's rho) is a nonparametric measure of statistical dependence between two variables (Howell, 2008:183).

For Spearman correlation results, SPSS provided a table with correlation coefficients between each pair of variable listed, the significance level and the number of cases. The direction of the relationship between the variables is indicated with a positive/negative sign. A negative correlation means there is a negative correlation between the two variables (high scores on one are associated with low scores on the other) (Pallant, 2010:133).

5.2.1.2 Test for differences in means

Two common statistical tests are the *z* test and the *t* test. The *z* test is used either when the population standard deviation is known and the variable is normally distributed or when σ is not known and the sample size is greater than or equal to 30.

When the population standard deviation is not known and the variable is normally distributed, the sample standard deviation is used, but a *t* test should be conducted when the sample size is less than 30 (Bluman, 2007:454).

The primary difference between the sampling distributions of *t* and *z* is that the *t*-statistic is more variable than the *z*, a property that follows intuitively when you realize that *t* contains two random quantities ($\dot{x}$ and s), whereas *z* contains only one ($\dot{x}$). The actual amount of variability in the sampling distribution of *t* depends on the sample size *n* (McClave & Sincich, 2009:267).

When there is one independent variable, the analysis of variance is called a one-way ANOVA. When there are two independent variables, the analysis of variance is called a two-way ANOVA. The two-way ANOVA enables the researcher to test effects of two independent variables and a possible interaction on one dependent variable (Bluman, 2007:620-621).

ANOVA provides an overall test of significance for the mean differences between items. To determine exactly where the significant differences exist it is important that the ANOVA must be followed with post-hoc tests (Gravetter & Wallnau, 2010:427).

Statistical significance tests (e.g. t-tests, ANOVA's) were used in this research to determine if biographical variables had a significant effect on the results. The *p*-value is a criterion of this, giving the probability that the obtained value could be obtained under the assumption that the null hypothesis (no difference between the means) is true. A small *p*-value (< than 0.05) is considered as sufficient evidence that the result is statistically significant. Statistical significance does not necessarily imply that the result is important in practice as these tests have a tendency to yield small *p*-values (indicating significance) as the sizes of the data sets increase.

5.2.1.3 Data reduction technique

Either factor analysis or cluster analysis can be used as exploratory techniques to reduce data. Cluster analysis is an interdependence technique: it makes no distinction between dependent and independent variables. The entire set of interdependent relationships is examined.

In this study a Ward's Cluster analysis were performed on the variables using the Euclidian distance measure.

5.3 DEMOGRAPHIC PROFILE

Research concluded by Baltas and Argouslidis (2007:335-338) confirms that demographic factors can influence brand preferences. The demographic profile of the respondents for this study is shown in Table 5.1. The survey resulted in 564 valid responses which were based on the information provided by consumers of the three branded retailers (**Farm Inn Meat, Frank's Meat** & **Kanhym Fresh Meat**) in Middelburg, Mpumalanga Province. The respondents were classified according to gender, age, marital status, home language, level of education, work status and household income. All the demographic data will be presented graphically for the total group of respondents' of the three branded retailers. These demographic classifications are shown from Figure 5.1 to Figure 5.8 below.

Table 5.1

Demographic profile of respondents.

GENDER		**LANGUAGE**	
Male	34%	Afrikaans	55%
Female	66%	English	13%
AGE		Zulu	19%
18 – 25	9.7%	Ndebele	2%
26 – 30	13.5%	Sotho/Tswana	2%
31 – 35	10.8%	Xhosa	1%
36 – 40	16.0%	Indian	3%
41 – 45	17.9%	Other	6%
46 – 50	10.6%	**LEVEL OF EDUCATION**	
51 – 55	8.9%	No formal education	0.4%
56 – 60	5.9%	Primary school	6.5%
61 – 65	3.2%	Secondary School	11.2%
66 – 70	2.1%	Matric completed	39.9%
71 – 75	1.0%	Traineeship completed	2.5%
76 – 80	0.4%	Tech diploma/degree	15.9%
MARITAL STATUS		University degree	21.5%
Single	24%	Other	2.2%
Married	67%	**WORK STATUS**	
Divorced	2%	Permanent employed	68%
Widowed	4%	Part-time employed	11%
Living with partner	3%	Temporarily employed	3%
Other	1%	Unemployed	14%
HOUSEHOLD INCOME		Pensioner	5%
< R 5 000	28%		
R5 000 – R10 000	21%		
R10 000 – R20 000	16%		
R20 000 – R30 000	13%		
R30 000 – R40 000	12%		
R40 000 – R50 000	7%		
R50 000 – R60 000	1%		
>R60 000	3%		

5.3.1 Gender profile of respondents

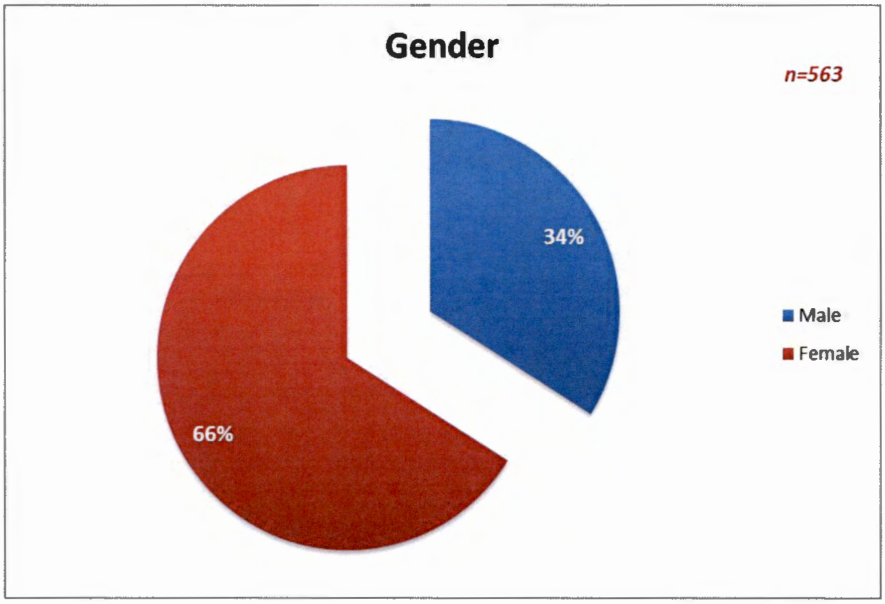


Figure 5.2

Gender profile of respondents.

Similar to other countries where grocery shopping is mostly done by females, (Jin & Suh, 2005:68-69) this study also showed that more females were responsible for the purchasing of meat products. Figure 5.2 indicates a split of 66/34 between male and female respondents. A total of 563 respondents indicated their gender on the questionnaire. This is a good representation from both gender groups in Middelburg, Mpumalanga Province.

5.3.2 Age profile of respondents

The age profile of the respondents in this study confirms an equitable representation of different age groups in Middelburg, Mpumalanga. A total of 68.8% of the respondents are in the age group category of 26 to 50 years.

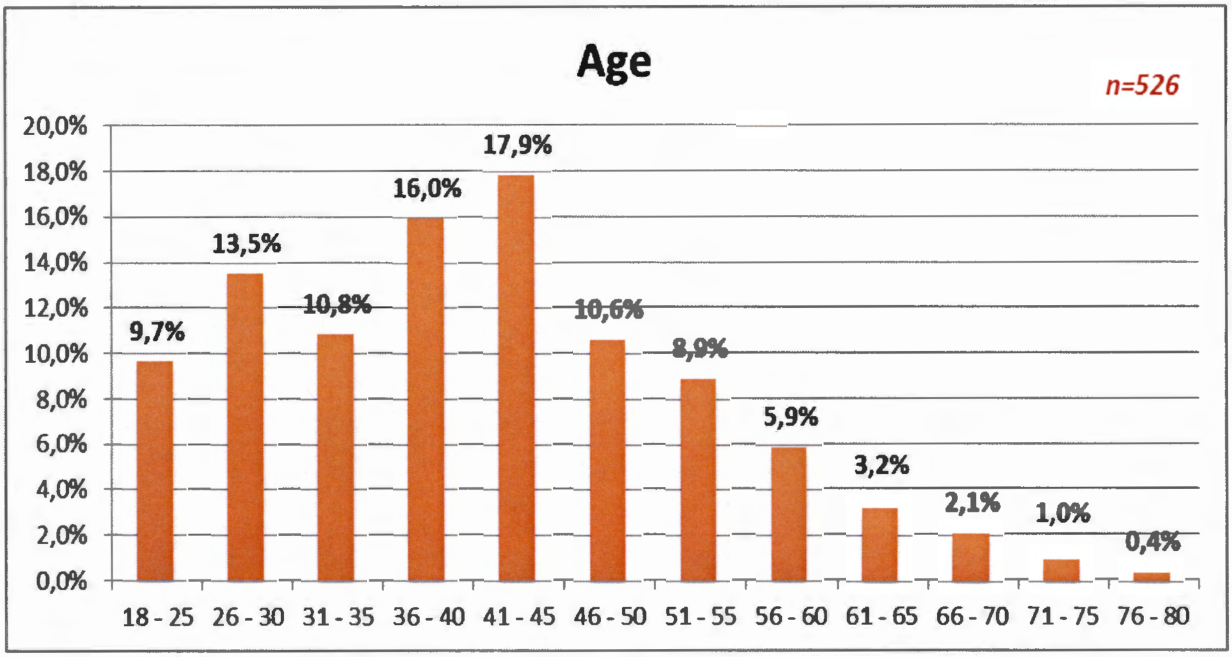


Figure 5.3

Age profile of respondents.

5.3.3 Marital profile of respondents

The marital status of the respondents state that the majority of the respondents, namely 67% are married and 24% are single (Figure 5.4). This is favourable for this study because marital households tend to have more structured eating habits, than individuals staying on their own. This was confirmed by a study done at the department of nutrition and dietetics, Harokopio University, in 2008. Marital status has been recognized as a significant health-influencing factor. Never married, divorced and single participants reported eating fast-foods more frequently (Yannakoulia, Panaqiotakos, Pitsavos, Skoumas, Stafanadis, 2008:2235).

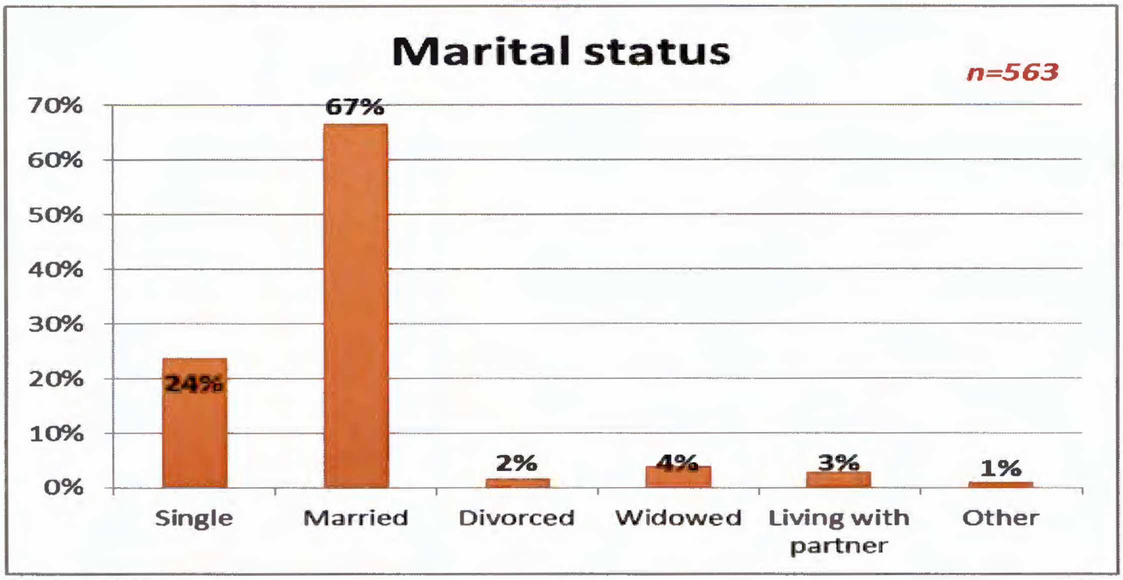


Figure 5.4

Marital profile of respondents.

5.3.4 Language profile of respondents

The home language of most respondents was Afrikaans, Zulu and English speaking, which are the primary languages of residents of Middelburg in Mpumalanga (Figure 5.5). A very small number of respondents indicated Sotho, Tswana, Xhosa, Ndebele and Indian as a home language. The relationships between language and brand attribute preference had been indicated in literature stating cultural, regional and ethnic group differences (Veloutsou, Gioulistanis, & Moutinho, 2004:230-231).

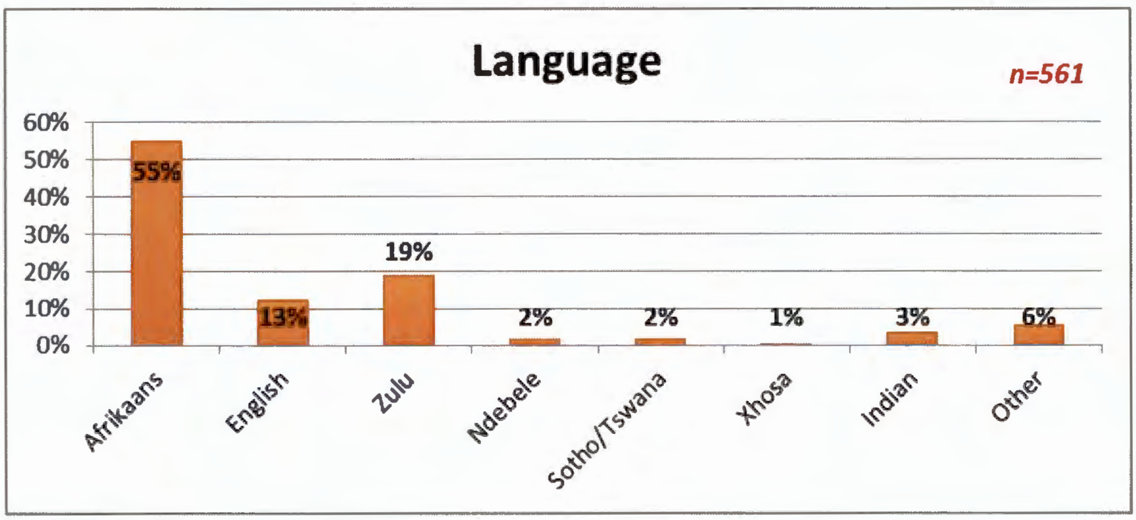


Figure 5.5

Language profile of respondents.

5.3.5 Educational level of respondents

The respondents as shown in Figure 5.6 originated from a wide range of educational levels, all of whom display dissimilar buying behavioural patterns. Figure 5.5 indicates that 39.9% of the respondents have completed matric and a further 42.1% of the respondents have another qualification.

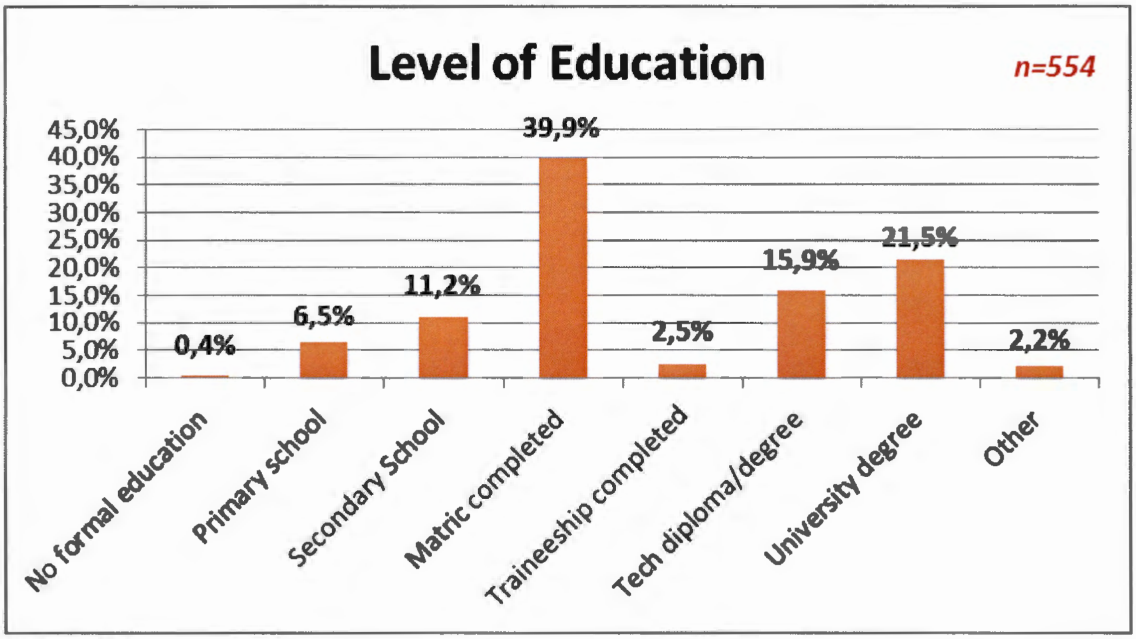


Figure 5.6
Educational profile of respondents.

5.3.6 Work status of respondents

Analysis of the employment profile reflected 68% of the respondents are permanently employed and 14% unemployed (Figure 5.7) that indicate that 86% of the respondents do earn an income which ensured good representatively should branded meat buyer behaviour be linked with income.

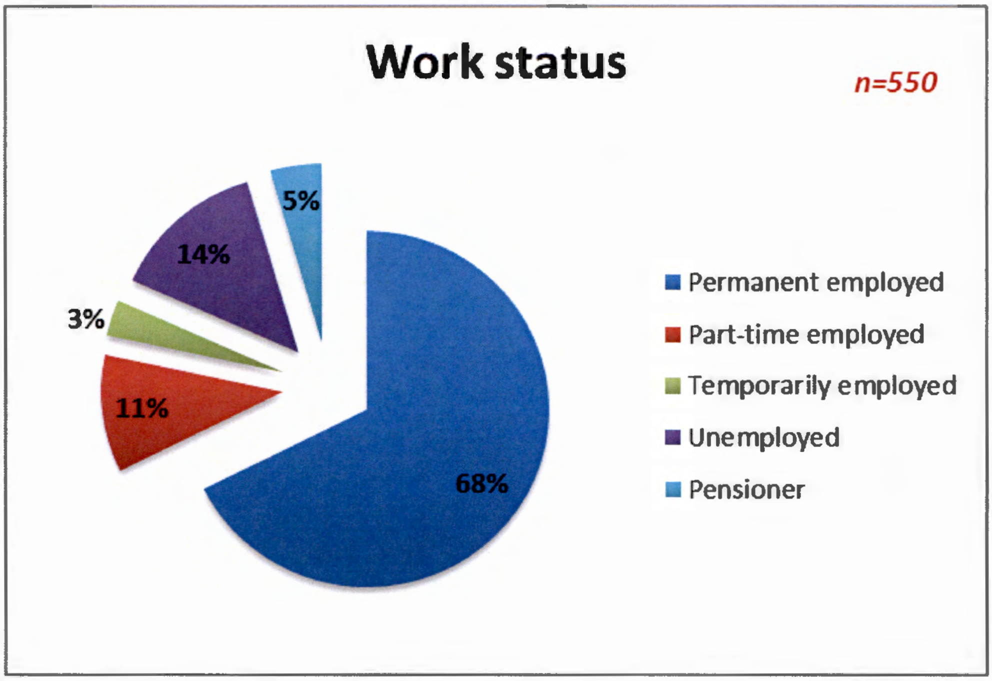


Figure 5.7

Employment profile of respondents.

