Nelson Mandela Metropolitan University

Business School

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OPTIMISING THE MARKETING MIX TO INFLUENCE CONSUMER PURCHASING DECISIONS IN LIQUOR OUTLETS

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DECLARATION BY CANDIDATE

I, Unathi Lovington Mhlatyana, hereby declare that:

- This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.
- This dissertation is being submitted in partial fulfilment of the requirements for the degree of Masters in Business Administration.
- This dissertation is the result of my independent work and investigation, except where otherwise stated. Other sources are acknowledged by complete referencing. A reference list is attached.

SIGNATURE : ....

DATE : ......29 FEBRUARY 2016

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ABSTRACT

Retailers, Wholesalers, Marketers, Alcohol distributors and Manufacturers continuously fight for volume growth and market-share gain within the total alcohol market. Most of the answers of how much each can gain over a period of time remain a mystery that can only be answered by the consumers. The consumers determine who will have more share of wallet or share of throat more than the other. This is also equally applicable to brands, packs and the various alcohol categories that exist in the market. Why is it important, you possibly wonder? It is important because the alcohol market is an integrated part of our society; it contributes immensely to the South African economy and its value chain is enormous in value. Consumption expenditure increased from R3 513 039 000 in 2004 to R8 558 232 000 by 2013 in the Eastern Cape alone.

In the last 10 years there has been an increase of new products that are being introduced into the market across all categories ranging from traditional alcoholic brands to flavoured and ready to drink brands. This presents an opportunity to alcohol consumers, alcohol shoppers and sellers alike. This opportunity meant that the consumer is spoilt for choice and retailers / wholesalers have an opportunity to list more brands which could possibly result in increased margins. Further to the above, South African marketers face both market challenges as well as proposed legislation regarding advertising of alcohol products. Some of the challenges include marketing clutter, competition, diverse nature of the South African consumer, infrastructure issues, government legislations, social media and digital platforms.

The liquor industry of the Eastern Cape contributes approximately R7,7 billion to the Gross Geographic Product of the economy of the Eastern Cape through direct and indirect impacts; Approximately 23 620 permanent jobs are supported by the Eastern Cape liquor industry annually; Tax revenue attributable to the liquor industry in the Eastern Cape is R3,9 billion; and the economic impact of the liquor industry on gross capital formation is in the region R3,4 billion per annum. The purpose of this research is to optimise the marketing mix to influence consumer purchasing decisions in liquor outlets within the Border district within the above context.

The objective of this study is to identify the marketing mix that influences consumer purchasing decisions in liquor outlets. The study will be conducted within the Border district. The Border district consists of various geographies within the Eastern Cape, South Africa. The area of the study will focus on key municipalities namely; Buffalo city, Amathole, Chris Hani and Joe Gqabi municipalities. The target sample size for this study was 360 consumers. A survey questionnaire was used to measure respondents' preferences, attitudes, motivations and perceptions. The respondents were instructed to highlight the answer that best described them and / or their preferences. Questions were asked and the respondents had to highlight to what extent they agreed or disagreed with the question.

Key findings are that there is high level of agreement that price and promotions influence consumer-purchasing decision in liquor outlets. The highest percentage of respondents are in agreement that beer is a first choice of drink and a second is spirits. 69% of the respondents agree that they change from the usual drink to a different drink when they go out. This can be attributed to the notion that consumers like to badge and want to be seen drinking brands that will be deemed socially acceptable in public, or brands that are the latest trend. The key benefits from the study include improved ability for marketers to reposition brands, give clear recommendations for drinking occasions and better understanding on how to efficiently distribute alcohol portfolios, extend brands and introduce limited editions.

Key words: Consumer, Shopper, Occasions, Price, Promotions, Product, Place, On premise, Off premise, Retailers, Marketers, Alcohol categories and Brands.

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ABV	Alcohol by volume
BOP	Bottom of the pyramid
CAGR	Compounded Annual Growth Rate
IMC	Integrated marketing communication
MGM	Member-get-member
MGR	Mass Grocery Retail
RTD	Ready to Drink
RO	Research Objectives
RQ	Research Question
SAB	South African Breweries
WOM	Word of mouth
WOMC	Word of Mouth Communication

1. CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT

1.1 Introduction

Most consumers continuously seek emotional connection. Emotional connections result in feeling good; which requires to be sustained through a better understanding of what the consumer wants. This understanding perhaps can help us in engaging consumers to influence their future behaviour (Williams, 2014). Manufacturers, marketers, retailers and distributors are obliged to comprehend the key factors that their customers and consumers consider during the purchasing cycle of different various product categories. (Williams, 2014;Hawkins, Del, Mothersbaugh and Best, 2007;Lombard, Mornay and Parumasur, 2013). It is critical to understand and influence consumer behaviour and attempt to influence it for the benefit of the society (Hawkins, Del, Mothersbaugh and Best, 2007).

Results from a study by Lee (2009) on wine consumption suggest that there may be a further research opportunity to understand consumers' behaviour and the impact culture has on wine consumption. The question is; will this be applicable to other categories such as beers, spirits, and flavoured alcohol drinks? The other question is; what do the organisations that sell these alcoholic products need in order to indicate commitment to responsible drinking? Research results from a study by Jones, Hillier and Comfort (2013) on corporate governance suggest that organisations that are leaders in producing beers and spirits are shifting to making Corporate Social Responsibility (CSR) as part of the their core business. The intention is to place special importance on responsible drinking whilst addressing various issues in the community, the marketplace and workplace.

This study specifically seeks to optimise the marketing mix to influence consumer-purchasing decisions in liquor outlets within the Border district. The Border district consists of various geographies within the Eastern Cape, South Africa. South African marketers face both market challenges as well as proposed legislation regarding advertising of alcohol products. Some of the challenges include marketing clutter, competition, diverse nature of the South African consumer, infrastructure issues, government legislations, social media and digital platforms. South African marketers ought to build expert knowledge in marketing strategy to satisfy the evolution in the market. In addition, in order to be successful, marketing strategies need to be transformed to meet the new, diverse consumer expectations in South African markets (Petzer and Meyer, 2013).

Appreciation of consumer behaviour, consumer patterns and trends can be explored to increase our capacity and capability to consume, sell and market wisely (Hawkins, et al., 2007). Consuming, selling and marketing wisely should be at the centre of every responsible licenced business within the liquor market. However, no empirical research has examined how to optimise the marketing mix to influence consumer purchasing decisions in liquor outlets within the Border district. The next section of this chapter will formulate and expand on the problem statement. This will be followed by the research objectives, questions and research delimitation. Key concepts will be defined. The significance and contribution of this research will be discussed followed by an explanation of the research methodology, design and ethics. The chapter concludes with an overview of the structure of this treatise. Figure 1.1 below shows an overview of this chapter.

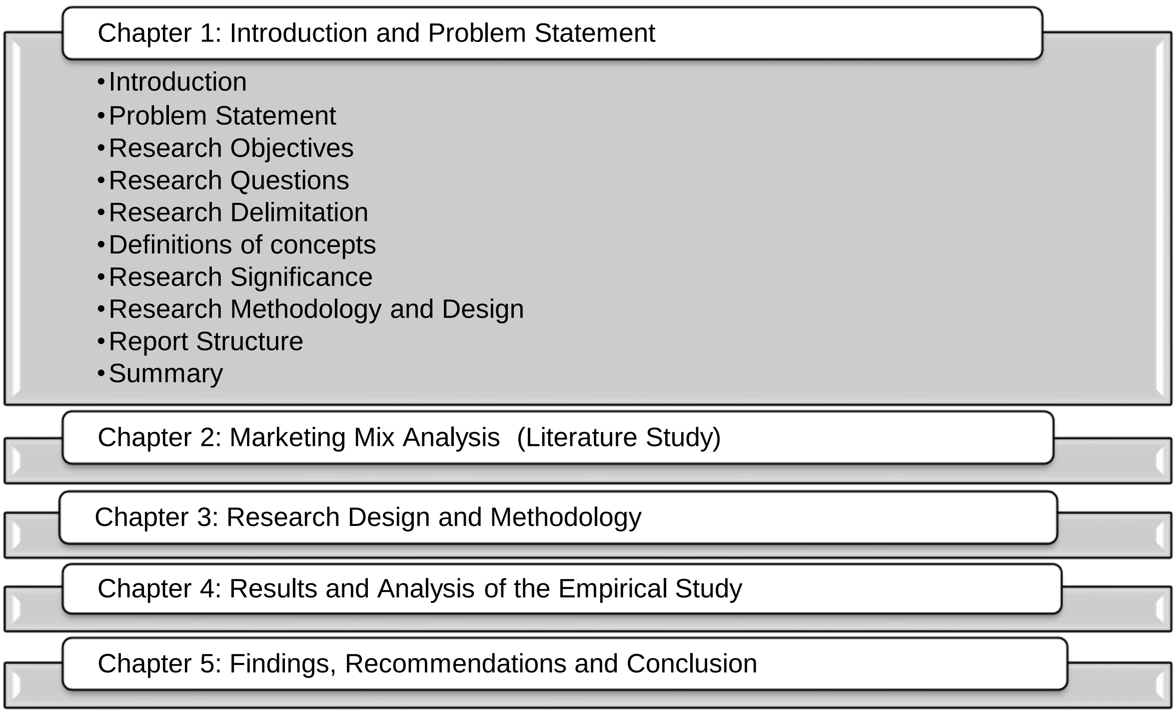

Figure 1.1 Overview of Chapter 1.

1.2 Problem Statement

There is very limited research that explicitly seeks to optimise the marketing mix to influence consumer-purchasing decisions in liquor outlets within the Border District. Most companies, businesses and retailers rely on sales out data and some limited research for decision making that affect current and future liquor brands stock levels and supply. The total liquor market is a complex business which is dependent on consumer preference, latest trends, taste, brand equity and more other factors. This creates various problems for those who want to increase market share within the total liquor market categories. Firstly, how does the beer category leader gain share from spirits categories or vice versa? Secondly, what are the marketing tools or methodologies to use to achieve this goal? Thirdly, for a retailer there is no certain way to maximise the profit margins. The solution to these problems is locked in consumer purchasing patterns and further knowledge in consumer purchasing decisions could provide a true north for strategic directions for marketers, companies and retailers.

Should the problem not be solved, there will be a lost opportunity to shape the marketing of tomorrow, lost opportunity for product innovation, lost opportunity to connect with the consumers to their satisfaction, waste of marketing funds on incorrect liquor-products mix and liquor categories will not grow at a rapid pace to meet the next decade’s consumer expectations. The correct marketing mix can be applied to the company’s benefit, retailer’s benefit and liquor distributor’s benefit when these problems are solved and consumer purchasing decisions are well established. In addition, gaining market share across a spectrum of categories will be possible as there will be more informed decision making regarding increasing margins, connecting to relevant consumer touch points and appreciation using the correct marketing mix. Further benefits could be new categories that did not exist in the market, new brands and packs with affordable price points. Marketing campaigns can be a lot more focused on winning the minds and the hearts of consumers, companies can collect insights that inform their marketing strategies, invest appropriately, set reasonable growth targets and keep sufficient stock levels.

1.3 Potential causes of the problem

Unlocking and meeting consumer needs is a complicated journey, however, it is possible to achieve it through marketing research (Hawkins, et al., 2007). Consumers' purchasing patterns vary on an ongoing basis and that, potentially, can cause problems as it becomes difficult to predict their next purchase. It is therefore safe to conclude the potential causes of the problem are limited understanding of consumer purchase drivers, poor or lack of research within the Border district and within the liquor market.

1.4 The management question

The management questions include the following: how an organisation can increase profitable revenue growth within the liquor market? This does not exclude the desire to grow market share, value growth and total shareholder returns. The second question is how do liquor brands remain relevant in new occasions, keep up with trends and resonate with younger consumer segments? What insights are management overlooking, lacking or need, to further increase their market leadership in various liquor categories, by offering broader portfolios that will resonate with existing and new consumers on more occasions, to profit from existing licenced outlet base, above and below the line marketing and channel execution. Third is how does an organisation get the competitive advantage where their brands and packs are well positioned in the market place? It is possibly safe to conclude that to ultimately get this right; organisations need to properly understand consumer purchasing decisions. The ultimate question is what factors influence consumer purchasing decisions?

The Marketing mix can be optimised and applied at a liquor outlet to influence consumers' purchasing decisions. There are no clear insights for marketers on what influences consumer purchasing decisions in a liquor outlet when choosing between alcohol categories for consumption at various occasions.

1.5 Research Objectives

The main research objective of this study is as follows:

(RO_m): Identify the aspects of the marketing mix that influence consumer-purchasing decision in liquor outlets. In order to achieve the above stated main research objective the following secondary objectives need to be achieved:

RO1: Establish the elements of the marketing mix used in typical on-and-off trade liquor outlet;

RO2: Explain the research methodology used for this research study in detail;

RO3: Establish key occasions where consumption takes place;

RO4: Establish whether alcohol categories will be positively related to consumer purchasing decision;

RO5: Establish the key drivers that are not negotiable from the consumer's point of view;

RO6: Conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions.

1.6 Research Questions

The Main Research Question (RQ_M) was formulated based on the Main Research Objective and is stated as follows:

RQ_M: What aspects of the marketing mix influence consumer-purchasing decision in liquor outlets?

RQ1: What are the marketing elements used in on-and-off premise outlets?

RQ2: How can a detailed description be provided in order to understand and reproduce this research study in future?

RQ3: What are the key occasions that consumers enjoy?

RQ4: Which alcohol categories are on top of consumers' minds when they are at the liquor outlet?

RQ5: What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions?

RQ6: How can the Hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected?

1.7 Research Delimitation

The research will be limited to Border District in the Eastern Cape's four key municipalities. The municipalities within which this study will be conducted are Buffalo city, Amathole, Chris Hani and Joe Gqabi municipalities. The scope of this study is limited to the licenced outlets within these municipalities and the consumers they serve. The combined population of all the named municipalities is 2 812 916 people (Department of Economic Development, 2015).

Table 1.1 below illustrates a link of a simplified research story line between various chapters in which research questions and research objectives are addressed.

Research Question (RQ)	**Research Objective (RO)**	**Chapter**
RQ_1: What are the marketing elements used in on-and-off premises outlets?	**RO_1:** Establish the elements of the marketing mix used in typical on-and-off trade liquor outlet	**CHAPTER 2:** Typical marketing mix analysis
RQ_2: How can a detailed description be provided in order to understand and reproduce this research study in future?	**RO_2:** Explain the research methodology used for this research study in detail	**CHAPTER 3:** Research design and methodology

RQ_3: What are the key occasions that consumers enjoy?	**RO_3:** Establish key occasions where consumption takes place	**CHAPTER 4:** Results and analysis of the empirical study
RQ_4: Which alcohol categories are on top of consumers' minds when they are at the liquor outlet?	**RO_4:** Establish whether alcohol categories will be positively related to consumer purchasing decision	**CHAPTER 4:** Results and analysis of the empirical study
RQ_5: What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions?	**RO_5:** Establish the key drivers that are not negotiable from the consumer's point of view.	**CHAPTER 4:** Results and analysis of the empirical study
RQ_6: How can the hypotheses be tested and be validated by empirical evaluation of various variables that are pre-selected?	**RO_6:** Conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions	**CHAPTER 4:** Results and analysis of the empirical study
RQ_M: What aspects of marketing mix influence consumer purchasing decision in liquor outlets?	**RO_M:** Identify the aspects of marketing mix that influence consumer purchasing decision in liquor outlets	**CHAPTER 5:** Findings, recommendations and conclusions

Table 1.1 RQ, RO and Chapter Outline.

1.8 Research Significance

Management in the liquor industry, within the area of the study, will have deep insights to further extend clear market leadership. They will have increased knowledge of a broader liquor portfolio that appeals to new consumers on more occasions. They will capitalise on an existing licensed outlet base using above and below the line optimised marketing mix and channel execution.

The research will also be useful for the following:

- To identify marketing elements that are used in typical liquor outlets;
- To determine the typical marketing elements that influence consumers' purchasing decision;
- To better understand the consumer purchasing journey at a liquor outlet;

- To determine which elements of the marketing mix consumers retain that will influence their next purchase;
- To determine how best to market liquor brands and packs to consumers in a liquor outlet;
- To understand what consumers buy or drink at various occasions.

1.9 Research Methodology and Design

This section will address the research approach, data collection and data analysis.

1.9.1 Research Approach

The target population will be the consumer and shoppers within the Border district and a subset of the population will be selected from which a conclusion will be drawn about the entire population. Only consumers over the age of 18 will be included in this study. A probability-based sampling method will be adopted for this study. Probability-based sampling is any selected method where sample units or sample of members are randomly selected by chance from the target population (Wegner, 2012). According to the Department of Economic Development, (2015) and StatsSA (2014) Border's area of the study has a population of 2 812 916 people.

The unit of analysis will be consumers and shoppers that will be randomly selected from various liquor outlets. There are advantages of using a random sampling method. These include the following; random sampling decreases bias during selection process, which means that the sample statistics are likely to be unbiased estimates of their population parameters. The sampling error can be worked out from data that are recoded using random sampling methods. This qualifies the findings of inferential analysis as valid (Wegner, 2012). A valid sample size used for the study is 332. The simple randomly selected respondents will be interviewed using a set of questions from a questionnaire as per appendix A. They can also complete the questionnaire themselves.

1.9.2 Literature study

The literature study will be done to lay the foundation of the key concepts related to the topics of the marketing mix. This literature will be obtained from secondary sources which include on-line databases containing Journals, public institutions, leading liquor manufacturers, text books and conference papers which are indirectly or directly related to the research topic.

1.9.3 Data Collection

Primary data will be collected by means of a hardcopy questionnaire which will either be self-completed by the respondents or it will be filled in during an interview process. The questionnaire that will be used in this research will consist of questions regarding demographic data and questions regarding the marketing mix and influencing factors. It will consist of a five-point Likert Scale that ranges from Strongly Disagree (1) to Strongly Agree (5). According to Collis and Hussey (2014) these are widely used methods in positivist studies. The process of collecting data is often referred to as the fieldwork. Whether in house or outsourced, field work involves all the functions related to conducting interviews which can done telephonically, in the mall, door to door, focus groups, online and mail. Obviously field work differs according to interviewing type (Tustin, Ligthelm, Martins and Van Wyk, 2005).

According to Wegner (2012), respondents can confirm a statement and or opinion by using the Likert rating scale where they can choose any point from strongly disagree to strongly agree. The respondents favourable or unfavourable reply confirms a statement expressed about the concept under study. In most survey questionnaires it is generally common to find a Likert scale used to solicit responses (Tustin, et al., 2005). All questionnaires will be coded to ensure the data can be easily processed for interpretation and analysis.

The individual distribution method will be used to get the questionnaire to the various locations, respondents and outlets within Border district. Fifteen sales representatives will be tasked to approach consumers and / or shoppers at various outlets to conduct the interviews or complete the survey questionnaire themselves.

Their advantage is that they speak most of the local languages spoken in the Eastern Cape. They will receive training on how to conduct these interviews. Once the surveys are complete, the questionnaires will be return to the researcher by the individual sales representatives. Information acquired from literature will be used to develop the survey. In order to assist with the reliability of the questionnaire, survey questions from past, related research will also be reviewed, modified and integrated into this questionnaire.

1.9.4 Population and Response Rate

The target population will be the consumer and shoppers within Border district and a subset of various demographics will be selected from which a conclusion will be drawn about the entire population. The area of the study will focus on key municipalities namely; Buffalo city (East London, King Williams Town, Peddie) with target sample of 180, Amathole (Alice and Fort Beaufort) with target sample of 60, Chris Hani (Queenstown) with target sample of 60 and Joe Gqabi (Aliwal North) municipalities with target sample of 60. The target sample size for this study is 360 consumers which is the number recommended by the expert statistician (Dr Jacques Pietersen) who will assist with drawing descriptive and inferential statistics from the survey. A total of 332 questionnaires were properly filled in and met the preconditions that were set out for taking part in this study. This means the survey response rate was 92.2%.

1.9.5 Data Analysis

Data from the complete questionnaires was captured in an excel spreadsheet. The data were cleaned to ensure it is free of incorrect data sets. Once complete, the data were submitted to the NMMU statistician for further processing. The statistician generated statistical reports and tables where descriptive and inferential statistics can be summarised.

1.9.6 Ethics Clearance

A full ethics clearance for this study was not requested as it not required for this research study. An Ethics Clearance was submitted to the NMMU Business School using Ethical Clearance Form E and this can be seen in Appendix B.

1.10 Report Structure

An overview of the treatise chapters, ROs and RQs can be seen in Figure 1.2. The treatise is arranged as follows:

1.10.1 Chapter 1: Introduction and Problem Statement

Chapter 1 provides an introduction to the organisation and the research topic; the context and outline of the study presented along with the Research Problem, Research Questions and the Research Objectives.

1.10.2 Chapter 2: Marketing mix analysis

Chapter 2 will address research question one (RQ_1) which states "What are the marketing mix elements used in on and off premise outlets?" and the research objective two (RO_1) which states "Establish the elements of the marketing mix used in typical on and off trade liquor outlet" by doing a literature review on available information pertaining to these topics.

1.10.3 Chapter 3: Research Design and Methodology

Chapter 3 will outline the research methodology, which includes the sampling design, research paradigm and measuring instrument. The objective of this chapter is to address research question RQ_2 which states "*How can a detailed description of the research methodology be provided in order to understand and reproduce this research study?*"

1.10.4 Chapter 4: Results and Analysis of the Empirical Study

Chapter 4 will present and discuss the results of the empirical study. This chapter will address RQ_3 which states "What are the key occasions that consumers enjoy?", RQ_4 which states "Which alcohol categories are on top of consumers' minds when they are at the liquor outlet?", RQ_5 which states "What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising on purchasing decisions?" and RQ_6 which states "How can the Hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected?".

1.10.5 Chapter 5: Findings. Recommendations and Conclusion

Chapter 5 will cover a summary of the research by discussing each research question and findings. Summary of contributions, opportunities for future research and limitations of the study will be discussed. Acceptable managerial and realistic recommendations will be made for corrective actions.

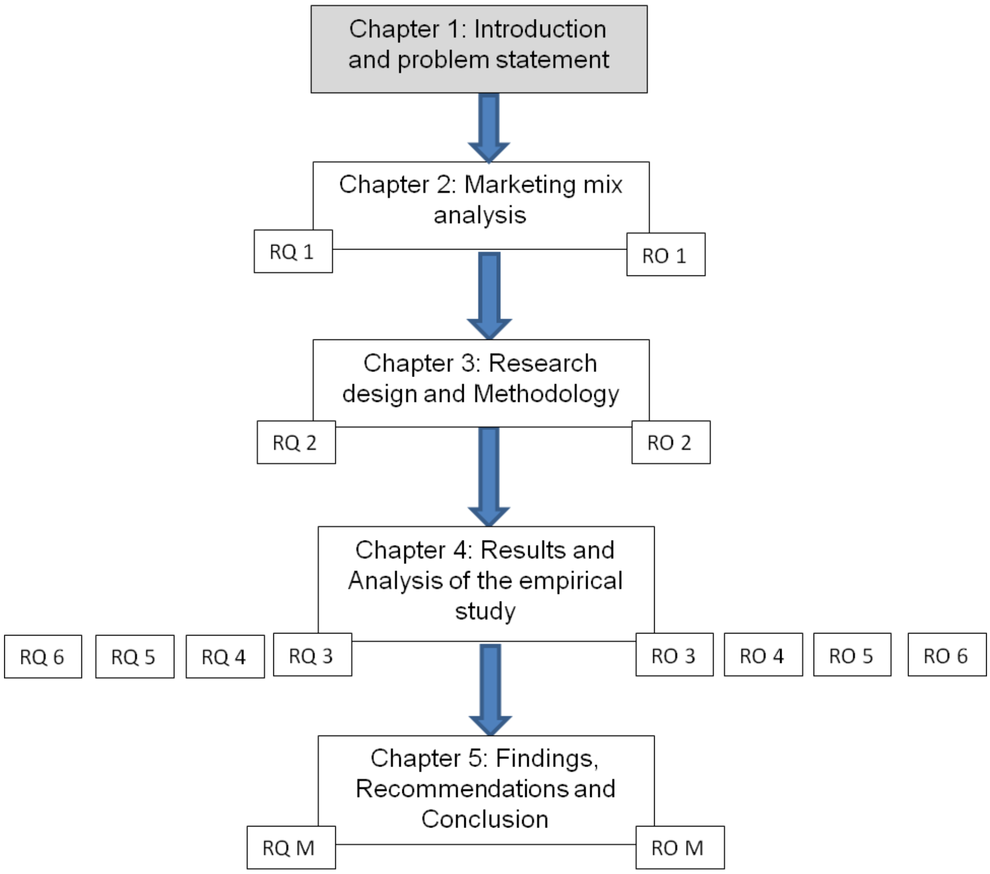

Figure 1.2 Chapter 1 RQs and ROs.

1.11 Summary

The researcher laid out the context of the area to be studied and highlighted the importance and necessity for the study. Key concepts, definitions and an overview of the research study were also introduced. Suggested research approach, data collection and data analysis which all form part of the research methodology have been discussed. Chapter 2 will address RQ_1 which states "What are the typical marketing mix elements used in on-and-off premise outlets?" The chapter will achieve the research objectives by performing a literature review in order to "Establish the elements of the marketing mix used in typical on-and-off trade liquor outlet" (RO_1).

2. CHAPTER 2: MARKETING MIX ANALYSIS (LITERATURE STUDY)

2.1 Introduction

In this chapter, a literature study will be performed to provide current and existing marketing practices and theories based on the four P's namely product, price, promotion and place, hereafter referred to as the marketing mix framework. Thereafter a further literature study will be performed in order to substantiate the proposed research in academic theory; identify and discuss the selected variables of the hypothesised conceptual framework or research focus as per figure 2.3.

This chapter will address research question one (RQ_1) which states "What are the marketing mix elements used in on-and-off premise outlets?" The objective of this chapter is to perform a literature review in order to establish the elements of the marketing mix used in typical on-and-off trade liquor outlet. This is referred to herein as research objective one (RO_1). An overview of the research questions (RQs) and research objectives (ROs) of this chapter can be seen in Figure 2.1. The chapter starts with a discussion on the marketing mix, otherwise referred herein as independent variables together with sub elements of these variables, the key consumer occasions, branding and the power of brands, variables that potentially drive purchasing and consumption and lastly a summary which concludes the chapter. An overview of this chapter can be seen in Figure 2.2 below.

According to Kustin (2010) globalisation has encouraged more interest in all aspects of the standardisation theory, including the four Ps (product, price, place [distribution] and promotion) of the marketing mix. There is extensive literature on the marketing mix and retailers. Distributors of liquor can optimise this mix to increase sales and gain a share of the market. Islam, Yang, Hu and Hsu (2013) argue that the marketing mix can be represented in the four P's model as the marketing encouragement tool in customer service activities in order to improve product and service flexibility. In today's competitive environment, product and service flexibility is critical for business success (Islam, et al., 2013).

Uchenna (2015) argues that if the marketing mix meets with customers' expectations and interests; the company's competitive position relative to competitors in the market will have an advantage and grow the company's profitability in the future. The view above is supported by Kustin's (2010) research; where the results show there is growing support for a strategy of standardising marketing mix components which contribute to an organisation's profit performance.

It becomes clear that it is imperative for companies that want to improve profitability using marketing as a strategic tool to understand and communicate their product and services to customers by optimising the marketing mix.

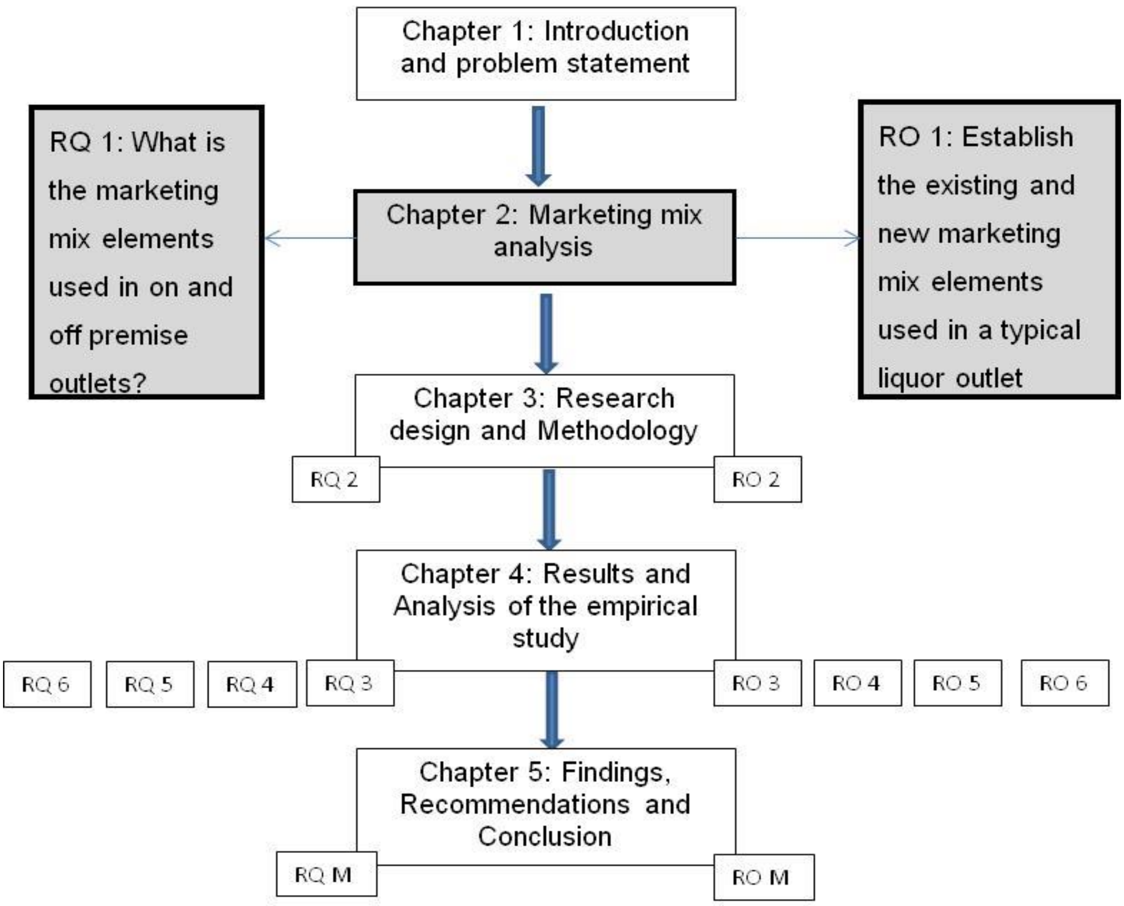

Figure 2.1 Chapter 2 RQs and ROs.

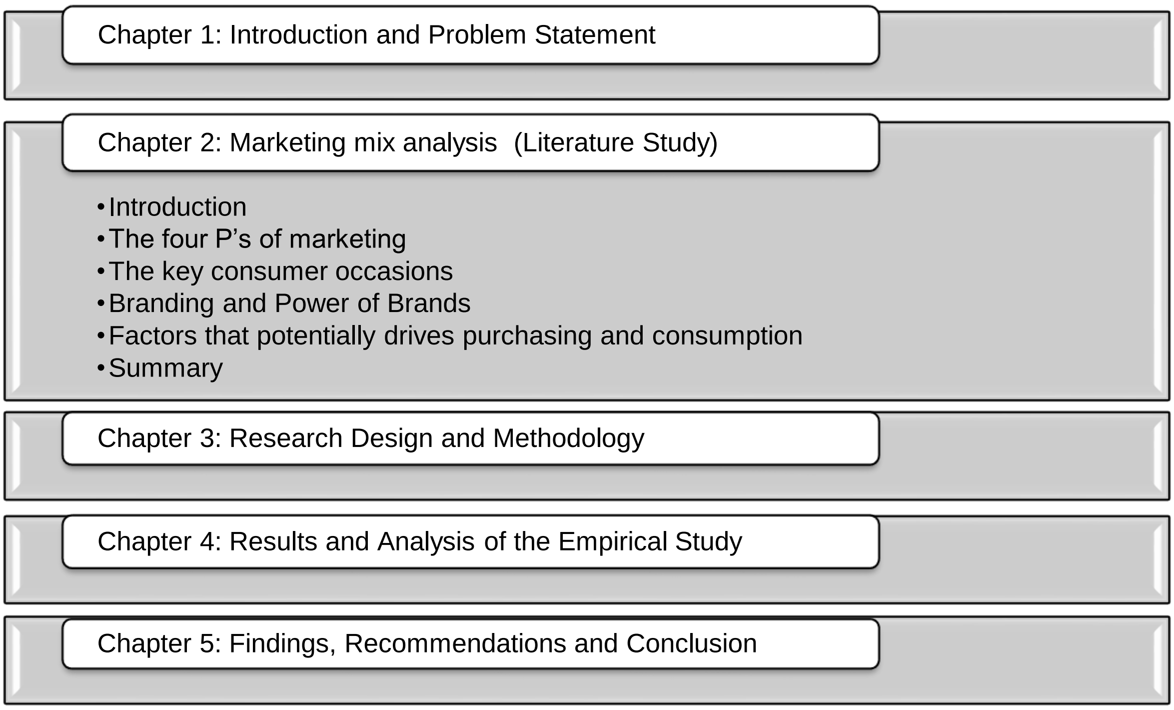

Figure 2.2 Overview of Chapter 2.