5.3.7 Household income per month-profile of respondents

Not all the respondents indicated their household income, but 90.6% did indicate their total household monthly income. This data showed that a total of 49% of the respondents earned below R10 000.00 per month as shown in Figure 5.8 and this could suggest that these consumers are price sensitive. A total of 23% earn more than R30 000.00 per month. The total monthly household income analysis revealed that the majority of the respondents fell within the middle to higher income earners in South Africa. This is important information because meat is considered an expensive commodity and then suggests that respondents were financially capable to buy branded meat products. This information is useful because financially secured respondents are minimally effected by economic fluctuations, could access a wide variety of consumer brands and are not usually price sensitive (Kim, Ko & Yang, 2005:295).

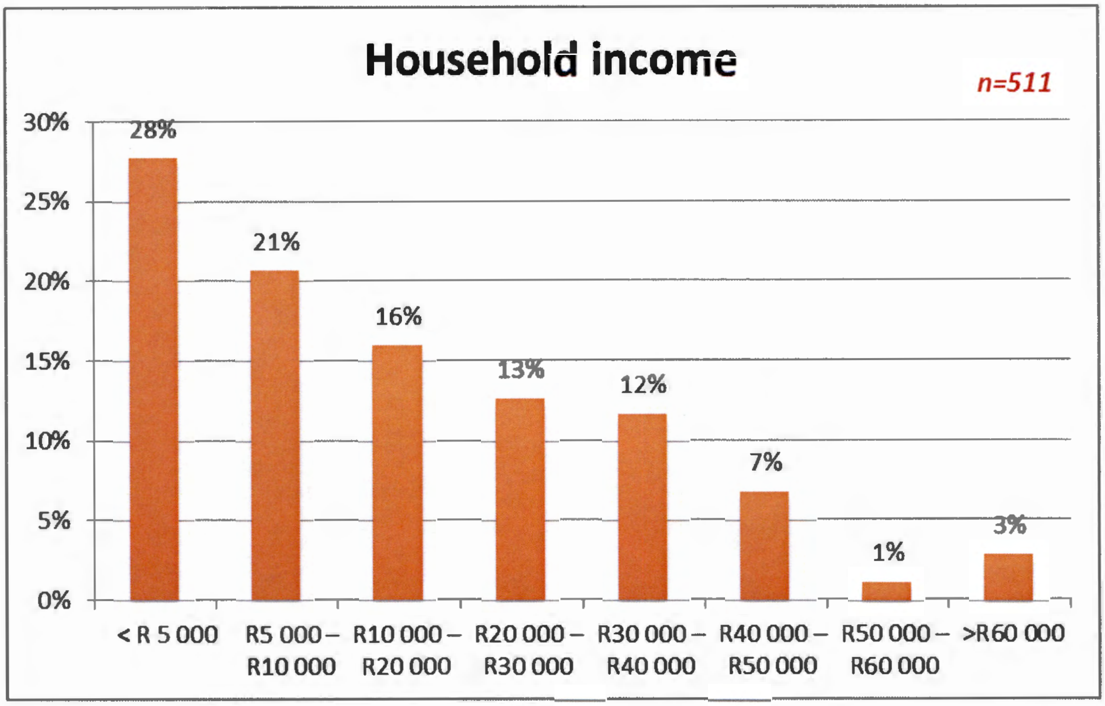


Figure 5.8

Household income profile of respondents.

5.4 DESCRIPTIVE STATISTICS OF TOTAL GROUP AND GROUP SEGMENTS

Tabulation is the simple process of counting the number of responses in each of the categories. Tabulation can be done through one-way tabulation or through cross-tabulation. One-way tabulation focuses on the frequency of a single variable, whereas cross-tabulation compares the two variables in one table. The cross-tabulation procedure forms two-way and multi-way tables and provides a variety of tests and measures of association for two-way tables (Lamb *et al.*, 2009:280).

Questions in the survey that was used in this study were classified into three sections, namely:

- Section A: Branded meat products.
- Section B: Meat product attributes and variables.

Section A refers to questions as to from which of the branded meat retailers does the customers prefer to buy their branded meat products and what type of marketing influence them to buy a specific brand. In the next section customers had to comment on meat product attributes and variables.

5.4.1 Branded meat marketing and consumer influences

Consumers were asked to indicate their meat buying pattern. As illustrated in Figure 5.9 most of the respondents (31%) prefer to buy their meat only once a month, still a very high percentage of the respondents (26%) indicate that they buy meat once or twice a month. In this research 25% of the respondents prefer to buy meat more than four times a month.

The perception exists that consumers in the lower income category tend to buy meat only once a month and that consumers in the higher income category will buy meat on a more frequent basis (Bruwer, 2002:8).

Cross-tabulations were done between household income and question one in the questionnaire "how often do you buy meat?" The Chi-square test p-value was <0.001 which was statistically significant, to see if it was practically significant we looked at Cramer's V-test, (0.037) and it had a medium effect. The results are shown in Table 5.2. For this research the lower income groups, (households earning less than R10 000 per month) indicated that 35.1% buy meat only once a month and only 16.9% buy meat more than four times per month. While the higher income groups (households earning from R10 000 to more than R60 000 per month) indicated that 34.1% buy meat more than four times per month. This can be very useful information for the retail owners when they plan their marketing communications effort.

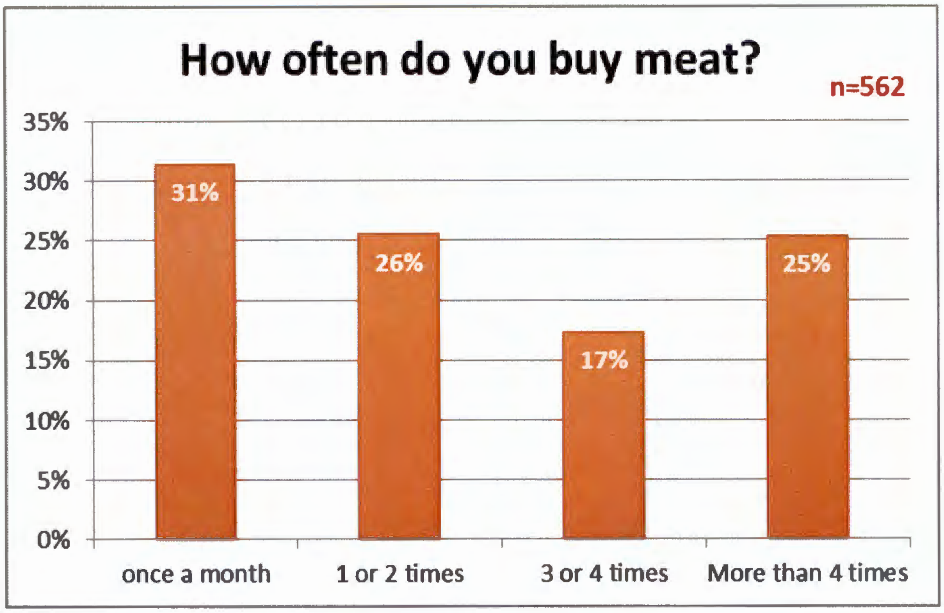


Figure 5.9

Purchasing pattern of consumers

Table 5.2

Cross-tabulation: Household income/How often do you buy meat?

			1. How often do you buy meat?				Total
			1/month	2-3/month	3-4/month	More than 4 times	
Household income	<R10 000/month	Count	87	74	45	42	248
		% within Household income	35,1%	29,8%	18,1%	16,9%	100,0%
	R10 000 – >R60 000	Count	68	60	44	89	261
		% within Household income	26,1%	23,0%	16,9%	34,1%	100,0%
Total		Count	155	134	89	131	509
		% within Household income	30,5%	26,3%	17,5%	25,7%	100,0%

In question four on the questionnaire the respondents were requested to identify the type of marketing that influences them to buy a specific brand of meat. Figure 5.10 show the results of the marketing influences on consumers. In this research 63% of respondents indicated that they are influenced by 'word of mouth' and the only other marketing influences worth mentioning are advertising in the local newspaper (15%) and promotions presented by the retailer (14%). As mentioned before due to the growing aversion to advertising, the increasing importance of channels such as 'word of mouth' and consumer blogs is opening up an entirely new world of experiential marketing possibilities for the successful marketers of the future (Van Vuuren, 2007:50). In the interviews that the researcher had with the retail brand owners, two of the retailers indicated that they rarely if ever, advertise in the local newspaper, mainly due to the high cost of advertising.

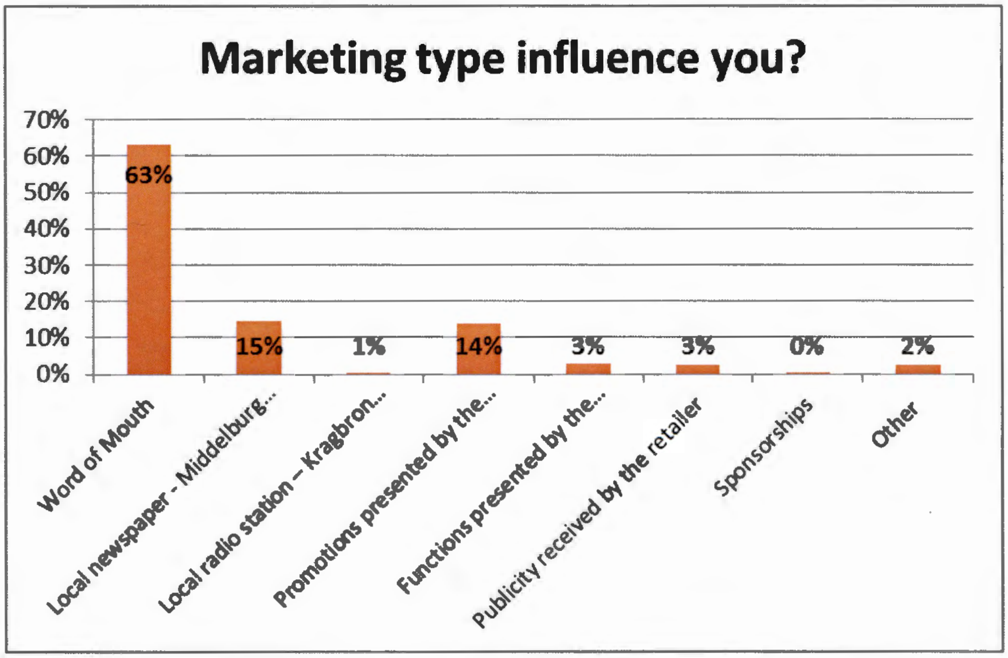


Figure 5.10

Marketing influences on consumers

According to previous studies, word-of-mouth was revealed to significantly impact on customers' attitudes and purchasing behaviours. Personal sources of information provide greater confidence to consumers prior to purchase and thus influence their brand choices (Sundaram & Webster, 1999:668-669).

It is also very important for the retailer to know which type of marketing will influence the consumer in his decision making. When respondents were asked what type of communications they would prefer, they indicated by a large margin, (44%) advertising in the local newspaper, followed by special events (29%) and in-store promotions (19%) as shown in Figure 5.11.

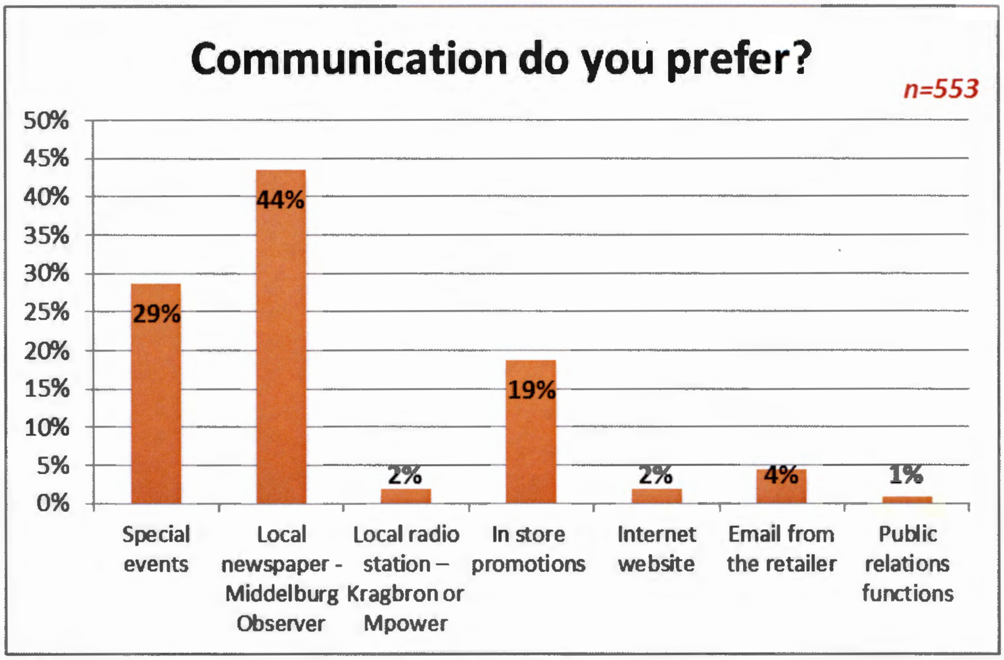


Figure 5.11

Consumers' preferred method of communication

Respondents (44%) indicated that advertising in the local newspaper 'The Middelburg Observer' are their preferred method of communication. This is information that can be of value to the brand retailers. As stated in chapter 2 of this dissertation, conventional media wisdom holds that newspaper and magazine readers may be more attentive than television viewers when consuming advertising. For this reason and for the fact that it is the preferred method of branded meat marketing by most of the respondents, local newspaper advertising can be used for more rational content and more detail in advertisements. The other advantage for using local newspapers is that their readers often share particular demographic characteristics of age, social status and income, which render specific local newspapers useful media vehicles for particular brand advertisements. Another advantage that local or regional newspapers offer is the opportunity for advertisers to reach local consumers within the context of local news and events. This too is an opportunity to present the brand in a setting that makes it more accessible for potential consumers (Hackley, 2010:153).

5.4.2 Branded meat product attributes and variables

Consumers were asked to indicate their preferred branded meat retailer. The respondents specified their preference as shown in Figure 5.11. A total of 45% preferred *Kanhym Fresh Meat*, 38% of the respondents preferred to buy at *Frank's Meat* and 18% of the respondents have *Farm Inn* as their preferred brand retail choice.

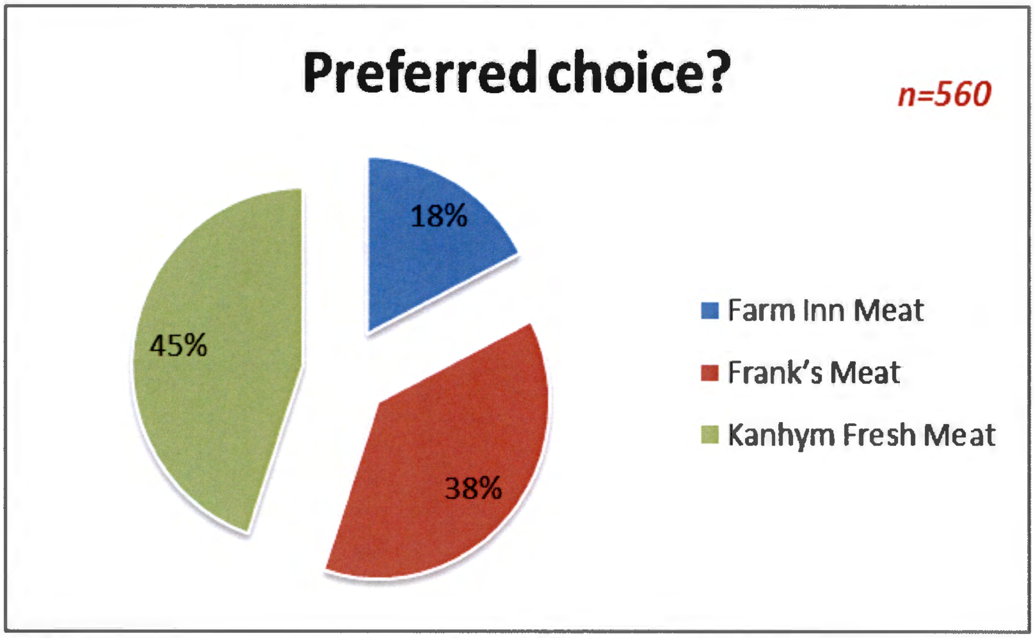


Figure 5.12

Consumers' preferred choice of branded meat retailer

Respondents were asked to comment on the importance of the store location. Consumers have become more pressed for time in recent years and are choosing more convenient located stores and neighbourhood centres instead of shopping malls (Lamb *et al.*, 2009:459).

In the interview with brand retail owner of *Kanhym Fresh Meat*, the interviewee specifically stated that convenience is his biggest competitor. He mentioned that the consumer will buy meat from the supermarket while doing grocery shopping, only because it is more convenient. In this study we wanted to determine if the location of the retailer had any significance to the preference for the branded meat product. To this question 38% of the respondents 'strongly agreed' that the store location is convenient and 23% 'somewhat agreed' to the same statement as shown in Figure 5.13.

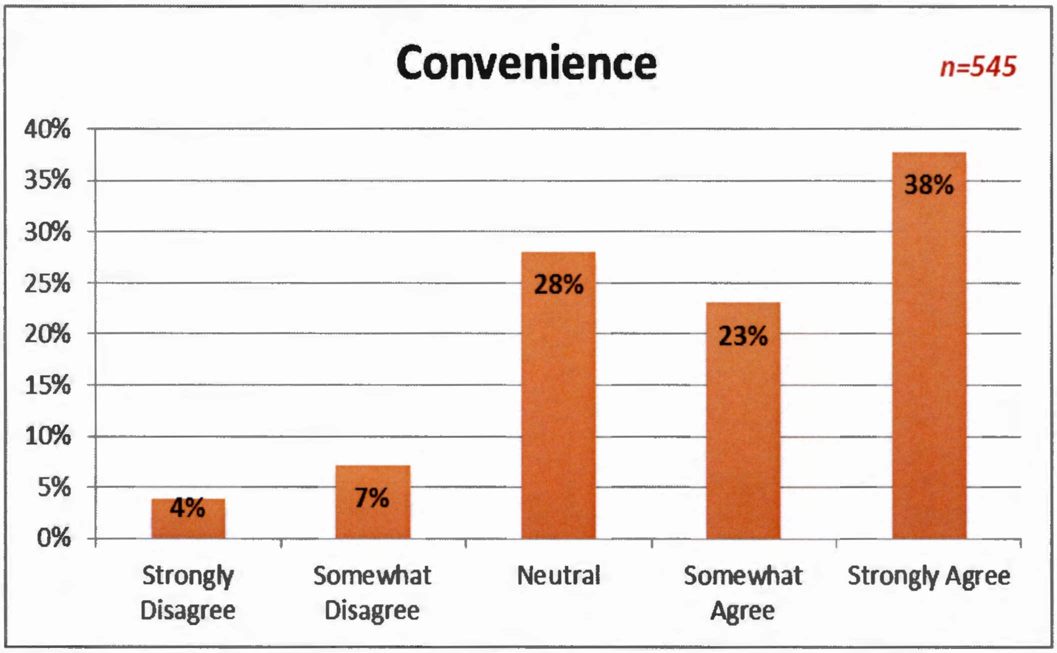


Figure 5.13

Consumers' comments on the convenience of store location.

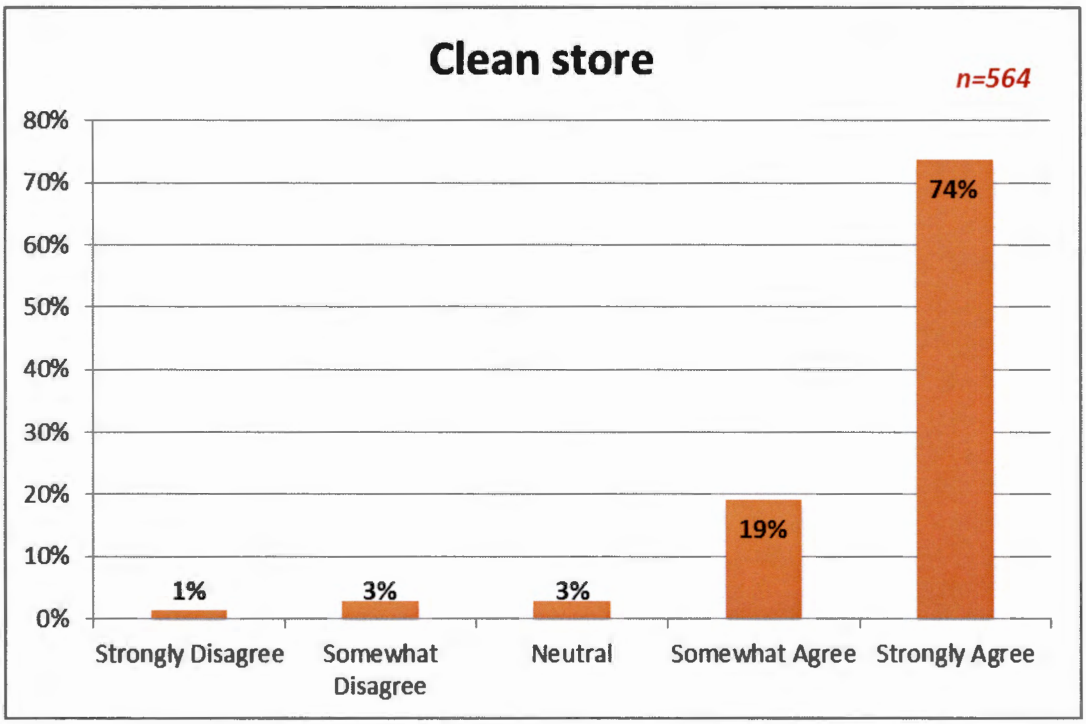


Figure 5.14

Consumers' comments on a clean store appearance.

It was evident that a clean store appearance was important to 74% of the respondents who 'strongly agreed' to this statement as shown in Figure 5.14.

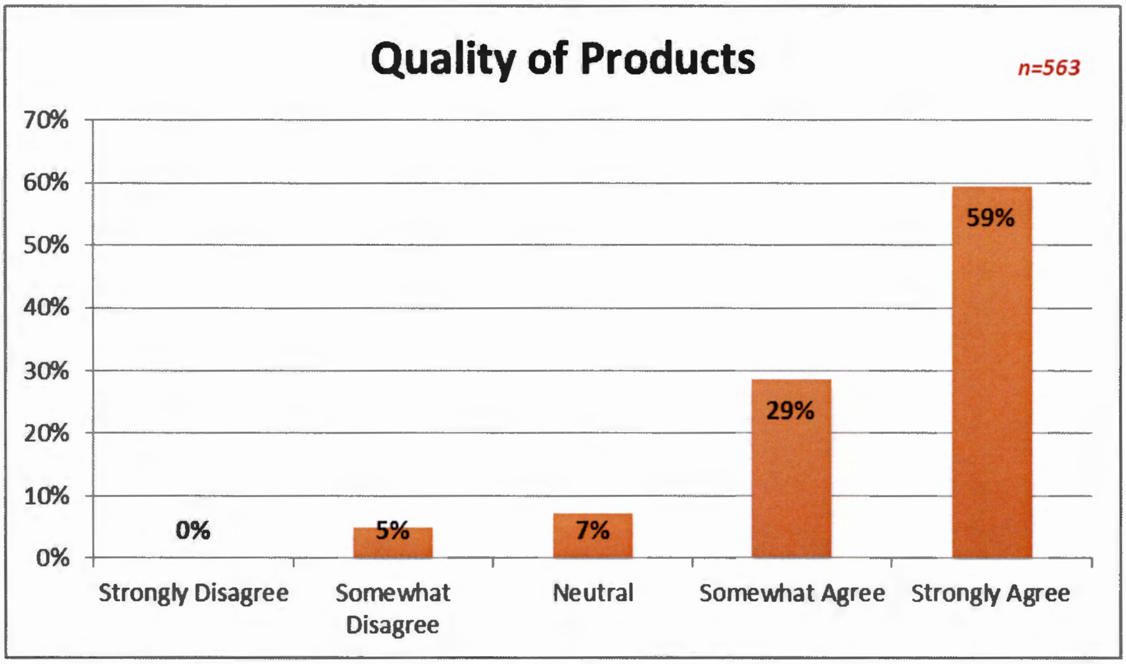


Figure 5.15a

Consumers' preference on quality of meat products.

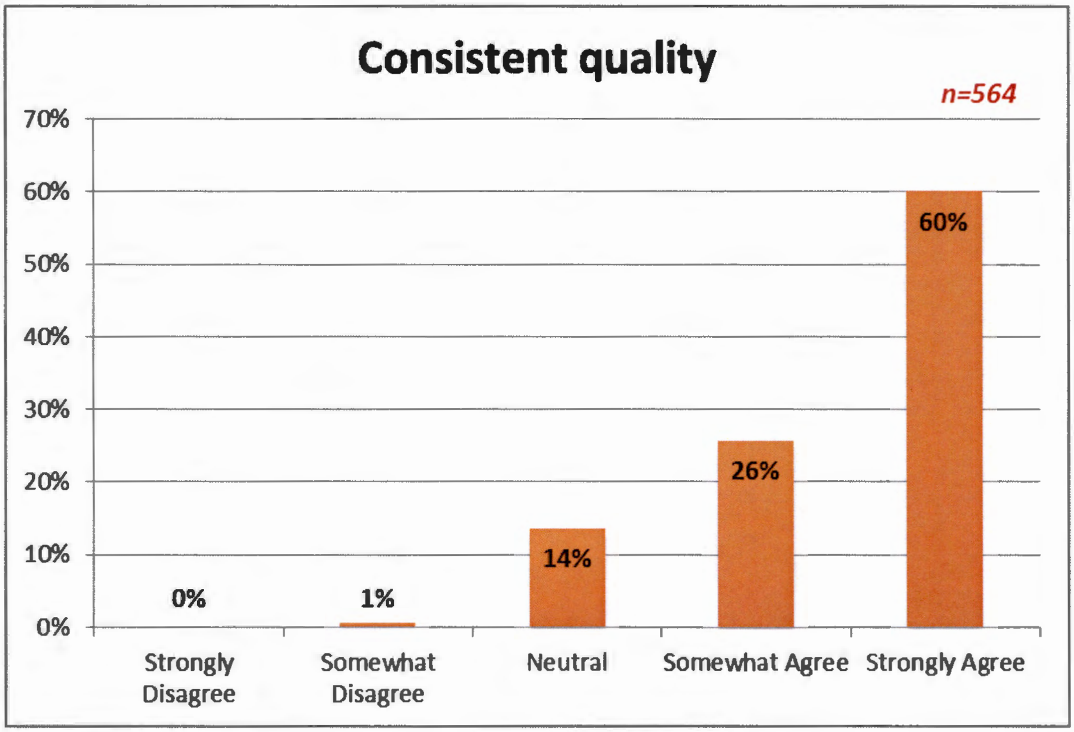


Figure 5.15b

Consumers' preference on consistency of quality of meat products.

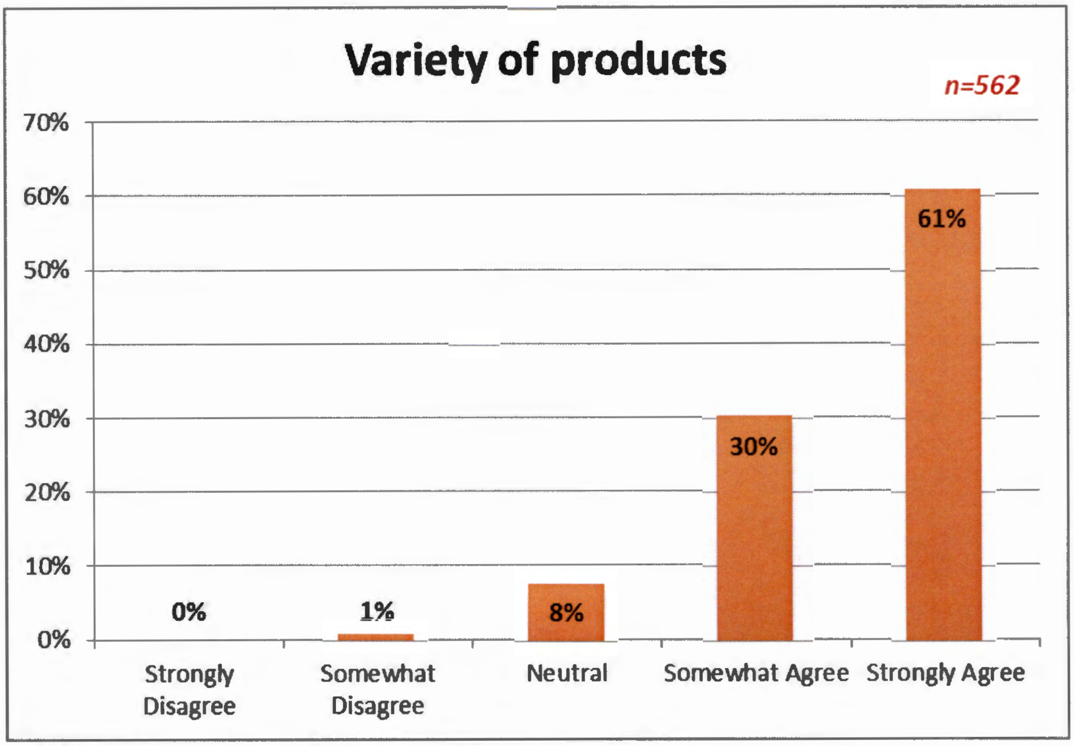


Figure 5.16

Consumers' preference on a variety of meat products.

It is evident that consumers want a variety of products to choose from, 91% agreed that it is an important attribute of a branded meat retailer. The same can be said for quality products, 88% of the respondents agreed that quality is an important factor when choosing a branded meat retailer, as shown in Figure 5.15a and 5.15b. Customer service (Figure 5.19) is equally important to quality and price, especially when it is an expensive product and in this study 84% of respondents agreed that the service in the store was efficient. Customers expect value for money, (Figure 5.18) especially when they purchase expensive items. In today's economic conditions, meat products are considered a luxury item. It is therefore essential for meat retailer to apply the principle of value pricing. This entails offering just the right combination of quality and service at a fair price (Kotler & Armstrong, 2006). It is possible that meat retailers do have an influence on the market price of their products, because they are considered as price-'makers', they do have an influence on the quality of the products they sell because they can decide from which wholesaler to buy the meat and in-store customer service does not cost the retailer money but it is a very important factor in the success of the retail business (Prinsloo, 2006:1).

As shown in Figure 5.17 it is evident from the respondents' comments on the price of branded meat products that respondents do not consider branded meat as a cheap commodity.

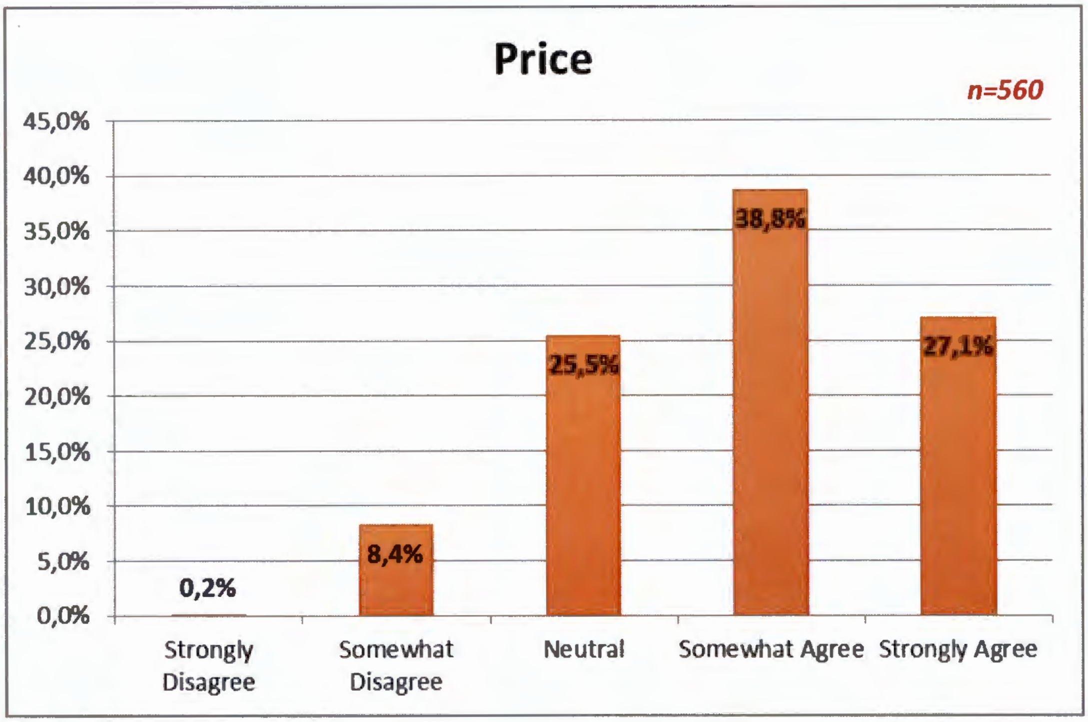


Figure 5.17

Consumers' perception on a reasonable price for the branded meat products.

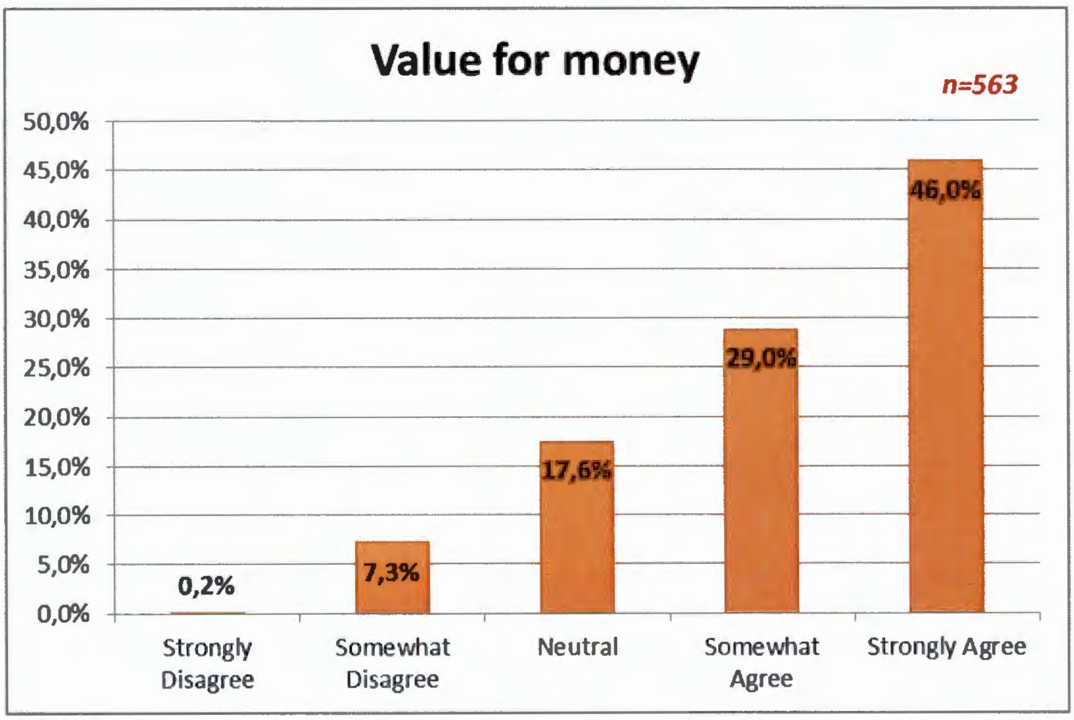


Figure 5.18

Consumers' perception on value for money for branded meat products.