2.2 The four P’s of marketing

The marketing mix (i.e. product, price, promotion and place (distribution)) can be utilised to improve customer service quality in terms of reliability, tangibility, assurance, responsiveness and empathy (Islam, et al., 2013; Thompson et al., 2013; Van Heerde, Gijsenberg, Dekimpe and Steenkamp, 2013) especially during tough economic times where managers feel the need to make changes to their marketing mix. The analysis of the typical marketing mix will enable the pin-pointing of key decisions that need to be made when aiming to drive sales and influence consumer purchases in liquor outlets. Consumers have various touch points and unlimited needs that are always difficult to fulfill by just one variable within the marketing mix. With today’s technology and internet accessibility, consumers have access to more information than ever before; which makes it more and more challenging to use a gut feel or assume what worked in the past will work in future (Thompson et al., 2013).

The good news is that the future outlook of the liquor industry is positive within South Africa. BMI (2012) estimates the following growth trends within South Africa:

- Alcoholic drinks volume sales compounded annual growth rate (CAGR) to 2016: +3.69%
- Alcoholic drinks value sales CAGR to 2016: +9.40%
- Beer volume sales CAGR to 2016: +3.40%
- Beer value sales CAGR to 2016: +8.80%
- Wine volume sales CAGR to 2016: +5.65%
- Wine value sales CAGR to 2016: +11.17%
- Spirits volume sales CAGR to 2016: +2.94%
- Spirits value sales CAGR to 2016: +8.31%

BMI (2012) forecast a steady increase in both volume and value sales of alcoholic drinks in South Africa. Short-term sales will remain dependent on the wider economic situation, with consumer spending impacted by elevated unemployment levels, among other factors. On a positive note, marketing and advertising are well developed, as is the mass grocery retail (MGR) industry, which will continue to support the market's development. Per capita beer consumption will grow from about 65 litres in 2011 to about 78 litres by 2016 (BMI, 2012).

Kucuk (2009) states that generally, for business to gain consumer trust, consumers expect to get simple things such as the seller guarantee to attain their satisfaction before they purchase as well as delivery of such a product as promised. However Phau, Sequeira and Dix (2009) argue that consumer preferences toward a non-normative pattern changes based on the situation at hand. Therefore, the analysis of the marketing mix will provide some answers on what aspects of the marketing mix influence consumer purchases. The marketing principles such as the 4Ps namely product, price, placement, and promotion can be used as a one of various frameworks to define a social marketing campaign (Thompson et al., 2013). Price can be viewed as a statement of value, a reflection of costs or a marketing strategy. When applied in health campaigns, the first P, representing product is associated benefits and behaviour. The second P, price, contains target adopters' assumed costs and the obstacle they must defeat. The third P, place, typifies the location where the behaviour occurs and or facilitated. The fourth P, promotion, represents the method of communication to the target audience (Thompson et al., 2013). Traditional approaches to pricing have been either cost or market oriented.

In order to grasp the details of each marketing mix; sub-elements must be considered. Sub-elements that will be considered during the research will include design, packaging, life cycle, costs, quality relative to cost, elasticity and price increase, incentives, integrated marketing communication, word of mouth, availability, cold and ambient space. This is illustrated in table 2.1 below.

Independent Variable	**Sub elements**
Product	Design
	Packaging
	Life cycle
Price	Costs
	Quality relative to cost
	Elasticity and Price increase
Promotion	Incentives
	Integrated marketing communication
	Word of mouth
Place	Availability
	Cold space
	Ambient space

Table 2.1 Sub-elements of the independent variable.

The overall framework as illustrated in figure 2.3 indicates the variables that will be explored during the research. By understanding the marketing mix as independent variables in relation to consumer purchasing decisions, it could be possible to predict future purchasing patterns and trends in a liquor outlet.

2.3 Conceptual framework

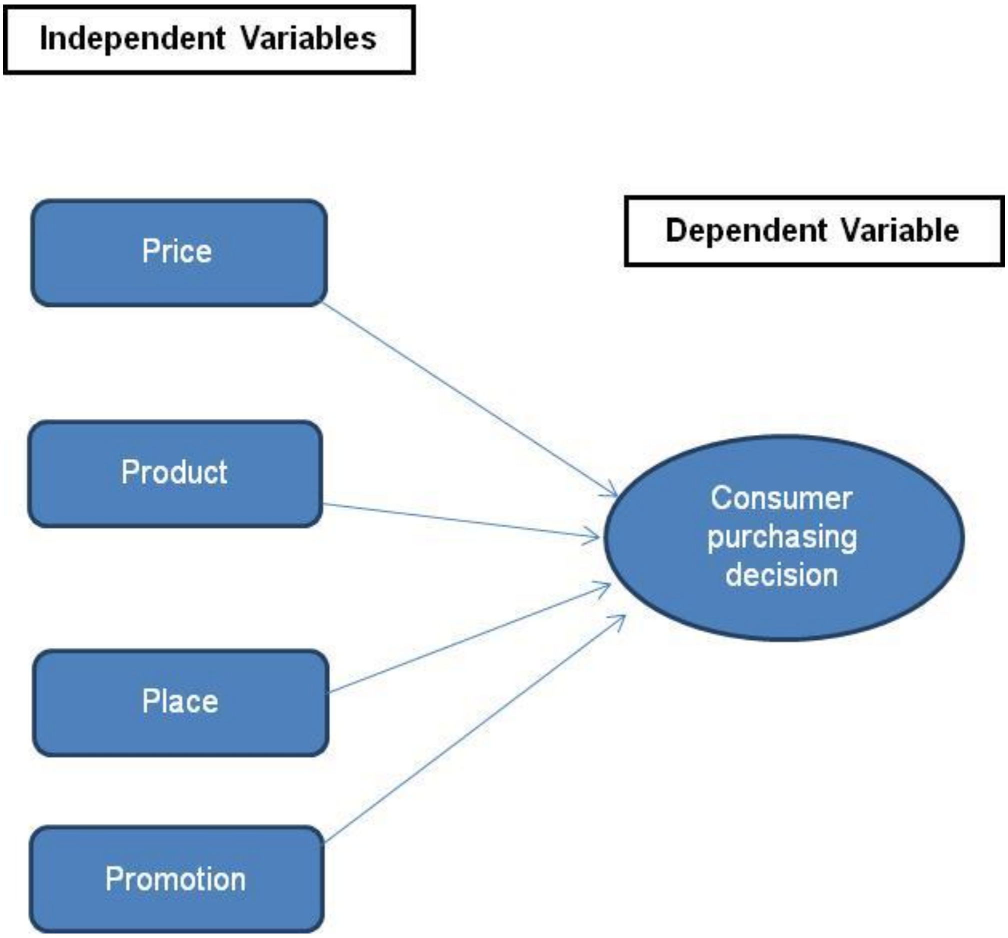

Figure 2.3 Conceptual framework.

For the purpose of this research, product will be any alcoholic beverage sold in a typical liquor outlet in both on-and-off premise. On-premise is defined as an outlet where consumers can purchase and consume alcoholic beverage within the outlet's premises in a social occasion. Such premises will include bars, restaurants, clubs and taverns (South African Breweries, 2015). Off-premise is defined as an outlet where consumers and shoppers can purchase alcoholic products for distribution purposes, at home consumption or other occasion as long it is not consumed within the outlet's premises. Such premises include bottle stores, counter service stores, self-service stores and redistributors (South African Breweries, 2015). Alcohol purchase, distribution and consumption may include the following key alcoholic beverages categories: beer category, wine category, spirits category, sorghum beer category, FABS (flavoured alcohol beverages) category. Following the work done by Unilever Institute and UCT (2005) the consumption of an alcoholic beverage is determined by the nature of the household and who is in it. SABInnovation Hub (2015, p. 8) suggest that "from a review and innovations entering the market in recent years, a number of subcategories are emerging, which we can learn from". The four main subcategories within wellbeing trends in terms of beer are: mid-strength alcohol by volume (ABV), low and no alcohol, raddlers/shandies and "free from" alcohol beverages (SABInnovation Hub, 2015).

The relationship is complex, but to summarise it: Beer is about gender; although many women drink beer, it is mainly a male drink whose success cuts across all cultures and wealth levels. Sorghum beer is about culture. It is mainly a male drink, but it struggles to find a market outside of its core market of traditional households. Flavoured Alcoholic Beverages (FABS) are about youth. They are drunk equally by young men and women and are present at all income levels and across cultures. Wine is about lifestyle. Although wine consumption is associated with wealth, it is more strongly a modern, urban, sophisticated drink (Unilever Institute and UCT, 2005). Drinking wine to enhance food, taste preference and relaxation were some of the common gender motivations. Motivations are different between males and females; for example females want to relax and socialise with friends over wine whereas males are more interested in discussing the technical aspects of wine and exhibiting knowledge (Thach, 2012).

During a shopping process, there are multiple category purchases being made and as a result, primary considerations within the shop occur at a category level with trade-offs being made across category (SABStrategic Insights, 2013). Table 2.2 indicates category choice and interactions where one can learn the purchase drivers and influencers.

	PURCHASE DRIVERS	INFLUENCERS
BEER	•Familiarity/ habitual choice • Value for money - affordable •Safe choice→ cross usage and broad appeal Refreshing •Low ABV •Sessionable •Moderate ABV - Control esp. Weekday	•Refrigeration → regardless of whether for immediate consumption or not •Trade off on specials→ bulk pricing specials •Occasion: Badge -> greater need for badge category i.e. whisky •Lack of availability→ change category over brand •Companion→ influence amount of beer purchased vs. other categories
WINE	•Perceived Variety of brands and varietals •More premium→ displays class and wealth • Value - case price & variety pack •For badge occasions → especially for Leading Ladies and Already Affluents	•Wine tastings→ experiential •Multipacks •Portability→ Box packs •Value add packs→ wine cooler+ brand wine glass
SPIRITS/ WHISKEY	•High ABV •More status than other categories •Special occasion → treat / celebration	•Value added packaging→ glassware •Limited/ collectors item •Price Specials • Experiential promotions i.e. tastings
CIDERS/ SPIRIT COOLERS	•Low ABV→ sessionablility •Cider is safe option→ cross usage→ male and female →Sociable drink •Refreshing→ not as bitter/ taste	•Refrigeration •Promotions→ price specials •value added benefits/ novelty items: bottle openers, lanyards → more active in this regard •Packaging→ attractive/ eye catching &novelty

Table 2.2 Category choice and Interaction adapted from (SABStrategic Insights, 2013).

Halliday and Brennan (2015) advise that this world is generating increasingly sophisticated consumers of brand meaning and co-creators of brand value. Every time a company fulfills the customer's needs and wants in a product, the level of customers' expectation also increases up a notch. Hence Kucuk (2009) refers to a commitment which aims to diminish the unknown for the shopper and consumer as well as delivering on that commitment is guaranteed to decrease frustration and increase trust.

The above brings various dynamics and complexities that the marketers need to address in order to fulfil what the consumers want, require and or need using the marketing mix as a framework. Based on the above complexities, it is not impossible to miss the fact that consumer requirements are changing constantly.

In the South African context as a developing country; a consumer's purchase choice can potentially be influenced by the sales push in various channels rather than the marketing push as outlet owners are trying to survive and bigger corporations are fighting for market share due to the state of the economy. Peterson and Ekici (2007), note that in such developing country contexts; (1) prices have increased as a result of poor distribution and high inflation; (2) retailing environments tend to be more harsh (3) advertising tends to have less of a marketing orientation and fulfils more of a selling orientation and (4) inconsistent product quality.

In light of the above, organisations are compelled to drive innovation and introduce new products to the market through various channels to ensure that they gain a share of the liquor beverage market as channel migration affects company profits through its impact on revenue and cost. It might be presumed that companies should grow multichannel buying. There are, however, other reasons why the multichannel customers and Internet loyal customers have high sales levels. Every reason has different business implications for the profitability of channel migration, so it is desirable to disentangle them. For example, internet buyers might not be keen to purchase more; rather, they might receive more marketing, leading to the appearance of a greater inclination to purchase (Ansari, Mela and Neslin, 2008).

Due to this fact, many organisations need to increase their production capabilities and competence to increase speed to create markets for new products. This could be defining the market leader versus market follower within the liquor beverage industry. These capabilities and competences could be required in the various sub-elements under product such as product design, packaging, look and feel, and stage of the life cycle of the product. In all three of these areas, marketers need to make tough decisions about each product. They need to decide the correct time to change design, the correct time to change the packaging as well when to do product extension.

Barenblatt (2005) makes the point that: the ever-present reality of product parity means it is no longer possible to create sufficient differentiation on product alone, now the intangible aspects will make the difference. Perhaps most organisations have noticed this and are including creating awareness about their product by using social media campaigns. Thompson, et al., (2012) recommend that marketing principles such as the 4Ps can be used to define a social marketing campaign. Barenblatt (2005:14) notes that; “it appears that the ‘product’ element of the marketing mix is under fire. Once it was possible to launch a new product, steadily gain market share and happy customers, and make a mint”.

Considering the points of Barenblatt (2005); Thompson, et al.,(2012); Peterson and Ekici, (2007) it can be argued that smaller companies that are launching or intend to launch new products are facing a big task of getting their products on the shelves and in the fridges as bigger competitors have the marketing muscle to ensure that their products are well known, available, are priced competitively and possibly optimise the marketing mix to gain consumers’ attention and favourable perception.

According to Barenblatt (2005) after all, when you come right down to it, marketing is not a fight of products; it is a fight of perceptions. When you talk about a product that can be found on a retailer’s shelves you refer to a tangible thing. However, the reality is that a product is much more than just a physical object. Ampuero and Vila (2006) make the point that an activity of creating a brand offer is painted in the minds of consumers by taking into account total market offerings. This requires a detailed analysis of consumer product appreciation to obtain a distinctive brand position. Figure 2.4 below illustrates the relationship between product which is discussed above and its sub-elements; where product is shown as an independent variable whilst packaging, design and life cycle are sub-elements. Each sub-element is discussed further below and separately in the next few paragraphs.

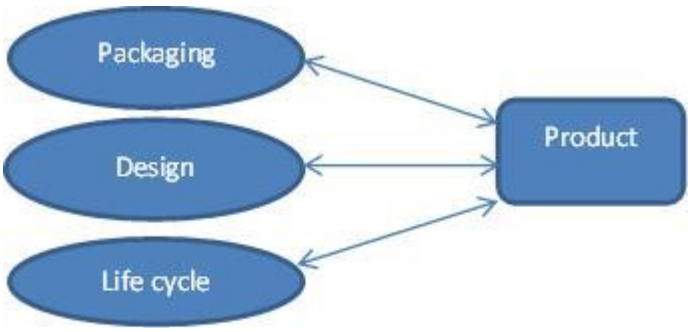

Figure 2.4 Sub-elements of product.

2.4.1 Packaging

Packaging's industrial revolution played a key role in the development of modern marketing as seen in the current century (Twede, 2012). There is an increased awareness amongst marketing professionals regarding product packaging role in differentiation strategies, particularly for uniform, perishable goods (Ampuero and Vila, 2006). Consumers have indicated a well-balanced appreciation towards product - packaging strategies, so one can come to a conclusion that opinions as to what a particular packaging exactly means exist. So the general view should direct packaging designers to satisfactorily meet consumers' expectations and demands.

Mass production of bottles, cans and cartons collectively became building blocks for mass markets (Twede, 2012). This includes for example, the following: extensive symbols on various packages, extensive use of logos and products accessories; event sponsorships; brochures and catalogues that show how beverages are offered by means of food pairing; offering multiple services such as telephone ordering services and home-delivery. Other examples could include but are not limited to offering product promotions with purchases; advertising in newspapers, inserts in newspapers, billboards, journals, transit vehicles, transit shelters, on radio and television (Giesbrecht and Esa, 2012). All of these can be used as part of the 360 marketing campaign. Packaging can be used for advertising, product information and third party information (Patti and Chen, 2009).

2.4.2 Design

Cost competition forces brand-owning companies and supply chain members to ensure that their product design is competitive (Shen and Yu, 2013). Product protection, containment, aesthetics and information provision are the primary requirements influencing packaging design. Marketing managers could benefit considerably from understanding the principles of designing, selecting and modifying logos (Cesar, Machado, De Carvalho, Torres, Costa, 2015). Brand-owning companies often require their own production divisions and outsourcing partners to reduce prices periodically in order to increase their own sales and maintain competitiveness (Shen and Yu, 2013). Cesar et al.,'s (2015) research argue that a systematic research has to be undertaken to examine the effect of design on affective response toward the brand. Design appeal may vary from all different alcohol categories for example the ready to drink (RTD) alcohol may appeal to consumers differently compared to craft products. Previous research proved that attractive design, taste, packaging, low price and alcohol content of products have contributed to the rates of alcohol consumption by young people in Australia and internationally (Jones and Barrie, 2011).

2.4.3 Life Cycle

A life cycle is described as a pattern of a product's turnover over a period (Eger and Drukker, 2010). Product life cycle's descriptive nature and its quantitative nature make it have severe practical limitations although it has become a pivotal concept in marketing and product development. The pattern of the product life cycle highlights the most likely growth and decline based on the units sold, from inception to extinction, however; it highlights very little about the qualitative changes that each product went through at each phase over a period. This makes it difficult to predict the nature of a product's renewal (Eger and Drukker, 2010; Ataman, Van Heerde and Mela, 2010).

Shen and Yu (2013) argue that rapidly changing consumer demands require companies to continuously launch new products. The demand results to shortened product life cycles which are also lowering profit margins for companies that create and sell new products. According to Branch (2008) a product life cycle stage and country specific competitive circumstances may result to similarly pricing objectives variance.

2.5 Price

In-store marketing, impact of price, radio advertising and television advertising can work in tandem to increase brand sales (Harvey et al., 2012). This is a critical insight for marketers as it will assist them to arrive at correct decisions on how to position their price laddering relative to their competitors. A key element of the marketing mix, particularly when targeting young people and low income earners, is mainly price.

Sufficient evidence exists to support that there is a direct relationship between low alcohol prices and increased consumption among young people ages 21–24 (Jones and Barrie, 2011). This can be achieved by using different marketing pricing strategies that taking the environmental factors of markets. For example; every organisation should establish the competitive market, market costs, the availability and other environmental dimensions (Zaribaf, 2008).

Research by Stockwell, Zhao, Giesbrecht, Macdonald, Thomas and Wettlaufer (2012) found that a price increase in alcohol beverages was notably associated with a decrease in total alcohol consumption. This means that companies need marketing pricing strategies to make products more appealing to consumers. The effect of sizes was mostly higher for alcohol bought from liquor stores compared to on-premise outlets, such as bars, taverns, restaurants and clubs (Stockwell et al., 2012).

Concurrent application of pricing management, in-store display and television advertising maximises a more favourable impact on brand sales and in routine problem solving (Harvey et al., 2012; Stockwell et al., 2012). Brand image and price are separated in the buyer’s mind and price is operating independently from brand image (Harvey, et al., 2012). Zaribaf's (2008) research, however, found that among the four in the marketing mix, product, distributing channels, promotion and price, only price creates income and the other three generate costs. Price plays a major competitive advantage role as a strategic factor in the market, besides creating income.

Furthermore, pricing should not be seen as only a score card; the stronger the organisation marketing, the more the profit will increase in future. Pricing is also a potent element of the marketing mix. Price can affect the way customers behave as it is perceived as being the single largest indicator of value. Price will impact on consumers and customers’ perceptions of the organisation’s offering versus that of the competition (Zaribaf, 2008; Thach, 2013).

Yoo, Donthu and Lee (2000) note that to differentiate a product; price has been applied as a key tool in product positioning. Manufacturers and marketers need to take care when they make their pricing decisions as consumers may have a perception that low price was achieved by compromising product quality through cost savings to maintain profit margins. Yoo, et al. (2000) offer that wherever an opportunity presents itself, managers must not opt for price cuts frequently or adopt EDLP (everyday low price) as this could result in consumers perceiving that the product is of lower quality and this may ultimately impact product image. This advice has certain implications for managers and retailers alike as everyday low price can be a way to attract consumers and outperform competitors. It is important to note that there are further implications for marketing managers in building the value of the brand which requires them to maintain certain price levels.

Figure 2.5 below illustrates the relationship between price, which is discussed above, and its sub-elements; where price is shown as an independent variable whilst cost, quality, price increase and elasticity are sub-elements. Each sub-element is discussed further below and separately in the next few paragraphs.

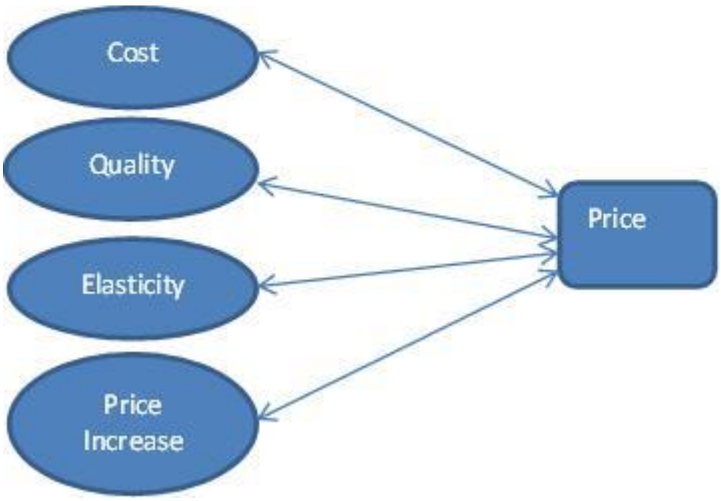

Figure 2.5 Sub-elements of price.

2.5.1 Cost

Economic theory relates pricing to cost, competition and elasticity (Hirschey, 2009). Therefore it is important for marketers to be aware that when fixed costs are high, the profitable stage in the adoption life cycle (as discussed under the pricing section) comes only when majority adopters, who tend to adopt to meet different needs better than early adopters take on the new service or product (Gilbert, Sangwan and Ian, 2005).

For retailers, it is import to note that convenience and cost reduction are two of the most important attractions of e-shopping, for example; a reduction of search costs when the consumer is under time pressure (Dennis and Merrilees, 2009). For manufacturers and distributing firms, it is important to note that cutting or reducing costs should be followed by investing in new product development, business expansion and brand building (Meer, 2005).

There are various marketing initiatives that outlet owners and alcohol suppliers can adopt to reduce costs in order to achieve competitive price. For an example; beneficial advantages of social networking for organisations include reduced marketing costs and personnel costs. In tough economic times, some organisations try to establish methods to reduce expenses and using social networking sites are some of the methods they adopt to market their businesses and obtain cost reduction (Ramsaran-Fowdar and Fowdar, 2013). Communication costs have reduced drastically since the introduction of social networking sites, creating opportunities for organisations to communicate consistently, directly and quickly with millions of individual consumers and customers (Ramsaran-Fowdar and Fowdar, 2013).

2.5.2 Quality

Yoo, et al., (2000) conclude that when consumers strongly relate price to the quality of the product, brand equity may decrease. Yet Dimitrova and Rosenbloom (2010) argue that there is a trend worldwide that consumers are increasingly looking for high-quality products at a low price. Uniform marketing-mix strategies can be easily applied across global markets due to this trend. Whatever competitive strategy an organisation may choose to adopt; the quality and price correlation needs to be well balanced. Kumcu and McClure (2003) on the other hand recommend that by educating consumers and allaying their uncertainties about product quality, product promotions and demonstrations or product sampling can grow consumer demand. Providing customers with individualised promotions of product quality is not a costless activity. It is an activity that raises the seller's marginal cost (Kumcu and McClure, 2003).

2.5.3 Elasticity

According to Harvey et al., (2012) price elasticity is decreased during convincing communications, establishing aprreciation and buying in brand value. Van Heerde et al.,'s (2013) research findings show that although the long term elasticities change with business cycle, short-term price and advertising elasticities do not. The long-term price sensitivity reduces during expansions, whereas it increases during economic downturns. Contractions also make the long-term competitive price effects stronger. The long-term advertising elasticity, in turn, becomes stronger during economic expansions. These findings have some implications for marketers as they choose what price strategies they need to consider thoroughly prior to making pricing decisions (Heerde et al., 2013).

This view is supported by Ataman, Van Heerde and Mela's (2010) research findings where they found that: first, there is a short term sales spike when you discount products and apply all aspects of marketing mix. Second, in the long run base sales are affected negatively by discounts whilst they are positively affected by advertising. Therefore discounting should only be used for tactical purposes to create spikes in sales and not as a strategic marketing tool in the long term. Constant price elasticities are reduced by distribution and discounting, but they are expanded by line length and advertising. Consumers may potentially shop across stores as a result of a negative effect of distribution on price elasticity (Ataman, et al., 2010).

2.5.4 Price Increase

Pre-price increase sales surge is normally noted by most marketers, distributors and most companies who are introducing a price increase. Although each normally looks at the price ladders to determine appropriate price increase relative to its rivalry in each category, a firm with biggest power, highest market share usually leads when it comes to price increase (Giulietti, 2007). The ultimate objective of marketing strategies is to establish a price that would resonate with customer appreciation without increasing company costs. Most purchase decisions are swayed by the consumer's personal reference price comparatively to the market price and it is not unusual to find that higher retail price being charged are for those products which have low turnover and therefore imply increased costly inventory management (Zaribaf, 2008; Giulietti, 2007). Considering these views most companies need to keep the customer's perception in mind, competitive pricing and location of consumers. Zaribaf (2008) continues to argue that a firm would usually adjust price up or down regarding the value that a customer is willing to pay for service and or product, recover costs and provide profit margin.

Consumers are diverse in both their transaction-type and brand preferences. Marketers need to be aware of this when deciding on their choice of pricing strategy. Second, consumers' relative sensitivity to various pricing instruments such as reduced monthly payments, cash and cash discounts differ in their overall price sensitivity. Having these various options also presents an opportunity for retailers to offer various consumers various pricing instruments when they purchase at their respective outlets. Third, a variety of pricing options offered to consumers in the outlets are the most effective pricing programs (Silva-Risso and Ionova, 2008).

2.6 Promotion

Promotion is increasingly more often seen as communication, i.e. an integrated marketing communication (Mirchevska and Filkov, 2014). Promotion, especially when understood in its broader sense as an integrated marketing communication process and includes many other activities; it is critical to get it right in marketing. All activities undertaken by one entity with the purpose of making its products or services known to the market, or for the purpose of selling them (Mirchevska and Filkov, 2014). This means that marketers can use promotions to form part of their 360 degree integrated marketing communications (IMC) to reach a wider audience and or various target markets by using various platforms such as radio, TV, print media and or social networks.

Thompson, et al., (2012) argue that social media is seen as effective to drive key messages or interactive campaign components on line when executing campaigns to address college student high-risk drinking. Whereas Harvey, et al. (2012) argue that the marketing and advertising communities, historically, have understood the effectiveness of above the line advertising and its relationship to in-store marketing tactics through small-market research or marketing-mix modelling. This results in important implications for most retailers and marketers that want to use online marketing or interactive campaigns, advertising through television and in store promotions. These implications will be received differently by various consumers (Harvey, et al. 2012).

There is a perception by most marketers that promotion has a short-term benefit and no long-term effect (Harvey, et al. 2012). Most shoppers can be affected in the way they think by promotions in broad sheet or retailer's printed material, particularly if there is some creativity in the promotion. The influence made on a shopper's mind can be as lasting as any other conscious or subconscious influence made on the human mind (Harvey, et al., 2012). A manufacturer's push promotions describe the activities it uses to secure the involvement of its channel members in the promotion of its products (Young and Merritt, 2013). Figure 2.6 below illustrates the relationship between promotion which is discussed above and its sub-elements; where promotion is shown as an independent variable whilst incentives, word of mouth and integrated marketing communications are sub-elements. Each sub-element is discussed further below and separately in the next few paragraphs.

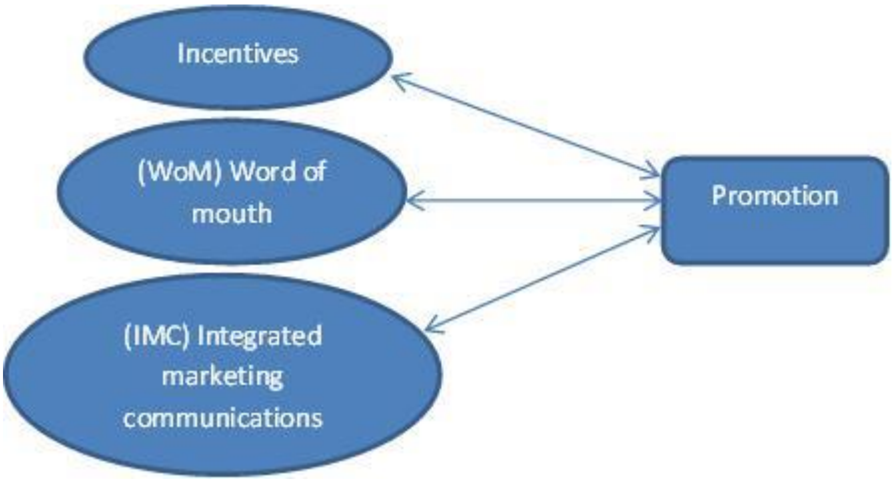

Figure 2.6 Sub-elements of promotion.

2.6.1 Incentives

Chan, Lin and Bodhi's (2014) research indicates that providing incentives to beneficiaries raises the compelling effect of referrals for inexpensive products. When the attitude toward the products does not differ significantly between the incentive types, an alternative method of promoting expensive products is raising the flexibility of consumer choice. Wherever the incentives are offered, there is more likelihood that consumers who will usually be prompted to purchasing inexpensive products will spend more time researching these products, thereby increasing the likelihood of appreciation (Chan, Lin and Bodhi, 2014).

2.6.2 Word of mouth (WOM)

Word of mouth is the impact of someone's informal views about brands and products deduced from consumption experiences (Sandes and Urdan, 2013). Day-to-day WOM refers to negative and or positive informal communication and evaluative communication between at least two conversational participants about characteristics of a product, item, brand, service and or company which could take place online or offline. On the other hand, institutional WOM refers to WOM communication where the corporate affiliation or institutional identity of at least the object of WOM may be a product or one participant that may be salient or a service that is part of a word of mouth marketing campaign (Carl and Noland, 2008).

Word of mouth marketing has gained credibility due to the increased number of people that use internet and social media to communicate. Theoretical research involving organised word-of-mouth marketing, brand-related and or product WOM often takes place within a marketing frame or business (Carl and Noland, 2008).

Word of Mouth Communication (WOMC) is a notable source of consumer experience, interpersonal information, an inexpensive marketing tool for service providers and is one of the authoritative personal information sources shaping consumers' preferences after the early stage of the consumer purchase cycle (Patti and Chen, 2009).

Retailers will benefit immensely from the opinion leaders and from visiting their webpages or through referrals. Positive reviews by opinion leaders could fast track online purchases or in store purchases. It is expected that organisations should afford a platform where influential leaders register their opinions regarding products and services of interest to the target market (Cole, Long, Chiagouris and Gopalakrishna, 2011). Marketing programs can be designed through analysing the repurchase patterns of the loyal customers. For example, most organisations retain their existing customer base whilst running a member-get-member (MGM) referral programs to attract new members such as receivers of WOM (Chan, Lin and Bodhi, 2014).

2.6.3 Integrated marketing communication (IMC)

In an IMC program that is designed correctly, personal selling as well as web-based programs are meant to be tools that work together to drive sales growth. It can be seen that more and more companies are coming to this realisation (Katalinic, 2011). Since the mid-1990's IMC as a concept has come to the fore and attracted substantial attention in the literature (Porcu, Kitchen and Barrio-Garcia, 2012)

Porcu, Kitchen and Barrio-Garcia (2012) define Integrated Marketing Communication as the process of developing and implementing various forms of persuasive communication programs with customers and prospects over time. Porcu, Kitchen and Barrio-Garcia (2012:322) state “The goal of IMC is to influence or directly affect the behavior of the selected communication audience. In sum the IMC process starts with the customer or prospect and then works back to determine and define the forms and methods through which persuasive communication programs should be developed”.

Noguti and Russell (2014) recommend that policymakers and consumer advocates must track the impact that media and advertising have on young consumers and others. They must specifically monitor and track attempts that focus on changing consumer perceptions. The marketing mix is proven to be useful for many marketers to drive various commercial campaigns and social campaigns (Thompson et al., 2013). This view is supported by Ailawadi, Lehmann and Neslin (2001) where they argue for the average packaged goods brand, promotion has a stronger, direct impact on share than advertising. To achieve consistency, it is imperative to strategically synchronise and integrate communications in all of different promotional mix elements (Chen, 2011).

Category demand is supported by large amounts of money spent on sales promotions and advertising. If this did not exist, retailers’ private labels would lose the free ride they enjoy. Retailers will further benefit once they start to seriously think what managerial objectives slotting fees are expected to play beyond testing the limits of what suppliers are willing to pay (Achrol, 2012). The slotting fees or payment for space should be reinvested into promotions by the retailers in order to stimulate growth and drive an increase in sales. The findings in the study by Kustin, (2010) suggest that a marketing program is directly correlated to a lesser extent to process standardisation in global-markets’ profit performance. This means that marketers need to combine the cost of advertising and in-store promotion to get the consumers’ attention.

2.7 Place

Place (distribution), as part of the marketing mix, is key in the decision making of any company which needs to deliver a product or service to the end consumer. The proliferation of product placements is inevitable, simply because it offers consumers variety (Banyte, Gudonaviciene and Grubys, 2011; Bell, 2000). As an integral part of the company channel strategy, distribution needs to be adopted as a strategy. Capabilities to make the products available to consumers may need to be adapted to ensure that the marketing function can make this possible. (Dimitrova and Rosenbloom, 2010). For retailers and distributors of alcoholic products it is critical to look at the distribution from both on-and-off premises point of view to ensure that it remains efficient.