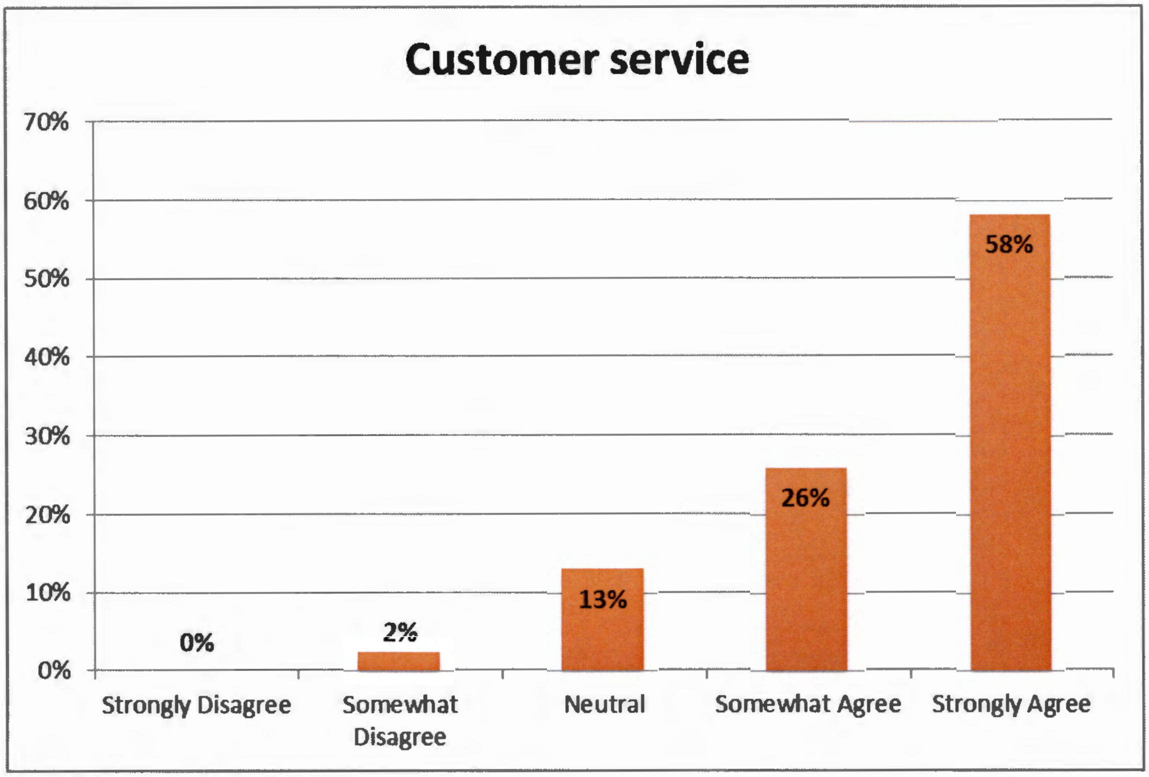


Figure 5.19

Consumers' comments on the efficiency of in store customer service.

From the information in Figure 5.20 and Figure 5.21 it is evident that although 85% of the respondents agreed that their favourite meat retailer do add value to their products, only 43% of the respondents consider added value to their meat products as highly important.

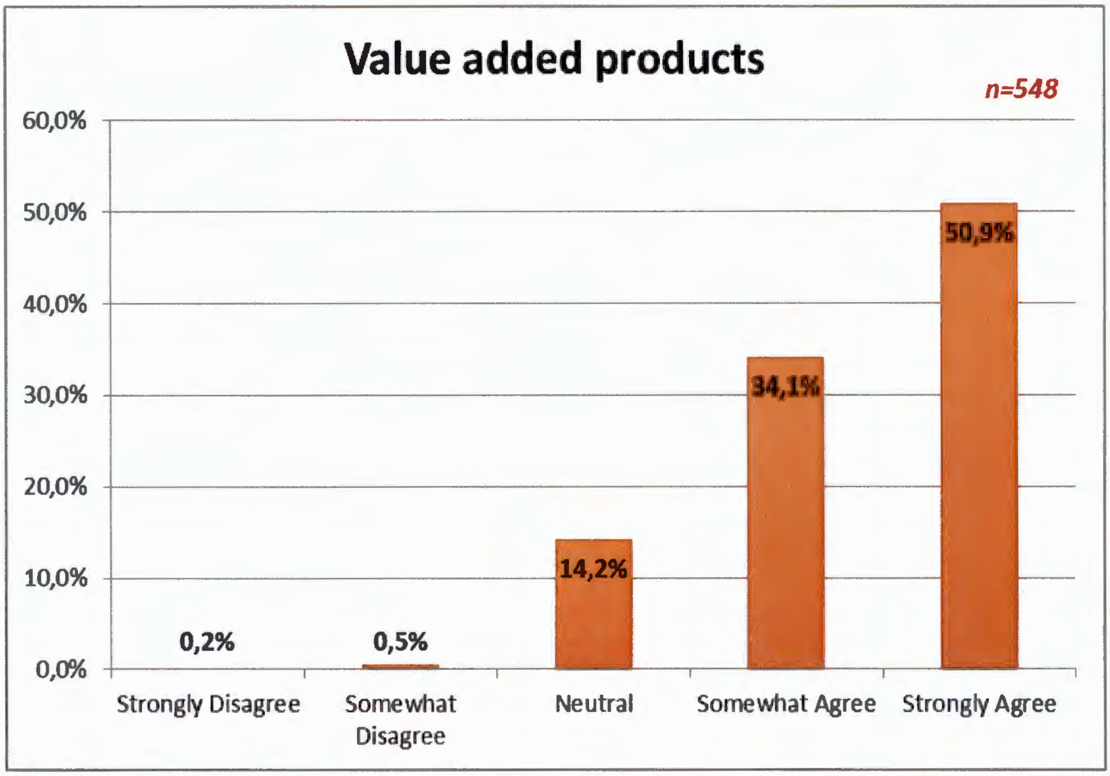


Figure 5.20
Consumers' comments on the value added to the branded meat products at their favourite meat retailer.

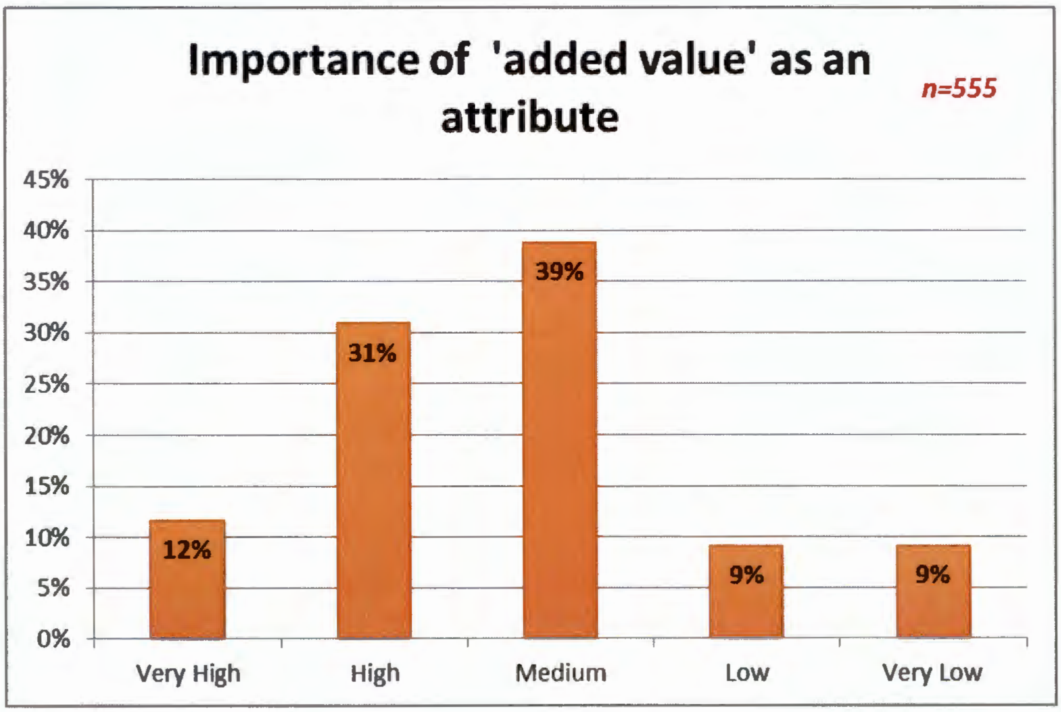


Figure 5.21

Consumers' comments on the importance of value added to the branded meat products as an attribute.

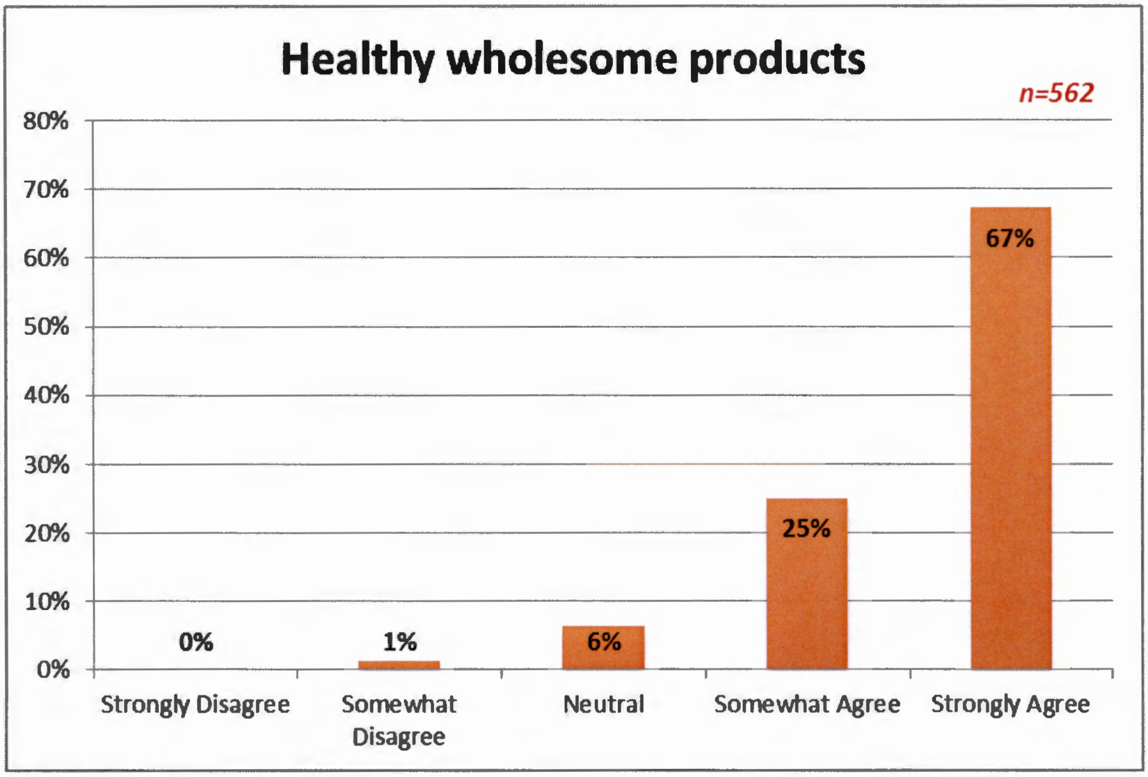


Figure 5.22

Consumers' perception on the wholesomeness of the branded meat products.

The researcher makes the assumption that consumers would not buy meat products that they do not consider to be healthy. In this study 92% of the respondents agreed that the meat products are healthy and wholesome. Although in Figure 5.23 it is shown that the respondents did not have knowledge of the origin of the meat that they purchase. Only 33% of the respondents strongly agreed that they know the origin of the meat. Traceability is the ability to trace the product back to the breeding unit of the animal it came from.

Research done in Greece by Kehagia, Linardakis & Chryssochoidis (2007:186-187) mentioned that traceability is a crucial important tool for achieving food safety and quality but that many meat companies still struggle with its importance and how beneficial it can be, for instance, companies can gain from offering additional information to consumers through traceability systems.

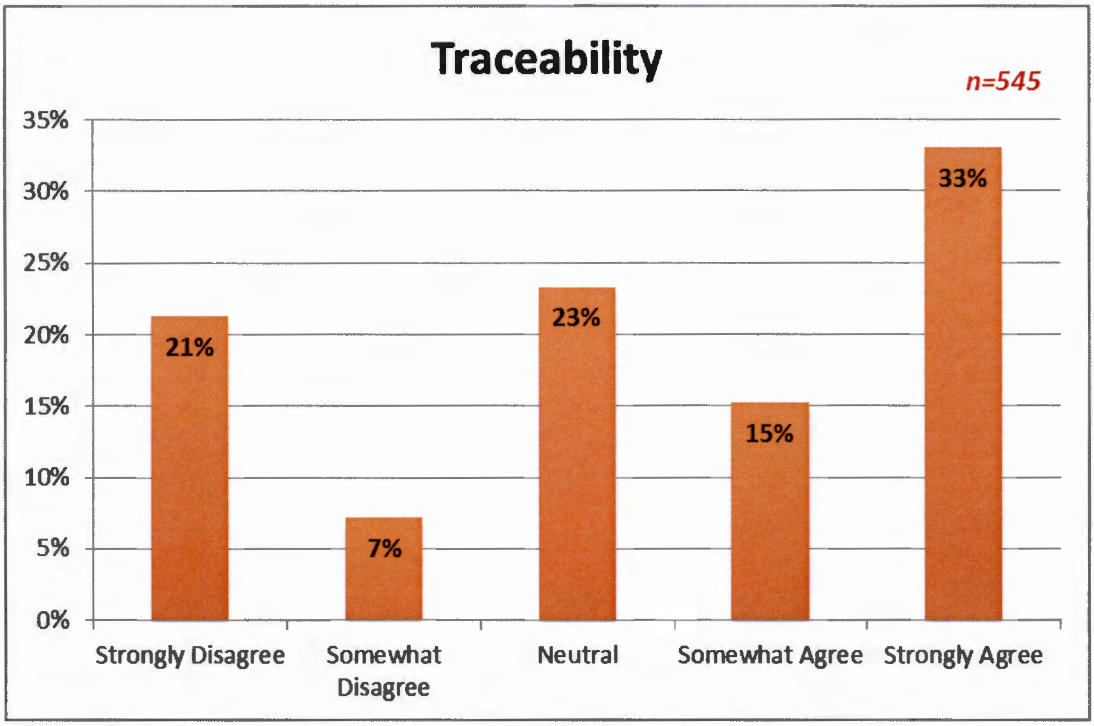


Figure 5.23

Consumers' perception on the traceability of the branded meat products.

The word marbling refers to white flecks and streaks of fat within the lean sections of meat. Marbling is so named because the streaks of fat resemble a marble pattern. Marbling adds flavor and is one of the main criteria for judging the quality of cuts of meat.

In Figure 5.24 the importance of marbled meat as a branded meat attribute is determined as seen by the respondents. According to the responses it seems that many consumers do not understand the term marbling.

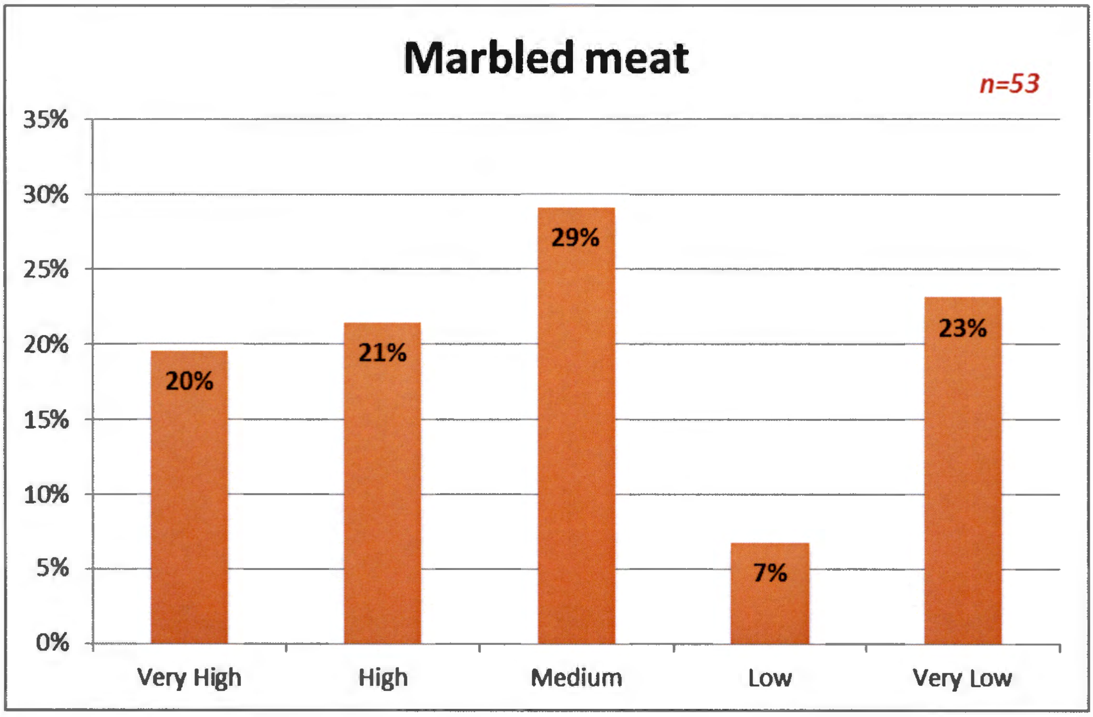


Figure 5.24

Consumers' comments on the importance of marbled meat as a meat attribute.

5.4.3 Data reduction techniques

Cluster analysis on the variables using Ward's method on Euclidean distances yielded two main clusters in each question (8 and 9) which could be interpreted.

In question 8 the first cluster, named **competence** consisted of the following variables: competent staff, service, value added products, consistent quality, healthy wholesome products, quality products, variety of products and a clean store. This cluster groups the variables that consumers find important when they consider the process of delivering the meat to the consumer. It is important that the staff know exactly how the meat cuts should be done, together with the added value, the wholesomeness and product variety, it is all important factors in the final quality assessment of the product

The second cluster, named **valuable** in question 8 consisted of the following variables: traceability, value for money, price and convenience. This cluster groups the variables that consumers find important to consider the value of the product.

Traceability and convenience are valued as attributes that can have a price tag associated with it. These clusters are shown in Figure 5.25.