Consumers are spoilt for choice. As a result modem consumer expectations are mostly clear, consumers look for benefits and have a set of perceptions. The gap between the consumer and the manufacturer may result in irremediable damage for companies. Moreover, new marketing channel trends are observed in the world. The concise nature of channel formation and replacement of traditional marketing channels with internet marketing channels means that consumers are constantly exposed to different marketing material (Banyte, et al., 2011). Convenient ways of purchasing products and getting a service, regardless of time or day of the week, saves time for consumers (Banyte, et al., 2011). Considerable effort and high investments are needed as a result of the above statements. To assist these efforts and investments an organisation will need a highly effective distribution network so that it can gain competitive advantage in relation to its competitors. In South Africa most companies are building their own distribution centres and / or depots for this very reason.

According to Dimitrova and Rosenbloom (2010), three key fundamental facts or forces in global markets (distributive institution rigidity, culturally distant distribution behaviour and international functional fragmentation) impede an organisation’s ability to standardise channel strategy in global markets to a greater degree than is the case for price, product and promotional strategies. This view is supported by Yoo, et al., (2000) where they found that distribution strength is also highly correlated to brand equity. However, a strong distribution system does not necessarily give an automatic right to selling through poorly managed stores with a bad image. Customers, consumers and shoppers will be satisfied when product availability results to convenience, service accessibility, speedy service and time savings. Even for premium product where marketing managers usually use a limited number of vendors, this is still applicable (Yoo, et al.,2000).

Nonetheless, such a role of distribution strength might seem invalid because of the fit between distribution strength and product type. Strong distribution supports convenience goods, whereas selective distribution supports shopping or specialty goods (Yoo, et al., 2000). A different perceptive is noted by Dimitrova and Rosenbloom (2010) where they discovered that inflexible distributive institution is aggravated by consumer patterns of shopping behaviour in different countries. A study by Kanteres, Lachenmeier and Rehm (2009) found that typical on-premises outlets have a capacity in the range of 20–30 individuals. Drinkers tended to stay on the premises and consume their alcohol.

Figure 2.7 below illustrates the relationship between place which is discussed above and its sub-elements; where place is shown as an independent variable whilst availability, refrigeration and ambient space are sub-elements. Each sub-element is discussed further below and separately in the next few paragraphs.

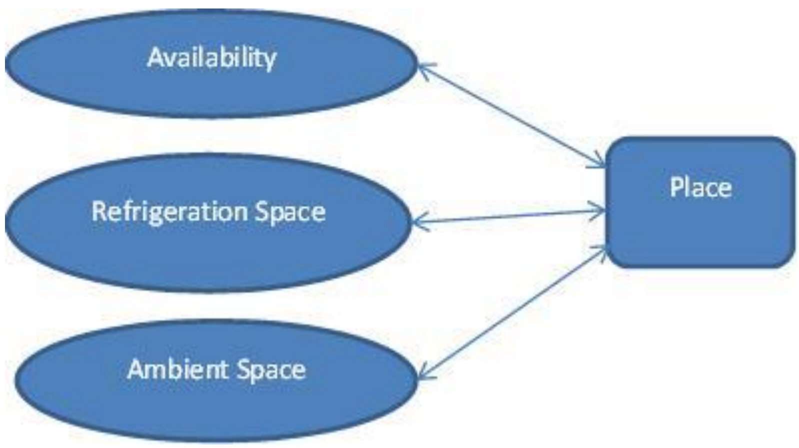

Figure 2.7 Sub-elements of place.

2.7.1 Availability

For many consumers, the importance of availability increases as shopping frequency decreases. If the desired product line (particular size and variety) is not available, it will not be available until the next shopping occasion. The opportunity to respond to non-availability (or perceived excessive price levels) is greater with ease of access to alternative stores and with increased shopping frequency (Bell, 2000).

2.7.2 Refrigeration space

Beer can be chilled for longer due to the latest technology designs and packaging innovations (Beirne, 2006). Overseas companies such as Coors Brewing build strong marketing campaigns based on the message of cold and this resonates with the consumers. A simple campaign such as "Taste the cold" position with new packaging designed to literally take the chill beyond traditional marketing as a result this drove sales for Coors Brewing (Beirne, 2006).

Mullman (2009) notes that Coors Light had the frost-lined can and cold-activated bottle which increased its growth within the United States market. A successful brand that was built on the cold message such as Coors Light started by setting up cooler boxes, cold trains and by first talking about its cold-filtered brewing process. Consumers voted with their wallets as Coors Light experienced double digit growth (Mullman, 2009).

2.7.3 Ambient space

Consumers and shoppers often enjoy a shopping experience and normally look for their preferred brands and packs in an outlet. Naturally, due to this, retailers have a clear premium space in areas such as consumer path ways where they can often charge fees space. Achrol (2012) argues that, listing fees, slotting fees, paying for shelf space and related discounts are essential but are controversial mechanisms for obtaining shelf space in marketing channels for consumer packaged goods. Ambient space trade agreements between suppliers and retailers can include tradeoffs and synergies for consumer promotions, supplier advertising, product innovation, direct store deliveries, consignment stock selling and or guaranteed margins (Achrol, 2012).

2.8 The key consumer occasions

Thach (2012) suggests that wine marketing researchers have identified a variety of factors that influence wine consumption. The occasions are possibly the same for beer consumption and or for most of the alcoholic beverages in the industry and therefore will be used in this study as a reference point going forward. A key differentiator is occasion, or situation. Thach (2012) reveals that an analysis of previous studies shows that eight common liquor occasions can be derived: (1) liquor with meal at home, (2) liquor with meal in restaurant, (3) liquor with meal in casual setting, e.g. Barbeque (BBQ), Picnic, (4) liquor for a special occasion/celebration, (5) liquor alone to relax, (6) liquor at a tavern, restaurant, club or bar and (7) liquor in at various types of events. These will be used as a point of reference for this research. It also worth to note that these occasions could either be mixed gender or single gender occasions.

On the other hand, research by Ignite Research (2013) on behalf of SAB reveals that the key occasions in the South African market context can be classified as wind-up occasions and wind-down occasions. Wind-down occasions are associated with relaxing or chilling which is more likely to be at home. Wind-up occasions are associated with getting the party started or rev-up which is more likely to be out of home. Considering the statements above; it will be important for marketers and outlet owners alike to understand the ultimate path to purchase for each of these occasions. This understanding hopefully results in higher traffic of consumers and or shoppers purchasing their products and or brands.

Most consumers that are not involved in product development and or self-production rely on businesses to provide the goods and services they want. Such consumers want shopping or often search for shopping experiences that are satisfactory and will meet their needs. Such experiences cannot be disentangled from the products sought by consumers. Most consumers in highly competitive markets, would seek quality goods and would insist on an accompanying shopping experience that is pleasing (Peterson and Ekici, 2007). This brings a few questions to mind such as; Are consumers shopping for home consumption occasions? Are the purchased products for self-consumption or for consumption by others? Whatever the answers to those questions; there are secondary questions such as; what is the occasion on which they will be consuming? What are the different items they will be purchasing for different occasions? Are the items the same when it is for self, as compared to for someone else? Do brands purchased matter when it is for self or others?

Over and above the eight occasions and the shopping mentioned above, there is trendspotting. According to Du and Kamakura (2012) consumer interests, tendencies and behaviour must be tracked; this can be done by using marketing intelligence such as trendspotting. Trendspotting includes monitoring shifts or signs in consumers' wants and needs through qualitative analysis, searching online and / or by monitoring individual indicators (Du and Kamakura, 2012). Well-researched information on the above will give marketers great insights that can inform their decision making. SABStrategic Insights (2013) note that there are occasion specific and general pantry-stock-up purchases. Occasion specific includes a badge occasion, everyday occasion, gift purchase and emergency supply. General pantry stock-up includes bulk pantry stock-up (long term) and Weekly top up (short term). One can imagine that social media is probably used a platform to share brand experience at these occasions.

This platform is provided by the technology that everyone enjoys today; and that is the power of social media and how it plays a big role to influence the occasions. Du and Kamakura (2012) noted that to keep fingers on the pulse of consumers, market sensing has traditionally involved tracking and analysing a few vital marketplace indicators. With the boom in the use of search engines, electronic transactions and use of social media such as facebook, twitter, blogs and so on by many consumers, there is an abundance of indicators that can give insights that can be used as marketing intelligence in a way that was not possible before (Du and Kamakura, 2012).

The view above is support by a study by Lim and Heinrichs (2014) where they conclude that the firm's various social media sites provide opportunities for prospects and customers to participate online and then to interact and engage with other individuals and the firm. During this interaction and participation, the users evaluate the social media sites potentially leading to continued usage of that particular social media site (Lim and Heinrichs, 2014).

Knowing occasions in isolation will possibly not be enough to drive consumers and shoppers along the path to purchase. That knowledge must be supported by understanding and some knowledge of consumer touch points. This will allow marketers to direct their marketing efforts to connect with consumers based on what they like. Figure 2.8 below indicates the typical passions points and drivers for a South African consumer. It can be learned from these passion points that consumers are driven by various factors.

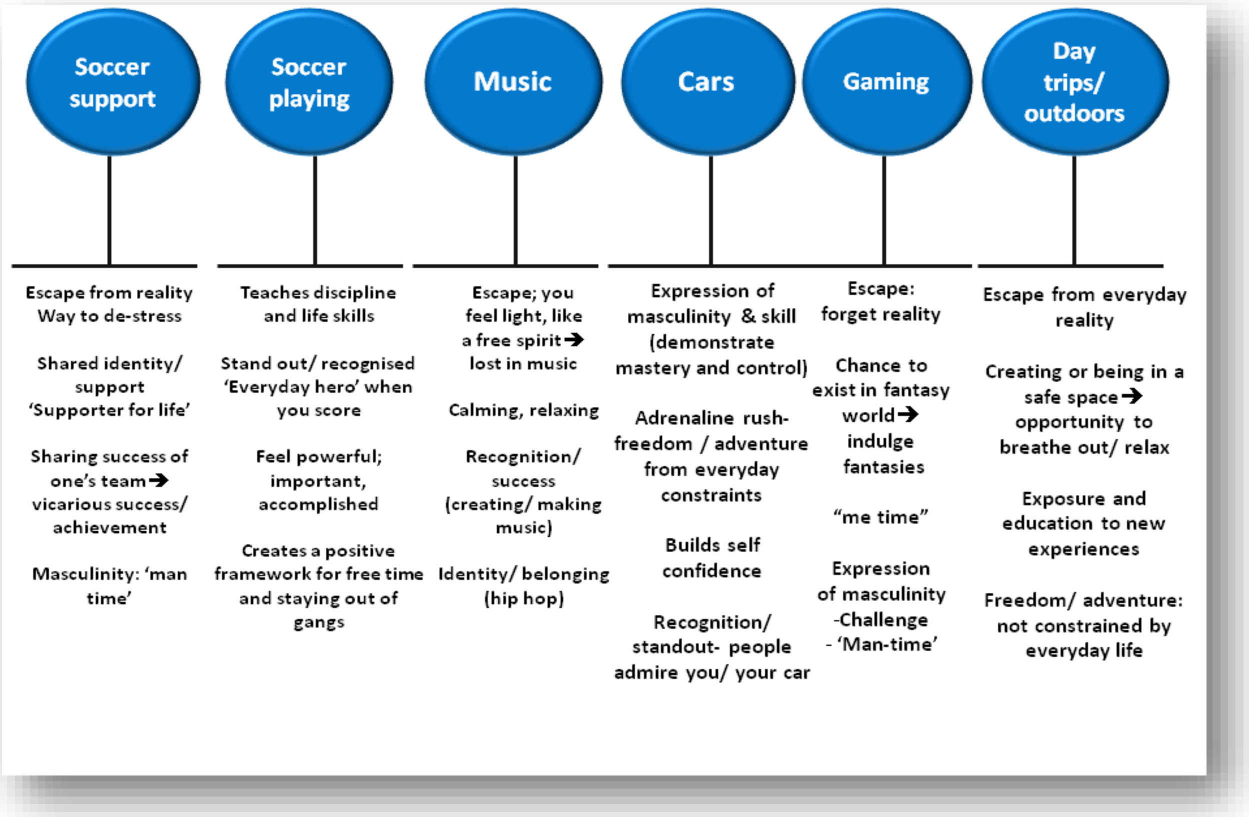

Figure 2.8 Passion points and drivers adapted from Ignite Research (2013).

Desai and Hoyer (2000) make the following argument that should be noted by marketers and retailers: consumers have the ability to keep and withdraw items associated with distinctive occasions and preferences compared to general goals or general situations. Hence, for a product or service to be relevant and resonate with a most-often occasion, with high frequency, its association with the occasion should be enhanced because items strongly associated with the occasion are directly withdrawn. In variation, the occasion goals satisfying ability of a product should be emphasised for that product to remain or enter the set of a low-frequency occasion. The general practice of associating the product with a generic goal in such occasions (for example; when thirsty, drink beer for its refreshing nature) may not result in the retrieval of the product because its association with the occasion goal may not have been established. This argument also applies to location goals and generic goals (Desai and Hoyer, 2000).

2.9 Branding and Power of Brands

Consumers identify and associate with brands as consumers move beyond mere product usefulness. The higher the brand associations in the product, the more it will be remembered by the consumer and they will be loyal towards the brand (Burns, Dato-on and Manolis, 2015; Phau, Sequeira and Dix, 2009). This is very important to note for retailers, marketers and producers as it can either build or destroy various brands.

Recognition of a brand is key and could result in association, identification and ultimately sales and profitability. In today’s market, social media create brand awareness amongst consumers. This awareness can impact brand awareness positively or negatively especially among younger consumers. Most awareness is easily solicited about product or brand in the social media. In this platform, consumers can clearly recognise the specific products or brands in comparison with alternative products or brands and know how they look and their characteristics (Burns, Dato-on and Manolis, 2015). Nowadays, consumers want to have an input in developing new services and products especially with organisations to which they feel loyal. In addition, consumers will demand that the organisation shift from broadcasting and selling to listening, servicing and collaborating with them. Interactions such as brand mass customisation, self-generated, self-empowering will create brand value of which will be accompanied by sustainability, transparency and social responsibility (Danciu, 2013; Carah, Brodmerkel and Hernandez, 2014).

Koubaa (2015) discovered that in order to respond by a relevant marketing mix, one needs to take a particular interest in how consumers appreciate product and or brand cues. Country and brand images are some of the cues proven to have significant impact on consumer behaviour. Burns, Dato-on and Manolis (2015) add to this discovery by expressing that; input regarding the effects of brand awareness, loyalty, image, brand association and equity among young consumers would assist marketing practitioners to come up with strategies to improve their brand equity in order to achieve business sustainability and competitive advantage, especially among younger consumer markets.

Marketing practitioners and brand managers need to take into account their potential impact on brand equity when they make marketing-related decisions and take marketing actions. Investments in brands and brand names should be directed to improving the reputation and image of the brand name, brand loyalty and perceived quality (Yoo, Donthu and Lee, 2000). Brand strength, customer retention, revenue maximization, value creation can be provided by a complex set of marketing tools. Pricing is a powerful lever that can increase proactive demand to increase profit margins although in some instances pricing as a strategy is reactive and not proactive (PWC, 2012).

Most companies are aware that brand managers can no longer retain control of the brand reputation or even identity. With the increase in internet access, consumers are increasingly becoming sophisticated about brand meaning and are becoming co-creators of brand value. This implies that firms must change their approach with changing times. This is supported by Koubaa's (2015) research where it is advised that marketers should select what and how much information should be transferred to consumers. Depending on the brand equity, product category and country of origin, consumers' expectations for brand-related information differ. Dimensions of brand image differ in terms of number and strength.

Ailawadi, Lehmann and Neslin (2001) found that deals and attractive trading terms increase market penetration and surprisingly have little impact on customer retention as measured by share-of-category requirements and category usage. They further found that for the average brand, promotions have a stronger effect than advertising as advertising works primarily by increasing penetration. They continue to argue that market contact and market share position drives competitor response and a competitor's market share is affected by the change in marketing mix of such factors. More sustained advertising and a reduction in promotion will have a net impact of decreased in market share of a company driven by competitor and consumer response.

Research promotes the view that brand equity can be estimated by deducting the use of the product physical attributes from the total use of a brand. Various considerations need to be taken into account during the marketing decision-making process as every decision may have an impact on brand equity. Brand-name investments should be directed to improving brand loyalty, the reputation, image of the brand name and perceived quality (Ailawadi, et al., 2001). There is also a different view. Yoo, et al., (2000) argue that frequent price promotions, such as price deals, are related to low brand equity, whereas high advertising spending, good store image, high price and high distribution strength, are related to high brand equity.

Yoo, et al., (2000) describe brand equity as the distinction in consumer choice between an unbranded product and the focal branded product given the same level of product characteristics. This description deals with the comparison of two products that are identical in all respects except brand name (e.g. Castle Lager product versus no-name product). In other words all consumers will have an impression of what a well-known product brings about a product, however, they do not have the same impressions about what the no-name product conveys. Consumer distinction in both products can be measured through assessing the intention to purchase or a preference or appreciation for a branded product in comparison with the no-name counterpart. Hence it is safe to conclude that brand equity and or well-known brands have higher chances of being noticed by consumers; which can potentially result in a sale and or market share gain or use at an occasion.

Sales promotions and point of sales promotions have increase due to reduced advertising spend in various channels by companies (Przybyła, Sznajd-Weron and Weron, 2014). Invariably this result to consumer making decisions at the point of purchase where consumers enjoy abundant choice for example; at gondola ends, counters, till points, shelves, fridges and aisles which result to clear distinction in product category. In addition, the point of purchase and the shift towards self-service has perhaps become the most important as it represents the last opportunity to persuade the consumers and shoppers where the contact between consumer and product has increased (Ampuero and Vila, 2006).

2.10 Factors that potentially drive purchasing and consumption

There are numerous factors besides the marketing mix that could influence consumer purchases and these could include external variables such as the economy, customer loyaty and competitor activities. Islam et al., (2013) argue that one of the successful marketing approaches that can make an organisation more profitable is customer loyalty. This indicates that all these factors must be taken into consideration when using the marketing mix as part of the organisation's integrated marketing campaign (IMC). Islam et al., (2013) further argue that when organisations have strong marketing capabilities through meeting customer preferences and needs, they end up with higher customer retention and strong relationships with their customers. Both customer retention and new relationships would positively influence purchase behaviours and the repurchase rate (Islam et al., 2013).

Alcohol has always been an important part of the culture of drinking and social life and different countries have different consumption patterns and different attitudes towards alcoholic beverages strongly integrated into the general social cultures of their populations (Skinner, 2009). During the contemporary era (the second part of the twentieth century), marketing and consumption activities have been shaped by economic, cultural, social and political forces (Peterson and Ekici, 2007). Considering the above, factors such as annual, seasonal trends could also lengthen or shorten the sales volumes. Respondents in Skinner's (2009) research revealed that there are rituals from the influence of friends that happen in events such as parties that results to high alcohol consumption. The main aim of those rituals associated with high consumption of alcohol was to attract the attention of their peers and gain more respect in their social groups. This means that marketers need to be a lot more deliberate in incorporating all in these factors when attempting to win the minds and hearts of the consumers. Failure to incorporate these could result in wasteful marketing efforts, costs and missed opportunity to grow sales and ultimately gain share. The competitors could be doing this at a rapid rate and no marketing manager should fail to build this into their marketing strategy.

Knowing the above mentioned factors, marketing managers need to understand and anticipate the competitor response as well as how strategy changes will impact market share, competitor market position and number of markets they compete in. Furthermore, competitor capacity, capabilities, resources and culture are other factors that trigger the kind of response to anticipate. There is a need for theory which can be used not only to predict these above factors but their ability to influence (Ailawadi, et al., 2001).

Society is aware that consumers are at various levels of the affordability pyramid or scale therefore they cannot all afford to purchase or consume the same products. It is also common knowledge that people have various aspirations hence a different offering is key for various consumer segments. Jaiswal and Gupta's (2015) research also indicates that the consumption behaviour of the bottom of the pyramid (BOP) consumers is inherently intricate and full of complexities. This is similar in the South African market context. Many people consider South Africa to have one of the highest rates of income inequality in the world. It is not uncommon to find most people on and or below the poverty line which could pose a problem to the middle class and the country's growth. Government social grants are the main income that sustains most people and the unemployment levels keep increasing and are at 24.9% since the 2009 economic downturn (Pwc, 2012). In many cases, strong cultural norms and social values counterbalance the influence of marketing actions. BOP consumers do not always succumb to newly formed desires and resist the marketing actions. For instance, a woman might very well decide to not buy products she wants for herself to fulfill her children's desires. This is an insight that can potentially change the shopping patterns.

Table 2.4 illustrates the strengths; weaknesses, opportunities and threats (SWOT) in the South African alcohol market. This gives an outlet owner, distributor, marketer and producers of alcohol a high level overview of what to expect in the market. Alignment of goals and objectives for each brand and pack will possible be easier to achieve with this SWOT in mind.

Strengths	**Opportunity**
• South Africa's alcoholic drinks industry is well developed, particularly in the beer and wine categories. • South Africa is one of the world's top 10 wine exporting countries. • South Africa has the highest beer consumption in Africa.	• South Africa's growing middle class is likely to drive growth in the alcoholic segments. • Rising health consciousness is boosting demand for low-calorie drinks. • There is enough scope for growth in alcohol, particularly in beer and wine.
Weakness	**Threat**
• There is a relative lack of competition in beer where South African Breweries brands dominate. • The high unemployment rate is a big issue for most of the overall consumer sector.	• Alcoholic drinks volumes suffer when consumers cut back on non- essential consumption. • Competition from heavily subsidised emerging wine markets threatens the South African wine industry at this time of global oversupply, which is an ongoing concern for the country's

• Illicit alcohol is penetrating the market.	wine producers. • The size of the informal beer market is a concern for leading brewers.

Table 2.3 SWOT analysis of the South liquor market adapted from (BMI, 2012).

Danciu (2013) supports this notion. His research found that the marketing of tomorrow needs to be differentiated and needs to push the envelopes of satisfaction across a spectrum of political tolerances and social-economic. Danciu (2013) also suggests that the difficult task of realising and increasing a successful market is becoming greater. No matter how the consumers progress, the BOP market segment and the unknown future could create changes in purchasing patterns and lifestyle (Danciu, 2013).

There are factors that bring a totally different dynamic such as increased online usage. Su, Li, Hu and Chen (2013) research found that sales lists, hot-sale recommendations and new commodities recommendations can guide and attract consumers to purchase commodities online. The danger with online as a channel is that teenagers can access alcohol and that is not in the interest of society. Carroll and Donovan's (2002) research confirms that 14 to 17-year-olds have made use or currently make use of web sites for alcoholic beverage. It is imperative from the perspective of decreasing alcohol harm to consider what level of impact some of these websites may have for these young people. The alcoholic beverages most commonly consumed by teenagers (15 to 17-year-old) boys in Australia are in the beer and spirits category, compared to teenage girls who consume spirits and flavoured alcohol (Carroll and Donovan, 2002).

Another factor is the brand monopoly that can make it easy for consumers to purchase a specific brand of commodities and play a significant advertising effect on the specific brand. Su, et al., (2013) continue to further state that gifts presentation can stimulate commodities purchase. Another one is switchability. Bell (2000) defines switchability as the ease with which consumers switch between stores on any shopping occasion. Sport is another platform. Sports celebrities are employed to endorse products with the assumption that their association with the brand has a positive effect on purchase behaviour and other consumer preferences as long as that celebrity has high credibility. Sponsoring brands and organisations can gain indirect positive associations from a celebrity being associated with the sponsored event or sponsored game (Pansari, 2014).

An environmentally friendly product brings another variable that marketers must consider as an integral part of their strategy. This could influence environmentally friendly consumers. Leonidou, Katsikeas and Morgan (2013) argue that the growing threat about the sustainability of the natural environment is increasingly changing the competitive landscape and pushing organisations to explore the costs and benefits of “greening” their marketing mix. In addition, industry-level environmental reputation moderates the links between green marketing campaign components and a company’s product-market and financial performance (Leonidou, Katsikeas and Morgan, 2013).

According to Danciu (2013) social media technologies and increased access to the internet provides better interaction and socialising on line. This then means marketers and retailers alike must have a solid digital platform where their brands could be visible and interact with consumers. Carah, Brodmerkel and Hernandez (2014) argue that these social media platforms are rich with data and can also be a platform for brands to connect with consumers. For alcohol brands, this is of critical significance since some social media engagement practices allow for circumventing regulatory regimes by prompting connections between mediations of drinking culture and the brand that would not be possible in other media channels. The brand’s connection and online platforms goes over and above the application of user data for customised marketing and user participation in creating and circulating brand messages (Carah, et al., 2014).

Danciu (2013) continues to argue that internet of things’ communication will allow consumers to increase their knowledge and access to information about companies, products, availability and pricing. They will be instantly aware of challenges, product recalls and scandals. This implies that trust will continue to be an important factor of a buying decision as consumers expect and demand transparency in quality, pricing, product and service, businesses policies and procedures. Danciu (2013) further observes that in the next decades, consumer patterns will change as marketing campaigns will have less influence on young consumers as they will be influenced by the circle of friends due to their short term loyalty. Companies will seek the attention of the young segments for future growth which could result to lost loyalty and brand equity overnight if they take an action that is a mistake.

Lastly, as previously mentioned, a study by Thach (2012) reveals that drinking wine to enhance food, taste preference and relaxation were some of the common gender motivations. Motivations are different between males and females; for example females want to relax and socialise with friends over wine whereas males are more interested in discussing the technical aspects of wine and exhibiting knowledge. Could the same be said about beer, FABS and or spirits? Or other alcoholic beverages? Findings from Chapter 4 will reveal answers to these questions.

2.11 Summary

This chapter addressed RQ_1 which states "What are the marketing mix elements used in on-and-off premises outlets?" The chapter achieved the research objectives of performing a literature review in order to "Establish the elements of the marketing mix used in typical on-and-off trade liquor outlet" (RO_1).

The marketing mix elements were introduced in the first section of the chapter. An argument for a strategy of standardising marketing-mix components to increase company profitability in the long term was identified in literature. The importance of understanding customer interests and objectives was highlighted. Communication of product and services to consumers in order to improve companies' profitability using marketing as a strategic tool was emphasized.

The following section discussed the marketing mix. It focussed on how the marketing mix can be utilised to improve customer service quality in terms of reliability, tangibility, assurance, empathy and responsiveness especially during economic downturns. Consumer touch points, consumers' unlimited needs, consumers' access to internet and information were discussed. The key objective was establishing, in literature, that each marketing mix component has a role to play in consumer purchasing decisions.

The various sub elements of each marketing mix were then discussed. A link to the South African context was made where a consumer's purchase choice can potentially be influenced by the sales push rather than marketing push due to outlet owners trying to survive and bigger corporations fight for market share due to the state of the economy. The importance of a marketer's understanding of each component of the marketing mix, consumer's needs and organisation profitability was highlighted.

The second last section of the chapter explained the key-consumer occasions using the wine marketing research as a reference. The importance of trendspotting and how marketers can benefit from this as a concept was highlighted. The ability to link occasions to consumer insights from the market for decision making was discussed using literature.

The last section focused on branding and power of brands. Formulation of strategies by marketers and practitioners to enhance brand equity, obtain competitive advantage and business sustainability were discussed. The important role that young consumers play in brand loyalty, brand association, brand image and brand awareness was highlighted. It was shown that marketers should select what and how much information should be transferred to consumers to maintain brand reputation and identity. Lastly, out of literature, key factors that potentially drive purchasing and consumption were identified as: economic factors, customers' loyalty, competitive forces, annual seasonal trends, technology advancement (social media) and association (social pressures).

Chapter 3 will address RQ_2 which states "*How can a detailed description be provided in order to understand and reproduce this research study in future?*" The chapter will achieve the research objective of explaining the research methodology used for this research study with sufficient detail to allow it to be reproduced in future (RO2).

3. CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

In the previous chapter, marketing mix elements were introduced. The chapter addressed RQ_1 which states “What are the marketing mix elements used in on-and-off premises outlets?” The chapter achieved the research objectives of performing a literature review in order to “Establish the elements of the marketing mix used in typical on-and-off trade liquor outlet” (RO_1).

This chapter will address RQ_2 which states “How can a detailed description of the research methodology be provided in order to understand and reproduce this research study in future?” and address the objective of explaining the research methodology used for this research study with sufficient detail to allow it to be reproduced in future (RO_2). An overview of the RQs and ROs of this chapter can be seen in Figure 3.1.

Figure 3.2 depicts a comprehensive view of this chapter. Research definition, research paradigms of this study, qualitative versus quantitative research are defined and discussed in section 3.2. A literature review, purpose of literature review and literature review process of this study are discussed and explained in section 3.3. Hypotheses of this research study are formulated on section 3.4. Survey design, survey respondents, data collection, data analysis, limitations of this research are discussed from section 3.5 to section 3.8. Lastly the validity and reliability are discussed in section 3.9. This chapter ends with a summary discussion.

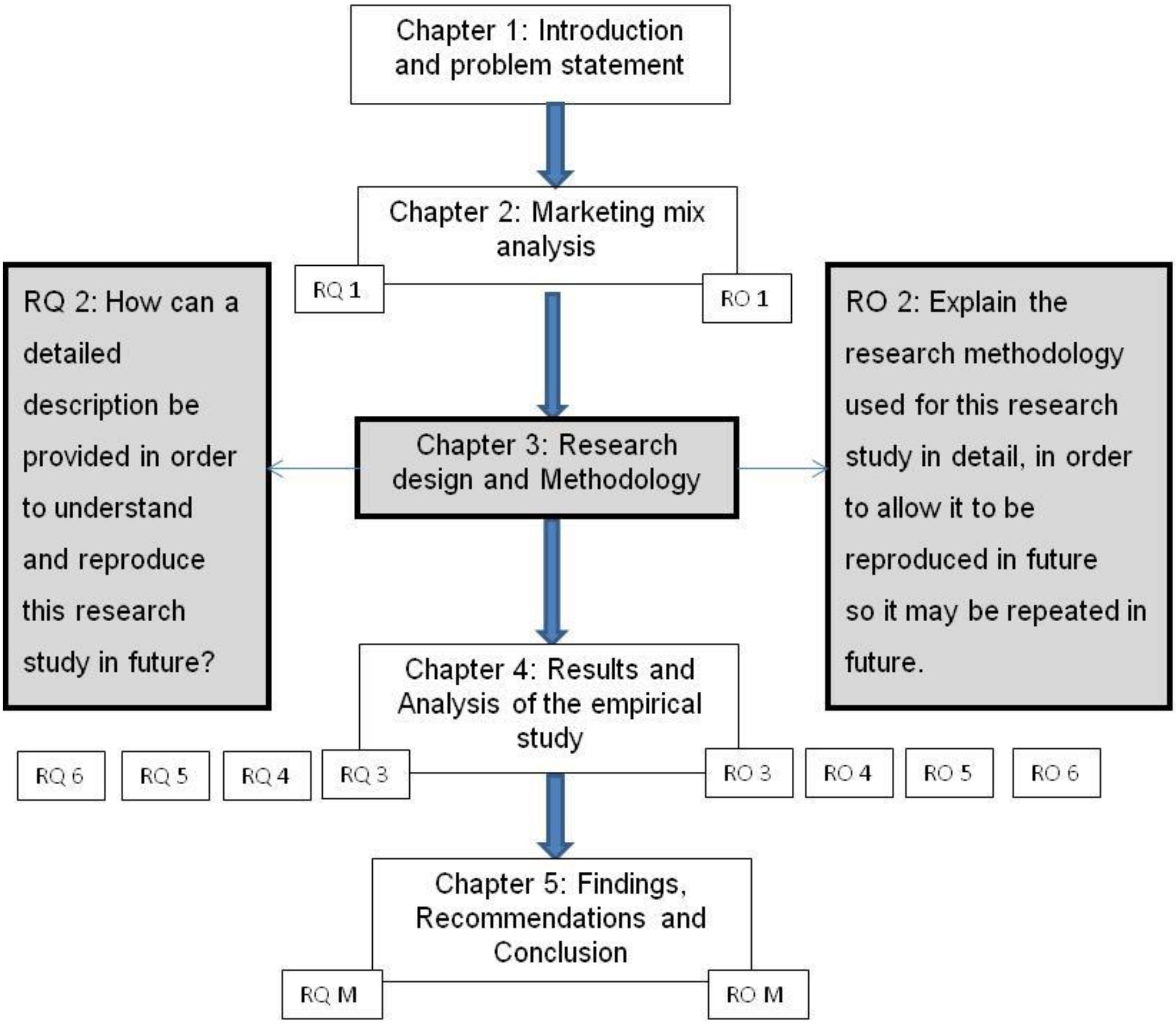

Figure 3.1 Chapter 3 RQs and ROs.

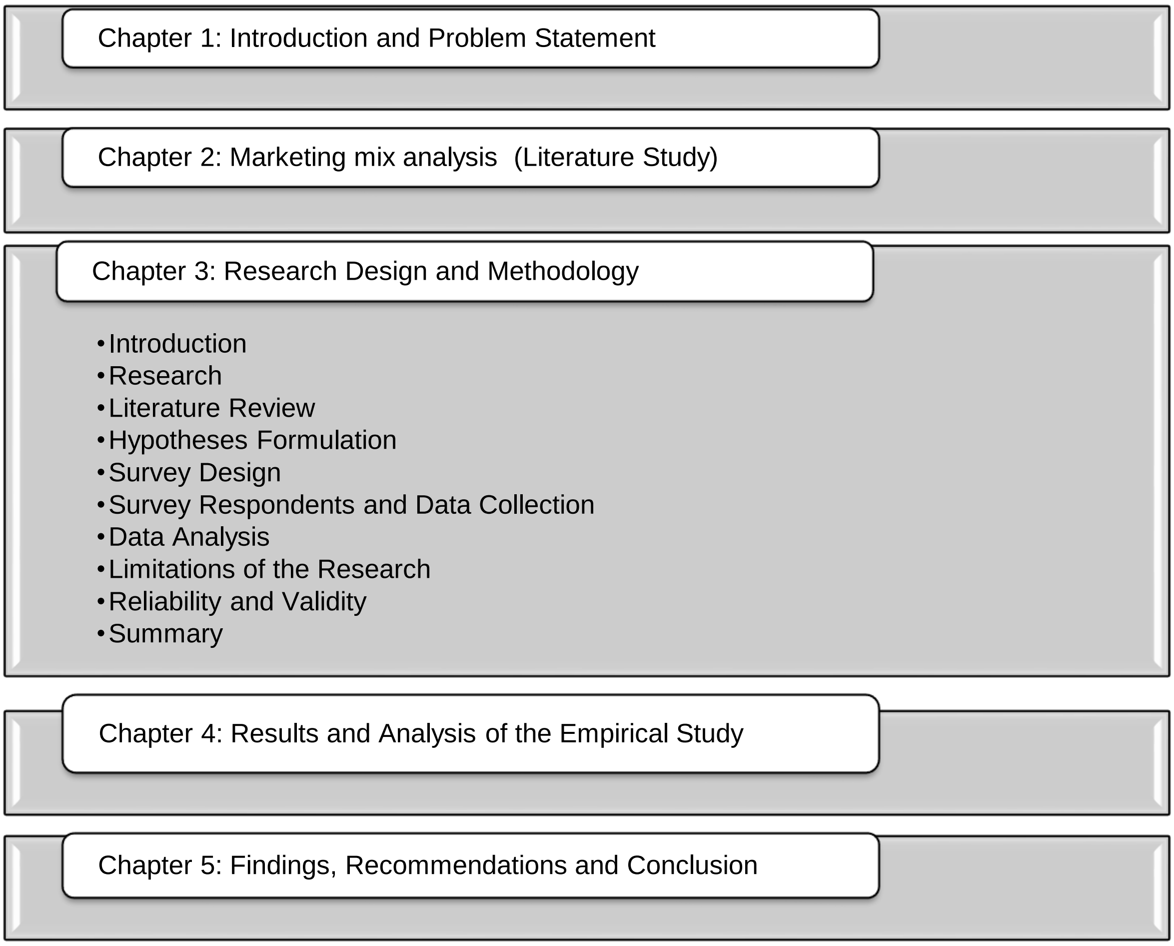

Figure 3.2 Overview of Chapter 3.

3.2 Research

3.2.1 Definition of research

Collis and Hussey (2014) suggest that research is best defined as a process where a researcher investigates and inquires with the intent to increase knowledge using a methodological and systematic process. This definition implies that key and correct methods and tools to collect and analyse data need to be applied thoroughly (Collis and Hussey, 2014). Market research is a process where information is collected, analysed and interpreted objectively and systematically for decision making on various marketing challenges by using a recognised scientific method (Tustin et al., 2005). The marketing research process is defined as well-thought steps in a sequence formulated to achieve specific goals (Cant, 2013). Research can also be defined as a systematic quest for knowledge aimed at providing data and insights to solve key challenges (Cooper and Emory, 1995).

According to Terre Blanche, Durrheim and Desmond (2006) research may be viewed as a process consisting of five stages:

- Stage 1: defining the research question;
- Stage 2: designing the research;
- Stage 3: data collection;
- Stage 4: data Analysis and
- Stage 5: writing a research report.

Figure 3.3 below shows the crucial role design plays as a bridge between the research question and the execution of the research.

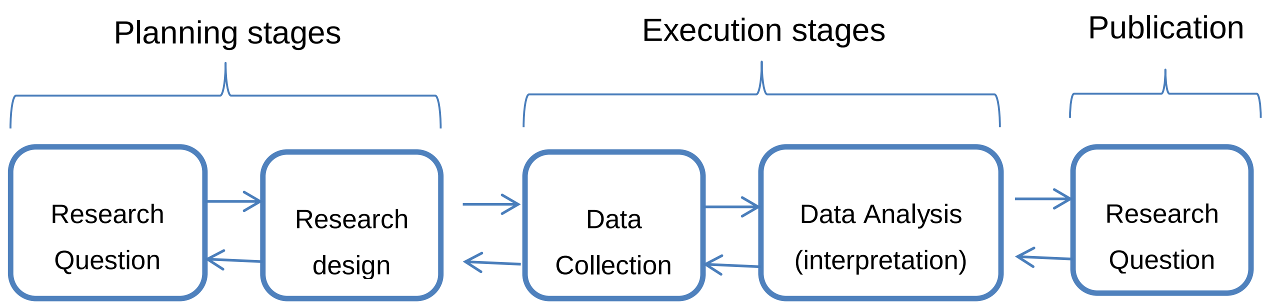

Figure 3.3 The research process *(Adapted from Terre Blanche, Durrheim and Painter, 2006)*

3.2.2 Research Paradigms

Collis and Hussey (2014) define a research paradigm as a structure which can be followed in conducting research, based on people's wisdom and their theory about the world and the nature of knowledge. There are two main paradigms named positivism and interpretivism. There are common terms under each of the paradigms as set out in Table 3.1 below, which indicates the approaches within the two main paradigms as per Collis and Hussey (2014). Just as realism gave way to positivism and idealism gave way to what is loosely referred to as interpretivism, many a new paradigms have emerged over the years and few researchers now adopt the pure forms of the main paradigm (Collis and Hussey, 2014). Critical realism supports that it is actually not possible to be totally objective and that subjectivity is inevitable. From a critical realist point of view reality is "real" but only imperfectly so. This is based on the viewpoint that reality is based on individual perceptions of reality and that reality is a result of social conditioning (Stanz, Townsend and Sundelowitz, 2007).

Positivism	Interpretivism
Quantitative	Qualitative
Objective	Subjective
Scientific	Humanist
Traditional	Phenomonological

Table 3.1 Approaches within the two main paradigms adapted from (Collis and Hussey, 2014).

Quantitative and qualitative methodologies are mostly related, respectively, with the two principal research paradigms namely; positivism and phenomenology or interpretivism (Mangan, Lalwani and Gardner, 2004). Amaratunga, Baldry, Sarshar and Rita, (2002) argue that science under the positivism paradigm is value free and under interpretivism, science is driven by human interests. The interpretivist ontology assumes the existence of multiple realities that are socially constructed and is focused on understanding behaviour rather than predicting it (Harrison and Reilly, 2011). Humanism is seen as the ability to understand the people's meaning and the ability to adjust to new ideas as they emerge under the phenomenological paradigm (Amaratunga et al., 2002). The traditional paradigm pertains to recognised traditional services of medical tourism such as restaurants, hotels, physician and dry cleaners. A traditional paradigm model has limitations in reality as a result of technology development and changes in the types of service offerings (Menvielle and Tournois, 2014).

3.2.3 Research Paradigms for this study

This study will focus on a positivist paradigm, where a survey methodology will be adopted. Under a positivist paradigm, a sample is an impartial subset that typifies the population (Collis and Hussey, 2014). Paradigm, as a concept, is core to the research process in all areas of study. A paradigm is a very general conception of the nature of scientific endeavour within which a given enquiry is undertaken (Mangan, Lalwani and Gardner, 2004). The objective of research is to explain the relationships between *Consumer purchasing decision (dependant variable)* and *Product, Promotion, Price and Place* which are referred herein as independent variables, by using quantitative analysis including correlation analysis.

The research opted for the positivist paradigm as it fits key approaches and criteria for the intended study and it is line with Collis and Hussey's (2014) positivism philosophical assumptions such as ontological assumptions (the nature of reality), epistemological assumptions (what constitutes valid knowledge), Axiological assumption (the role of values), rhetorical assumption (the language of research) and methodological assumptions (the process of research). A quantitative model-based research is impartial, rational and follows a scientific approach. It must develop an impartial and rational way to address challenges experienced when doing empirical research (Bertrand and Fransoo, 2002). It is for these reasons the research will be in the positivist paradigm. Other features that are in line with positivism and this research include a large a sample as discussed below under the sample design section, artificial location and the results will be generalised from a sample to the population.

3.2.4 Qualitative Research vs Quantitative Research

Quantitative research is appropriate for answering questions about relationships between specific variables and questions of who, where, how many and how much (Harrison and Reilly, 2011). Qualitative research is appropriate for answering why and how questions. Understanding experiences and meanings attached to experiences of individuals and groups is the hallmark of good qualitative research (Harrison and Reilly, 2011). Qualitative data are normally transient, understood only within context and are associated with an interpretivist methodology that usually results in findings with a high degree of validity. It contrasts with qualitative data, which are normally precise, can be captured at various points in time and in different contexts and are associated with a positivist methodology that usually results in findings with a high degree of reliability (Collis and Hussey, 2014).

Conventionally, quantitative research has been distinguished by emphasising researcher control, collecting data objectively and by the development of systematic and standardised procedures. Qualitative research on the other hand is often seen as being distinguished by the particular, destined to remain pre-scientific (Kelemen and Rumens, 2012). Qualitative research identifies the presence or absence of a given feature in a given problem or situation, as opposed to quantitative research which measures the degree of presence of the feature itself (Amaratunga, et al., 2002). In research done by Hanson and Grimmer (2007) it was found that 24.80 percent of articles employed qualitative methods in some form, and 46.28 percent quantitative research. The main justification provided for use of qualitative methods was the ability to provide more insight or a deeper understanding of the phenomenon under investigation. There has been no increase, however, in the amount (year by year) of qualitative research published over time.

Mixed method research impart strong points that counterbalance weak points in both qualitative and quantitative research (Harrison and Reilly, 2011). Qualitative research can provide key deep insights to understand complicated consumer and or customer experiences. These insights can be used to formulate innovative strategic choices to assist organisations to stand out more from their competitors. In an attempt to stay relevant to customers and consumers, organisations are ensuring that they are aware of the need to offer them products and brands that are closer to their needs and expectations (Richelieu and Korai, 2009). Due to these various characteristics, strengths and weaknesses of qualitative and quantitative paradigms, Kelemen and Rumens (2012) argue that the dichotomy between quantitative and qualitative methodologies is not productive and must be abandoned in favour of a heterodox and more pragmatic approach to methodology.

3.3 Literature Review

3.3.1 Literature review defined

Literature review is a critical evaluation of the existing body of knowledge on a topic, which guides the research and demonstrates that the relevant literature has been located and analysed (Collis and Hussey, 2014).

3.3.2 Purpose of literature review

The purpose of the literature review is to demonstrate skills in library searching, show command of the subject area and understanding of the problem. The other purpose is to justify the research topic, design and methodology (Collis and Hussey, 2014). A literature review examines recent or historically significant research studies, company data or industry reports that act as a basis for the proposed study (Cooper and Emory, 1995).

3.3.3 Literature review process for this study

The literature review was conducted by using mainly academic journals that were obtained from the NMMU online library. To supplement the academic journals, a few text book hardcopies were utilised. The most recent literature was reviewed first and then earlier publications were subsequently reviewed. Publications that were relevant to the research topic were used, particularly references and authors that led the author to relevant previous studies. Mendeley software package was used to keep a full record of all academic journals and articles that were referenced in this research (Mendeley, 2012). Mendeley is defined as academic social network and reference manager where one can create a database library with ease (Mendeley, 2012). Mendeley is highly recommended for students and researchers in the research space and it has the following advantages:

- *Research is stored in one place.* Securely stored and accessible across devices, you can search and sort your references, documents and notes in one place right down to the keyword you're looking for;
- *Read and annotate on the go.* Mendeley can be used online or offline to access your documents for referencing on the move. It offers ability to highlight, annotate and notes to capture your thoughts in context;
- *Citation and bibliographies.* One can generate citations and bibliography in the style of choice. It is compatible with most windows software
- *Sharing and collaboration.* There is a capability to publicly or privately share reading lists, references or full-text articles. Over and above this, one can create groups to tackle research assignments, share feedback and write papers with your collaborators; and
- *Showcasing your work.* Connect with colleagues, peers or classmates to follow their research output. One can also showcase published research to millions around the world (Mendeley, 2012).

The literature of this research study was processed by using Mendeley for referencing and turn-it in and was shared with research supervisor for input and corrections.

3.4 Hypotheses Formulation

Hypotheses are educated guesses, propositions that can be tested for association or causality against empirical evidence or expectations about differences between groups in the population or about relationships among variables (Terre Blanche, Durrheim and Desmond, 2006;Collis and Hussey, 2014). The researcher constructed a conceptual framework for his research based on reviewed literature. The conceptual framework was used to establish relationships between the Independent variables and consumer-purchasing decision. A crucial part of designing a study is to define different kinds of variable (Terre Blanche, Durrheim and Desmond, 2006). For example: Independent variable (IV) is the hypothesised causal variable; dependent variable (DV) is the measured variable whose value depends on the value of the IV and factors influence the relationship between the IV and DV (Terre Blanche, Durrheim and Desmond, 2006). The hypotheses developed in this research study were formulated, to be accepted or rejected by means of statistical analysis through empirical evaluation and to verify the proposed relationships indicated in the hypothesised model depicted in Figure 3.3 below.

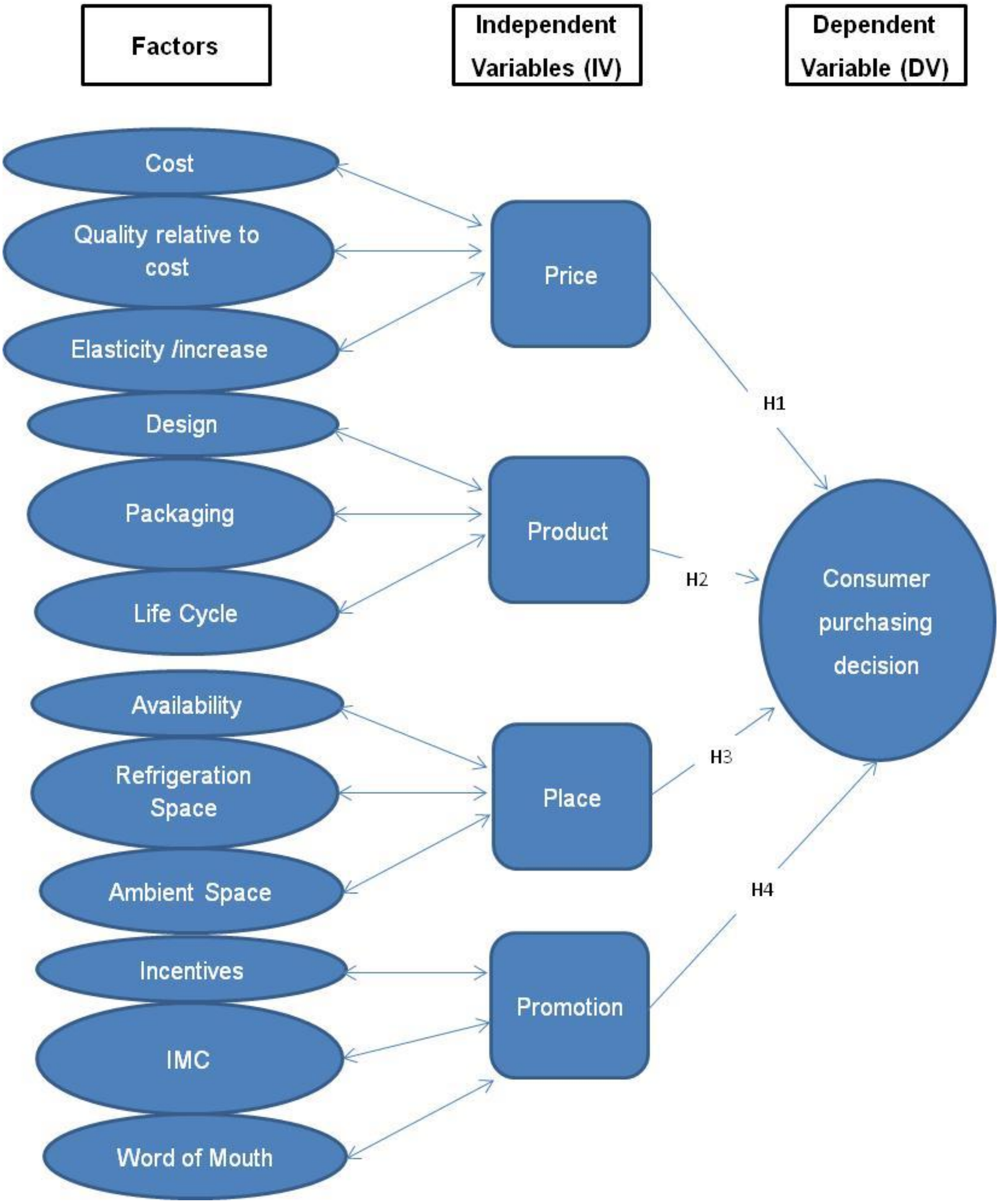

Figure 3.4 Hypothesised Conceptual Marketing Mix Model.

The following hypotheses have been formulated in order to test the relationship between the Independent Variable and Consumer purchasing decision:

H_1 = “There is a high level of agreement that price influences consumer purchase decision”;

H_2 = “There is a high level of agreement that product influences consumer purchase decision”;

H_3 = “There is a high level of agreement that promotions influences consumer purchase decision”; and

H_4 = “There is a high level of agreement that place influences consumer purchase decision”.

3.5 Survey Design

3.5.1 Survey Research Defined

Some researchers design their research to provide answers to questions or to address a problem (Saunders and Tosey, 2013). Survey is a tool formulated for primary or secondary data collection from a sample, to generalise the results to a population (Collis and Hussey, 2014; Wegner, 2012). Survey is the gathering of primary data from respondents in an interview, electronically, telephonically or by mail. Survey research can be structured or unstructured. In a structured survey, all respondents are asked the same list of questions in the same way. In a unstructured survey, interviewers are free to ask their own questions to encourage respondents to reply as they wish (Cant, 2013). The format of this research is a structured one; where a face-to-face contact with a respondent is done whilst completing the questionnaire. Wegner (2012:15) argues that this method has various advantages:

- One can achieve high response rate;
- There are opportunities to probe for reasons;

- Data are accurate and current;
- There is an opportunity for technical questioning;
- One can observe body language and
- Further questions can be asked until the objectives are met.

3.5.2 Questionnaire Description

Appendix A introduced the survey, research topic and to the respondents. It explained the selection sampling which was random, the purpose of the research and the instructions to be followed when answering each question.

The questionnaire was divided into two sections. Section I captured key demographic information such as whether the respondent consumes alcohol or not, Gender, Age, Education Level, Ethnic group, Marital Status, Geographical location, Income, On vs Off premise' purchase frequency, Sector of employment, choice alcohol category and Number of dependents. Section II contained 15 questions relating to price, 15 questions relating to product, 15 relating to promotion, 15 questions relating to place and 5 questions relating to occasions. All questioned were presented to be answered in a five point Likert scale which will be discussed in the next section.

3.5.3 Questionnaire Scale, Validity

The questionnaire scale used was the Likert scale where the survey comprised five questions. Likert rating scale commonly consists of a scale that ranges from strongly disagree to strongly agree with respect to a statement, question or an opinion. Its main function in the survey questionnaires is to measure respondents' preferences, attitudes, motivations and perceptions. The likert scale possesses sufficient numeric properties to be treated as a numeric data for the purpose of statistical analysis (Wegner, 2012). The questionnaire instructed the respondents to highlight the answer that best describe them and or their preferences. Questions were asked and the respondents had to highlight to what extent they agreed or disagreed with the question. The scale weighting ranged from one to five as follows:

- Strongly Disagree (1); Disagree (2); Neutral/Do not Agree or Disagree (3); Agree (4); and Strongly Agree (5).

The questionnaire was developed by using information obtained from literature. The literature covered past research from mostly academic journal article. Table 6 below indicates the sources and their related sections within the questionnaire to ensure validity and relevance of the survey. The questionnaire was approved by both my supervisor and statistician from Nelson Mandela Metro University namely; Prof M Cullen and Dr J Pietersen.

Independent Variable	Literature Source
Price (Cost)	(Gilbert, Sangwan and Ian, 2005; Dennis and Merrilees, 2009; Meer, 2005; Ramsaran-Fowdar and Fowdar, 2013)
Price (Quality relative to cost)	(Kumcu and McClure, 2003; Dimitrova and Rosenbloom 2010)
Price (Elasticity and Increase)	(Harvey et al., 2012;Van Heerde et al., 2013; Ataman, Van Heerde and Mela's 2010; Zaribaf, 2008; Giulietti, 2007)
Product (Design)	Jones and Barrie (2011).
Product (Packaging)	Patti and Chen (2009)
Product (Life cycle)	(Shen and Yu 2013; Branch 2008)
Promotion (Incentives)	Chan, Lin and Bodhi's (2014)
Promotion (Integrated Marketing Communication)	(Noguti and Russell, 2014; Thompson et al., 2013)
Promotion (Word of Mouth)	Patti and Chen (2009)
Place (Availability)	Bell (2000)
Place (Cold space)	Mullman (2009)
Place (Ambient Space)	Achrol (2012)
Drinking Occasions	(Du and Kamakura, 2012;Peterson and Ekici, 2007)

Table 3.2 Literature Sources and independent variables

3.6 Survey Respondents and Data Collection

3.6.1 Population

The population for this study was randomly selected consumers and shoppers within the Border district who filled in the questionnaire of the survey by answering the questionnaire in an interview format or by completing it themselves. Their responses were filled in with the assistant of a representative who was interpreting the questions from vernacular to English. Only consumers over the age of 18 were included in this study.

3.6.2 Consumers

There were 338 respondents who participated in the survey by of answering the questionnaire in an interview format or by completing them themselves. The majority of the surveyed consumers and shoppers reside in four key municipalities within the Border District where this study took place namely; Buffalo city, Amathole, Chris Hani and Joe Gqabi municipalities. Most of these consumers and shoppers are serviced by licenced outlets within these municipalities.

3.6.3 Questionnaire distribution

The questionnaires were individually distributed to key municipality areas by using fifteen sales representatives that work in these areas within these licenced outlets.

3.6.4 Strengths and weaknesses of the data collection method used

The strength of interview data collection method was discussed in section 3.5.1 and includes data accuracy, probing for reasons and opportunity to ask further questions. Whilst the weakness include time required for conducting the interview, travelling costs from one area to another and immediate rejection by consumers who do not want to participate in the survey. Time and cost limitations can potentially result in fewer interviews being conducted (Wegner, 2012).

3.6.5 Number of responses and response rate

The initial target of the study was to interview 350 consumers across these key municipalities. However, 338 consumers were surveyed which equates to 96.5% of the initial target.

3.7 Data Analysis

The responses from respondents were captured in a spreadsheet. All data received were analysed to ensure that outliers, corrupt or incorrect records from the datasets were cleaned and removed. Data were analysed and processed by Dr J Pietersen who is a statistician at the NMMU Statistical Department. Descriptive statistics and inferential statistical indexes were used to establish the nature of the response.

3.8 Limitations of the Research

The following limitations of the study have been identified:

- Some respondents needed interpretation of some of the questions;
- Some respondents did not complete the data correctly, possible due to the length of the questionnaire;
- There was no clear separation between rural and urban consumers that responded;
- There was wide geographic dispersion and
- Interviewers needed to be trained and their level of consistency may have differed during the interviewing process.

3.9 Validity and Reliability

3.9.1 Validity

Validity can be defined as the numbers that indicate the real differences amongst a sample being tested as discovered by the measuring tool. It can also be referred to as a term applied to measuring instruments that show the extent to which differences in scores on the measurement reflect true differences among groups, situations or individuals in the characteristic that is measured, or reflect true differences in the same groups, situations or individuals from one occasion to another, rather than constant or random errors (Cooper and Emory, 1995; Tustin; Ligthelm; Martins; Wyk, 2005; Collis and Hussey, 2014).

There are two major forms of validity namely: Internal and external validity (Cooper and Emory, 1995). The external validity of research findings refers to scientific measurement's ability to be generalised across persons, settings and times. Internal validity is the ability of a research instrument to measure what it is purported to measure. According to Cooper and Emory (1995) there is one widely accepted classification consisting of three major forms namely: content validity, criterion-related validity and construct validity.

- *Content validity*; is the extent to which it provides sufficient coverage of the topic under research study. Should the instrument contain a representative sample of the universe of subject matter of interest, then content validity is good (Cooper and Emory, 1995).
- *Criterion-Related validity;* reflects the success of measures used for prediction or estimation (Cooper and Emory, 1995).
- *Construct Validity;* this form of validity is when one may also wish to measure or infer the presence of abstract characteristics for which no empirical validation seems possible. For example, attitude scales, aptitude and personality tests generally concern concepts that fall into this category (Cooper and Emory, 1995).

3.9.2 Reliability

Reliability refers to the accuracy and precision of the measurement and the absence of differences if the research were repeated. Therefore it is the absence of credibility of the findings (Collis and Hussey, 2014). According to Cooper and Emory (1995;153) reliability is a contributor to validity and is a necessary but not sufficient condition for validity. It is concerned with estimates of the degree to which a measurement if free of random or unstable error. It is not as valuable as validity determinations, but it is much easier to assess.

There are a number of ways of estimating the reliability of a scale measure namely; the external reliability, test-retest reliability and internal reliability. Cronbach's alpha coefficient is one the most widely used tests for checking the internal reliability of multiple item scales (Collis and Hussey, 2014).

3.10 Summary

The research methodology followed for this study in this chapter was described and outlined in depth. The positivistic and quantitative paradigm of this research was discussed. The hypotheses were formulated and the design of the measuring instrument explained. The research approach and how the empirical study was conducted were described. Chapter 4 will address RQ_3 which states "What are the key occasions that consumers enjoy?", RQ_4 which states "Which alcohol categories are on top of consumers' minds when they are at the liquor outlet*?",* RQ_5 which states "What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions*?*" and RQ_6 which states "How can the hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected*?*".

The chapter will achieve the research objectives of conducting an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions in order to accept or reject the formulated hypotheses (RO_6), establish the relationship between the various factors that influence and Identify the components of the marketing mix that influence consumer-purchasing decision in liquor outlets (RO_m).

4. CHAPTER 4: RESULTS AND ANALYSIS OF THE EMPIRICAL STUDY

4.1 Introduction

In the previous chapter the research methodology to be followed in this study, including the collection of primary data were discussed. The chapter answered RQ_2 which states "How can a detailed description of the research methodology be provided in order to understand and reproduce this research study in future?" and address the objective of explaining the research methodology used for this research study with sufficient detail to allow it to be reproduced in future (RO_2)

This chapter consists of the analysis and interpretation of the primary data starting with descriptive statistics and then moving onto inferential statistics in order to answer RQ_3, RQ_4, RQ_5 and RQ_6. This chapter will address RQ_3 which states "What are the key occasions that consumers enjoy?", RQ_4 which states "Which alcohol categories are on top of consumers' minds when they are at the liquor outlet*?",* RQ_5 which states "What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions*?*" and RQ_6 which states "How can the hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected*?*".

The objective of this chapter is to conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions in order to accept or reject the formulated hypotheses (RO_6), establish the correlation between the various factors that influence and identify the aspects of the marketing mix that influence consumer purchasing decision in liquor outlets (RO_m). An overview of this chapter's RQs and ROs can be seen in Figure 4.1 and figure 4.2.

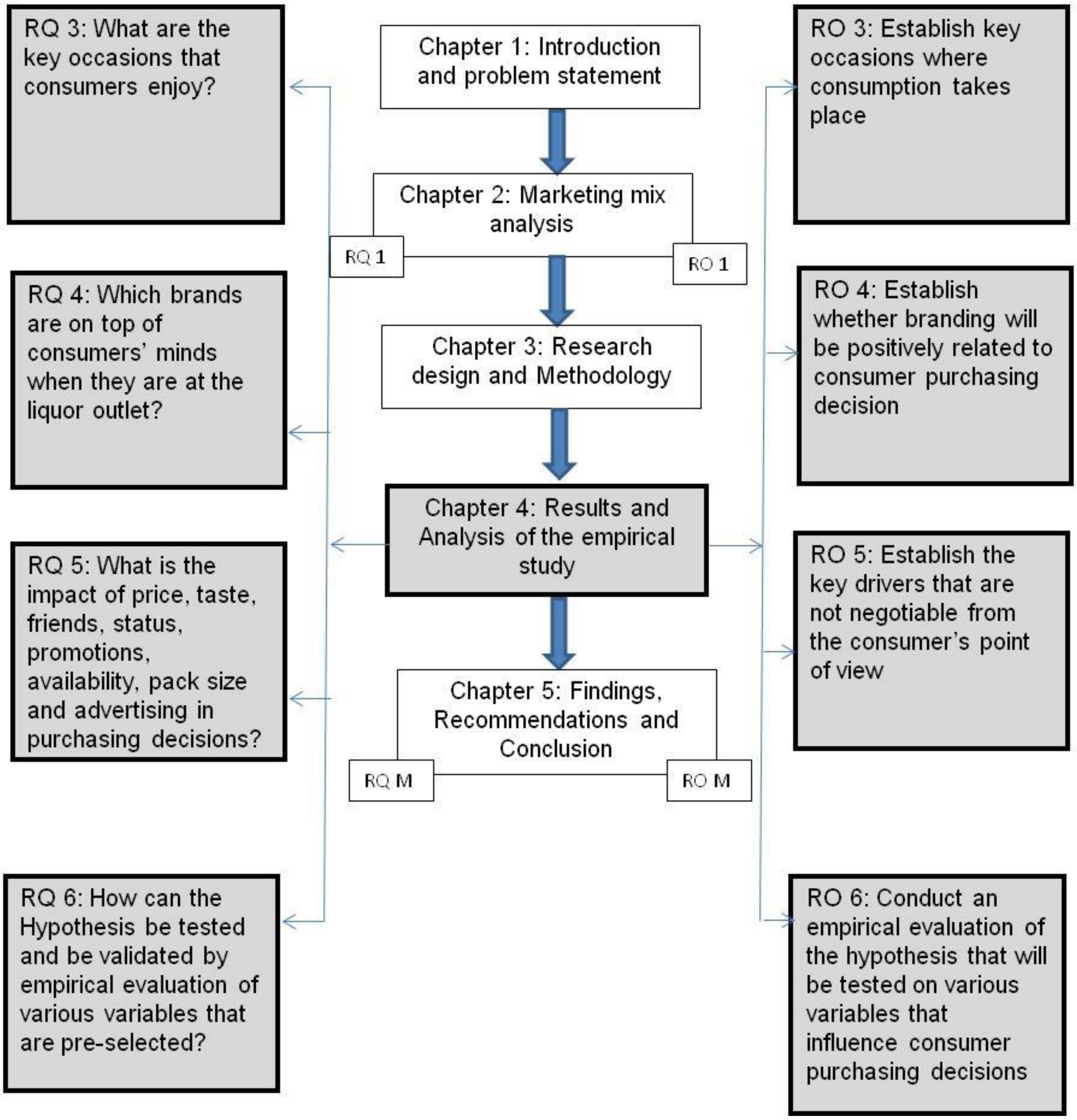

Figure 4.1 Chapter 4 RQs and ROs.

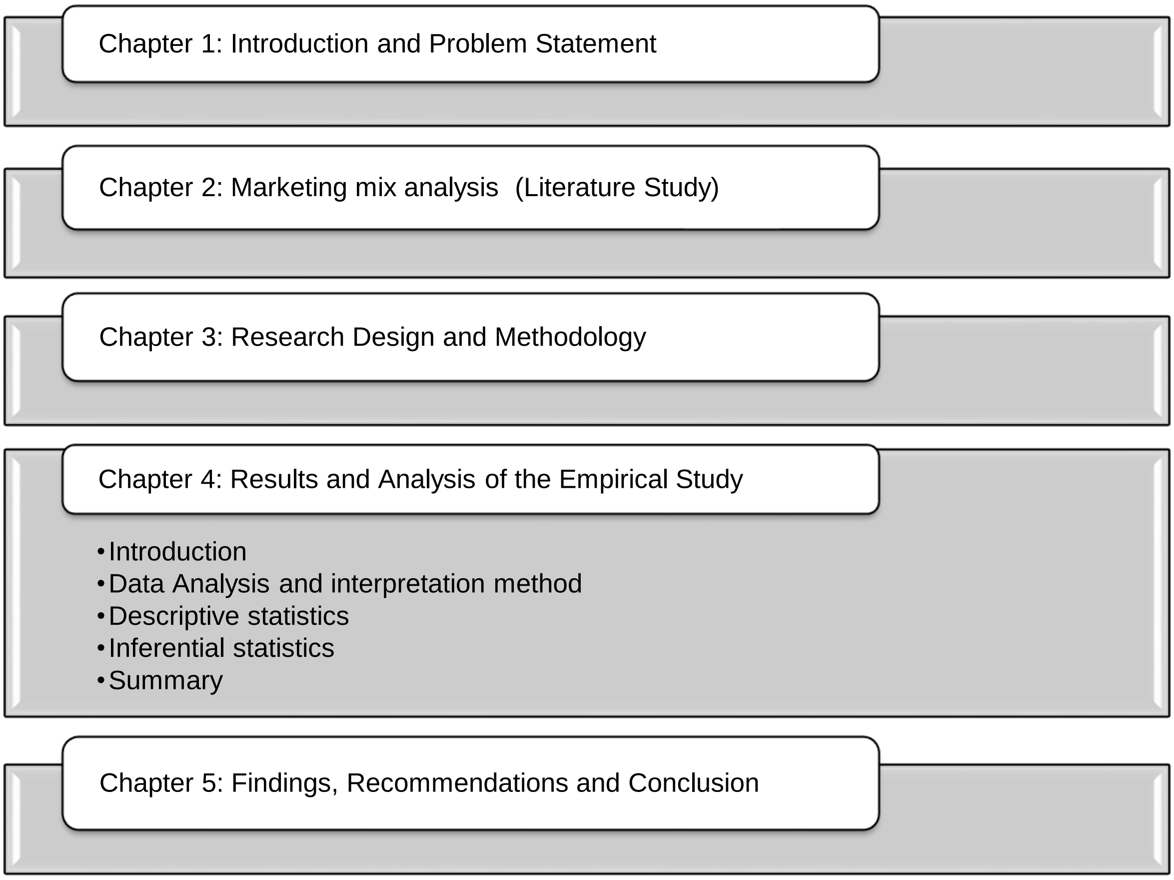

Figure 4.2 Overview of Chapter 4.