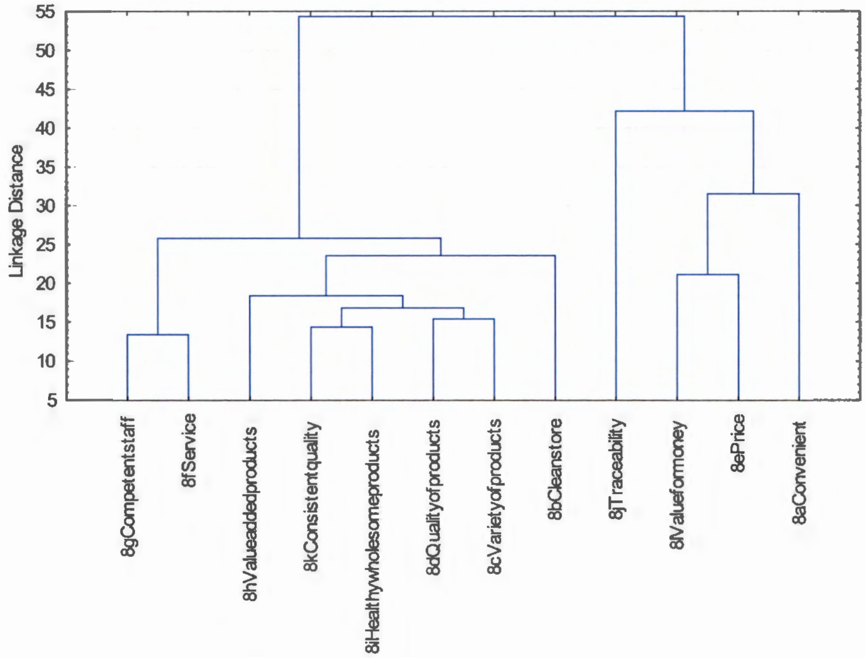


Figure 5.25
Competence cluster and Valuable cluster from question 8 using Ward's method on Euclidean distances.

In question 9 the first cluster, named **quality** consisted of the following variables: packaging, tasty meat products, quality products, hygienic products, healthy wholesome organic products, good service, price and convenience. This cluster groups the variables that consumers find important when they consider the quality of a product. From the first impression that the packaging of the product contributes, the hygienic store environment, the in-store service and lastly the good taste of the product will give an overall perception of quality to the consumer.

The second cluster in question 9, named **added product value** consisted of the following variables: traceable origin, marbled meat, unique customized product and added value. This cluster groups the variables that consumers do not usually find at all retail outlets. It is not customary to the South African Feedlot Industry to sell animals that are rated more than an A2 or A3 on the abattoir classification system. The beef carcass classification system implemented by the Department of Agriculture on 26 June 1992 (Agriculture Product Standards Act, 1990 (Act No. 119 of 1990)) states that Super A-grade beef should have a fat layer of between 1-3mm of visible fat on the carcass to be rated A2 or A3 carcasses. When a retailer sells marbled meat it means that the fat content is visible in the lean sections of the meat. As mentioned previously in Figure 5.24 marbling adds flavor and is one of the main criteria for judging the quality of cuts of meat, but it is more expensive for the meat producer because the same animal has to be fed for a longer period to gain more fat. Most of the outside fat layers are removed and then the tender marbled meat is sold to consumers. Very few retailers can guarantee the origin of their meat products and if a retailer can also provide unique customized products, the consumer can be sure of all the added product value available. These clusters are shown in Figure 5.26.

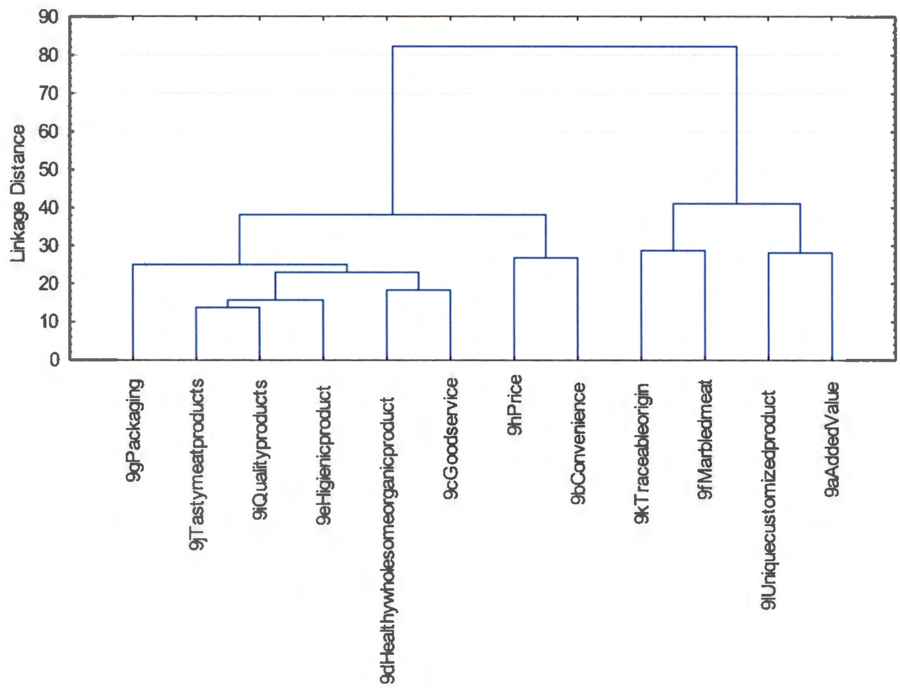


Figure 5.26

Quality cluster and Added product value cluster from question 9 using Ward's method on Euclidean distances.

The reliability of the data for each cluster was tested using Cronbach alpha coefficients (Cronbach, 1951: 297-334).

5.4.4 Reliability of clusters

Cronbach alpha is used to test the reliability of variables in each of the clusters defined for question 8 and question 9 for subsequent analytical scrutiny where the recommendations of Nunnally (1978:245-246) and Field (2007:668) are used in that an alpha coefficient 0.7 or above is generally accepted as a good indication of reliability.

Table 5.3
Reliability analysis of cluster data.

	Cronbach's Coefficient alpha	
Construct	**Cronbach's alpha**	**Mean item correlation**
Question 8 'Competence' cluster	.86	.42
Question 8 'Valuable' cluster	.58	.28
Question 9 'Quality' cluster	.79	.31
Question 9 'Added product value' cluster	.75	.43

Mean inter item correlation is the index that involves computing a correlation between the answers to each question (item) and then averaging those correlation coefficients. If you use the mean as your average (adding all the correlation coefficients and divide by the number of correlations coefficients) you have the mean inter-item correlation (Mitchell & Jolley, 2013:171-172).

Internal consistency of the data was assessed by calculating Cronbach's alphas and in addition inter-tem correlations were calculated. According to Clark & Watson (1995:309-319), a mean inter item correlation between 0.15 and 0.55 are required to measure characteristics.

As many statisticians refer to Nunnally (1978:245-246) recommending that a Cronbach alpha coefficient 0.75 – 0.83 or above is generally accepted as a good indication of reliability, a small item-correlation provides empirical evidence that the item is not measuring the same construct measured by the other items included. Therefor the reliability of question 8, Valuable cluster is considered too low and then the items will be considered individually.

All other scales discussed in Table 5.3 have Cronbach's alpha values of above 0.7 and can be considered as reliable measures.

5.4.3 Descriptive statistics

The meat product attribute and variable question consisted of 12 statements on a five point Likert scale. Variables that proved to be reliable measures for the different clusters were combined into scores that can be regarded as presenting these attributes.

Table 5.4 shows the mean and standard deviation for these scores as well as items that are reported individually because of lack of reliability for the total group.

Table 5.4

Grouping of the respondents' attribute preferences in clusters.

	N	Mean	Std. Deviation	*P*-value
Q8 'Competence' cluster	564	4,4591	,53924	0.184
Q8 Convenience	545	3,84	1,126	1.000
Q8 Price	560	3,84	,925	0.534
Q8 Traceability	545	3,32	1,517	0.699
Q8 Value for money	563	4,13	,963	0.007
Q9 'Quality' cluster	564	1,8001	,54576	0.014
Q9 'Added product value' cluster	564	2,7142	,97192	0.125

The results are based on the Likert scale method that was coded for question 8, as follows: 1- Strongly disagree, 2- Somewhat disagree, 3- Neutral, 4- Somewhat agree, and 5- Strongly agree. Question 9 was coded as follows: 1- Very high, 2- High, 3- Medium, 4- Low, and 5- Very low.

As indicated in Table 5.4, the most important score was measured for question 9 'Quality' cluster where the mean and standard deviation was 1,800 ± 0,546 indicating that 'Quality' is more important than 'Added product value' as attributes in the consumer's decision making process when buying branded meat. The most important score measured for question 8 'Competence' cluster, where the mean and standard deviation was 4,460 ± 0,540 on a 5-point Likert scale with 'Value for money' as the second highest mean of the meat product attributes and variables accessed by the consumer of their favourite meat retailer. 'Traceability' which was the variable that was reported as least important with a mean score measured at 3,32 ± 1,517.

5.5 QUANTITATIVE ANALYSIS OF VARIANCE

To comparing the means of two groups, the *t*-test for independent samples is used. When three or more means are compared, the technique is called analysis of variance (ANOVA).

5.5.1 Association of biographical variables

The biographical data that has an influence on the response from the respondents were analysed. T-tests are used to measure the difference between the mean of two groups.

The following guidelines for the interpretation of the effect size in the current case will be used: (a) small effect: d=0.2, (b) medium effect: d=0.5 and (c) large effect: d=0.8, where d-values larger than 0.8 can be considered to be important in practice.

5.5.1.1 Gender

For this research we used a t-test to measure the differences in gender preferences. The effect sizes as illustrated in Table 5.5 indicated a medium effect on the response of gender preferences.

Table 5.5
T-test for gender preferences.

Construct	Gender	N	Mean	Standard deviation	*p*-value	Effect sizes with gender
Q8 'Competence' cluster	Male	191	4,3111	0,60151	<0.001	0,37
	Female	372	4,5340	0,48847		
Traceability	Male	174	3,25	1,451	0.491	0,06
	Female	370	3,34	1,547		
Value for money	Male	190	3,99	1,052	0.016	0,20
	Female	372	4,20	0,908		
Price	Male	191	3,76	0,884	0.131	0.13
	Female	368	3,89	0,940		
Convenience	Male	191	3,65	1,155	0.003	0.26
	Female	353	3,95	1,095		
Q9 'Quality' cluster	Male	191	1,9320	0,57344	<0.001	0,35
	Female	372	1,7339	0,51905		
Q9 'Added product value' cluster	Male	191	2,8495	0,83539	0.020	0,19
	Female	372	2,6494	1,02690		

As indicated in Table 5.5, the highest mean values was measured with male respondents for question 9 'Quality' cluster, where the mean and standard deviation was 1,932 ± 0,573. The females also responded very high for the same cluster at 1,733 ± 0,519. Another high score was measured for question 8 'Competence' cluster where the score of the female respondents were higher than the male respondents, the mean and standard deviation was 4,534 ± 0,488 and 4,311 ± 0,601 respectively. Traceability which was one of the variables that was reported individually, and the male respondents had the lowest mean score measured at 3,25 ± 1,451.

5.5.1.2 Language

As shown in Table 5.6 there are statistically and practical significant associations between language and the preferences that respondents have on independent variables.

The data in Table 5.6 indicated that in the different language groups, the 'Traceability' attribute is most important for the English speaking respondents. English speaking respondents vary in their opinion of 'Traceability' with a large effect size of 1.27 from Black African language speaking respondents and also with a large effect size 1.10 from Afrikaans speaking respondents. This means that we can conclude that 'Traceability' as a branded meat attribute is more important to English and Afrikaans speaking respondents than Black African language speaking respondents.

The attribute 'Value for money' was rated the highest with Afrikaans speaking respondents, while Black African language speaking respondents rated the importance of 'Value for money' attributes the lowest. This was also a practical significant difference (*d*= 0.77).

Furthermore the 'Added product value' cluster indicated a statistically significant difference interaction between the different language groups. The 'Added product value' attribute is most important for the Afrikaans and English speaking respondents. Afrikaans and English speaking respondents vary in their opinion of 'Added product value' with a large effect size of 1.15 and 1.13 respectively in relation to the Black African language speaking respondents. This means that we can conclude that 'Added product value' as a branded meat attribute is more important to English and Afrikaans speaking respondents than Black African language speaking respondents.

These large effect sizes clearly indicate that there are differences between the expectations and opinions of different language groups with regard to brand variables and attributes.

Table 5.6

Associations between language and the preferences that respondents have on independent variables.

Construct	**Language**	**N**	**Mean**	**Standard deviation**	***p*-value**	**Effect sizes with African languages**

Q8 Competence cluster	Afrikaans	308	4,5721	,43919	<0.001	0.63
	English	71	4,4824	,61720		0.48
	African languages	151	4,1789	,62827		
Traceability	Afrikaans	307	3,65	1,319	<0.001	1.10
	English	69	3,88	1,219		1.27
	African languages	142	2,11	1,403		
Value for money	Afrikaans	307	4,40	,758	<0.001	0.77
	English	71	4,24	,783		0.62
	African languages	151	3,54	1,118		
Price	Afrikaans	297	1,96	,772	0.001	0.31
	English	65	1,82	,900		0.09
	African languages	150	1,97	1,108		
Convenience	Afrikaans	305	2,20	,969	0.022	0.28
	English	71	1,99	,853		0.17
	African languages	138	1,86	,815		
Q9 Quality cluster	Afrikaans	308	1,7389	,50090	<0.001	0.36
	English	71	1,6715	,52434		0.47
	African languages	151	1,9639	,62850		
Q9 Added product value cluster	Afrikaans	308	2,3539	,71305	<0.001	1.15
	English	71	2,3685	,69660		1.13
	African languages	151	3,5442	1,03753		

5.5.1.3 Age, household income and level of education

To determine whether a relationship exists between the variables used in this study the Spearman rank order correlation method was used to measure this relationship. As codes were used to classify the information obtained in the survey, the responses were given ordinal numerical values.

No Spearman rank order correlations of large magnitude (0.4 or larger) could be determined for age, income or level of education and the clusters individual items. For this reason these demographic factors will not be examined further.

5.5.1.4 Marital and work status

The association of work status and marital status of respondents on variables will not be tested because most respondents were married and permanently employed.

In section 5.6 the researcher wants to determine which brand attributes the respondents consider in their decision making process when they buy branded meat, and how the consumer asses the meat product attributes and variables of their preferred brand meat retailer.

5.6 INFLUENCE OF LANGUAGE AND GENDER ON THE CONSUMER'S CHOICE OF BRAND ATTRIBUTES

Statistical significance test have the tendency to yield small p-values as the size of the data set increases. The effect size, however, is independent of sample size and is a measure of practical significance (Ellis & Steyn, 2003:51), where Cohen's d-values will be interpreted according to the following guidelines: d ≈ 0.2 small, indicates no practically significant difference, d ≈ 0.5 medium, indicates practically visible difference, d ≈ 0.8 large displays practically significant difference. Although only large effect sizes are of practical significance towards demographics in identifying meat brand attribute preferences, medium effect sizes may indicate tendencies which might be further explored in future studies. A 3way ANOVA were conducted to determine if there is a significant difference in brand preferences when language and gender are also considered.

Table 5.7

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Competence'.

Source	Type III Sum of Squares	df	Mean Square	F	p-value	Partial Eta Squared
Corrected Model	39.262[a]	18	2,181	8,786	,000	,258
Intercept	1250,433	1	1250,433	5036,525	,000	,917
Household income	4,308	1	4,308	17,352	,000	,037
Gender	4,829	1	4,829	19,452	,000	,041
Language	4,934	2	2,467	9,937	,000	,042
Which brand	,629	2	,315	1,268	,283	,006
Gender * Language	2,706	2	1,353	5,449	,005	,023
Gender * Which brand	,438	2	,219	,883	,414	,004
Language * Which brand	2,268	4	,567	2,284	,060	,020
Gender * Language * Which brand	2,519	4	,630	2,537	,039	,022
Error	112,716	454	,248			
Total	9464,983	473				
Corrected Total	151,978	472				

a. R Squared = .258 (Adjusted R Squared = .229)

According to the data in Table 5.7 it is evident that there is a statistically significant effect (p = 0.039) on the interaction of gender, language and brand. At this point in the research we will now determine where these differences lie.

In Table 5.7 the means of the interaction between gender/language and brand are reported.

Table 5.8

Means, standard error and 95% confidence intervals for 'Competency' of retail store to provide efficient service, consistent quality and variety of products. Interaction between gender/language and brand.

Gender			Mean	Std. Error	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Male	Afr	Farm Inn	4,36	,125	4,113	4,607
		Frank's	4,412	,100	4,215	4,608
		Kanhym	4,282	,083	4,119	4,444
	Eng	Farm Inn	4,877	,354	4,182	5,572
		Frank's	4,222	,188	3,852	4,593
		Kanhym	4,226	,249	3,736	4,716
	African	Farm Inn	3,336	,191	2,961	3,712
		Frank's	4,241	,104	4,037	4,445
		Kanhym	3,899	,106	3,691	4,108
Female	Afr	Farm Inn	4,736	,080	4,578	4,894
		Frank's	4,612	,057	4,500	4,725
		Kanhym	4,533	,054	4,427	4,639
	Eng	Farm Inn	4,578	,138	4,307	4,850
		Frank's	4,438	,130	4,183	4,692
		Kanhym	4,447	,106	4,238	4,656
	African	Farm Inn	4,596	,206	4,191	5,001
		Frank's	4,433	,091	4,254	4,611
		Kanhym	4,367	,092	4,186	4,548

Table 5.8 displays the mean and standard errors of Competency of retail store to provide efficient service, consistent quality and variety of products for different language, gender and brand preferences of respondents. The results are based on the Likert scale method that was coded for question 8, as follows: 1- Strongly disagree, 2- Somewhat disagree, 3- Neutral, 4- Somewhat agree, and 5- Strongly agree. For the purpose of this section the effect sizes for mean values of gender, language and brand preferences will be briefly discussed separately.

With regard to the *Farm Inn* brand, Black African language speaking men have overall the lowest opinion about 'Competency' of retail store to provide efficient service, consistent quality and variety of products'. All other combinations of gender and language customers rated the 'Competency' variables higher for *Farm Inn,* e.g. Black African language speaking women, Afrikaans speaking men and women as well as English speaking men and women differ with large effect sizes from the Black African language speaking men (d=2.53, 2.06, 2.81, 3.09, and 2.49 respectively).

With regard to the *Frank's Meat* brand Afrikaans speaking females rated their 'Competency' attributes the highest, while Black African language speaking men rated the importance of 'Competency' attributes the lowest. This was the only practical significant difference (d= 0.74).

With regard to the *Kanhym Fresh Meat* brand the Black African language speaking men rated 'Competency' lowest. While Black African language speaking women, Afrikaans speaking men and women as well as English speaking men and women rated 'Competency' higher with large effect sizes (d= 0.94, 0.77, 1.27, 0.66 and 1.10 respectively).

When the data reflects a significant interaction we tried to visualize the differential effect with a profile plot, shown in Figures 5.27 and 5.28.