4.2 Data Analysis and interpretation method

Data analysis will be done by using statistical analysis which is commonly known as descriptive statistics and inferential statistics. Descriptive statistics are group of statistical methods used to summarise, describe or display quantitative data. At the heart of descriptive statistics is univariate analysis which is described as the analysis of data relating to one variable. Inferential statistics are a group of statistical methods and models used to draw conclusions about a population from quantitative data relating to a random sample. Inferential statistics are associated with multivariate analysis which means the analysis of data relating to three or more variables (Collis and Hussey, 2014).

4.2.1 Univariate analysis

In this section, data will summarised in compact form and will be presented in tables, and charts. Data such as demographics from section I of the survey will be analysed using frequency distribution and Percentage frequency. A frequency distribution is an array that summarises the frequencies for all the data values in a particular variable. A percentage frequency is a descriptive statistic that summarises a frequency as a proportion of 100 (Collis and Hussey, 2014). In this study, a pie chart, doughnut chart, bar chart and tables will be used to depict numeric distribution frequencies.

4.2.2 Multivariate analysis

This section analyses inferential statistics to interpret a relationship between three or more variables. Inferential statistics are a group of statistical methods and models used to draw conclusions about a population from quantitative data relating to a random sample (Collis and Hussey, 2014). Data for this analysis will come from section II of the survey. This data is presented in a numeric frequency format. Numeric frequency distribution summarises numeric data into intervals of equal width. Each interval shows how many numbers (data values) fall within the interval (Wegner, 2012). From this data, the author will be able to draw a conclusion or outcome of the hypotheses.

4.2.2.1 T-test

An independent T-test can be used to establish whether there is a difference between two samples or group of subjects. The null hypothesis is that there is no difference between the two groups (Collis and Hussey, 2014). In this study the T-test is used to test for a significant difference between gender purchasing patterns factors. Its interpretation is as follows:

If the probability statistic is not significant ($p > 0.05$) then you have the evidence to accept the null hypothesis that is no difference between the two groups.

4.2.2.2 Chi Square test

The Chi – squared test is based on frequency count data. It always compares a set of observed frequencies obtained from a random sample to a set of expected frequencies that describes the null hypothesis (Wegner, 2012). If this difference is small, the null hypothesis is likely to be accepted. Conversely, a large difference is likely to result in the null being rejected (Wegner, 2012). In this study the Chi-squared test is used to test for a difference between gender purchasing pattern frequencies. Its interpretation is as follows:

- <0.30 Small;
- 0.30 - 0.49 Medium; and
- > /= 0.50 Large

4.2.2.3 Cramer's V

The Cramér's V statistics are used to determine the practical significance of differences that have been shown to be statistically significant. It is used as post-test to determine the association strengths after significance have been determined using chi-squared. The statistician that was consulted recommended the following guidelines for interpretation of the results for df = 4 (as in this study):

- <0.30 Small;
- 0.30 - 0.49 Medium; and
- > / = 0.50 Large

4.2.2.4 ANOVA (Analysis of variance)

Analysis of variance (ANOVA) is a hypothesis test approach to test for equality of means across multiple populations. It is an extension of the Z-test or T-test, which only tests for equality of means between two populations (Wegner, 2012). In this study, Anova will be used to test the difference in means to compare the age groups and income levels in relation to factors that consumers consider when making purchasing decisions.

4.2.2.5 *Correlation*

Correlation is synonymous with its originator, Karl Pearson. It offers additional information about the association between two quantitative variables because it measures the direction and strength of any linear relationship between them. The correlation coefficient is used to indicate the strength of the correlation. Below are guidelines for interpretation:

- +1.00 Perfect positive linear association;
- +0.90 to +0.99 Very high positive correlation;
- +0.70 to +0.89 High positive correlation;
- +0.40 to +0.69 Medium positive correlation;
- +0.01 to +0.39 Low positive correlation;
- 0.00 No linear association;
- -0.01 to -0.39 Low negative correlation;
- -0.40 to -0.69 Medium negative correlation;
- -0.70 to -0.89 High negative correlation;
- -0.90 to -0.99 Very high negative correlation; and
- -1.00 Perfect negative linear association (Collis and Hussey, 2009).
-

4.2.2.6 *Cohen's d*

In this study Cohen's d is used to test for a significant difference between specific group differences. The statistician that was consulted recommended the following guidelines for interpretation of the results:

- Statistically significant (reject Ho) if p <= 0.05
- Practically significant if Cohen's d >= 0.20
- Interpretation levels for Cohen's d:
  - <0.50 Small Significance
  - 0.50 - 0.79 Medium significance; and
  - > /= 0.80 Large significance

4.3 Descriptive statistics: Section I

4.3.1 Section I: Biographical information (Demographics)

In this section demographic data that was captured in the survey will be presented and discussed. SPSS version 23 and Statistica version 12 software was used to process data during this research study.

4.3.1.1 Question 1: Do you consume alcohol

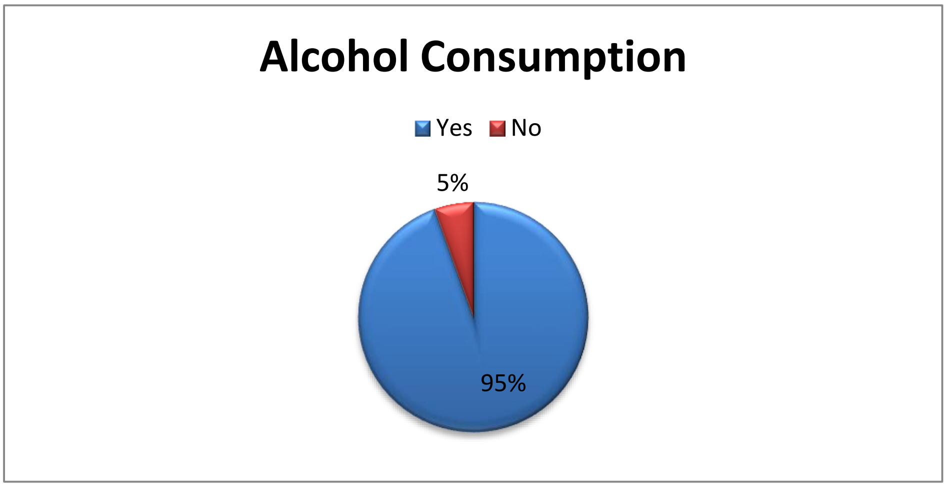

Figure 4.3 Survey Respondents frequency distribution

The majority, which is 95% of the respondents to the surveys consume alcohol as it can be seen in Figure 4.3 above. This was the answer to question one of Section I of the survey. The high percentage of respondents indicated that they consume alcohol, this could be due to the fact that it an integral part of society and acceptable. This is also very good for this survey as it will increase its credibility as consumers surveyed will be familiar and can relate to the content of the survey. The other 5% are possible shoppers who agreed to participate as they may be purchasing alcohol for consumption by others (for example: their partners, friends or close relatives). Additional detailed data can be seen in Appendix B, Table 7.1.

4.3.1.2 Question 2: Gender

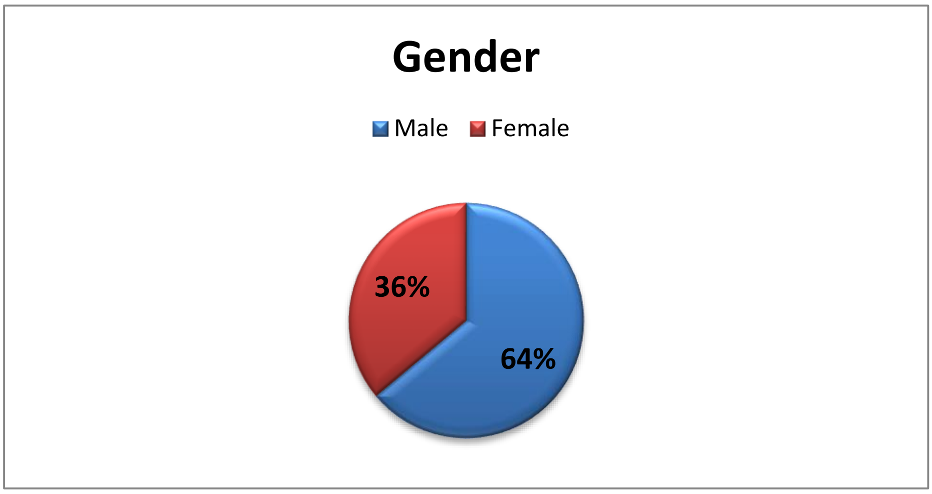

Figure 4.4 Gender frequency distribution

The gender of the respondents to question two of Section I is depicted in Figure 4.4 above. It can be seen that 64% were males and 36% were females. The high response rate from males can be attributed to the fact that, in society, males are predominantly known to be more drinkers than females. Males are also more likely to be the majority gender in taverns, bars, bottle stores and other outlets where the survey was conducted. Additional detailed data can be seen in Appendix B, Table 7.2.

4.3.1.3 Question 3: Age

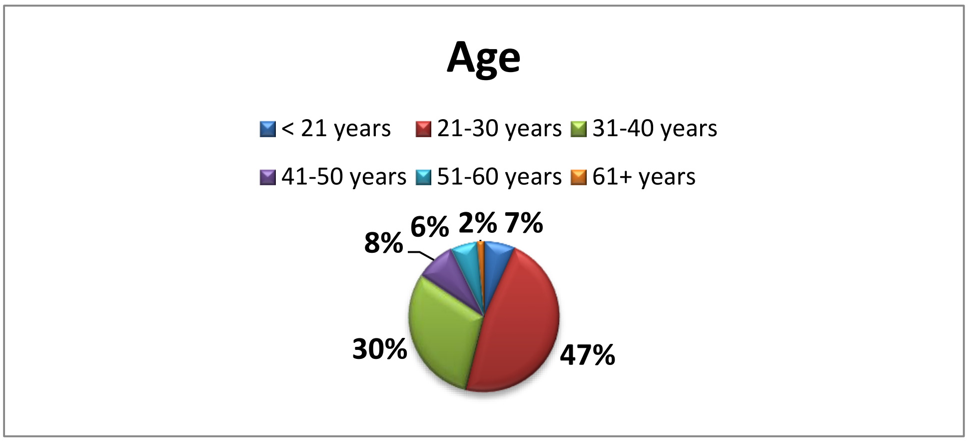

Figure 4.5 Age frequency distribution

The majority (47%) of the respondents were between the age of 21-30 years, followed by 30% between the ages of 31-40 years, then 41-50 years at 8%. This was the answer to question three of Section I of the survey. These results indicates a well-balanced mix of the age groups and it will possibly assist in giving diverse views of the research results when comparing younger consumers and older consumers. Additional detailed data can be seen in Appendix B, Table 7.3.

4.3.1.4 Question 4: Purchase frequency

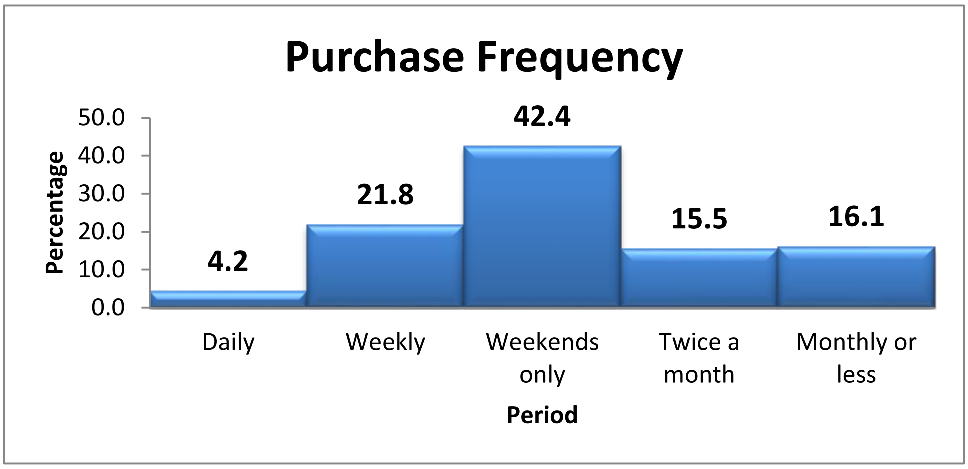

Figure 4.6 Purchase frequency distribution

Figure 4.6 depicts responses to question four regarding the purchase frequency of the respondents. It can be seen that 42.4% of the respondents make their purchases on weekends only, followed by 21.8% on weekly basis, then monthly at 16.1%. This confirms the South African practice where most people would socialise mainly on weekend and spend mostly after payday. Additional detailed data can be seen in Appendix B, Table 7.4.

4.3.1.5 Question 5: Ethnic Group

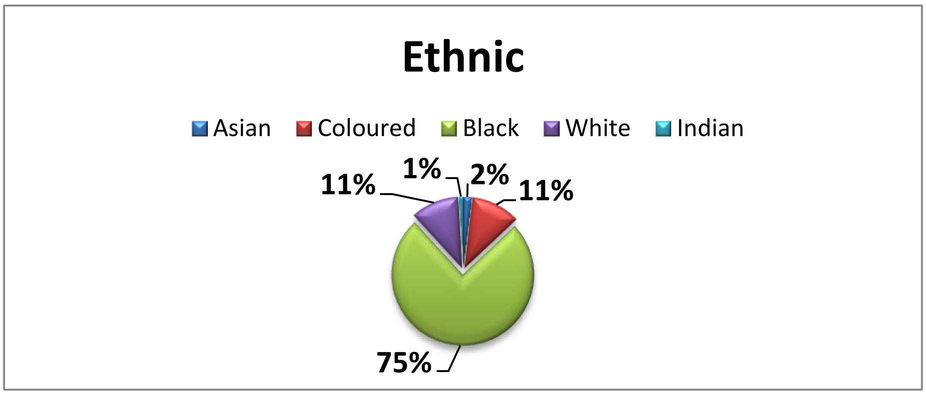

Figure 4.7 Ethnic group Distribution Frequency

Figure 4.7 depicts responses to question five regarding the ethnic group of the respondents. It can be seen that 75% of the respondents are black, followed by both coloured and whites at 11%. Blacks were expected to be majority as this is representative of the population in the geographical areas where the survey took place. Additional detailed data can be seen in Appendix B, Table 7.5.

4.3.1.6 Question 6: Marital Status

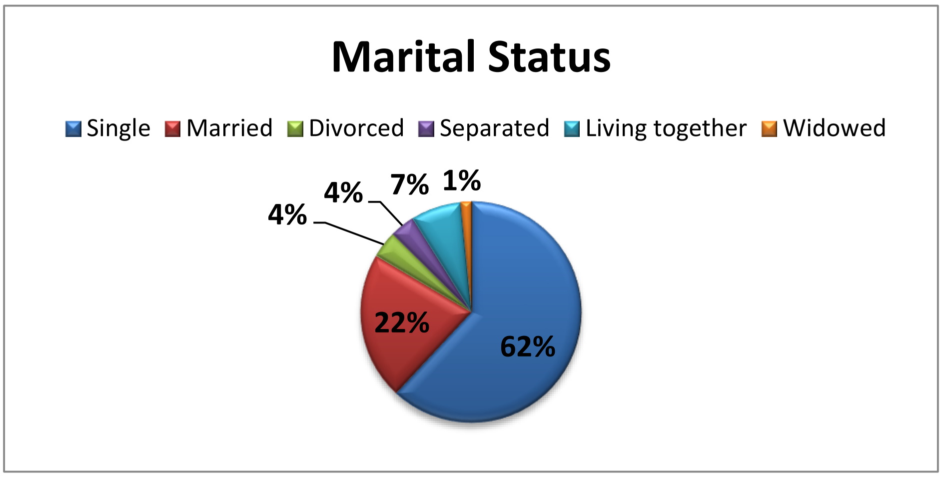

Figure 4.8 Marital Status Distribution Frequency

Figure 4.8 depicts responses to question six regarding the marital status of the respondents. It can be seen that 62% of the respondents were single, followed by 22% married and living together 7%. The single respondents are majority possible due to their going out more to the outlets where the survey took place and were keen to respond to the survey. Single people are also known to be more likely to socialise and interact in the social cycles than married couples. Additional detailed data can be seen in Appendix B, Table 7.6.

4.3.1.7 Question 7: Geographical Area

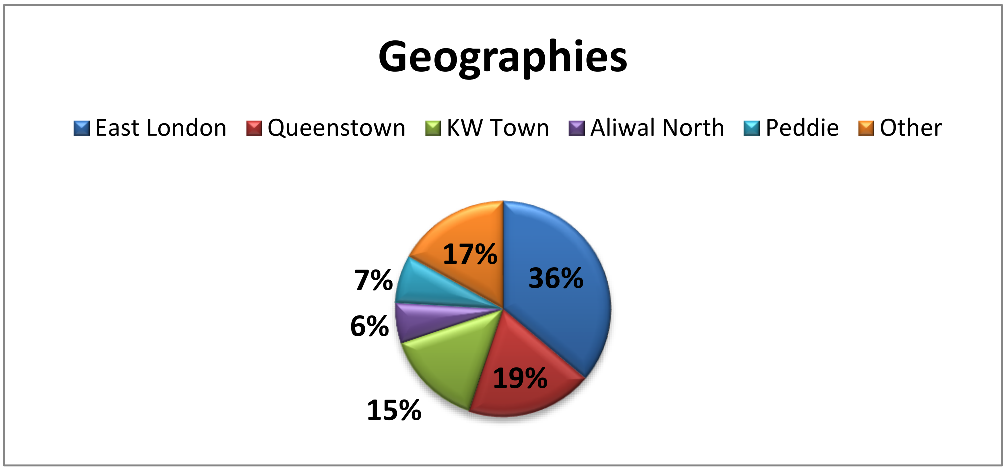

Figure 4.9 Geographical Area Distribution Frequency

Figure 4.9 depicts responses to question seven regarding the geographical areas where respondents reside. It can be seen that 36% of the respondents stay in East London, followed by 19% in Queenstown and 17%. Other areas and then 17% in King Williams town. Additional detailed data can be seen in Appendix B, Table 7.7.

4.3.1.8 Question 8: Number of Dependants

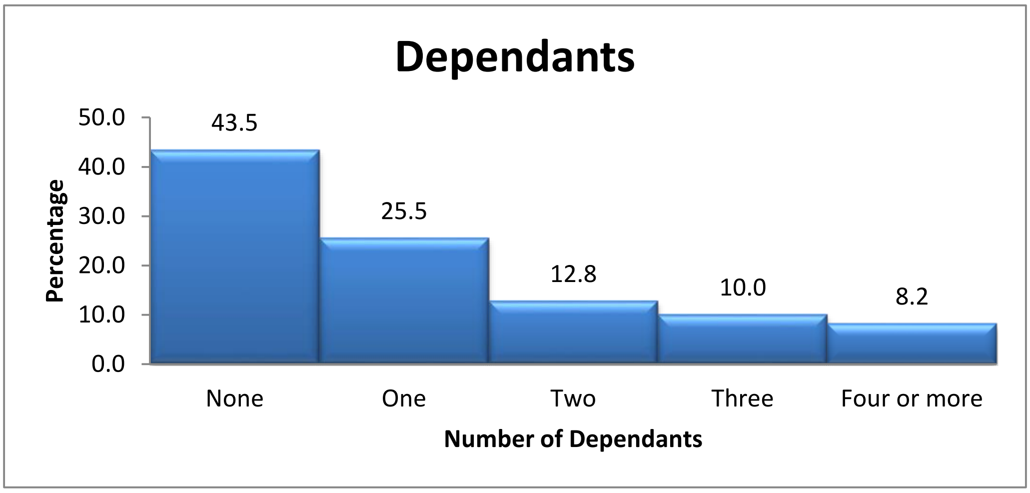

Figure 4.10 Number of Dependants Distribution Frequency

Figure 4.10 depicts responses to question eight regarding the number of dependents per respondent. It can be seen that 43.5% of the respondents have no dependents, followed by 25% who have one and 12.8% with two, then 10% with three. People that have no dependents are also known to be more likely to be outgoing, socialise and interact in the social cycles than people who have to be at home to take care of their dependents. These are more likely to be in the outlets where the surveys were conducted compared to those with dependants. Additional detailed data can be seen in Appendix B, Table 7.8.

4.3.1.9 Question 9: Education

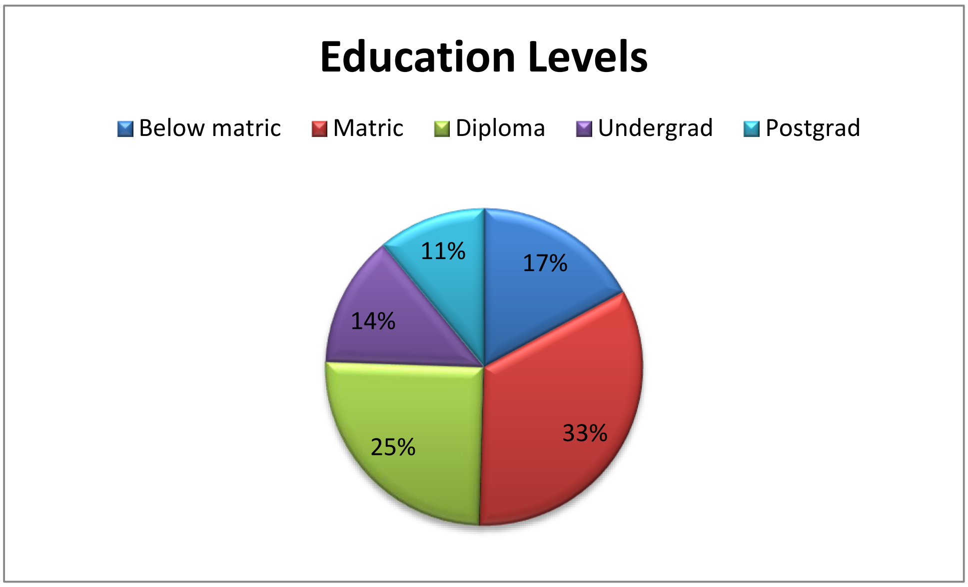

Figure 4.11 Education Levels distribution frequency

Figure 4.11 depicts responses to question nine regarding the education levels of the respondents. It can be seen that 33% of the respondents have Matric, followed by 25% with diploma, 17% with below matric, 14% with undergrad and 11% with post grad with. Additional detailed data can be seen in Appendix B, Table 7.9.

4.3.1.10 Question 10: Income

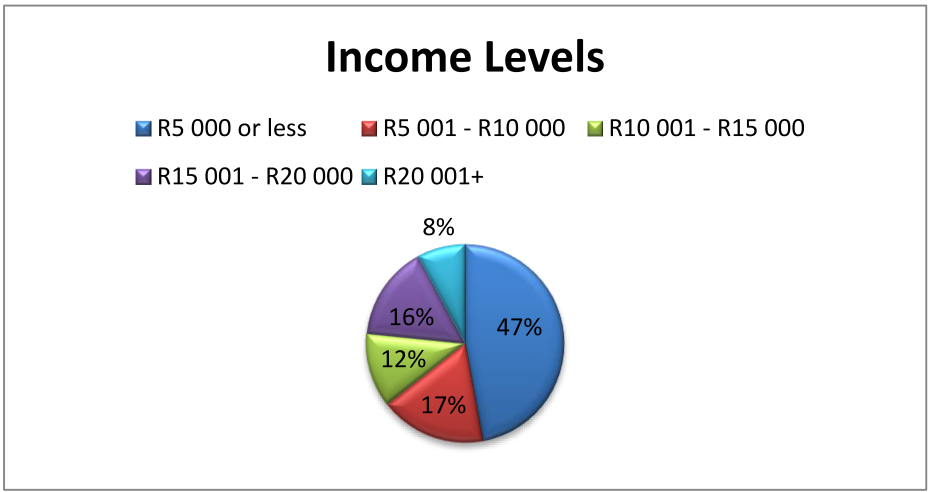

Figure 4.12 Income levels distribution frequency

Figure 4.12 depicts responses to question ten regarding the income levels of the respondents. It can be seen that 47% of the respondents are earning R5000 or less, followed by R5 001 to R10 000 at 17% and R15 001 – R20 000 at 16%. This is in line with border district's income population and Eastern Cape as a whole. The Eastern Cape is known as the poorest province in South Africa due to levels of unemployment. Additional detailed data can be seen in Appendix B, Table 7.10.

4.3.1.11 Question 11: On Premise frequency

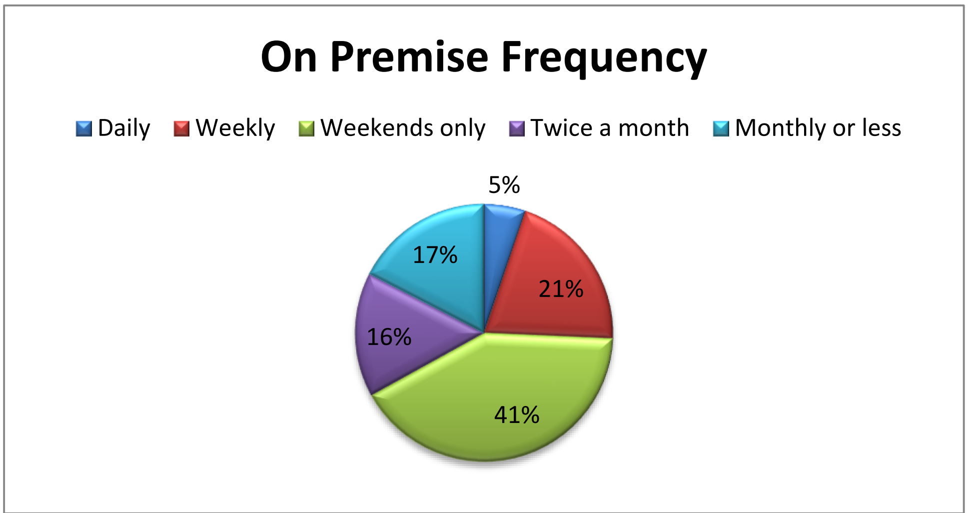

Figure 4.13 Distribution frequency of On Premise Frequency

Figure 4.13 depicts responses to question eleven regarding the visit to on premise by the respondents. It can be seen that 41% of the respondents visit during weekends only, followed by weekly at 21% and monthly at 17% and then twice a month at 16%. Weekend visits to on premise are a majority possible due to the long-standing practice in society across South Africa, where people go out, socialise and reward themselves with a drink after the week's hard work. Additional detailed data can be seen in Appendix B, Table 7.11.

4.3.1.12 Question 12: Off Premise frequency

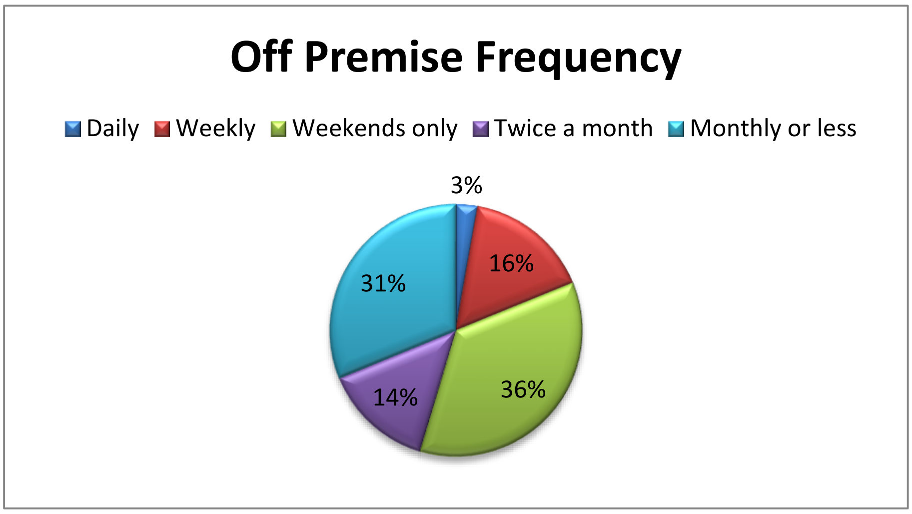

Figure 4.14 Distribution frequency of Off Premise Frequency

Figure 4.14 depicts responses to question twelve regarding the frequency to off premise by the respondents. It can be seen that 36% of the respondents frequent off premise on weekends only, followed by monthly at 31%. These are in line with figure 4.13 and figure 4.6 data where majority of respondent's choice was weekends only. Additional detailed data can be seen in Appendix B, Table 7.12.

4.3.1.13 Question 13: Alcohol first choice

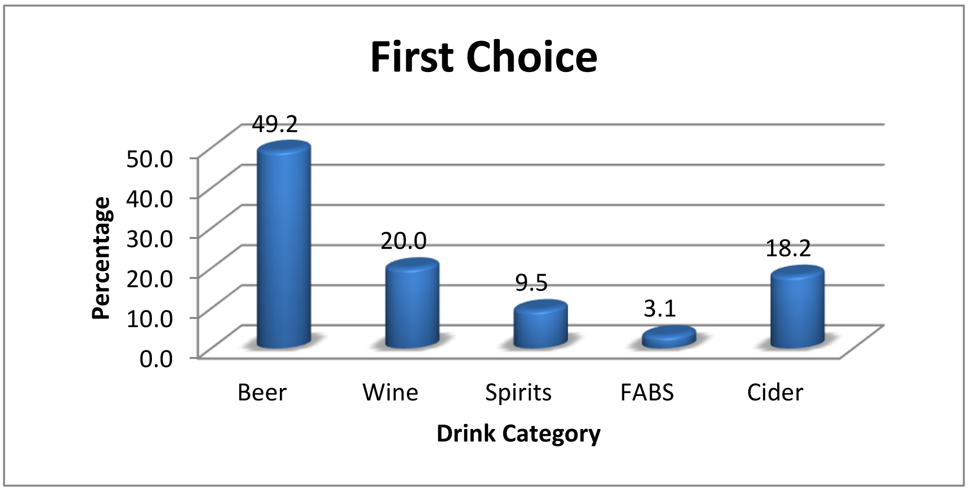

Figure 4.15 Bar Graph of the first choice of drink

Figure 4.15 depicts responses to question thirteen regarding the first drink of choice of the respondents. It can be seen that 49.2% of the respondents choose beer, followed by wine at 20% and then cider at 18.2%. Beer is a drink of moderation and it is regarded to be the oldest form of alcohol which is always available during social festivities. Additional detailed data can be seen in Appendix B, Table 7.13.

4.3.1.14 Question 14: Alcohol second choice

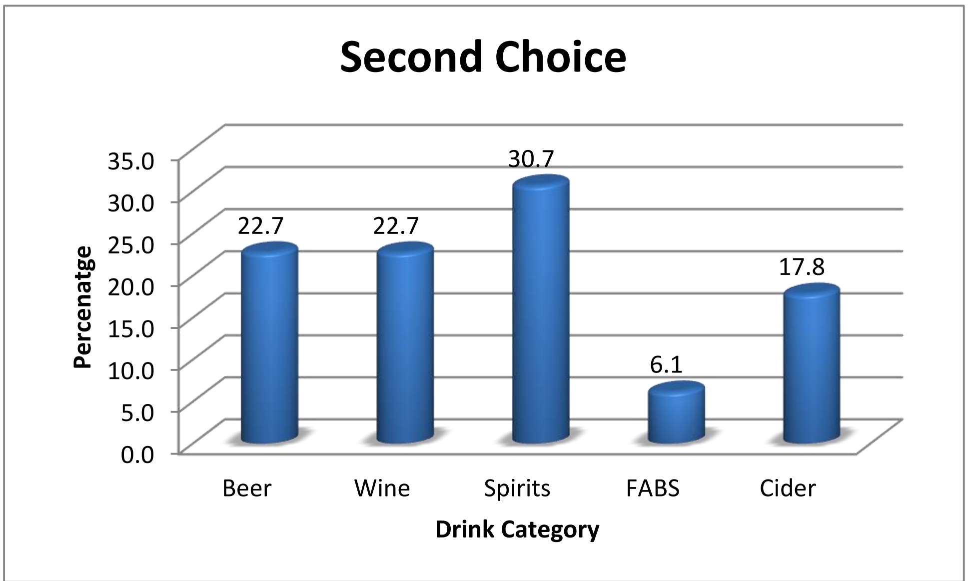

Figure 4.16 Bar chart for the second choice of drink

Figure 4.16 depicts responses to question fourteen regarding the second choice of drink of the respondents. It can be seen that 30.7% of the respondents choose spirits, followed by both beer and wine at 22.7% respectively, then cider at 17.8%. Fabs are last when on both question thirteen and fourteen. Additional detailed data can be seen in Appendix B, Table 7.14.

4.3.1.15 Question 15: Work Sector

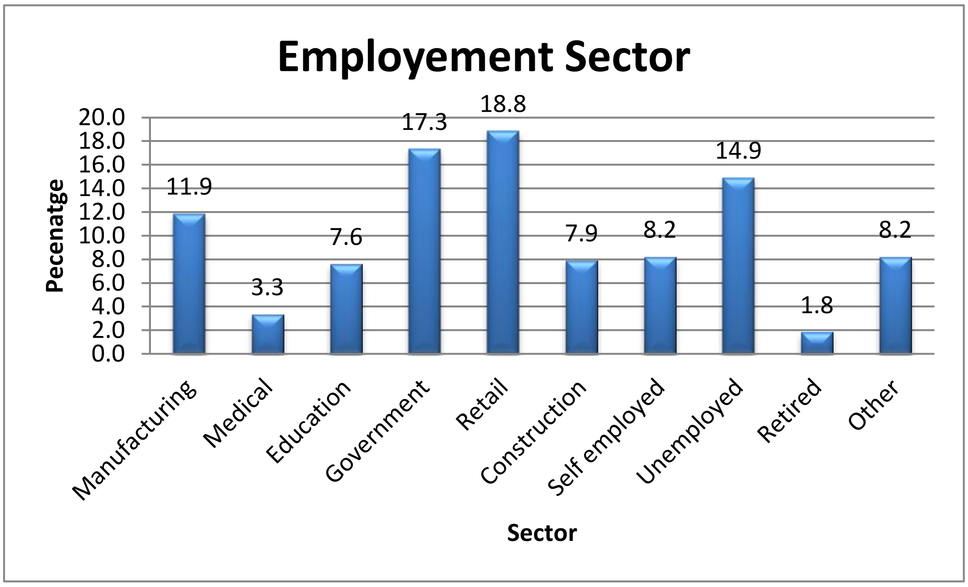

Figure 4.17 Bar chart for the employment sector

Figure 4.17 depicts responses to question fifteen regarding the employment sector of the respondents. It can be seen that majority of the respondents work in the retail (18.8%) and government (17.3%) sectors; followed by unemployed at 14.9% and manufacturing at 11.9%, then self-employed and other sectors at 8.2% respectively. This mirrors the population statistics of the Border district and Eastern Cape where unemployment remains a major challenge. Additional detailed data can be seen in Appendix B, Table 7.15.

4.4 Descriptive statistics: Section II

In this section the reliability of the captured data and the results of descriptive statistics used to test secondary research objectives RO_3, RO_4 and RO_5 will be discussed.

RO3: Establish key occasions where consumption takes place;

RO4: Establish whether alcohol categories will be positively related to consumer purchasing decision;

RO5: Establish the key drivers that are not negotiable from the consumer's point of view.

4.4.1 Section II A: Price (Cost)

The survey conducted confirms that price in terms of cost is very important as a factor in consumer-purchasing decisions. 69% of the respondents agreed that Price is important to them when they make a purchasing decision. 60.5% of the respondents confirmed that they search for specials (low prices) before they make a final purchase. A further 64.2% confirmed that they buy more when alcohol is on special (reduced price). These findings are aligned with the literature discussed in chapter 2 section 2.5 and section 2.4.2 where Jones and Berrie (2011); Shen and Yu (2013) respectively argue that there is evidence that there is a direct relationship between reduced alcohol prices, increased sales and increased alcohol consumption. 44.3% of the respondents confirmed that lower price will make them change their mind on what they were going to originally buy however 33.4% disagreed with this view. 47.9% of the respondents agreed that will buy their favourite alcohol even if it's over priced however, 32.5% disagreed with this view.

In Table 4.5 (see page 101) the mean score is 3.53 and the median is 3.50 which implies there is a high level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.52, indicating acceptable reliability for this factor. Additional statistics per question asked about price and cost to respondents can be seen in figure 7.1 to figure 7.5 in Appendix B.

4.4.2 Section II B: Price (Quality relative to cost)

Consumers continue to look for low prices and high quality. Most of them are not willing to compromise quality; although price is very important but quality remains a priority. This is confirmed by the 59.6% of consumers in the survey who agree that they look for quality of the product before purchase not price and 55.4% who look for high quality products at a low price. It is further supported by 53.6% who will not buy a low price product without considering quality. The above findings are aligned to the literature discussed in chapter 2 section 2.5.2 where Dimitrova and Rosenbloom (2010) argue that worldwide consumers are increasingly looking for high quality products at an affordable price.

In Table 4.5 (see page 101) the mean score is 3.43 and the median is 3.40 which implies there is a high level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.66, indicating acceptable reliability for this factor. Additional statistics per question asked about price and quality to respondents can be seen in figure 7.6 to figure 7.10 in Appendix B.

4.4.3 Section II C: Price (Elasticity and increase)

Price increase impacts alcoholic sales negatively as 54.8% of customers confirmed that they buy less alcohol due to increase in price. A further 46.1% confirmed that they don’t buy more alcohol before price increase. These findings are aligned to the literature discussed in chapter 2 section 2.5.4 where Zaribaf (2008) and Giulietti (2007) argue that a company would usually adjust price up or down regarding the value that a customer is willing to pay for the product. 42.2% confirmed that they will buy their favourite drink although it might be expensive and a 44.3% buy more alcohol when they get paid.

In Table 4.5 (see page 101) the mean score is 2.98 and the median is 3.00 which implies there is a moderate level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.65, indicating acceptable reliability for this factor. Additional statistics per question asked about price, price elasticity and price increase to respondents can be seen in figure 7.11 to figure 7.15 in Appendix B.

4.4.4 Section II D: Product (Packaging)

Organisations and marketing people invest a great deal in packaging look and feel of products. However, 50% of the respondents in the survey conducted confirm that they don't buy alcohol based packaging, whereas 21.7% agree. 46.1% confirmed that packaging does not represent them and their style whilst 28.9% agree. Despite these statements above 45.8% do not want their favourite drink to be packed in a cheap looking packaging whilst 28.3% stated that cheap-looking packaging does not matter as long it's their favourite drink. 50.6% confirmed that packaging used for drink does not have to be environmentally friendly whilst 26.8 prefer it to be environmentally friendly.

These findings indicate that some consumers are not considering the environmental friendly feature as one of the factors before they purchase a product. However, in the literature discussion in chapter 2 section 2.10 Leonidou, Katsikeas and Morgan (2013) highlighted the investments many companies are making to ensure that environmentally friendly products are introduced into the market. Consumers are conscious about what they are seen drinking in public. This is confirmed by 75% of the consumers surveyed. This is a key indicator that consumers enjoy badging. In Table 4.5 (see page 101) the mean score is 2.94 and the median is 3.00 which implies there is a moderate level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.53, indicating acceptable reliability for this factor. Additional statistics per question asked about product and packaging to respondents can be seen in figure 7.16 to figure 7.20 in Appendix B.

4.4.5 Section II E: Product (Design)

50.9% of the respondents indicated that they do not purchase an alcoholic beverage because they like the bottle design whilst 22.3% do. A further 46.4% confirmed that product design is not import to them and 31.9% highlighted that it is important. This is not aligned to Most (50.9%) consumers normally change from their original choice of drink despite the bottle design after tasting a product and 28% disagreed with this view. 53% stated that the beauty of the bottle is important to them whilst 15.7% disagree. This is finding supports the views in the literature discussion in chapter 2 section 2.4.2 as argued by Jones and Berrie (2011). 40.7% confirmed taste to be more important than design whilst 42.5% disagree. In Table 4.5 (see page 101) the mean score is 2.65 and the median is 2.50 which implies there is a low level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.70, indicating acceptable reliability for this factor. Additional statistics per question asked about product and design to respondents can be seen in figure 7.21 to figure 7.25 in Appendix B.

4.4.6 Section II F: Product (Life Cycle)

74.4% of the respondents will not buy any alcohol that their parents drank. This is in line with the latest trends and the continuous innovations that the youth continues to lead in the market place. 52.7% of the respondents disagree to stop purchasing certain alcohol types because they have not kept up with the trends (fashion/ style) whilst 25.3% agree. 47% confirmed that they do not like antique products and old fashioned alcoholic products whilst 24.4% does. 52.7% do not buy alcoholic products that are the latest fashion (trend). This implies that these consumers will take time to be accustomed to new product development. Whilst there is 23.5% who will buy alcoholic products that are the latest fashion (trend). 56.6% of consumers confirmed that they look at expiry dates before they purchase a product, whilst 24.4% does not. These findings support the literature discussion in chapter 2 section 2.4.3 Eager and Drukker (2010); Ataman, Van Heerde and Mela (2010) argues various factors regarding a products' life cycle and how it is already difficult to predict the nature and timing of a product's renewal.

In Table 4.5 (see page 101) the mean score is 2.67 and the median is 2.80 which implies there is a low level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.66, indicating acceptable reliability for this factor. Additional statistics per question asked about product and life cycle to respondents can be seen in figure 7.26 to figure 7.30 in Appendix B.

4.4.7 Section II G: Promotion (Incentives)

46.1% of the respondents look at promotions available before they make a purchase at the outlet compared to 26.8% who do not. 45.8% will not buy any alcohol beverage when it is on promotion while 25.9% will. 46.7% of the respondents will try something new that on a promotion due to the prize being offered whilst 25.9% will not. These findings are aligned to the literature discussions in chapter 2 section 2.6.1 where Chan, Lin and Bodhi (2014) argue that wherever incentives are offered, consumers are more likely to purchase the products. 50% of the respondents stated that a promotion won't change their original intentions of buying their favourite alcohol beverage whilst 23.5% disagree.

In Table 4.5 (see page 101) the mean score is 3.18 and the median is 3.25 which implies there is a high level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.61, indicating acceptable reliability for this factor. Additional statistics per question asked about promotion and incentives to respondents can be seen in figure 7.31 to figure 7.35 in Appendix B.

4.4.8 Section II H: Promotion (Integrated Marketing Communication)

47.6% of the respondents agree that advertising makes them want to try something different compared to 25.3% who will not. 30.1% agree that adverts change their mind and their preferences compare to 39.8% who disagree. These findings are aligned to the literature discussions in chapter 2 section 2.6.3 where Ketalinic (2011) noted that an increase in sales can be linked to IMC tools that works together. 56.6% disagree that Sports stars influence their purchasing decision compared to 20.2%

who agree. 23.8% of the respondents agree that if they hear a product advertised on radio they end up buying it compare with 50.35% who disagree. This is similar with those who see adverts on a television (TV), where 20.8% of the respondents agree that If they see an advert on TV, they end up buying the product compared to 43.7% disagree. 59.3% models used in advertising and promotions communication do not influence their purchasing decision compare to 20.8% who agree that the models have an influence.

In Table 4.5 (see page 101) the mean score is 2.72 and the median is 2.67 which implies there is a low level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.91, indicating high reliability for this factor. Additional statistics per question asked about promotion and integrated marketing communication to respondents can be seen in figure 7.36 to figure 7.41 in Appendix B.

4.4.9 Section II I: Promotion (Word of Mouth)

50.3% of the respondents confirmed that they don't change their purchasing behaviour when they are amongst friends compared to 30.2% who do. 28% agree to buy what their friends drink compared to 50.3% who disagree. 67.8% agreed that they recommend certain drinks to their friends and 18.7% disagreed. 40.1% agree that they will buy a drink that their friend recommends compared to 29.5% who disagree. 33.4% will buy a drink that their family member recommends compared to 36.7% who will not. 40% of the respondents will try a beverage recommended regardless if it is whisky, beer or wine compared to 34% who disagree. The above findings are aligned to the literature discussions in chapter 2 section 2.6.2 Sandes and Urdan (2013); Patti and Chen (2009) argue that interpersonal information and recommendations shape consumer's preferences during the consumer purchase cycle.

In Table 4.5 (see page 101) the mean score is 2.96 and the median is 3.00 which implies there is a moderate level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.82, indicating moderate reliability for this factor. Additional statistics per question asked about promotion and word of mouth to respondents can be seen in figure 7.42 to figure 7.47 in Appendix B.

4.4.10 Section II J: Place (Availability)

Availability is important to drive increase sales as 66.3% of respondents will go to another outlet to find their favourite beverage or brand if they can't find it in a particular outlet. 28% agree that they will not purchase their favourite beverage if their preferred pack is not available compared to 40.4% who disagree. 50.6% agree that will purchase something else if their original drink is not available compared to 25.6% who disagree. These findings are aligned to the literature in chapter 2 section 2.7 and section 2.7.1 where Yoo, et al., (2000) and Bell (2000) respectively argue that non-availability of products at a particular outlet drive consumers and shoppers to alternative outlets. 49.7% disagree to buying a new product when they see it compare to 21.7% who agree. 42.5% disagree that they will not purchase anything if my drink is not available compare to 26.2% who agree.

In Table 4.5 (see page 101) the mean score is 2.92 and the median is 3.00 which implies there is a low level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.43, indicating unacceptable reliability for this factor. Additional statistics per question asked about place and availability to respondents can be seen in figure 7.48 to figure 7.52 in Appendix B.

4.4.11 Section II K: Place (Cold Space)

76.8% of the respondent prefer to buy alcoholic drink from the fridge compared to 9% who disagree. This is aligned to the literature discussion in chapter 2 section 2.7.2 where Mullman noted the success of Coors Light in the United States market through building their beer brand through the cold message. 82.2% of the respondents agree that they will ask for their brand when they don't see it the fridge compared with only 5.7% who disagree. 73.5% of the respondents agree that they make their decision before they get to the fridge. 69.3% of the respondents agree that they make their decision before they get to the counter compared to 14.5% who disagree. 50% disagree that brands that are displayed in the fridge can change their original brand choice compare to 28.3% who agree.

In Table 4.5 (see page 101) the mean score is 3.89 and the median is 4.00 which implies there is a high level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.73, indicating acceptable reliability for this factor. Additional statistics per question asked about place and cold space to respondents can be seen in figure 7.53 to figure 7.58 in Appendix B.

4.4.12 Section II L: Place (Ambient Space)

81% of the respondents surveyed agree that they ask for assistance when they don't find or see their drink of choice compared to 6% who disagree. 56.3% disagree that they buy all their products based on what they see first compared to 22.9% who agreed. 35.5% agree that they will not buy from a display in an outlet compared to 30.1% who disagree. 36.1% agree that displaying alcoholic products are important to them compared to 30.4% who disagree. 57.2% agree that they prefer looking from shelf to shelf until they find what they are looking for compared to 20.5% who disagree. In Table 4.5 (see page 101) the mean score is 3.01 and the median is 3.00 which implies there is a moderate level of agreement amongst respondents. In table 4.1 (see page 97) the Cronbach Alpha for this factor is shown to be established as 0.50, indicating acceptable reliability for this factor. Additional statistics per question asked about price and cost to respondents can be seen in figure 7.59 to figure 7.63 in Appendix B.

4.4.13 Section II: Drinking occasions

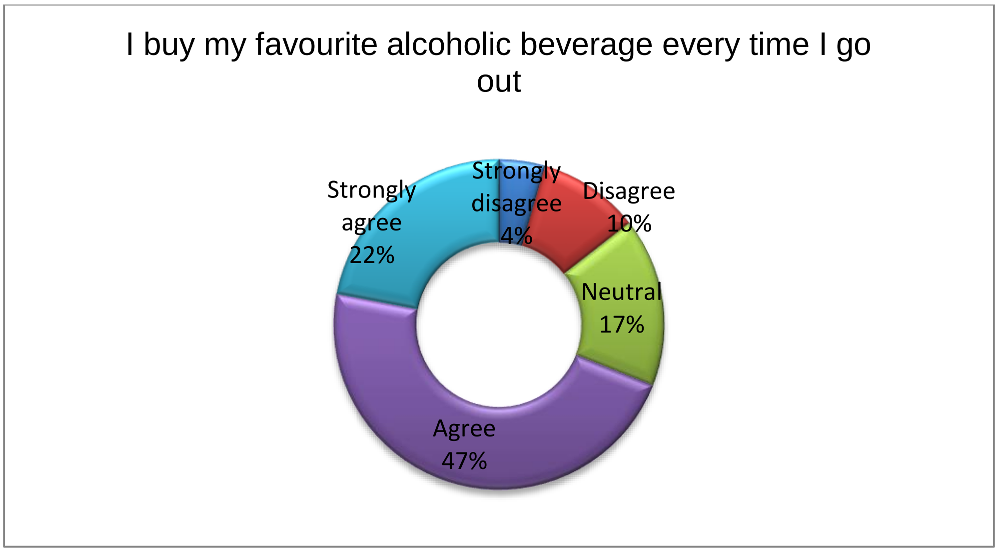

Figure 4.18 Going out as an occasion

Most consumers agree that they change from the usual drink to a different drink when they go out. This is supported by 69% of the respondents as depicted by Figure 4.18. This can be attributed by the notion that consumers like to badge and want to be seen drinking brands that will be deemed socially acceptable in public or brands that are the latest trend. These findings are aligned to the literature discussions in chapter 2 section 2.8 where Desai and Hoyer (2000) noted that consumers link their purchases to specific occasions.

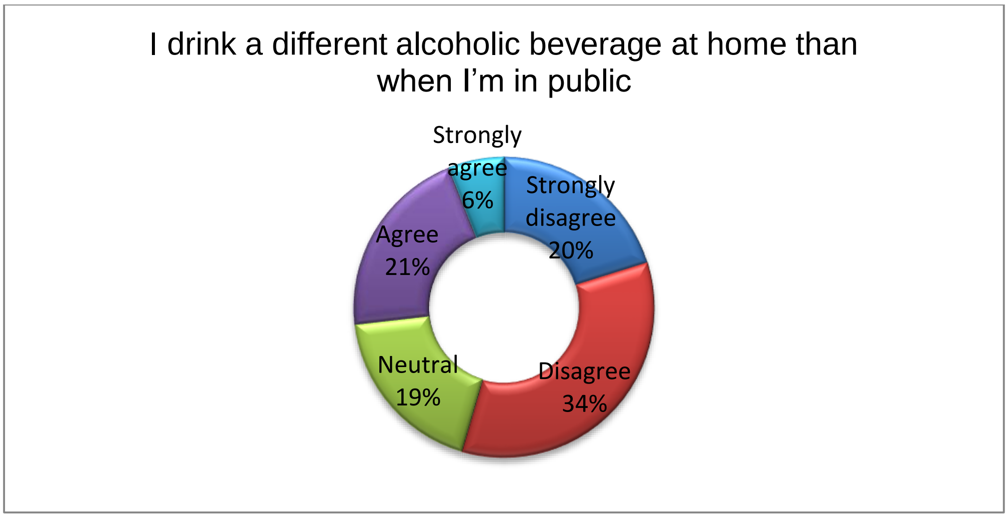

Figure 4.19 At home occasion

Most consumers disagree that they change from the usual drink to a different drink when it at home occasion. This is supported by 54% of the respondents as depicted by Figure 4.19. A further 27% agree that they drink a different alcoholic beverage at home than when they are in public. These findings can be linked to brand loyalty as argued by Burns, Dato-on and Manolis (2015); Phau, Sequeira and Dis (2009) in chapter 2 section 2.9

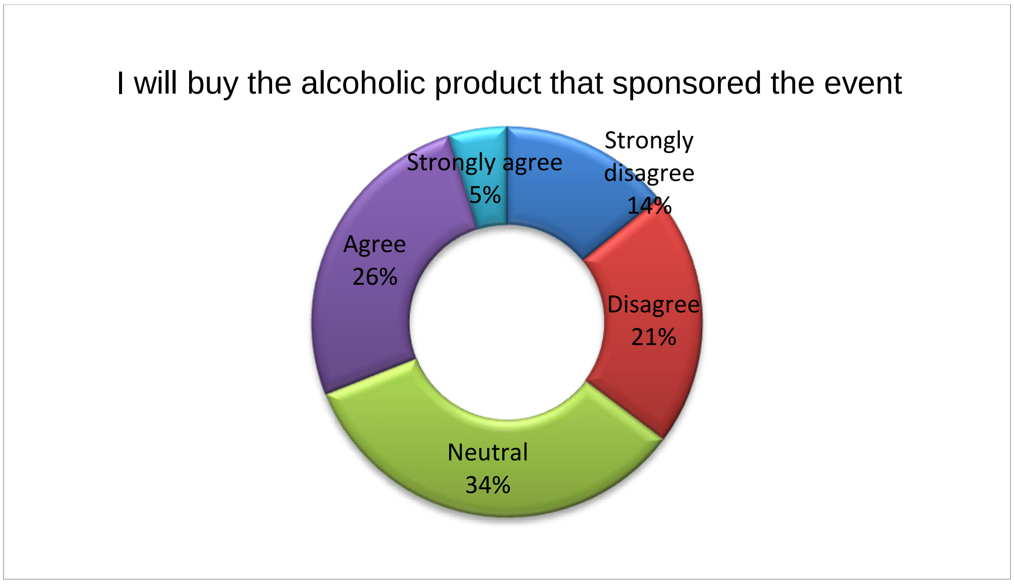

Figure 4.20 Event as an occasion

Most consumers disagree that they change from the usual drink to a different drink when it is an event occasion. This is supported by 35% of the respondents as depicted by Figure 4.20 compared to the 31% who agree with the statement. This could also be mainly driven by brand loyalty.

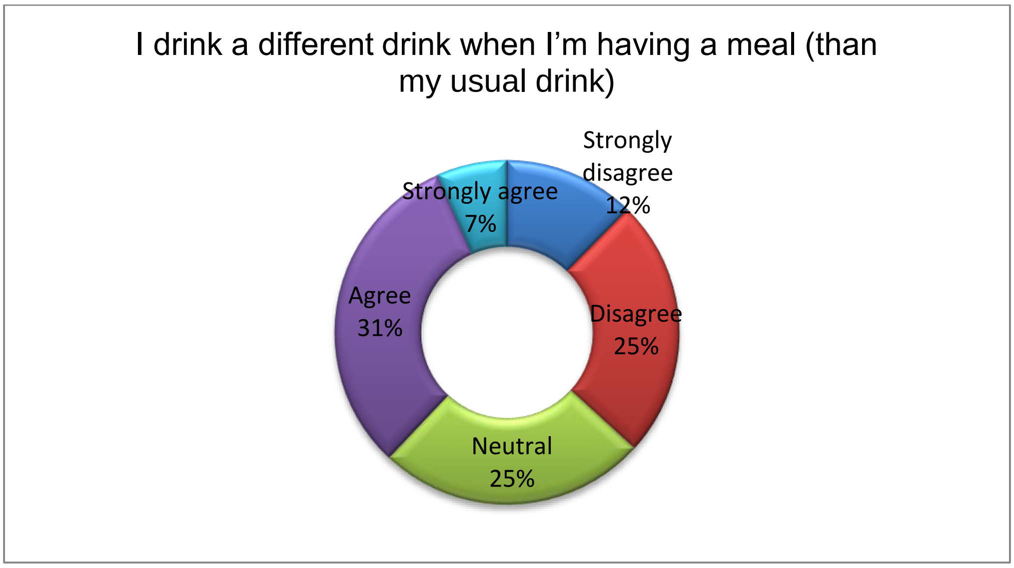

Figure 4.21 With meal occasion

Some consumers agree that they change from the usual drink to a different drink when having a meal while others don't. This is supported by 38% of the respondents compared to 37% who disagree as depicted by Figure 4.21.

Figure 4.22 Celebrations occasion

Most consumers agree that they change from the usual drink to a different drink when it is a special occasion. This is supported by 45% of the respondents compared to 32% who disagree as depicted by Figure 4.22. These findings are aligned to the literature discussion in chapter 2 section 2.9 where Skinner (2009) argue that culture of drinking and social life and different countries have different consumption patterns and attitudes.

4.4.13.1 Conclusion

In the above section, the third, fourth and fifth objectives were achieved. It was establish that key occasions where consumption takes place such as going out and celebration occasions influence consumer purchasing decision. It was also established that branding is positively related to consumer-purchasing decision as majority of consumers confirmed that badging and which brand they seen drinking in public is important. It was further, established that the key drivers that are not negotiable from the consumer's point of view include price, quality, availability and product temperature.

In the next section, the sixth objective of this study which is “Conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions” will be addressed.

4.5 Multivariate Analysis and Inferential statistics

In this section the reliability of the captured data and the results of inferential statistics used to test secondary research objectives RO_6 will be discussed.

4.5.1 Data reliability

As per the earlier discussion in section 3.9.2, Reliability refers to the accuracy and precision of the measurement and the absence of differences if the research were repeated. Therefore it is the absence of credibility of the findings (Collis and Hussey, 2014). According to Cooper and Emory (1995;153) “reliability is a contributor to validity and is a necessary but not sufficient condition for validity”. It is concerned with estimates of the degree to which a measurement is free of random or unstable error. It is not as valuable as validity determinations, but it is much easier to assess.

There is a number of ways of estimating the reliability of a scale measure namely; the external reliability, test-retest reliability and internal reliability. Cronbach’s alpha coefficient is one the most widely used tests for checking the internal reliability of multiple item scales (Collis and Hussey, 2014).

Researchers have defined the following guidelines:

Cronbach Alpha ≥ 0.90 - high reliability

Cronbach Alpha ≥ 0.80 - moderate reliability

Cronbach Alpha ≥ 0.70 - low reliability

Cronbach Alpha < 0.70 - unacceptable reliability

A Cronbach Alpha value of between 0.50 and 0.69 has been indicated as acceptable for new and experimental research.

Factor	Cronbach Alpha
A) Price (Costs)	0.52
B) Price (Quality relative to cost)	0.66
C) Price (Elasticity and Increase)	0.65
D) Product (Design)	0.70
E) Product (Packaging)	0.53
F) Product (Life Cycle)	0.66
G) Promotion (Incentives)	0.61
H) Promotion (IMC)	0.91
I) Promotion (WOM)	0.82
J) Place (Availability)	0.43
K) Place (Cold Space)	0.73
L) Place (Ambient space)	0.50
Occasion	0.64

Table 4.1 Cronbach's Alpha coefficient for all factors (n= 332)

4.5.2 Empirical evaluation of consumer purchasing decision

4.5.2.1 Introduction to research objective

This section will discuss the sixth objective which is to conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions.

RO6: Conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer-purchasing decisions.

4.5.2.2 Hypothesis formulation and testing

The following hypothesis was formulated in order to test the null hypothesis is that "there is no difference in factors that influence purchasing decisions between the males and females". A t-test will be used to accept or reject this hypothesis as discussed in section 4.2.2.1. A second hypothesis using a Chi² tests was to test difference between gender purchasing pattern frequencies of males and females as discussed in section 4.2.2.2. The null hypothesis is that "there is no difference between gender purchasing pattern frequencies of males and females". A third hypothesis using the analysis of variance was used to test the difference in means to compare the age groups and income levels in relation to factors that consumers consider when making purchasing decisions as discussed in section 4.2.2.3. The null hypothesis is that "there is no correlation in factors that influence purchasing decisions between age groups". The forth hypothesis is that "there is no correlation in factors that influence purchasing decisions between income levels".

T-tests to compare the genders

T-tests; Grouping: Gender

	Mean Female	Mean Male	t-value	df	p	Valid N Female	Valid N Male	Std.Dev. Female	Std.Dev. Male
Factor_A	3.52	3.53	-0.15	328	0.8784	119	211	0.85	0.76
Factor_B	3.51	3.39	1.50	328	0.1347	119	211	0.64	0.74
Factor_C	2.94	2.99	-0.52	328	0.6010	119	211	0.75	0.77
Factor_D	2.67	2.62	0.47	328	0.6360	119	211	0.92	0.92
Factor_E	3.00	2.92	0.82	328	0.4116	119	211	0.80	0.83
Factor_F	2.68	2.66	0.22	328	0.8249	119	211	0.80	0.73
Factor_G	3.19	3.17	0.28	328	0.7785	119	211	0.79	0.78
Factor_H	2.81	2.67	1.35	328	0.1786	119	211	0.91	0.88
Factor_I	2.98	2.94	0.41	328	0.6841	119	211	0.83	0.82
Factor_J	2.92	2.91	0.14	328	0.8851	119	211	0.68	0.64
Factor_K	3.86	3.91	-0.63	328	0.5281	119	211	0.69	0.73
Factor_L	2.97	3.03	-0.82	328	0.4155	119	211	0.66	0.66
Factor_Occ	2.92	2.87	0.49	328	0.6213	119	211	0.88	0.88

(No significant differences (all p-values > 0.05))

Table 4.2 T-test to compare genders

It can be seen in Table 4.6 that a t-test was used to establish whether there is a difference in factors that influence purchasing decisions between the males and females samples. The null hypothesis is that there is no difference in factors that influence purchasing decisions between the males and females. The results indicate that there is no significant differences as all p-values are greater than 0.05. Therefore, accept the null hypothesis that is no difference in factors that influence purchasing decisions between the males and females.

Chi-square to test whether purchase behaviour is different for the genders

2-Way Summary Table: Observed Frequencies			
Purchase	Gender	Gender	Row
	Male	Female	Totals
Daily	13	1	**14**
Column %	6.19%	0.85%	
Weekly	52	19	**71**
Column %	24.76%	16.10%	
Weekends only	89	51	**140**
Column %	42.38%	43.22%	
Twice a month	34	17	**51**
Column %	16.19%	14.41%	
Monthly or less	22	30	**52**
Column %	10.48%	25.42%	
Totals	**210**	**118**	**328**

Its interpretation is:
< 0.30 : Small
0.30 - 0.49 : Medium
0.50+ : Large

Cramer's V is an effect size measure that indicates the practical significance of a finding (for cross-tabulations).

Chi-square	18.48	df=4	p=.00099 (Statistically significant)
Cramer's V	0.24	(Small practical significance)	

Table 4.3 Chi Square and Creamer V on observed purchasing frequencies of males and females

Chi² tests have been conducted to determine the statistical significance of the correlation differences between males and females samples regarding their purchase frequencies. As per table 4.7 the results indicate that the differences are significant as the p–value is less than 0.05%. Therefore, reject the null hypothesis due to a large difference. Cramer's V indicates that there is a small practical significance. The implication for this is that marketers need to approach males and females as different target groups at different times during the month.

Each of the factors was perceived differently by the various age groups. All factors indicated that p<0.05 which implies significant difference in means of the age groups expect factors F, J and L where there was no significant difference as p>0.05 as can be seen in Table 4.4 below. This means there is a strong correlation between age groups and factors that consumers consider when making a purchasing decision.

Analysis of Variance for Age Groups: Marked in Red are significant at p<0.05%

Factors	Description	F	p
Factor_A	Price (Costs)	4.65	0.0012
Factor_B	Price (Quality relative to cost)	3.07	0.0167
Factor_C	Price (Elasticity and Increase)	2.67	0.0322
Factor_D	Product (Design)	3.52	0.0079
Factor_E	Product (Packaging)	4.81	0.0009
Factor_F	Product (Life Cycle)	1.04	0.3891
Factor_G	Promotion (Incentives)	2.76	0.0278
Factor_H	Promotion (IMC)	4.06	0.0032
Factor_I	Promotion (WOM)	5.26	0.0004
Factor_J	Place (Availability)	1.77	0.1355
Factor_K	Place (Cold Space)	3.65	0.0063
Factor_L	Place (Ambient space)	2.03	0.0902
Factor_Occ	Occasion	3.84	0.0046

Table 4.4 Analysis of Variance of all factors – Age groups

The factors are calculated as follows:	Descriptive Statistics				
Factor	Factor Description	Valid N	Mean	Median	Std. Dev.
Factor_A = mean(A1, A2, A4, A5)	A) Price (Costs)	332	3.53	3.50	0.80
Factor_B = mean(B1, B2r, B3, B4, B5)	B) Price (Quality relative to cost)	332	3.43	3.40	0.71
Factor_C = mean(C1, C2, C3, C4, C5)	C) Price (Elasticity and Increase)	332	2.98	3.00	0.76
Factor_D = mean(D1, D2, D3, D4)	D) Product (Design)	332	2.65	2.50	0.92
Factor_E = mean(E1, E2, E4, E5)	E) Product (Packaging)	332	2.94	3.00	0.82
Factor_F = mean(F1, F2, F3, F4, F5)	F) Product (Life Cycle)	332	2.67	2.80	0.76
Factor_G = mean(G1, G2, G3, G4)	G) Promotion (Incentives)	332	3.18	3.25	0.78
Factor_H = mean(H1, H2, H3, H4, H5, H6)	H) Promotion (IMC)	332	2.72	2.67	0.89
Factor_I = mean(I1, I2, I3, I4, I5, I6)	I) Promotion (WOM)	332	2.96	3.00	0.82
Factor_J = mean(J1, J3, J4, J5)	J) Place (Availability)	332	2.92	3.00	0.65
Factor_K = mean(K1, K2, K3, K5)	K) Place (Cold Space)	332	3.89	4.00	0.71
Factor_L = mean(L2, L3, L4, L5)	L) Place (Ambient space)	332	3.01	3.00	0.66
Factor_Occ = mean(Occasion2, Occasion3, Occasion4, Occasion5)	Occasion	332	2.89	3.00	0.88

Table 4.5 All factors descriptive statistics

4.5.2.3 Conclusion

Firstly, in the section above, it was established that there is no difference in factors that influence purchasing decisions between the males and females using the T-test. Secondly, it was established that there is a statistical significance of the correlation differences between males and females samples regarding their purchase frequencies. Lastly, it was established that there is a strong correlation between age groups and factors that consumers consider when making a purchasing decision.