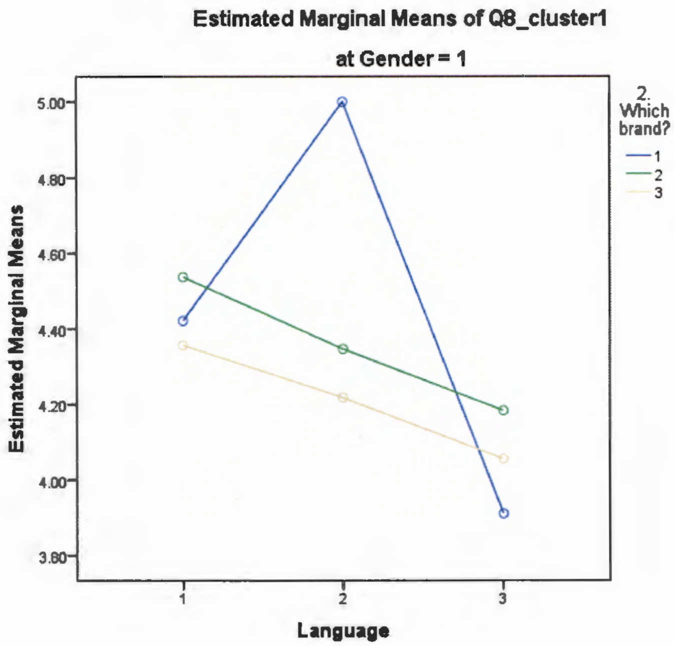


Table Legend

Language:
1 – Afrikaans
2 – English
3 – African languages

Which Brand:
1 - Farm Inn
2 - Frank's Meat
3 - Kanhym Fresh Meat

Figure 5.27

Profile plots illustrate the interaction for **male** respondents between brand and language for 'Competence'.

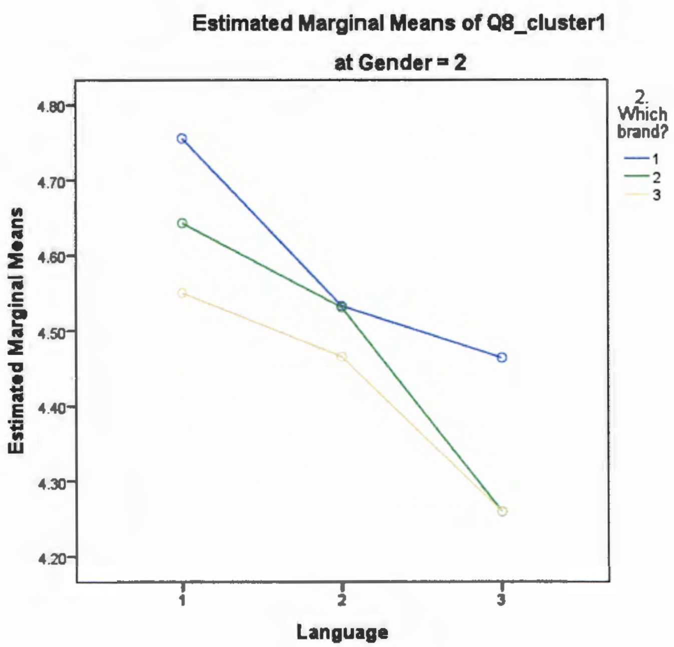


Table Legend

Language:
1 – Afrikaans
2 – English
3 – African languages

Brand name:
1 - Farm Inn
2 - Frank's Meat
3 - Kanhym Fresh Meat

Figure 5.28

Profile plots illustrate the interaction for **females** between brand and language for 'Competence'.

The next attribute that will be examined individually is 'Convenience'.

Table 5.9

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Convenience'.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	37.490[a]	18	2,083	1,898	,015	,072
Intercept	855,866	1	855,866	779,796	,000	,638
Household income	2,191	1	2,191	1,996	,158	,004
Gender	5,808	1	5,808	5,292	,022	,012
Language	6,394	2	3,197	2,913	,055	,013
Which brand	3,897	2	1,949	1,775	,171	,008
Gender * Language	4,352	2	2,176	1,983	,139	,009
Gender * Which brand	3,099	2	1,549	1,412	,245	,006
Language * Which brand	14,426	4	3,606	3,286	,011	,029
Gender * Language * Which brand	5,931	4	1,483	1,351	,250	,012
Error	485,118	442	1,098			
Total	7543,000	461				
Corrected Total	522,607	460				

R Squared = .072 (Adjusted R Squared = .034)

In Table 5.9 a significant interaction (p= 0.011) between language and which brand are preferred by the respondents with regard to convenience were noted.

Table 5.10

Means, standard error and 95% confidence intervals for 'Convenience' with interaction between language and brand.

Language		Mean	Std. Error	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Afr	Farm Inn	3,952	,157	3,643	4,262
	Frank's	3,878	,123	3,637	4,120
	Kanhym	4,045	,105	3,840	4,251
Eng	Farm Inn	2,991	,399	2,206	3,775
	Frank's	3,642	,240	3,170	4,113
	Kanhym	4,021	,285	3,461	4,580
African	Farm Inn	3,422	,426	2,585	4,259
	Frank's	4,069	,154	3,767	4,371
	Kanhym	3,479	,156	3,172	3,785

Covariates appearing in the model are evaluated at the following values:
Household income = 3.16.

English speaking people who prefer *Farm Inn* as their brand of choice had the lowest score with regard to convenience, they tend to feel neutral towards convenience as a brand attribute. The Afrikaans and Black African language speaking people considered *Farm Inn* as more convenient with a medium effect size (p=0.51 and 0.41 respectively). For *Frank's Meat* there were no significant differences between language groups.

Afrikaans and English speaking people consider *Kanhym Fresh Meat* as more convenient but Black African language speaking people differ with effect sizes of 0.54 and 0.52 respectively

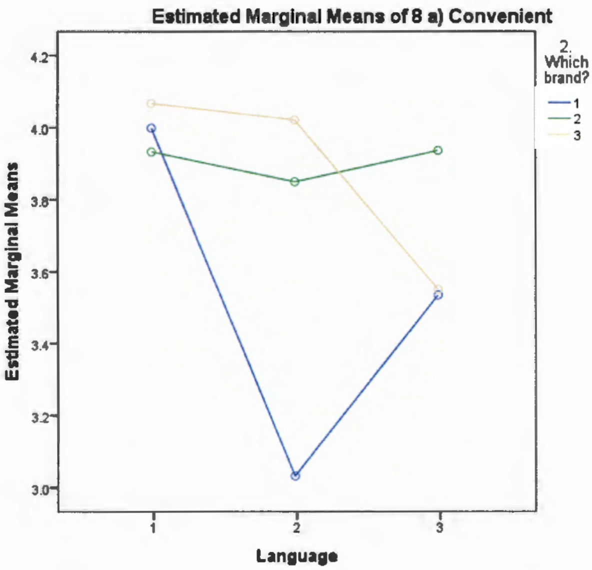


Table Legend

Language:
1 – Afrikaans
2 – English
3 – African languages

Brand name:
--- 1 - Farm Inn
--- 2 - Frank's Meat
--- 3 - Kanhym Fresh Meat

Figure 5.29
Profile plot illustrate the interaction between the importance of 'Convenience' and language group.

The next attribute that will be examined individually is 'Traceability'.

Table 5.11

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Traceability'.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	307.227[a]	18	17,068	10,463	,000	,295
Intercept	695,587	1	695,587	426,410	,000	,487
Household income	,216	1	,216	,133	,716	,000
Gender	,310	1	,310	,190	,663	,000
Language	106,611	2	53,305	32,677	,000	,127
Which brand	3,079	2	1,540	,944	,390	,004
Gender * Language	40,576	2	20,288	12,437	,000	,052
Gender * Which brand	,862	2	,431	,264	,768	,001
Language * Which brand	4,591	4	1,148	,704	,590	,006
Gender * Language * Which brand	1,800	4	,450	,276	,894	,002
Error	734,069	450	1,631			
Total	6013,000	469				
Corrected Total	1041,296	468				

R Squared = .295 (Adjusted R Squared = .267)

Table 5.11 indicate a significant interaction ($p < 0.001$) between gender and language when the attribute of 'Traceability' is considered.

Table 5.12

Means, standard error and 95% confidence intervals for 'Traceability' of branded meat with interaction between language group and gender.

Gender		Mean	Std. Error	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Male	Afr	3,417	,159	3,105	3,728
	Eng	3,09	,403	2,299	3,881
	African	2,57	,216	2,146	2,993
Female	Afr	3,721	,098	3,529	3,913
	Eng	4,182	,186	3,816	4,548
	African	1,417	,218	,988	1,846

Covariates appearing in the model are evaluated at the following values: Household income = 3.12.

According to the data in Table 5.12 the effect size of gender and language group on 'Traceability' indicate that in these gender and language groups, 'Traceability' is most important for the English speaking women. It is evident that Afrikaans speaking men and women do not vary much in their opinion of traceability of branded meat (d=0.24). Whereas English speaking men regard it as less of an attribute than English speaking women with an effect size of 0.85 and Black African language speaking men as more of an attribute than Black African speaking women who vary with a large effect size of 0.90. In Figure 5.30 this data is visualized in a profile plot.

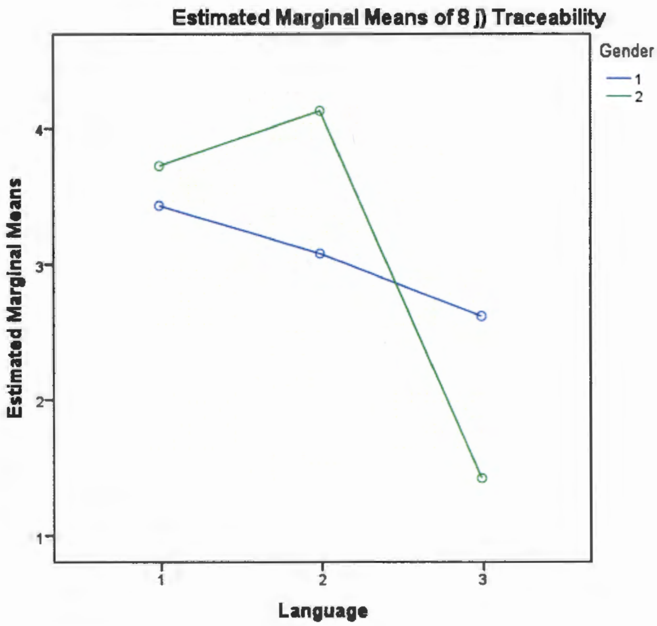


Table Legend

Language:
1 – Afrikaans
2 – English
3 – African languages

Gender:
--- 1 - Male
--- 2 - Female

Figure 5.30

Profile plot illustrate the interaction between 'Traceability', gender and language group.

The next attribute that will be examined individually is 'Value for money'.

Table 5.13

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Value for money'.

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	146.769[a]	18	8,154	12,697	,000	,335
Intercept	1123,267	1	1123,267	1749,080	,000	,794
Household income	,093	1	,093	,145	,703	,000
Gender	16,435	1	16,435	25,591	,000	,053
Language	41,111	2	20,556	32,008	,000	,124
Which brand	2,910	2	1,455	2,266	,105	,010
Gender * Language	2,070	2	1,035	1,612	,201	,007
Gender * Which brand	9,910	2	4,955	7,716	,001	,033
Language * Which brand	3,074	4	,769	1,197	,311	,010
Gender * Language * Which brand	3,153	4	,788	1,227	,298	,011
Error	291,561	454	,642			
Total	8387,000	473				
Corrected Total	438,330	472				

R Squared = .335 (Adjusted R Squared = .308)

Table 5.13 indicate a significant interaction (p= 0.001) between gender and which brand are preferred by the respondents with regard to their perception of 'Value for money'.

Table 5.14

Means, standard error and 95% confidence intervals for consumer's perception of 'Value for money' of branded meat products with interaction between gender and brand.

Gender		Mean	Std. Error	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Male	Farm Inn	3,425	,224	2,984	3,866
	Frank's	3,994	,126	3,746	4,242
	Kanhym	3,444	,151	3,147	3,741
Female	Farm Inn	4,535	,139	4,262	4,808
	Frank's	4,011	,088	3,838	4,185
	Kanhym	4,091	,080	3,934	4,247

Covariates appearing in the model are evaluated at the following values: Household income = 3.11.

The effect sizes indicate there is a practical significant difference in the opinion with regard to 'Value for money' as an attribute, between women and men who prefer

Farm Inn and between men and women who prefer *Kanhym Fresh Meat*, with effect sizes of 1.39 and 0.81 respectively. We may conclude that 'Value for money' is a more important attribute for women than for men who buy from *Farm Inn* or *Kanhym Fresh Meat*. The opinion of women and men who prefer *Frank's Meat* did not differ in practice. This data is visualized in the profile plot, Figure 5.31.

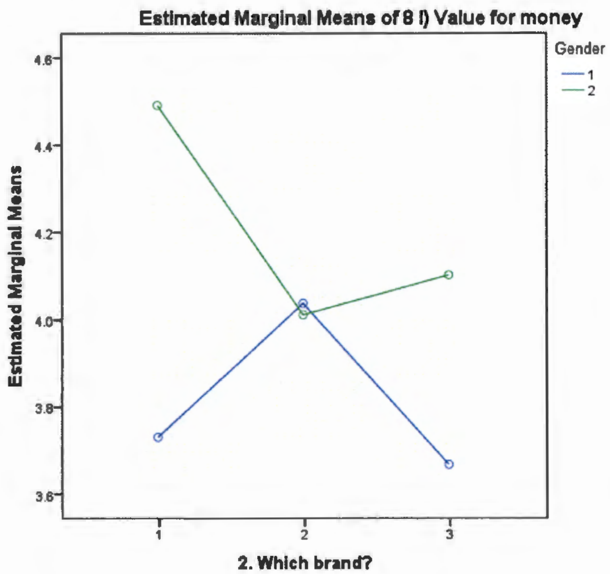


Table Legend

Brand name:
1 – Farm Inn
2 – Frank's Meat
3 – Kanhym Fresh Meat

Gender:
--- 1 - Male
--- 2 - Female

Figure 5.31
Profile plot illustrate the interaction between gender and brand preference on 'Value for money'.

The next attribute that will be examined individually is 'Price'.

Table 5.15

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Price'.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	52.643[a]	18	2,925	4,146	,000	,142
Intercept	939,386	1	939,386	1331,549	,000	,747
Household income	,095	1	,095	,135	,714	,000
Gender	10,998	1	10,998	15,590	,000	,033
Language	14,351	2	7,176	10,171	,000	,043
Which brand	,972	2	,486	,689	,503	,003
Gender * Language	4,401	2	2,201	3,119	,045	,014
Gender * Which brand	4,891	2	2,445	3,466	,032	,015
Language * Which brand	1,549	4	,387	,549	,700	,005
Gender * Language * Which brand	5,329	4	1,332	1,889	,111	,017
Error	317,467	450	,705			
Total	7179,000	469				
Corrected Total	370,111	468				

R Squared = .142 (Adjusted R Squared = .108)

Table 5.16

Means, standard error and 95% confidence intervals for consumer's perception of 'Price' of branded meat products with interaction between gender and language.

Gender		Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
Male	Afr	3,911	,104	3,706	4,116
	Eng	3,174	,265	2,654	3,695
	African	3,158	,140	2,882	3,433
Female	Afr	4,05	,065	3,922	4,178
	Eng	3,902	,122	3,661	4,142
	African	3,742	,144	3,460	4,024

Covariates appearing in the model are evaluated at the following values: Household income := 3.12.

Although the data in Table 5.16 do not refer to brand preference it is interesting to note. In Table 5.16 men and women and the different language groups are compared with each other and we can see that according to the effect size, there is a large difference between men and women in English speaking and Black African language speaking respondents on the issue of 'Price', d= 0.87 and 0.7 respectively, with women rating 'Price' higher than men.

From the data it appears that 'Price' is more important factor for women than for men to consider when buying branded meat and for Afrikaans speaking women it was the most important, they had the highest mean score (4,05). The Afrikaans speaking male and females did not differ significantly with regard to 'Price'.

Table 5.17

Means, standard error and 95% confidence intervals for consumer's perception of 'Price' of branded meat products with interaction between gender and brand.

Gender		Mean	Std. Error	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Male	Farm Inn	3,215	,235	2,753	3,677
	Frank's	3,651	,132	3,391	3,911
	Kanhym	3,377	,158	3,066	3,688
Female	Farm Inn	4,167	,146	3,880	4,453
	Frank's	3,763	,093	3,581	3,945
	Kanhym	3,764	,084	3,599	3,928

Covariates appearing in the model are evaluated at the following values: Household income = 3.12.

In Table 5.17 the men and women using the three brands are compared with each other and we can see that according to the effect size, there is a large difference between men and women's perception of price who prefer the *Farm Inn* brand.

There is a practical significant difference between the perception of price for men and women who buy from *Farm Inn*, (d= 1.13) and a medium effect (d= 0.46) for men and women who buy from *Kanhym Fresh Meat*. For the women price is considered to be more important. There is not a significant difference in the way that men and women think about prices at *Frank's Meat*.

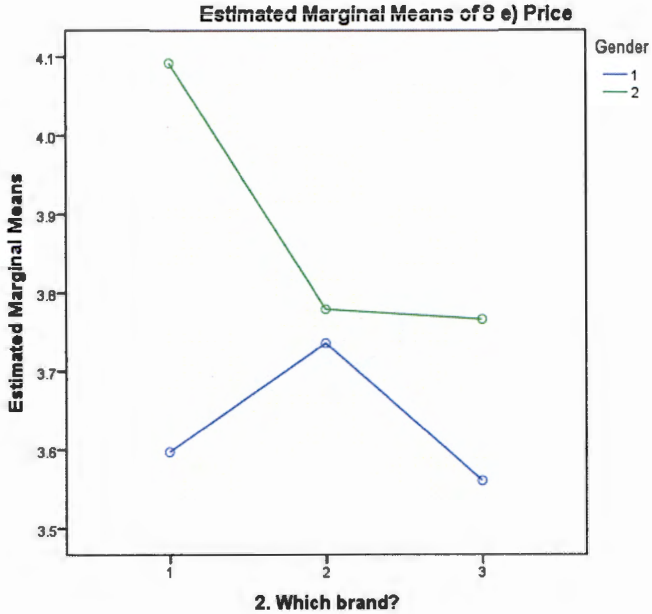


Table Legend

Brand name:
1 – Farm Inn
2 – Frank's Meat
3 – Kanhym Fresh Meat

Which Brand:
1 - Male
2 - Female

Figure 5.32

Profile plot illustrate the interaction between gender and brand preference on 'Price'.

The next two clusters are derived from question 9 and the first cluster that will be examined is combined attributes that relate to 'Quality'.

Table 5.18

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Quality'.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	12.481[a]	18	,693	2,286	,002	,083
Intercept	241,378	1	241,378	795,694	,000	,637
Household income	,457	1	,457	1,507	,220	,003
Gender	,527	1	,527	1,737	,188	,004
Language	,139	2	,069	,229	,796	,001
Which brand	1,989	2	,994	3,278	,039	,014
Gender * Language	1,703	2	,852	2,807	,061	,012
Gender * Which brand	,373	2	,187	,616	,541	,003
Language * Which brand	1,733	4	,433	1,428	,223	,012
Gender * Language * Which brand	1,314	4	,329	1,083	,364	,009
Error	137,723	454	,303			
Total	1652,273	473				
Corrected Total	150,204	472				

a. R Squared = .083 (Adjusted R Squared = .047)

In Table 5.18 a significant interaction (*p*= 0.039) between consumer perception of quality and which brand are preferred by the respondents.

Table 5.19 displays the mean and standard deviation results that were returned based on the language, gender and brand preferences of respondents. The results are based on averages and derived from the Likert scale method that was coded for question 9, as follows: 1- Very high, 2- High, 3 Medium, 4 Low, and 5- Very low.

Table 5.19

Means, standard error and 95% confidence intervals for consumer's perception of 'Quality' of branded meat products with interaction between brand preference and 'Quality'.

Which brand?	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Farm Inn	1,595	,091	1,417	1,773
Frank's Meat	1,843	,053	1,739	1,947
Kanhym	1,852	,059	1,737	1,968

Covariates appearing in the model are evaluated at the following values: Household income = 3.11.

The data indicate that respondents from *Farm Inn* had the highest mean value (Likert scale method: 1- Very high) with regard to their perception of quality. The effect size differs with a medium effect between *Frank's Meat* and *Kanhym Fresh Meat* (d=0.45 and 0.47). This means that quality is more important for *Farm Inn* customers than for the other brands.

The final cluster from question 9 that will be briefly discussed is combined attributes that relate to 'Added product value'.

Table 5.20

Results of 3way ANOVA with interaction between gender, language groups and brand preference for 'Added product value'.

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	183.852[a]	18	10,214	16,056	,000	,389
Intercept	607,336	1	607,336	954,735	,000	,678
Household income	,033	1	,033	,053	,819	,000
Gender	4,945	1	4,945	7,773	,006	,017
Language	59,963	2	29,982	47,131	,000	,172
Which brand	,210	2	,105	,165	,848	,001
Gender * Language	3,597	2	1,799	2,827	,060	,012
Gender * Which brand	1,500	2	,750	1,179	,309	,005
Language * Which brand	2,914	4	,729	1,145	,334	,010
Gender * Language * Which brand	2,521	4	,630	,991	,412	,009
Error	288,803	454	,636			
Total	4022,271	473				
Corrected Total	472,655	472				

a. R Squared = .389 (Adjusted R Squared = .365)

The only significant difference in the data is between language groups and their perception towards 'Added product value'. This is illustrated and discussed in Table 5.6, from which it could be concluded that added value was more important for Afrikaans and English speaking customers than for Black African language speaking respondents.

To conclude this chapter it is important to note that consumers have an extensive set of purchasing options. This means consumers can try different products with specific attributes. For marketing it is important to know how the consumer view a brand according to its brand attributes.

5.7 BRAND COMPARISON AND PERCEPTUAL MAP FOR MARKETING

In chapter 3 of this dissertation the researcher indicated that the data obtained would be useful to construct a perceptual map, which is a visual representation of consumer perceptions of a brand and its competitors, using attributes that are important to consumers. Using qualitative research (interviews with brand retail owners) – the important attributes consumers use when choosing between brands, were identified. In Figure 5.33 and Figure 5.34 the three brands were plotted on a two-dimensional map. From the data obtained it was possible to display in Figure 5.33 customer perceptions of their preferred brand with relation to 'Price', 'Value for money' 'Traceability' and 'Convenience' and Figure 5.34 is an illustration of customer perceptions of their preferred brand with relation to 'Quality' and 'Added product value'.

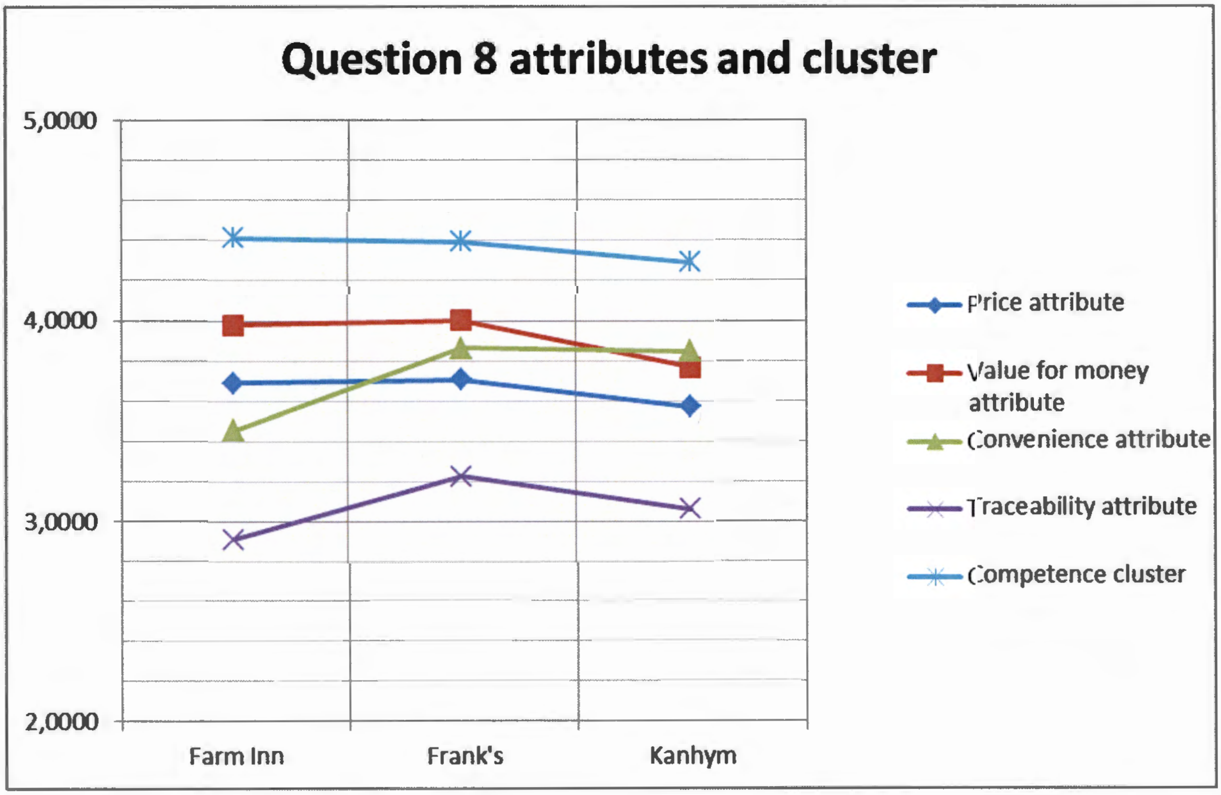


Figure 5.33
Graphic illustration of the brand comparison between 'Price', 'Value for money', 'Convenience', 'Traceability' and 'Competence' cluster.

From this illustration it is evident that 'Competence' is the attribute that is rated the highest for all brands and 'Traceability' attribute has the lowest rating and measured average for all brands. The other three attributes 'Price', 'Convenience' and 'Value for money' differ slightly from one brand to another but the overall ratings are between 3.5 and 4.

In order to determine the different brands' position in relation to 'Quality' and 'Added product value', this research is used to illustrate the data with the use of a perceptual map as shown in Figure 5.34.

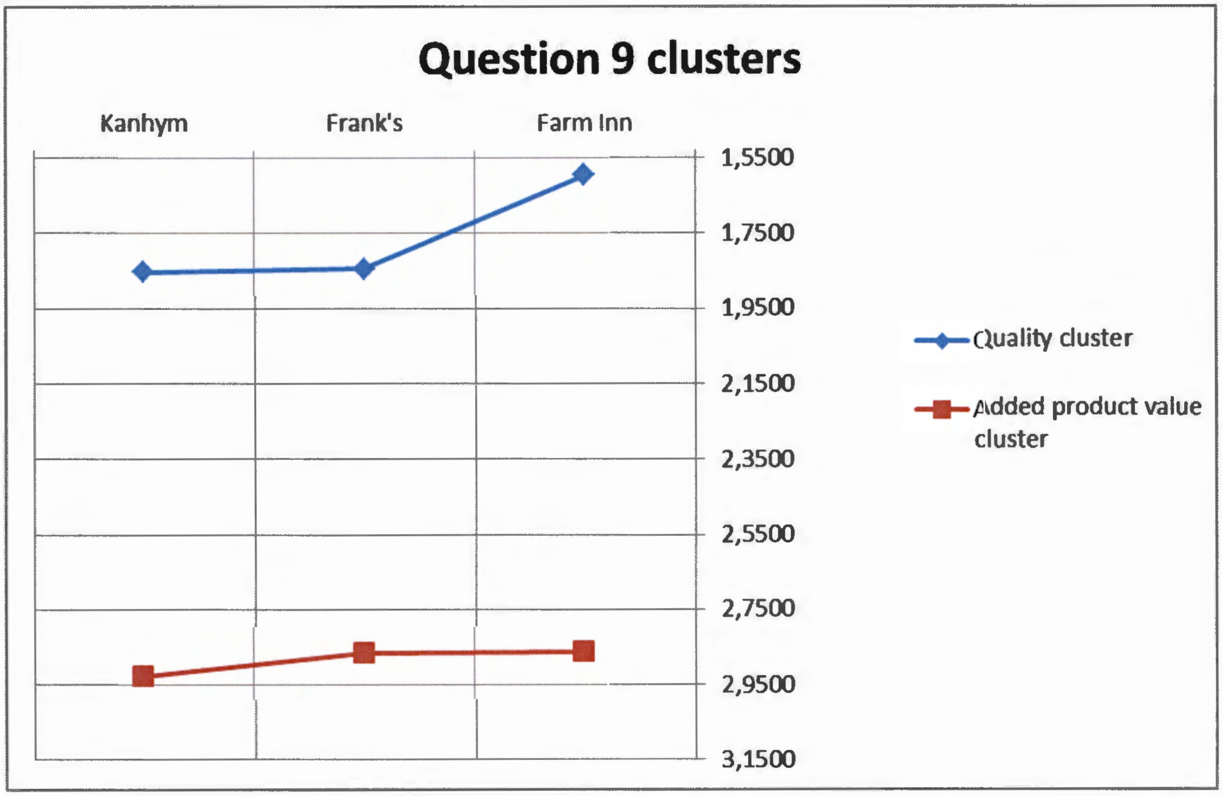


Figure 5.34
Consumer's assessment of the meat product attributes 'Quality' and 'Added product value', of their preferred brand meat retailer.

From this illustration it can be seen that everybody rated 'Quality' as the most important brand attribute significantly more important than 'Added product value' for which average ratings were reported. It can be noted that respondents feel quite neutral about 'Added product value' as a brand attribute.

5.8 CONCLUSION

The statistical evidence presented in this research is sufficient to conclude that acceptable levels of construct validity and reliability and relationships between the variables have Cronbach's alpha values of above 0.7 and can be considered as reliable measures.

Cluster analysis on the variables using Ward's method on Euclidean distances yielded two main clusters in each question (8 and 9) which was significant enough to interpret. In question 8 the first cluster, **Competence**, consisted of the following variables: competent staff, service, value added products, consistent quality, healthy wholesome products, quality products, variety of products, clean store. The second cluster in question 8, **Valuable**, consisted of the following variables: traceability, value for money, price and convenience. In question 9 the first cluster, **Quality**, consisted of the following variables: packaging, tasty meat products, quality products, hygienic products, healthy wholesome organic products, good service, price and convenience. The second cluster in question 9, **Added product value**, consisted of the following variables: traceable origin, marbled meat, unique customized product and added value.

The reliability of the factors, as measured by Cronbach alpha, was all above 0.7 except question 8, Valuable cluster (0.58). The reliability of the Valuable cluster was considered too low and then the items were considered individually.

Statistical tests such as *t*-test, multiple analyses of variance, one-way analysis of variance and multiple regression analysis were used to investigate the relationship between the various variables and demographic information. Only gender and language did have any association.

With regard to the *Kanhym Fresh Meat* brand the Black African language speaking men rated 'Competency' lowest and all the other gender and language groups rated 'Competency' higher with large effect sizes (*d*= 0.94, 0.77, 1.27, 0.66 and 1.10 respectively).

The English speaking customers at *Farm Inn* tend to feel neutral towards convenience as a brand attribute. The Afrikaans and Black African language speaking people considered *Farm Inn* as more convenient with a medium effect size (p=0.51 and 0.41 respectively). For *Frank's Meat* there were no significant differences between language groups. Afrikaans and English speaking people consider *Kanhym Fresh Meat* as more convenient but Black African language speaking people differ with effect sizes of 0.54 and 0.52 respectively.

The data indicated that the 'Traceability' attribute is most important for the English speaking women, English speaking men regard it as less of an attribute than English speaking women with an effect size of 0.85 and Black African language speaking men as more of an attribute than Black African speaking women who vary with a large effect size of 0.90. Afrikaans speaking men and women do not vary much in their opinion of traceability of branded meat (d=0.24).

A practical significant difference occurred in opinion with regard to 'Value for money' as an attribute, between men and women who prefer *Farm Inn* and between men and women who prefer *Kanhym Fresh Meat*, with effect sizes of 1.39 and 0.81 respectively. We may conclude that 'Value for money' is a more important attribute for women than for men who buy from *Farm Inn* or *Kanhym Fresh Meat*.
When 'Price' as an attribute was measured, men and women in English and Black African language speaking respondents differed on the issue of 'Price', with large effect sizes, d= 0.87 and 0.7 respectively, with women rating 'Price' more important than men.

This concludes the analysis of the statistical tests performed. The next chapter summarises the principal findings and makes recommendations for future research.

CHAPTER 6
CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

In this concluding chapter, final analogies will be drawn from data analysis conducted within the ambit of Chapter 5. The research design and methodology will be re-stated, and particular reference will be made to the limitations within which the research has been conducted. For the purpose of completeness, the research problem, research question and investigation questions will be re-stated and elaborated upon. The aim and objectives of the research study will be mapped to the research content, while specific recommendations will be made, to not only mitigate the research problem, but to serve as an approach for the brand retail owners to improve their branding and brand equity efforts.

6.2 RESEARCH DESIGN AND DATA COLLECTION DESIGN AND METHODOLOGY

Case study research was conducted within the ambit of this research study and entails empirical enquiry that investigates a contemporary phenomenon within a real life context. Case study research uses multiple methods of data collection (qualitative and quantitative) and is used when contextual conditions are the topic of research. This case study research focused on three (3) small business meat retailers in Middelburg, Mpumalanga, namely, **Kanhym Fresh Meat**; **Farm Inn Meat**; and **Frank's Meat**. The unit of analysis that was used in this dissertation, will be represented by these three (3) small business branded meat retailers, and their consumers.

The sample population was selected through non-probability sampling and the method which was used to select the sample is convenience sampling. The population relevant to this research consist of consumers buying meat products at the different outlets in Middelburg, Mpumalanga, which include only those retail shops that sell branded meat products within the mentioned region, namely **Kanhym Fresh Meat**, **Farm Inn Meat** and **Frank's Meat**. Within this population group the effort will be to obtain a sample size that represents the chosen population. A minimum of 600 respondents was approached to participate as part of a convenient non-probability purposive sample.

6.3 THE RESEARCH PROBLEM RE-VISITED

The research problem formulated in paragraph 2.1 in Chapter 1 reads as follows: This research will endeavour to explore the marketing efforts of small business meat producers in Middelburg, Mpumalanga, by drawing tangent planes between effective marketing and the knowledgeable consumer, and to determine if there is sufficient demand to ensure that the benefits of economies of scale are realized. According to the researcher there is a difference between the meat brand retail owners brand building variables and consumer's variables, to establish brand equity.

The problem indicates that it is of importance to establish a link between brand variables and consumers' perception regarding the importance of these variables. Against the mentioned background, the research problem to be researched within the ambit of this dissertation, reads as follows: "There is a variation of brand equity amongst consumers of branded meat products in Middelburg, Mpumalanga."

The research aim and objectives of this dissertation were mentioned in chapter 1, section 2.4. For convenience, the research aim and objectives are stated below:

- To build a practical applicable positioning map for branded meat products in Middelburg, Mpumalanga Province.

In order to achieve the aim, the following objectives will be addressed:

- To formulate a theoretical contribution within the ambit of this dissertation to not only have an academic application, but to also serve as a practical application in solving small business marketing problems.
- To determine the marketing strategy of small businesses for branded meat products in Middelburg, Mpumalanga Province.

- To identify opportunities that will differentiate and position branded meat products in the small business environment and create consumer equity and build a strong brand name.

The research in this dissertation, in the opinion of the researcher can be mitigating successfully should the recommendations that are elaborated upon in Paragraph 6.6 of this chapter be implemented by the meat brand retail owners.

6.4 THE INVESTIGATIVE QUESTIONS RE-VISITED

The investigative questions that were researched in support of the research are analysed below.

Investigative Question 1: How can the various elements of the promotional mix be combined into an effective marketing program for branded meat products? The survey returned the following:

- In this research 63% of respondents indicated that they are influenced by 'word of mouth' and the only other marketing influences worth mentioning are advertising in the local newspaper (15%) and promotions presented by the retailer (14%).

Investigative Question 2: How can a small business effectively use marketing communication within a limited budget? The survey returned the following:

- When respondents were asked what type of communications they would prefer, they indicated by a large margin, (44%) advertising in the local newspaper, followed by special events (29%) and in-store promotions (19%)

Investigative Question 3: What are the distinctive attributes of branded meat products that can create product differentiation and brand equity? The survey returned the following:

- Firstly consumers were asked to rate their favourite brand meat retailer on their presentation of meat attributes. When the attributes were calculated individually the results were very similar, as illustrated in Figure 6.1. The attributes that was reported slightly higher than the rest were: 'Clean store', 'Healthy wholesome products', 'Product variety' and 'Consistent quality'.
- Secondly, consumers were asked to rate brand meat attributes according to their preference of importance. The attributes were also calculated individually and the results were very similar, as illustrated in Figure 6.2. The attributes that were reported slightly higher than the rest were: 'Quality', 'Hygienic product', 'Tasty meat product' and 'Good service'.
- When the data was reduced and clusters were used in chapter 5, the respondents rated 'Quality' cluster as the most important attribute and the second cluster was 'Competence' of staff and brand retailer. The third highest score was the 'Value for money' attribute.