4.5.3 Testing the relationship between the Independent Variable and Consumer purchasing decision

The following hypotheses have been formulated in order to test the relationship between the Independent Variable and Consumer purchasing decision (means reference constant (value = 3) :

H_1 = “There is a high level of agreement that price influences consumer purchase decision”;

H_2 = “There is a high level of agreement that product influences consumer purchase decision”;

H_3 = “There is a high level of agreement that promotions influences consumer purchase decision”; and

H_4 = “There is a high level of agreement that place influences consumer purchase decision”.

Test of means against reference constant (value)

Hypothesis	Hypothesis Description	Mean	Reference Constant	Hypothesis Accepted or Rejected
H1	There is a high level of agreement that price influences consumer purchase decision	3.31	3	Accepted
H2	There is a high level of agreement that product influences consumer purchase decision	2.75	3	Rejected
H3	There is a high level of agreement that promotions influences consumer purchase decision	3.28	3	Accepted
H4	There is a high level of agreement that place influences consumer purchase decision	2.95	3	Rejected

Table 4.6 Hypothesis testing

It can be seen in Table 4.6 above that there is a high level of agreement that price and promotion influence consumer purchasing decision. Therefore, the hypotheses developed in this research study have all been accepted for price and promotion by means of statistical analysis through empirical evaluation. The optimisation of the marketing mix, as indicated in the hypothesised conceptual marketing-mix model depicted in Figure 3.4 is rejected for product and place but accepted for price and promotion. This could be as a result of the low income levels within the border district in the Eastern Cape.

Table 4.7 below indicates a test conducted on whether there are significant differences between the means of the four factors. The results indicate that there is a significant differences as all p-values are less than 0.05 between price and product. Both of these elements of the marketing mix indicate a medium significance. Price and place also indicate medium significance as well as promotion and place. Place and product show a small practical significance. On the other hand, place and promotion also indicated small significance. However, there is no significant difference between price and promotion as p-value is greater than 0.05.

T-test for Dependent Samples

	Mean	Std.Dv.	N	Diff.	Std.Dv.	t	df	p	Cohen's d	Practical
					Diff.					signif.
PRICE	3.31	0.48								
PRODUCT	2.75	0.69	332	0.56	0.71	14.45	331	0.0000	0.79	Medium
PRICE	3.31	0.48								
PLACE	2.95	0.68	332	0.36	0.69	9.49	331	0.0000	0.52	Medium
PRICE	3.31	0.48								
PROMOTION	3.28	0.46	332	0.04	0.57	1.17	331	0.2422		
PRODUCT	2.75	0.69								
PLACE	2.95	0.68	332	-0.20	0.56	-6.50	331	0.0000	0.36	Small
PRODUCT	2.75	0.69								
PROMOTION	3.28	0.46	332	-0.52	0.68	-13.96	331	0.0000	0.77	Medium
PLACE	2.95	0.68								
PROMOTION	3.28	0.46	332	-0.32	0.66	-8.83	331	0.0000	0.48	Small

Table 4.7 T-test for Dependent Samples

Test of means against reference constant (value)

	Mean	Std.Dv.	N	Reference	t-value	df	p	Cohen's d	Practical
				Constant					signif.
PRICE	3.31	0.48	332	3	11.84	331	0.0000	0.65	Medium
PRODUCT	2.75	0.69	332	3					
PLACE	2.95	0.68	332	3					
PROMOTION	3.28	0.46	332	3	10.83	331	0.0000	0.59	Medium

Table 4.8 Test of means against reference constant (value)

Test of means against reference constant value three was performed as per table 4.8 above. It can be seen that for price and promotion the sample mean is significantly greater than 3.0. It can be further seen that for product and place the sample mean is smaller than 3.0 so one cannot do a test whether it is significantly greater than 3.0.

Breakdown Table of Descriptive Statistics												
Income	PRICE	PRICE	PRICE	PRODUCT	PRODUCT	PRODUCT	PLACE	PLACE	PLACE	PROMOTION	PROMOTION	PROMOTION
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
R5 000 or less	3.38	155	0.42	2.81	155	0.71	3.05	155	0.71	3.35	155	0.43
R5 001 - R10 000	3.27	57	0.51	2.72	57	0.56	2.95	57	0.68	3.26	57	0.39
R10 001 - R15 000	3.33	40	0.43	2.78	40	0.64	2.79	40	0.58	3.24	40	0.43
R15 001 - R20 000	3.27	51	0.57	2.71	51	0.78	2.98	51	0.62	3.22	51	0.51
R20 001+	3.00	26	0.55	2.48	26	0.69	2.58	26	0.68	3.04	26	0.66
All Grps	**3.31**	**329**	**0.48**	**2.75**	**329**	**0.69**	**2.95**	**329**	**0.68**	**3.28**	**329**	**0.46**

Table 4.9 Four Ps Descriptive Statistics on Income

It can be seen in Table 4.9 above that respondents that are in the lower earning bracket have highest level of agreement that price and promotion influence the consumer-purchasing decision. Although this is common across income levels, consumers in the lower income have the highest mean. This could imply that brands need to prioritise affordability and accessibility. Both affordability and accessibility could drive trial, long term loyalty and most often consumption.

	F	p
PRICE	3.86	0.0045
PRODUCT	1.36	0.2485
PLACE	3.38	0.0100
PROMOTION	2.98	0.0193

Table 4.10 Four Ps Anova for Income

Table 4.10 indicate the Analysis of Variance for income where the highlighted effects are significant at $p < 0.05$. Price, Place and Promotion are significant whilst product has no significance as the p values are greater than 0.05. Therefore, the four p's will affect purchasing decisions differently for the various income levels.

Tukey HSD test; Variable: PRICE

	{1}	{2}	{3}	{4}	{5}
	M=3.3811	M=3.2673	M=3.3279	M=3.2732	M=3.0019
R5 000 or less {1}					0.86 (L)
R5 001 - R10 000 {2}	0.5251				
R10 001 - R15 000 {3}	0.9694	0.9714			0.68 (M)
R15 001 - R20 000 {4}	0.6173	1.0000	0.9821		
R20 001+ {5}	0.0014	0.1219	0.0481	0.1192	

Tukey HSD test; Variable: PLACE

	{1}	{2}	{3}	{4}	{5}
	M=3.0473	M=2.9513	M=2.7861	M=2.9777	M=2.5791
R5 000 or less {1}					0.66 (M)
R5 001 - R10 000 {2}	0.8899				
R10 001 - R15 000 {3}	0.1865	0.7594			
R15 001 - R20 000 {4}	0.9687	0.9996	0.6639		
R20 001+ {5}	0.0094	0.1354	0.7412	0.1022	

Tukey HSD test; Variable: PROMOTION

	{1}	{2}	{3}	{4}	{5}
	M=3.3473	M=3.2602	M=3.2417	M=3.2206	M=3.0353
R5 000 or less {1}					0.66 (M)
R5 001 - R10 000 {2}	0.7367				
R10 001 - R15 000 {3}	0.6923	0.9997			
R15 001 - R20 000 {4}	0.4272	0.9917	0.9995		
R20 001+ {5}	0.0117	0.2323	0.3819	0.4488	

Table 4.11 HSD Test for Income

Cohen’s d is an effect-size measure that indicates the practical significance of a finding. There is large (0.86) practical significance for price mean of 3.38 and income bracket of R20 001 and above. A medium (0.68) practical significance for price mean of 3.32 and income bracket of R20 001 and above has been identified. There is a medium (0.66) practical significance for place mean of 3.04 and income bracket of R20 001 and above. For promotion, there is also a medium (0.66) practical significance for a mean of 3.34 and income bracket of R20 001 and above.

T-tests; Grouping: Gender

	Mean	Mean	t-value	df	p	Valid N	Valid N	Std.Dev.	Std.Dev.
	Male	Female				Male	Female	Male	Female
PRICE	3.30	3.32	-0.37	328	0.7100	211	119	0.47	0.50
PRODUCT	2.73	2.78	-0.61	328	0.5396	211	119	0.70	0.69
PLACE	2.93	3.00	-0.85	328	0.3946	211	119	0.67	0.70
PROMOTION	3.29	3.25	0.64	328	0.5204	211	119	0.45	0.49
(No significant differences (all p-values > 0.05)									

Table 4.12 Four P's T-tests on Gender

The results depicted in Table 4.12 indicate that there are no significant differences in price, product, place and promotion influence on consumer-purchasing decision in gender as all p-values are greater than 0.05. This implies that marketer should view consumers as mixed gender and market their alcoholic products with that in mind.

Breakdown Table of Descriptive Statistics

Age_new	PRICE	PRICE	PRICE	PRODUCT	PRODUCT	PRODUCT	PLACE	PLACE	PLACE	PROMOTION	PROMOTION	PROMOTION
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
< 21 years	3.46	22	0.28	3.10	22	0.51	3.43	22	0.53	3.38	22	0.28
21-30 years	3.28	156	0.44	2.82	156	0.62	3.02	156	0.59	3.27	156	0.42
31-40 years	3.24	100	0.53	2.62	100	0.76	2.82	100	0.76	3.30	100	0.50
41-50 years	3.40	28	0.53	2.73	28	0.68	2.89	28	0.67	3.27	28	0.42
51+	3.57	24	0.47	2.49	24	0.84	2.70	24	0.81	3.07	24	0.70
All Grps	**3.31**	330	**0.48**	**2.75**	330	**0.69**	**2.95**	330	**0.68**	**3.27**	330	**0.46**

Table 4.13 Four Ps Descriptive Stastistics for Age groups

Price, Place and Promotion have the highest level of agreement across all age groups as it can be seen in Table 4.3 above. Price has the highest level of agreement amongst those that are 21 years old or below compared to other age groups. This could possibly imply that the younger consumer doesn't have sufficient income not to worry about price when they make purchase decisions. The opportunity for brands and marketers is to include the consumers in this age group in developing trends through trial, conversion and most often usage. This could easily secure loyalty for future sales.

	F	p
PRICE	3.24	0.0126
PRODUCT	3.74	0.0055
PLACE	5.14	0.0005
PROMOTION	1.55	0.1874

Table 4.14 Four Ps Anova for Age Groups

Table 4.14 indicate the Analysis of Variance for age groups where the highlighted effects are significant at $p < 0.05$. Price, Product and Place are significant whilst promotion has no significance as the p values are greater than 0.05. Therefore, the four p's will affect purchasing decisions differently for the various age groups.

Tukey HSD test; Variable: PRICE					
	{1}	{2}	{3}	{4}	{5}
	M=3.4614	M=3.2791	M=3.2432	M=3.3958	M=3.5687
< 21 years {1}					
21-30 years {2}	0.4412				0.65 (M)
31-40 years {3}	0.2888	0.9765			0.62 (M)
41-50 years {4}	0.9887	0.7515	0.5586		
51+ {5}	0.9400	0.0425	0.0213	0.6844	
Tukey HSD test; Variable: PRODUCT					
	{1}	{2}	{3}	{4}	{5}
	M=3.1023	M=2.8244	M=2.6173	M=2.7280	M=2.4944
< 21 years {1}			0.67 (M)		0.87 (L)
21-30 years {2}	0.3784				
31-40 years {3}	0.0211	0.1228			
41-50 years {4}	0.3019	0.9588	0.9420		

51+ {5}	0.0211	0.1762	0.9325	0.7323	
Tukey HSD test; Variable: PLACE					
	{1}	{2}	{3}	{4}	{5}
	M=3.4343	M=3.0151	M=2.8161	M=2.8929	M=2.7049
< 21 years {1}		0.72 (M)	0.85 (L)	0.88 (L)	1.05 (L)
21-30 years {2}	0.0457				
31-40 years {3}	0.0008	0.1354			
41-50 years {4}	0.0354	0.8994	0.9834		
51+ {5}	0.0020	0.2105	0.9486	0.8493	

Table 4.15 HSD Test for Age Groups

There is medium (0.65) and (0.62) practical significance for price mean of 3.27 and 3.24 respectively for age 51 and above. A medium (0.67) practical significance for a product mean of 3.10 and age group 31-40 years has been identified. There is a large (0.87) practical significance for product mean of 3.10 and age group 51 and above. For place, there is also a medium (0.72) practical significance for a mean of 3.43 and age group 21-30 years. This is followed by large (0.85, 0.88 and 1.05) practical significance for place mean of 3.34 and all age groups.

4.5.3.1 Conclusion

In the above section the relationship between the Independent Variable and Consumer purchasing decision was tested using a t-test to accept or reject the hypotheses. Additional statistical tools were used, such as ANOVA to test for equality of means across the four p’s of the marketing mix. Cohen’s d was used to test the practical significant of all four p’s in the context of influencing consumer purchasing decision. Using these tests of means this section discussed and achieved the sixth objective which is to conduct an empirical evaluation of the hypothesis that will be tested on various variables that influence consumer purchasing decisions.

Based on these tests of means, the four p's of the marketing mix can be optimised, based on the statistical analysis of the survey to achieve the best marketing practice and increase consumer purchasing decisions.

4.6 Summary

This chapter comprised the analysis and interpretation of the primary data starting with descriptive statistics and then moved onto inferential statistics in order to answer RQ_3, RQ_4, RQ_5 and RQ_6. The chapter addressed RQ_3 which states "What are the key occasions that consumers enjoy?", RQ_4 which states "Which alcohol categories are on top of consumers' minds when they are at the liquor outlet?", RQ_5 which states "What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions?" and RQ_6 which states "How can the hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected?".

Summary of the findings per research question, based on the empirical survey will be discussed in the next chapter. Summary of contribution, opportunities for further research, limitations of the study and managerial recommendations will also be presented in the final chapter

5. CHAPTER 5: FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The main research objective (RO_M) of this study was to establish “What aspects of the marketing mix influence consumer purchasing decision in liquor outlets in the Eastern Cape within the Border district?” Section 5.2 presents a summary of the main findings established by answering the secondary research questions and meeting the secondary research objectives. Section 5.3 summarises the contribution this research has made to the existing body of knowledge on the subject of marketing mix. Section 5.4 highlights opportunities for future research studies while Section 5.5 discusses the limitations of the study. Section 5.6 discusses the managerial recommendations for optimising the marketing mix that are drawn from the main findings of this study. Following this is summary in Section 5.7. An overview of this chapter can be seen in Figure 5.1

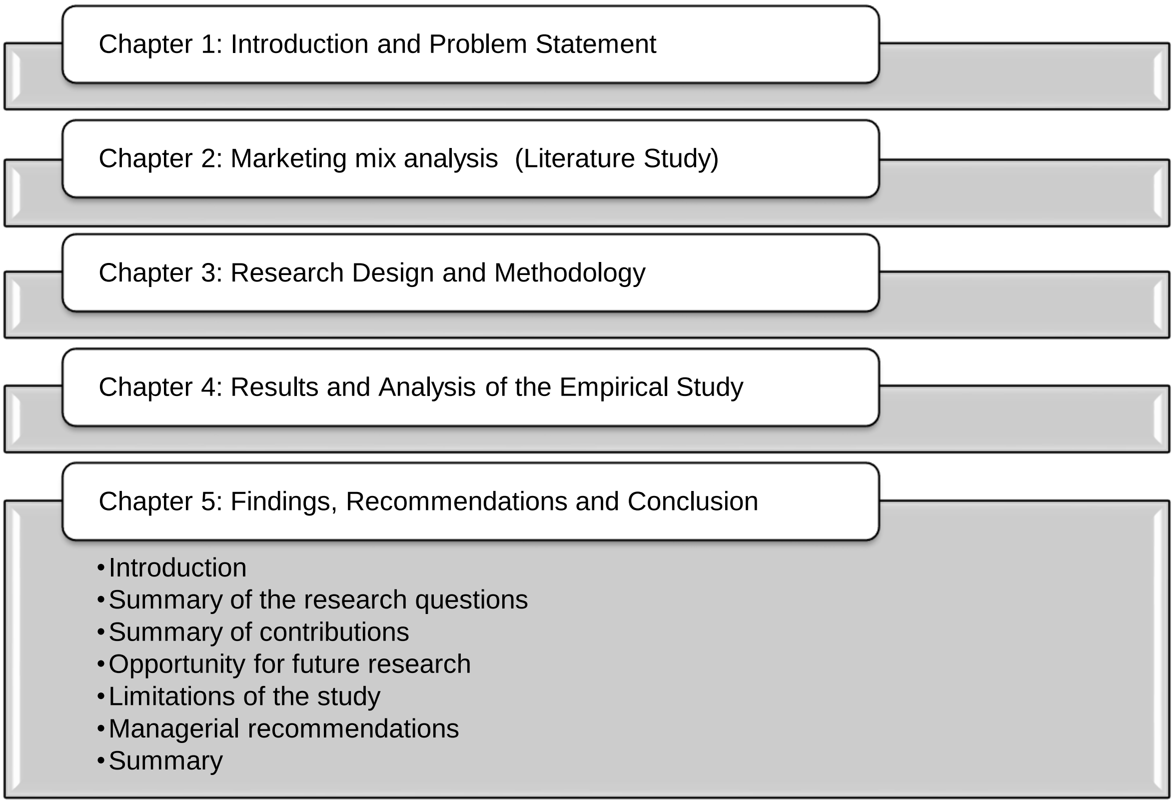

Figure 5.1 Overview of Chapter 5

5.2 Summary of the research questions

Six research questions were identified and investigated in order to address the main research question of this research study. This section contains summaries of these investigations. The Main Research Question (RQ_M) was formulated based on the Main Research Objective and is stated as follows:

RQ_M: What aspects of the marketing mix influence consumer-purchasing decision in liquor outlets?

RQ1: What are the marketing elements used in on-and-off premises outlets?

RQ2: How can a detailed description be provided in order to understand and reproduce this research study in future?

RQ3: What are the key occasions that consumers enjoy?

RQ4: Which alcohol categories are on top of consumers' minds when they are at the liquor outlet?

RQ5: What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions?

RQ6: How can the Hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected?

5.2.1 Research Question RQ_1

The first research question was stated as, "What are the marketing elements used in on-and-off premises outlets?" for this research question to be successfully answered, a literature study was conducted in Chapter 2 which discussed the four P's of the marketing mix namely price, product, promotion and place. Each of the four P's had sub-elements that were also discussed in the literature. The marketing mix elements were introduced in the first section of the chapter. An argument for a strategy of standardising marketing-mix components to increase company profitability in the long term was identified in literature. The importance of understanding customer interests and objectives was highlighted. Communication of product and services to consumers in order to improve companies' profitability by using marketing as a strategic tool was emphasized regardless if the outlet is on or off premise.

The marketing elements used in the marketing mix can be utilised to improve customer service quality in terms of tangibility, reliability, responsiveness, assurance and empathy especially during economic downturns in both on-and-off premises outlets. Consumer touch points, consumers unlimited needs, consumers access to internet and information were discussed. The key objective was establishing, in literature, that each marketing-mix component has a role to play in consumer purchasing decisions regardless if the outlet is on or off premise.

A link to the South African context was made where a consumer's purchase choice can potentially be influenced by the sales push rather than marketing push due to outlet owners trying to survive and bigger corporations fight for market share due to the state of the economy. The importance of marketer's understanding of each component of the marketing mix, consumer's needs and organisation profitability was highlighted.

The marketing elements used in on-and-off premises can be summarised as below the line material linked to promotions, price discounts, new products broadsheets and shelf space. Others include referrals, branding and better understanding of key occasions. The literature also highlighted that these marketing elements need to be applied taking into consideration the key factors that potentially drive purchasing and consumption such as: economic factors, customers' loyalty, competitive forces, annual seasonal trends, technology advancement (social media) and association (social pressures). All the marketing elements used in on-and-off premise outlets were discussed in detail in Chapter 2.

5.2.2 Research Question RQ_2

The second research question was stated as, “How can a detailed description be provided in order to understand and reproduce this research study in future?” To sufficiently answer RQ_2 a research methodology for this study was described in Chapter 3. The other sections discussed include research paradigm, difference between qualitative and quantitative research, research approach, hypothesis and measuring instrument design. A brief literature on research, limitations of the research, survey respondents and data collection method was also covered in Chapter 3.

5.2.3 Research Question RQ_3

The third research question was stated as, “What are the key occasions that consumers enjoy?” To sufficiently answer RQ_3 statistical analysis had to be done by using the data from the research study respondents and link that to the literature in Chapter 2. Based on the analysed data in Chapter 4, it came out that key occasions include going out and celebration occasions where consumers are more likely to change their choice of drink. Events and with a meal occasion were the other occasions tested. Amongst the occasions however the respondents were more likely not going the change their usual drinks during these occasions. Chapter 2 section 2.8 covered the key occasion’s literature in detail.

5.2.4 Research Question RQ_4

The fourth research question was stated as, “Which alcohol categories are on top of consumers’ minds when they are at the liquor outlet?” In Chapter 4, a detailed statistical analysis is done to answer this question. Both section 4.3.1.13 and 4.3.1.14 indicates alcohol categories preferred as first and second drinks respectively. The highest percentage of respondents are in agreement that beer is a first choice of drink and second being spirits.

5.2.5 Research Question RQ_5

The fifth research question was stated as, “What is the impact of price, taste, friends, status, promotions, availability, pack size and advertising in purchasing decisions?” To sufficiently answer the question, a statistical analysis was done and data was presented in section 4.4.1 to 4.4.12. It can be seen in these sections that consumers have a various preferences for each of the items RQ_5 seeks to establish.

5.2.6 Research Question RQ_6

The sixth research question was stated as, “How can the Hypothesis be tested and be validated by empirical evaluation of various variables that are pre-selected?” RQ_6 was answered in sections 4.5.2 and 4.5.3 where some of the hypothesis was accepted or rejected. Pre-selected factors where there was significance, no significance, highest, moderate and low level of agreement was highlighted.

5.2.7 Main Research Question RQ_m

The main research question of the research was stated as, “What aspects of the marketing mix influence consumer purchasing decision in liquor outlets?” Six sub-questions (RQ_1 to RQ_6) were identified and investigated in order to suggest solutions to this main problem. Chapter 4 starts with univariate analysis and multivariate analysis in order to sufficiently answer the main question. Descriptive statistics and inferential statistics were used to make conclusions about what influences consumer purchasing decisions. Key findings are that there is high level of agreement that price and promotions influence consumer purchasing decision in liquor outlets. Therefore, RQ_m was answered through the statistical acceptance of the hypothesised conceptual framework.

5.3 Summary of contributions

This research study has made the following contributions to the existing body of knowledge on the subject:

- Proper understating of the consumption patterns in the Border district

- Clear understanding of consumer preference within inter alcohol categories
- Purchasing decisions can be projected for various consumers in the different geographies
- Key factors that are top consumer' mind when they purchase alcoholic beverage
- Key occasions that results to consumers changing from their usual drink
- The most preferred first choice of drink within alcohol categories has been identified
- The frequency of males and females in liquor outlets has been identified
- The issue of affordability based on income group has been highlighted for the Eastern Cape economy

5.4 Opportunity for future research

Future research should explore the following:

- Impact of licence restrictions to consumption patterns
- Impact of legislation to the distribution of alcohol in the Eastern Cape
- Impact of municipality liquor by-laws to income generation by retailers and the Eastern Cape economy

5.5 Limitations of the study

The following limitations of the study have been identified:

- There are smaller municipalities that were not covered by the sample size of this research
- Eastern Cape has a wide a geography which could imply that trends don't spread fast enough from one municipality area to another
- Some respondents needed interpretation of some of the questions
- Some respondents did not complete the data correctly, possible due to the length of the questionnaire

- There was no clear separation between rural and urban consumers that responded
- There was wide geographic dispersion
- Interviewers needed to be trained and their level of consistency may have differed during the interviewing process.

5.6 Managerial recommendations

Business implications and managerial recommendations were mentioned as they were identified throughout this study. These implications and recommendations were based on the literature review as well as on the statistical analysis results of the survey.

5.6.1 Product

The hypothesis developed in this research study has been rejected for product as the there was a medium level of agreement that product influence consumer purchasing decision. This was rejected by means of statistical analysis through empirical evaluation. The business implications are that marketers need to make products resonate with what the consumers want, require and or need by using further marketing research. It is also implies that it is not impossible to miss the fact that consumer requirements are changing constantly and consumers are likely to prioritise other elements of the marketing mix.

There was a medium significance between the means of product and price whilst there was a small practical significance between the means of product and place as it can be seen in Table 4.7.

5.6.2 Price

The hypothesis developed in this research study was accepted for price as the there was a high level of agreement that price influences consumer-purchasing decision. This was accepted by means of statistical analysis through empirical evaluation. The business implications are that marketers, retailers, distributors and producers need to keep their costs down and margins low in order to gain competitive advantage. This is particularly imperative with the Border District in the Eastern Cape due to the low income levels.

There is no significant difference between the means of price and promotion whilst there was a medium practical significance between the means of price and place as it can be seen in Table 4.7.

5.6.3 Promotion

The hypothesis developed in this research study was accepted for promotion as there was a high level of agreement that promotion influences consumer-purchasing decision. This was accepted by means of statistical analysis through empirical evaluation. The business implications are that all activities undertaken by one entity with the purpose of making its products or services known to the market, or for the purpose of selling them need to be promoted frequently. This means that marketers can use promotions to form part of their 360 degree integrated marketing communications (IMC) to reach a wider audience and or various target markets using various platforms such as radio, TV, print media and or social networks. It is critical to get it right in marketing at store level and corporate level.

There is a small significant difference between the means of promotion and place whilst there was no significance between the means of promotion and price as it can be seen in Table 4.7.

Table 4.7 below indicates a test conducted on whether there are significant differences between the means of the four factors. The results indicate that there are significant differences as all p-values are less than 0.05 between price and product. Both of these elements of the marketing mix indicate a medium significance. Price and place also indicate medium significance as well as promotion and place. Place and product show a small practical significance. On the other hand, place and promotion also indicated small significance. However, there is no significant difference between price and promotion as p-value is greater than 0.05.

5.6.4 Place

The hypothesis developed in this research study has been rejected for place as there was a medium level of agreement that place influence consumer purchasing decision. This was rejected by means of statistical analysis through empirical evaluation. The business implications are companies need to increase capabilities to make the products available to consumers more accessible and adaptable and to ensure the marketing function can make this possible. For retailers and distributors of alcoholic products it is critical to look at the distribution from both on-and-off premises point of view to ensure that it remains efficient as consumers are more exposed to wider variety and choice.

There is a small significant difference between the means of place and promotion whilst there was a medium practical significance between the means of place and price as it can be seen in Table 4.7. The means of place and product has a small practical significance as well.

5.7 Summary

The main objective of this research was to identify the aspects of the marketing mix that influence consumer purchasing decision in liquor outlets within Border District in the Eastern Cape. The deliverables to achieve this included:

- A literature study that was performed to provide current and existing marketing practices and theories based on the four P's namely product, price, promotion and place, hereafter referred to as the marketing mix framework;
- Developing a hypothesised conceptual framework;
- Discussing the research methodology applied in this research study with enough detail to allow it to be reproduced in future;
- Conducting an empirical evaluation of the hypothesised model;
- Highlighting correlation and test of means in level of agreement between the various factors of each marketing mix elements to accept or reject the formulated hypotheses and;

- Establishing if there is a significant difference between the marketing mix elements and their sub element factors.

This study concluded by summarising the key elements of the marketing mix where there is a high level of agreement amongst the consumers that participated in the study. The core problem to be addressed by this research, which identify the aspects of the marketing mix that influence consumer purchasing decision in liquor outlets within Border District in the Eastern Cape, has been effectively addressed. Recommendations for areas of improvements were made; future research opportunities and research limitations were outlined.

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7. APPENDICES

7.1 Appendix A Preliminary questionnaire

Nelson Mandela
METROPOLITAN UNIVERSITY
Business School
Leaders for tomorrow

I am studying towards my MBA (Masters in Business Administration) degree at the Nelson Mandela Metropolitan University Business School. I am conducting research on the factors that influence optimising the marketing mix to influence consumer purchasing decision in liquor outlets. I believe that my study will make an important contribution to the understanding and improvement of the marketing mix to customers and consumers in the liquor industry in South Africa.

You are part of our selected sample of respondents whose views we seek on the above-mentioned matter. We would therefore appreciate it if you could answer all the questions. It should not take more than fifteen minutes of your time and we want to thank you in advance for your co-operation. There are no correct or incorrect answers. Please answer the questions as accurately as possible. For each statement, tick the number which best describes your experience or perception. For example, if you strongly agree with the statement, tick the far right box. If you strongly disagree with the statement, tick the far left box. **Tick only one answer for each statement and answer all the questions please.** Please note also that your participation in this study is entirely voluntary and that you have the right to withdraw from the study at any stage. All information will remain confidential. **Please note that you must be over the age of 18 to participate.**

Thank you very much for participating.

Unathi L. Mhlatyana

To verify the authenticity of the study, please contact Prof Margaret Cullen at +27 (0)41 504 3772 or Margaret.Cullen@nmmu.ac.za.

NOT TO BE COMPLETE BY PERSONS UNDER THE AGE OF 18

Please place a tick next to your selection. One tick per question. Complete all questions.

All responses are strictly confidential Please do not write any personal/identifying information on this questionnaire	Questionnaire Nr.