Investigative Question 4: What is the most effective brand positioning strategy for branded meat products? The survey returned the following:

- When considering all the variables it was difficult to determine the most important variables to consider for a brand positioning strategy. When the data was reduced and clusters were used in Chapter 5, the respondents rated the 'Quality' cluster as the most important attribute and the second cluster was 'Competence' of staff and brand retailer. The third highest score was the 'Value for money' attribute.

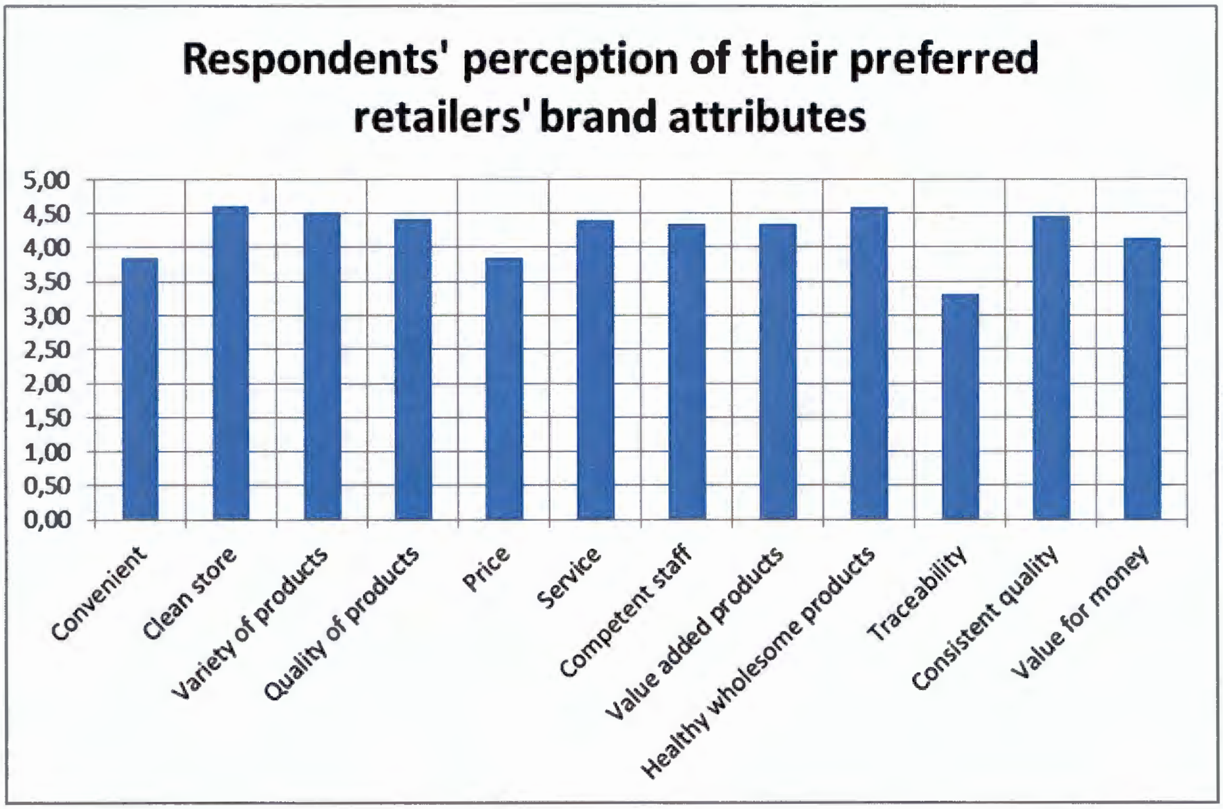


Figure 6.1

Respondents' perception of their favourite meat brand retailers' product attributes.

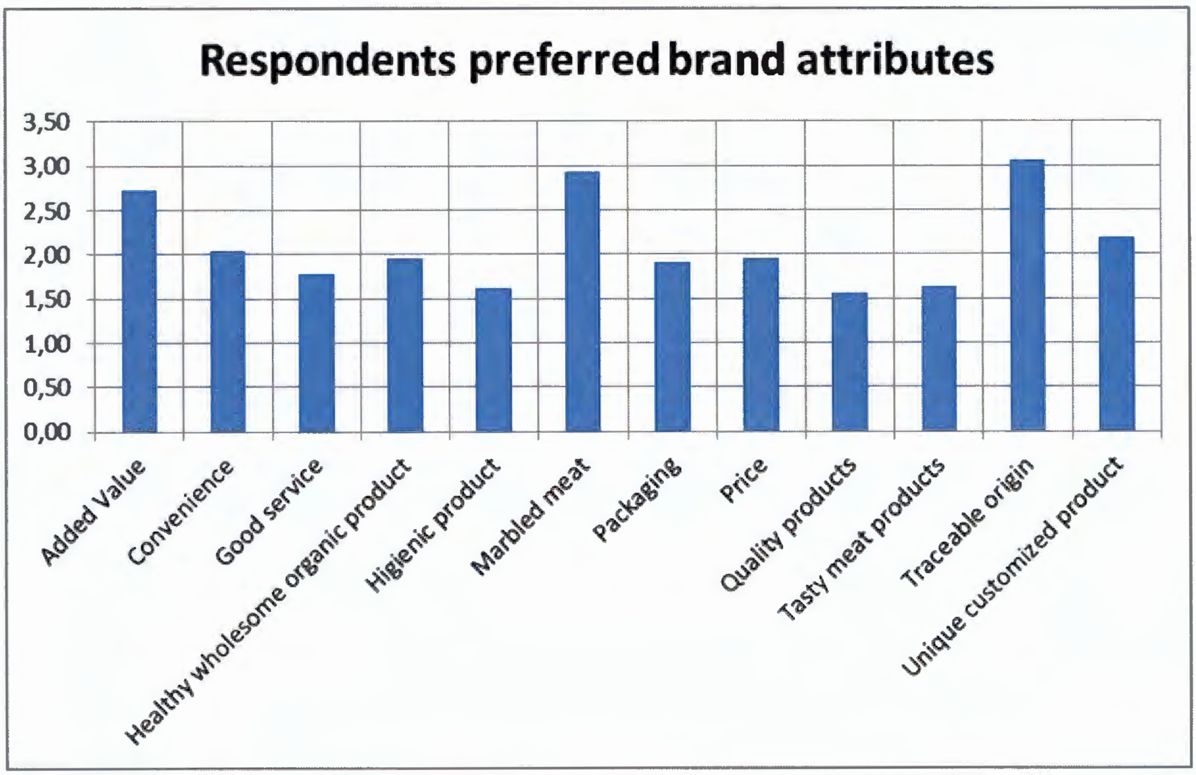


Figure 6.2

Respondents' preferred choice of branded meat attributes.

6.5 THE AIM AND OBJECTIVES OF THE STUDY

6.5.1 Aim of the study

The purpose of the proposed study was:

- To build a practical applicable positioning map for branded meat products in Middelburg, Mpumalanga Province.

Positioning is all about consumer perception. Products or services are 'mapped' together on a 'positioning map', allowing comparison/contrast in relation to each other. The researcher used the data from the research to build a positioning map for branded meat products in Middelburg, Mpumalanga Province as illustrated in Figure 6.3. The positioning map illustrate that consumers rated Farm Inn the highest on 'Quality' and 'Competence' of staff. Frank's Meat had the same high score for 'Competence' of staff as Farm Inn, but slightly lower ratings on 'Quality'. Although Kanhym Fresh Meat was also in the 'High' quadrant of the positioning map, it was the brand that scored the lowest on 'Quality' and 'Competence' of staff.

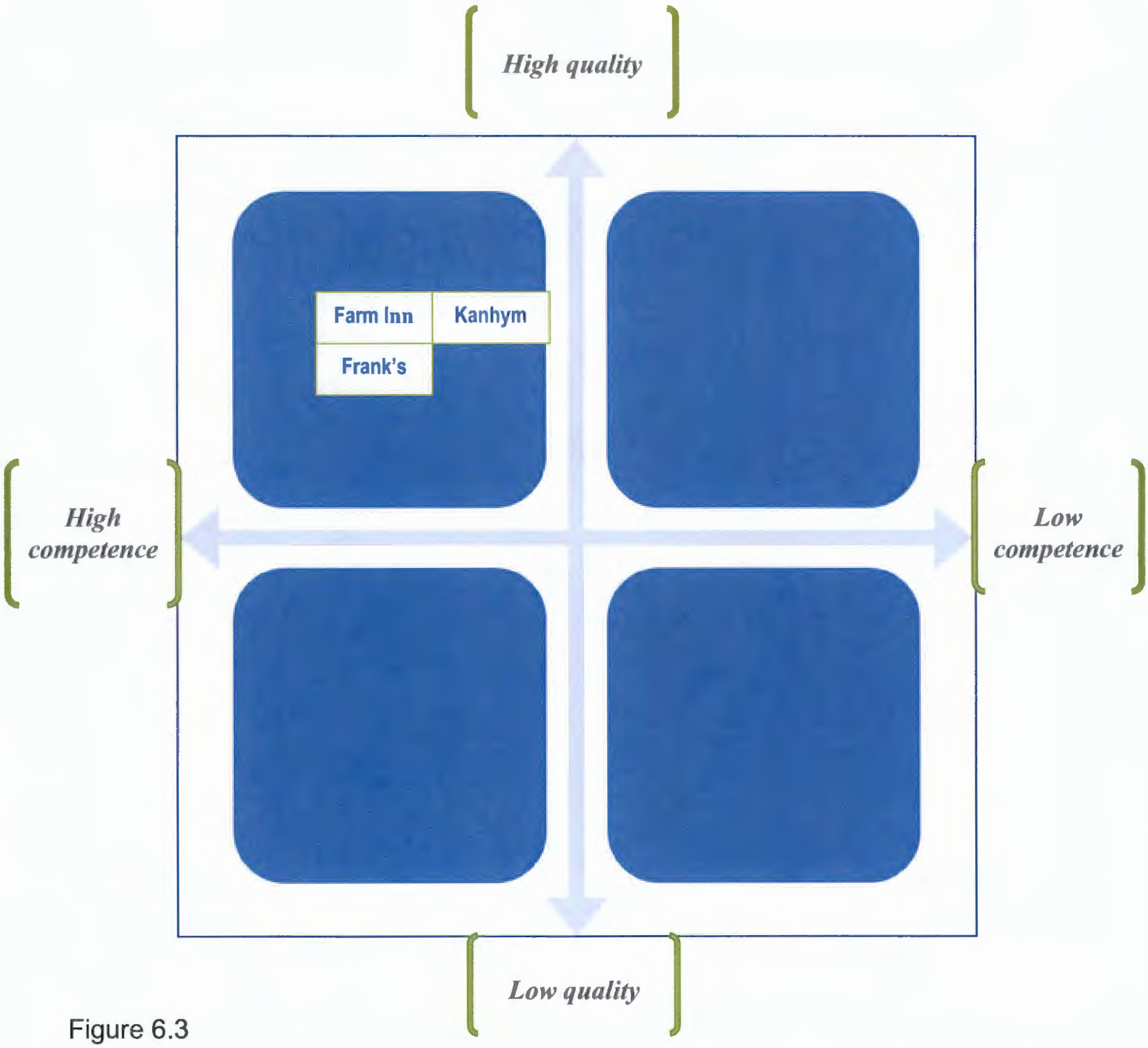


Figure 6.3

Positioning map for branded meat products in Middelburg, Mpumalanga Province.

Source: Researcher's own illustration of a positioning map for branded meat products in Middelburg, Mpumalanga Province.

6.5.2 Objectives of the study

In order to achieve the aims, the following objectives were addressed:

- To formulate a theoretical contribution within the ambit of this dissertation to not only have an academic application, but to also serve as a practical application in solving small business marketing and product positioning challenges.
- To determine the marketing and positioning strategy of Middelburg Mpumalanga small businesses for branded meat products.

- To identify opportunities that will differentiate and position branded meat products in the small business environment that will create consumer equity and build a strong brand name.

In order to achieve the objectives set out in this dissertation the researcher made the following recommendations.

6.6 RECOMMENDATIONS

The following recommendations if implemented, can assist the brand retailers to implement a market brand positioning strategy and enhance its brand in becoming even stronger.

6.6.1 Recommendation 1:

It is important that the brand retail owner focus the marketing program on one or two key attributes. Then the brand retailer can further focus on attributes that makes its brand different from the competitors. Focus on these key associations and reinforce it across the marketing program over time.

Identify and partner with a non–competitive brandname, like *Windhoek Larger*, *Castle Lager* or *Simonsberg winery,* that target the same consumers and combine marketing or advertising campaigns that will benefit both parties creating exposure that cost less and is worth a fortune in consumer revenue.

6.6.2 Recommendation 2:

In this research 63% of respondents indicated that they are influenced by 'word of mouth', advertising in the local newspaper (15%) and promotions presented by the retailer (14%). Due to the growing aversion to advertising, the increasing importance of channels such as 'word of mouth', Facebook and consumer blogs, is opening up an entirely new world of practical marketing possibilities for the successful marketers of the future.

The brand retail owner can design creative brand building push campaigns: Motivate consumers to use favourable 'word of mouth', create unique brand associations, and build on good public relations, like the winning of the 'Cleaver Award'. The Cleaver Awards, an initiative of the South African Red Meat Industry Forum were launched in 2005 to meet the needs of the consumer by raising standards amongst butcheries. The feedback from consumers showed that the majority perceive the Cleaver Awards to be a seal of approval. Cleaver Awards acknowledge butcheries which meet consumer expectations on in-store hygiene, the supply of quality assured roller marked South African Beef, their level of competency in offering the best advice on meal preparations and perceived value for money.

Brand retail owners can create something extravagant, bold or courageous to get radio show hosts and journalist to talk about the brand. Get involved in Social Responsibility programmes where the community can benefit and see the brand as 'caring for the community'.

Advertising in the local newspaper is expensive for the small business brand retail owner, but if it is done in partnership with another non-competitive brand name it may become more affordable.

In-store Promotional efforts can be a less expensive option and with a little creativity and well-known individuals it can be exciting event that will attract customers to the brand.

6.6.3 Recommendation 3:

Maximise the contribution of each brand attribute preference used to build brand equity. It is important to focus on the areas where respondents rated values indifferent, for example in this study attributes like 'marbeling', 'added product value' and 'traceablilty' because it is in these areas that improvements can be affected to ensure a better understanding and building of a stronger meat brand.

As explained in Chapter 5, section 5.8, brand retail owners should be aware of the fact that different language groups and different gender groups do not place the same level of importance on the different variables.

6.6.4 Recommendation 4:

A brand retailer can leverage as many secondary associations as possible. Make use of any entity with potential relevant associations that can signal quality and credibility.

The brand retail owners need to establish branding strategies that will focus on the brand's image, striving to occupy a distinct and valued place in the minds of its consumers and
competitors by reinforcing the important attributes like 'quality' and 'competence' of the brand.

Building awareness can enhance the formation of brand association. Forming associations with the brand can culminate in possibilities that the brand can use to establish itself better in the minds of the customers, resulting in higher brand equity for the brand.

6.7 LIMITATIONS OF THE STUDY

The problems encountered in this study are outlined as follows:

- Time and budget limitations made it impractical to assess the consumer's understanding and perception of brand equity.
- In-store observations could have added further dimensions to the results providing an even more accurate account of consumer's brand attribute preferences.
- It was difficult to measure how respondents view the two other brands because the questionnaire was completed at the respondent's brand of choice and prejudice may have been a factor.

- Non-probability sampling was used and therefore inferences cannot be drawn about the larger population.
- Small qualitative studies are not generalizable but it does allow comparison and contrast between similar persons or situations.
- The study was limited to the geographical area of Middelburg in Mpumalanga Province.

6.8 AREAS FOR FURTHER RESEARCH

This study provided a new perspective on the influences of language and gender groups on brand preference. However, the study also presents opportunities for further research in a number of ways.

Undertaking a comparative study between preferred brand attributes of different brands or service brands and different language or gender groups is another possible area for future research. It would be interesting to compare and contrast the influences of the most dominant influences in demographic groups.

The study also presents the opportunity to be replicated on a wider and different range of branded meat products.

It could be of value to assess the degree to which the findings of this study correlate with those of similar studies in other consumer brand products. It can only be assumed that other products might use a different set of influences when assessing brand preferences.

Although various other areas of research are probable, the hope is expressed that this study serves as a point of departure in meat brand preference and the correlation with brand equity and that it will encourage future research.

6.9 PERSONAL REFLECTION

This researcher is of the opinion that:

- The literature study conducted for the purpose of the research mooted an interest in the effect of branding and brand equity and how it can impact upon the acceptance and building of a brand.
- The overall experience that the branding and brand equity of branded meat products in Middelburg, Mpumalanga Province is positive.
- This positive image resulting in specific areas that can be focussed on such as different perceptions in gender and language groups.
- And lastly the challenge of creating and establishing a brand that will be seen as differentiated from the competition.

6.10 CONCLUSION

In this chapter the research design has been presented. This dissertation aimed at achieving the primary objective of presenting a practical applicable positioning map for branded meat products in Middelburg, Mpumalanga Province. To support the primary objective, several secondary objectives was attained such as, solving small business market positioning problems, determining the marketing strategy of small businesses for branded meat products and to identify opportunities that will differentiate and position branded meat products in the small business environment that will create consumer equity and build a strong brand name.

The branded meat retailers in Middelburg, Mpumalanga Province faces the challenge of differentiating their product from the competition. The research primarily attempted to identify the brand meat attributes that consumers consider important in their choice of branded meat products.

The analogy can be drawn from the research that the three branded meat products are all considered strong brands and the consumers seem content with their brand of choice. Branding is about being different and for a branded product to be considered superior it is necessary that brand meat retailers focus on the attributes that can make their product different and better than the competition. The results from the survey returned that although the attributes that constructs brand equity tested positively, the brand meat retailer should react on the indifferences found of the respondents, and which importance they attached to the different brand attributes.

It is recommended that the recommendations should be implemented to assist the brand retailer to improve on their product offerings, quality, and build relationship with the customers. The implementation of the recommendations in view of the researcher will culminate in the building of a stronger meat brand and higher brand equity for the brand name.

This study presented a conceptual brand equity framework that represents and measures the influences that create brand equity for branded meat products. The conceptual framework can make a significant contribution to brand equity in the marketing field as it provides reference for the three branded meat products tested.

On grounds of the empirical results, the final conclusion can be made that this research study complied to the aim and objectives set in this dissertation.

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