SECTION I – BIOGRAPHICAL INFORMATION

Do you consume alcohol?	Yes	No				
	1	2				
Gender	M	F				
	1	2				
Age	<21	21- 30	31- 40	41- 50	51- 60	61 PLUS
	1	2	3	4	5	6
How often do you purchase alcohol?	Daily	Weekly	Weekends Only	Twice a month	Monthly or less	
	1	2	3	4	5	
Ethnic group	Asian	Coloured	Black	White	Indian	Other
	1	2	3	4	5	6
Marital status	Single	Married	Divorced	Separated	Living together	Widowed
	1	2	3	4	5	6
Which area do you stay in?	East London	QTN	KW Town	Aliwal North	Peddie	Other
	1	2	3	4	5	6
Number of dependants	0	1	2	3	4 or more	
	1	2	3	4	5	

Level of education	Below matric	Matric	Diploma	Under grad Degree	Post Grad degree
	1	2	3	4	5
Individual Monthly income	R5000 or less	R5001-R10000	R10001-R15000	R15001-R20000	More than R20000

	1	2	3	4	5
How often do you go to ON PREMISE Outlets (Tavern or Bar, Restaurant)?	Daily	Weekly	Weekends Only	Twice a month	Monthly or less
	1	2	3	4	5
How often do you go to OFF PREMISE outlets (Bottle Store or Tops)?	Daily	Weekly	Weekends Only	Twice a month	Monthly or less
	1	2	3	4	5
My first choice of alcohol is	Beer	Wine	Spirits	FABS	Cider
My second choice of alcohol is	Beer	Wine	Spirits	FABS	Cider
What sector do you work in?	Manufacturing	Medical	Education	Government	Retail
	1	2	3	4	5
	Construction	Self employed	Un employed	Retired	Other
	6	7	8	9	10

SECTION II

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

PRICE (Costs)

	Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Price is important to me when I make a purchasing decision	☐1	☐2	☐3	☐4	☐5
2.	I search for specials (low prices) before I make a final purchase	☐1	☐2	☐3	☐4	☐5
3.	I will buy my favourite alcohol even if it’s over priced	☐1	☐2	☐3	☐4	☐5
4.	When alcohol is on special (reduced price), I buy more	☐1	☐2	☐3	☐4	☐5
5.	Lower price will make me change my mind on what I was going to original buy	☐1	☐2	☐3	☐4	☐5

PRICE (Quality relative to cost)

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I look at the quality of the product before I purchase not price	☐1	☐2	☐3	☐4	☐5
2.	I will buy an alcoholic beverage when price is low without considering quality	☐1	☐2	☐3	☐4	☐5
3.	High quality product will convince me to buy despite the cost	☐1	☐2	☐3	☐4	☐5
4.	I look for high quality products at a low price	☐1	☐2	☐3	☐4	☐5
5.	I will pay a premium price for a good quality alcoholic product	☐1	☐2	☐3	☐4	☐5

PRICE (Elasticity and Increase)

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Price increase results in me buying less alcohol	☐1	☐2	☐3	☐4	☐5
2.	When my favourite drink is expensive, I buy any drink that is cheaper.	☐1	☐2	☐3	☐4	☐5
3.	I usually buy stock before price increase (pre-excise / sin tax)	☐1	☐2	☐3	☐4	☐5
4.	I buy more alcohol when I get paid	☐1	☐2	☐3	☐4	☐5
5.	I always buy alcohol that is on discount first before I buy anything else.	☐1	☐2	☐3	☐4	☐5

PRODUCT (Design)

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I purchase an alcoholic beverage because I like the bottle design	☐1	☐2	☐3	☐4	☐5
2.	Alcohol craftsmanship (design) is important to me	☐1	☐2	☐3	☐4	☐5
3.	After tasting a product, I normally change from my original choice of drink despite the bottle design	☐1	☐2	☐3	☐4	☐5
4.	The beauty of the bottle is important to me	☐1	☐2	☐3	☐4	☐5
5.	Taste is more important to me than design	☐1	☐2	☐3	☐4	☐5

PRODUCT (Packaging)

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I buy alcohol product based on the packaging.	☐1	☐2	☐3	☐4	☐5
2.	Alcohol packaging represent me and my style	☐1	☐2	☐3	☐4	☐5
3.	Cheap looking packaging doesn't matter as long it's my favourite alcoholic drink.	☐1	☐2	☐3	☐4	☐5
4.	Packaging must be environmental friendly i.e. recyclable	☐1	☐2	☐3	☐4	☐5
5.	I'm conscious of what other people see me drink	☐1	☐2	☐3	☐4	☐5
PRODUCT (Life Cycle)						
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I will buy any alcohol that my parents drank	☐1	☐2	☐3	☐4	☐5
2.	I stop certain alcohol types because they have not kept up with the trends (fashion/ style).	☐1	☐2	☐3	☐4	☐5
3.	I like antique products and old fashion alcoholic products	☐1	☐2	☐3	☐4	☐5
4.	I buy what is the latest fashion (trend)	☐1	☐2	☐3	☐4	☐5
5.	I look at expiry dates before I make my purchase at the outlet	☐1	☐2	☐3	☐4	☐5
PROMOTION (Incentives)						
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I look at promotions available before I make my purchase at the outlet	☐1	☐2	☐3	☐4	☐5
2.	I will go to the another outlet to find my favourite beverage or brand	☐1	☐2	☐3	☐4	☐5
3.	I will buy any alcohol beverage when it is on promotion	☐1	☐2	☐3	☐4	☐5
4.	A prize from a promotion will make me try something new	☐1	☐2	☐3	☐4	☐5
5.	A promotion won't change my original intentions of buying my favourite alcohol beverage	☐1	☐2	☐3	☐4	☐5
PROMOTION (Integrated Marketing Communication)						

Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Advertising makes me want to try something different	☐1	☐2	☐3	☐4	☐5
2.	Adverts change my mind and my preferences	☐1	☐2	☐3	☐4	☐5
3.	Sports stars influence my purchasing decision	☐1	☐2	☐3	☐4	☐5
4.	If I hear a product advertised on radio I end up buying it	☐1	☐2	☐3	☐4	☐5
5.	If I see an advert on TV, I end up buying the product	☐1	☐2	☐3	☐4	☐5
6.	Models influence my purchasing decision	☐1	☐2	☐3	☐4	☐5
PROMOTION (Word of mouth)						
Read each statement and select the response that best describes your capabilities. Select the answer that BEST describes you AS YOU REALLY ARE.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I change my purchasing behaviour when I'm amongst friends	☐1	☐2	☐3	☐4	☐5
2.	I buy what my friends drink	☐1	☐2	☐3	☐4	☐5
3.	I recommend certain drinks to my friends	☐1	☐2	☐3	☐4	☐5
4.	I'll buy a drink that my friend recommends	☐1	☐2	☐3	☐4	☐5
5.	I'll buy a drink that my family member recommends	☐1	☐2	☐3	☐4	☐5
6.	I will try a beverage recommended regardless if it is whisky, beer or wine	☐1	☐2	☐3	☐4	☐5
PLACE (Availability)						
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I will not purchase my favourite beverage if my preferred pack is not available	☐1	☐2	☐3	☐4	☐5
2.	I will purchase something else if my original drink is not available	☐1	☐2	☐3	☐4	☐5
3.	I will go somewhere else to find my alcoholic drink if it is not available	☐1	☐2	☐3	☐4	☐5
4.	When I see a new product I buy it	☐1	☐2	☐3	☐4	☐5
5.	I will not purchase anything if my drink is not available	☐1	☐2	☐3	☐4	☐5
PLACE (Cold Space)						

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.						
1.	I prefer to buy alcoholic drink from the fridge	☐1	☐2	☐3	☐4	☐5
2.	I will ask for my brand when I don't see it the fridge	☐1	☐2	☐3	☐4	☐5
3.	I make my decision before I get to the fridge	☐1	☐2	☐3	☐4	☐5
4.	I don't like buying stock from the fridge, I prefer it warm	☐1	☐2	☐3	☐4	☐5
5.	I make my decision before I get to the counter	☐1	☐2	☐3	☐4	☐5
6.	Brands that are displayed in the fridge can change my original brand choice	☐1	☐2	☐3	☐4	☐5
PLACE (Ambient Space)						
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I ask for assistance when I don't find or see my drink of choice	☐1	☐2	☐3	☐4	☐5
2.	I buy all my products based on what I see first	☐1	☐2	☐3	☐4	☐5
3.	I will not buy from a display in the outlet.	☐1	☐2	☐3	☐4	☐5
4.	Displayed alcoholic products are important to me	☐1	☐2	☐3	☐4	☐5
5.	I prefer looking from shelf to shelf until I find I'm looking for	☐1	☐2	☐3	☐4	☐5
DRINKING OCCASSIONS						
Please indicate to what extent you agree with each of the statements below by TICKING the appropriate number.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I buy my favourite alcoholic beverage every time I go out	☐1	☐2	☐3	☐4	☐5
2.	I drink a different alcoholic beverage at home than when I'm in public	☐1	☐2	☐3	☐4	☐5
3.	I will buy the alcoholic product that sponsored the event	☐1	☐2	☐3	☐4	☐5
4.	I drink a different drink when I'm having a meal (than my usual drink)	☐1	☐2	☐3	☐4	☐5
5.	I drink a different drink when it's a special occasion i.e. celebrations (than my usual drink)	☐1	☐2	☐3	☐4	☐5

THANK YOU VERY MUCH FOR YOUR KIND CO-OPERATION!

7.2 Appendix B Descriptive statistics

7.2.1 Demographics

Consume				
		Frequency	Percent	Valid Percent
Valid	Yes	310	93.4	94.5
	No	18	5.4	5.5
	Total	328	98.8	100.0
Missing	System	4	1.2	
Total		332	100.0	

Table 7.1 Contingency Table - Consumption profile

Gender				
		Frequency	Percent	Valid Percent
Valid	Male	211	63.6	63.9
	Female	119	35.8	36.1
	Total	330	99.4	100.0
Missing	System	2	.6	
Total		332	100.0	

Table 7.2 Contingency Table - Gender profile

Age				
		Frequency	Percent	Valid Percent
Valid	< 21 years	22	6.6	6.7
	21-30 years	156	47.0	47.3
	31-40 years	100	30.1	30.3
	41-50 years	28	8.4	8.5
	51-60 years	19	5.7	5.8
	61+ years	5	1.5	1.5
	Total	330	99.4	100.0
Missing	System	2	.6	
Total		332	100.0	

Table 7.3 Contingency Table - Age Groups

Purchase				
		Frequency	Percent	Valid Percent
Valid	Daily	14	4.2	4.2
	Weekly	72	21.7	21.8
	Weekends only	140	42.2	42.4
	Twice a month	51	15.4	15.5
	Monthly or less	53	16.0	16.1
	Total	330	99.4	100.0
Missing	System	2	.6	
Total		332	100.0	

Table 7.4 Contingency Table - Purchase Frequency

Ethnic				
		Frequency	Percent	Valid Percent
Valid	Asian	6	1.8	1.8
	Coloured	37	11.1	11.2
	Black	249	75.0	75.2
	White	36	10.8	10.9
	Indian	3	.9	.9
	Total	331	99.7	100.0
Missing	System	1	.3	
Total		332	100.0	

Table 7.5 Contingency table - Ethnic Groups

Marital				
		Frequency	Percent	Valid Percent
Valid	Single	203	61.1	61.9
	Married	71	21.4	21.6
	Divorced	13	3.9	4.0
	Separated	12	3.6	3.7
	Living together	24	7.2	7.3
	Widowed	5	1.5	1.5
	Total	328	98.8	100.0
Missing	System	4	1.2	
Total		332	100.0	

Table 7.6 Contingency Table - Marital Status

Area				
		Frequency	Percent	Valid Percent
Valid	East London	120	36.1	36.1
	Queenstown	63	19.0	19.0
	KW Town	49	14.8	14.8
	Aliwal North	20	6.0	6.0
	Peddie	24	7.2	7.2
	Other	56	16.9	16.9
	Total	332	100.0	100.0

Table 7.7: Contingency Table - Geographical Area

Dependants				
		Frequency	Percent	Valid Percent
Valid	None	143	43.1	43.5
	One	84	25.3	25.5
	Two	42	12.7	12.8
	Three	33	9.9	10.0
	Four or more	27	8.1	8.2
	Total	329	99.1	100.0
Missing	System	3	.9	
Total		332	100.0	

Table 7.8 Contingency Table - Number of Dependants

Education				
		Frequency	Percent	Valid Percent
Valid	Below matric	56	16.9	17.1
	Matric	109	32.8	33.3
	Diploma	82	24.7	25.1
	Undergrad	44	13.3	13.5
	Postgrad	36	10.8	11.0
	Total	327	98.5	100.0
Missing	System	5	1.5	
Total		332	100.0	

Table 7.9 Contingency Table - Education Levels

Income				
		Frequency	Percent	Valid Percent
Valid	R5 000 or less	155	46.7	47.1
	R5 001 - R10 000	57	17.2	17.3
	R10 001 - R15 000	40	12.0	12.2
	R15 001 - R20 000	51	15.4	15.5
	R20 001+	26	7.8	7.9
	Total	329	99.1	100.0
Missing	System	3	.9	
Total		332	100.0	

Table 7.10 Contingency Table - Income levels

On_premise				
		Frequency	Percent	Valid Percent
Valid	Daily	17	5.1	5.2
	Weekly	67	20.2	20.5
	Weekends only	135	40.7	41.3
	Twice a month	51	15.4	15.6
	Monthly or less	57	17.2	17.4
	Total	327	98.5	100.0
Missing	System	5	1.5	
Total		332	100.0	

Table 7.11 Contingency Table - On Premise visit

Off_premise				
		Frequency	Percent	Valid Percent
Valid	Daily	9	2.7	2.8
	Weekly	52	15.7	16.0
	Weekends only	116	34.9	35.8
	Twice a month	46	13.9	14.2
	Monthly or less	101	30.4	31.2
	Total	324	97.6	100.0
Missing	System	8	2.4	
Total		332	100.0	

Table 7.12 Contingency Table - Off premise visits

First_choice				
		Frequency	Percent	Valid Percent
Valid	Beer	160	48.2	49.2
	Wine	65	19.6	20.0
	Spirits	31	9.3	9.5
	FABS	10	3.0	3.1
	Cider	59	17.8	18.2
	Total	325	97.9	100.0
Missing	System	7	2.1	
Total		332	100.0	

Table 7.13 Contingency Table - First choice drink

Second_choice				
		Frequency	Percent	Valid Percent
Valid	Beer	74	22.3	22.7
	Wine	74	22.3	22.7
	Spirits	100	30.1	30.7
	FABS	20	6.0	6.1
	Cider	58	17.5	17.8
	Total	326	98.2	100.0
Missing	System	6	1.8	
Total		332	100.0	

Table 7.14 Contingency Table – Second Choice drink

Sector				
		Frequency	Percent	Valid Percent
Valid	Manufacturing	39	11.7	11.9
	Medical	11	3.3	3.3
	Education	25	7.5	7.6
	Government	57	17.2	17.3
	Retail	62	18.7	18.8
	Construction	26	7.8	7.9
	Self employed	27	8.1	8.2
	Unemployed	49	14.8	14.9
	Retired	6	1.8	1.8

	Other	27	8.1	8.2
	Total	329	99.1	100.0
Missing	System	3	.9	
Total		332	100.0	

Table 7.15 Contingency Table - Employment Sector

7.2.2 Factors

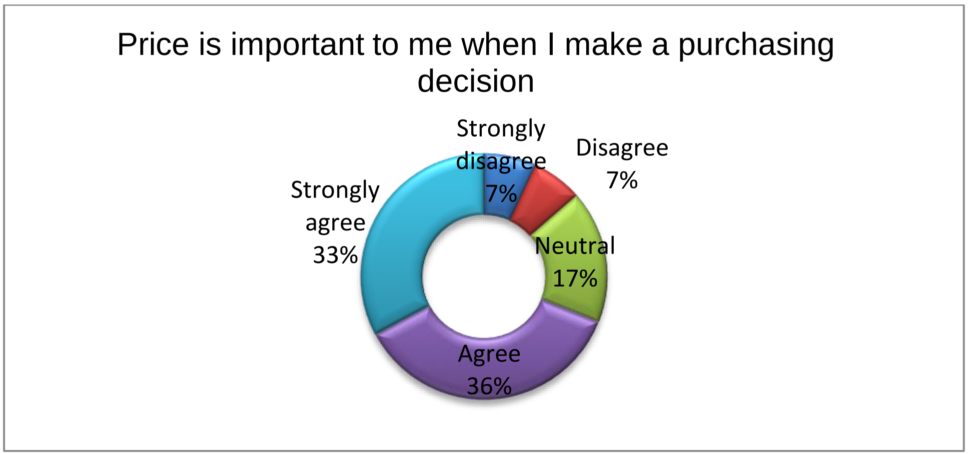


Figure 7.1 Factor A1

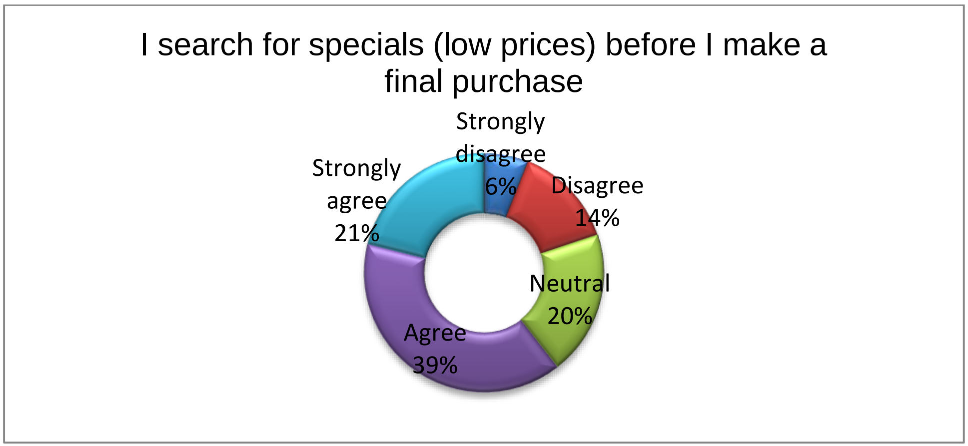


Figure 7.2 Factor A2

Figure 7.3 Factor A3

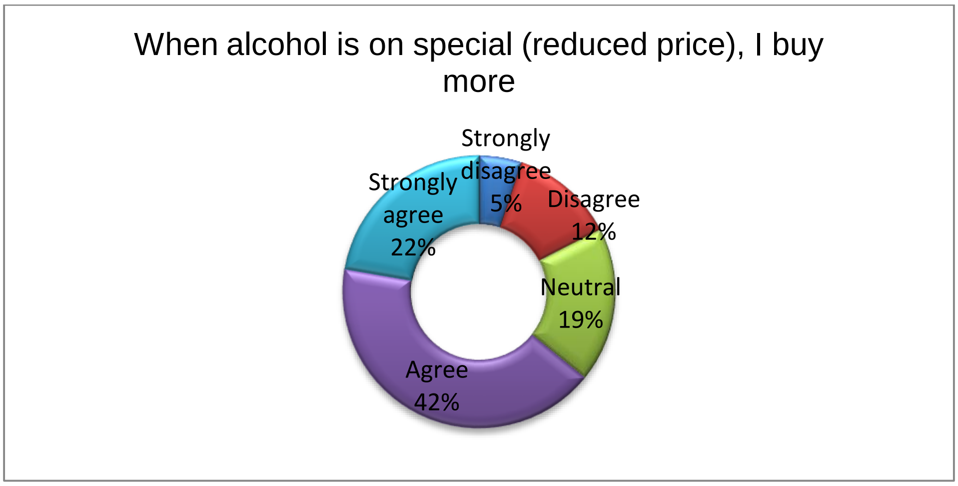


Figure 7.4 Factor A4

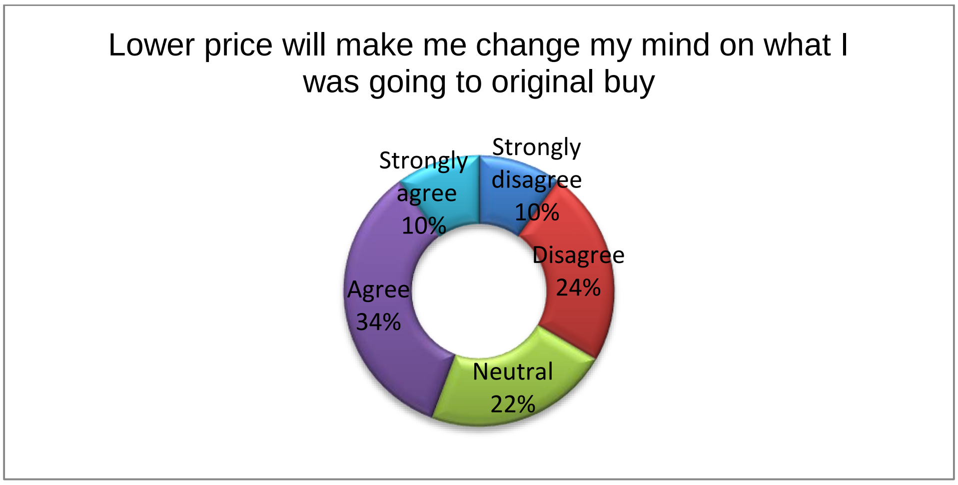


Figure 7.5 Factor A5

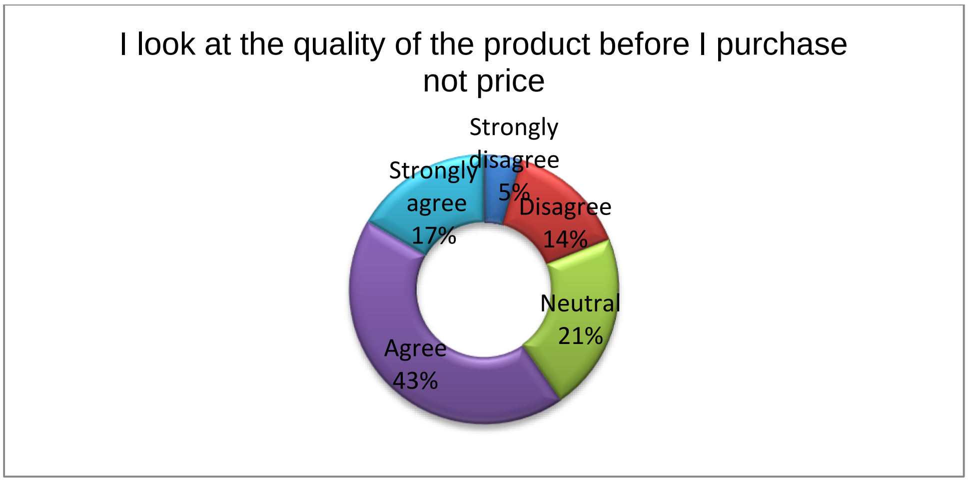


Figure 7.6 Factor B1

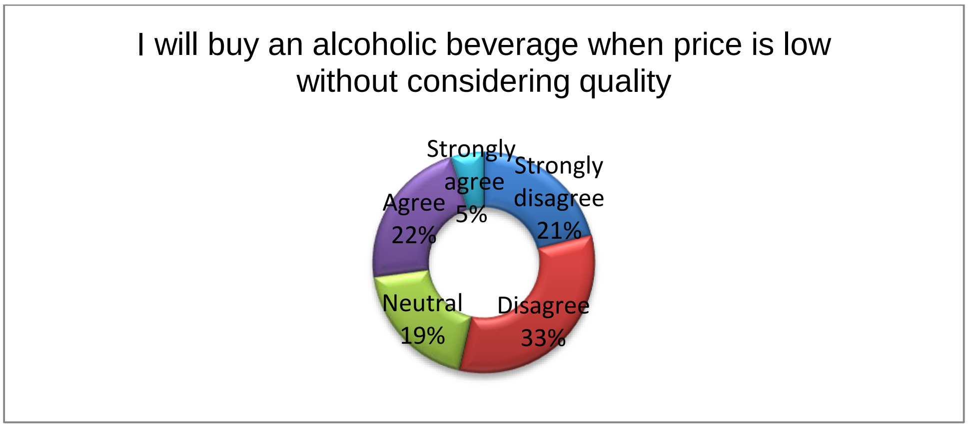


Figure 7.7 Factor B2

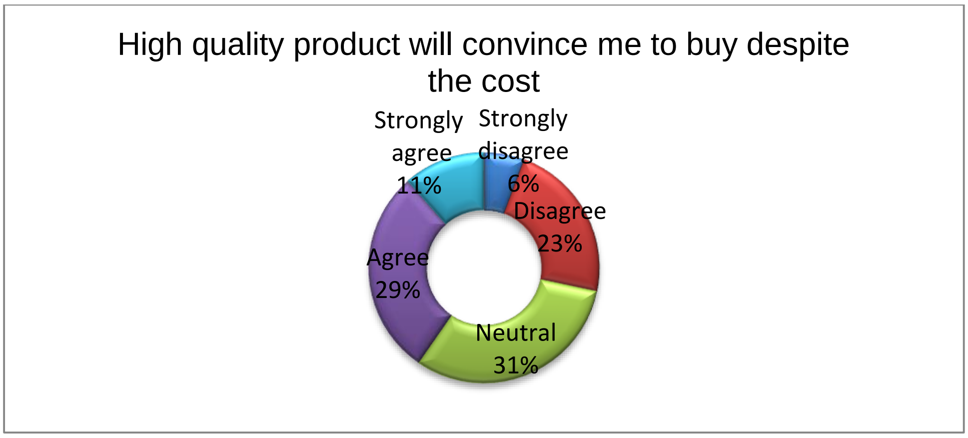


Figure 7.8 Factor B3

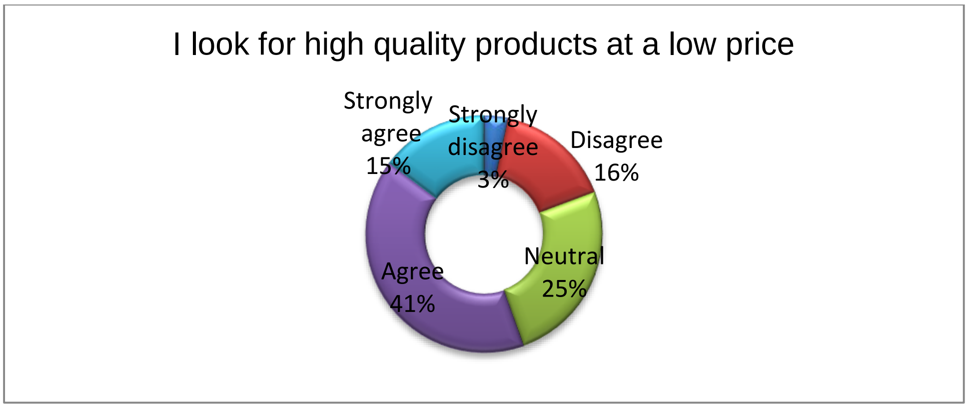


Figure 7.9 Factor B4

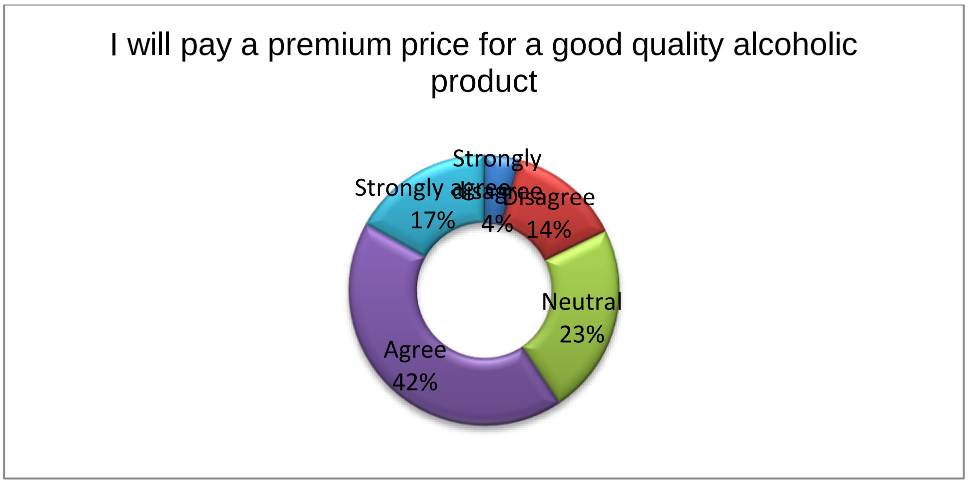


Figure 7.10 Factor B5

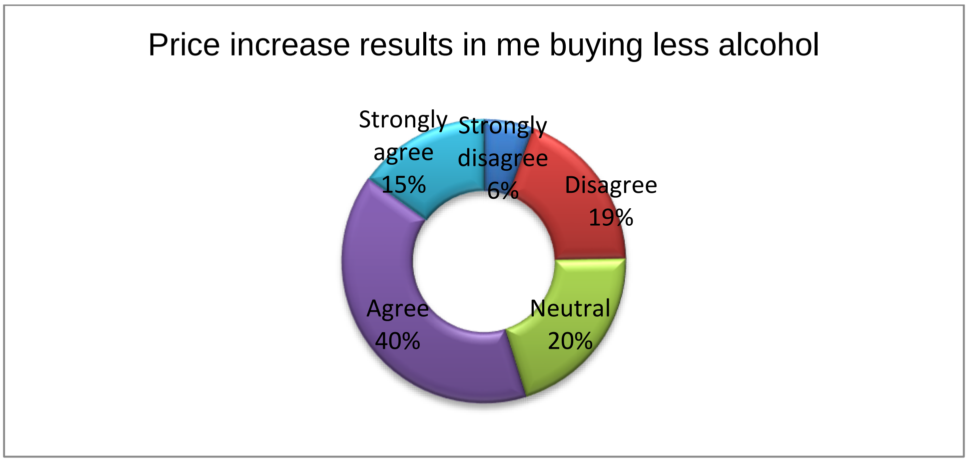


Figure 7.11 Factor C1

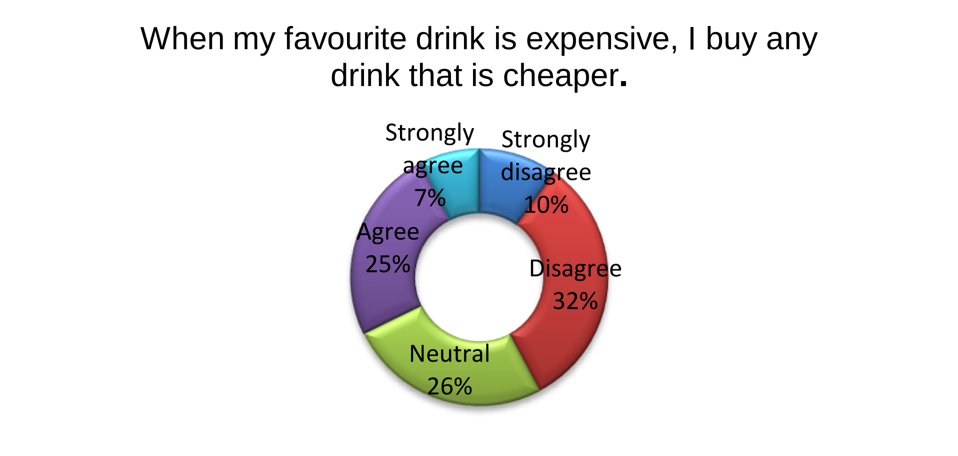


Figure 7.12 Factor C2

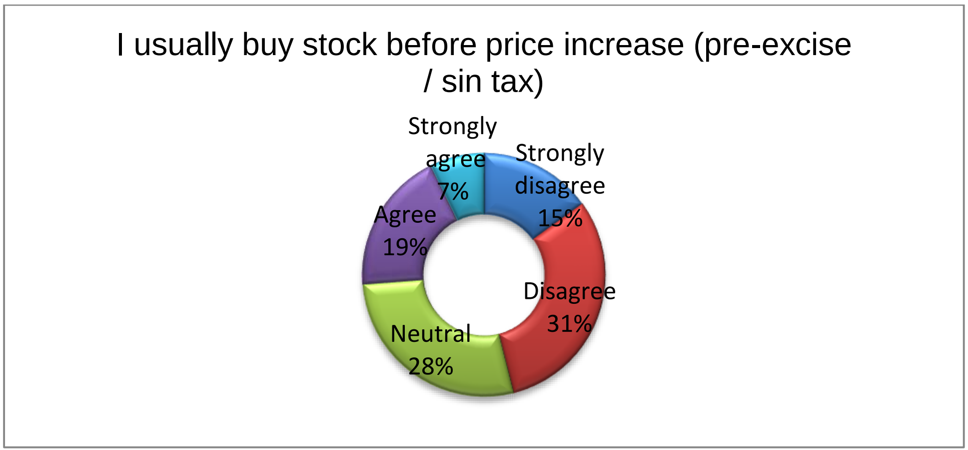


Figure 7.13 Factor C3

Figure 7.14 Factor C4

Figure 7.15 Factor C5

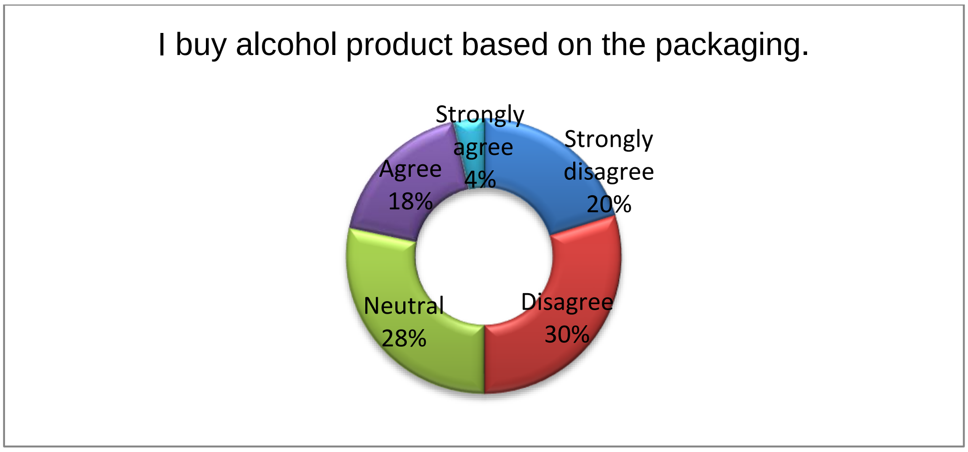


Figure 7.16 Factor D1

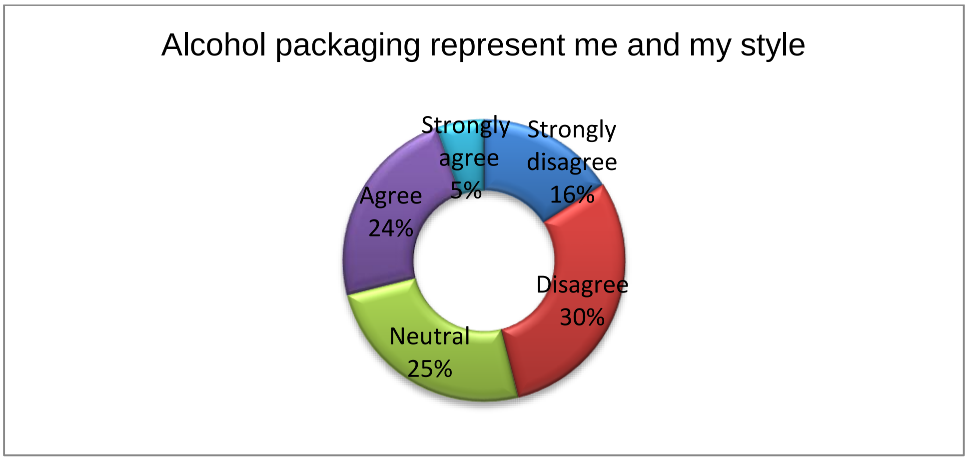


Figure 7.17 Factor D2

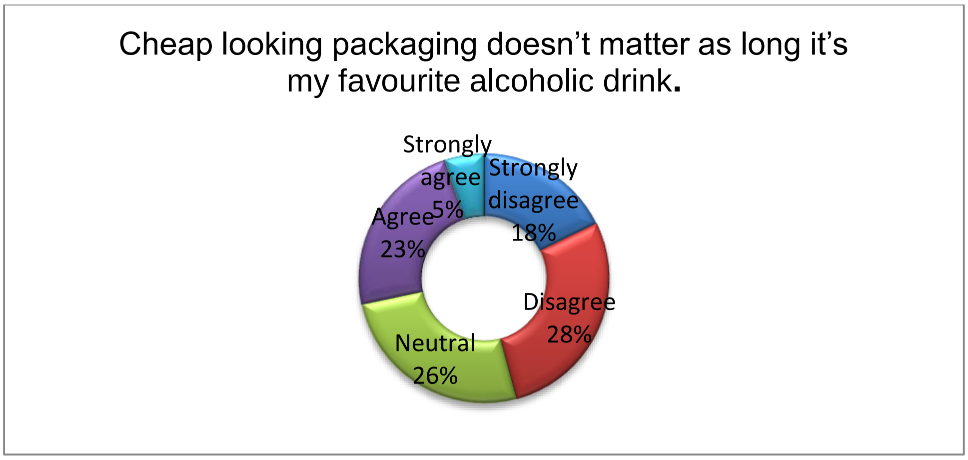


Figure 7.18 Factor D3

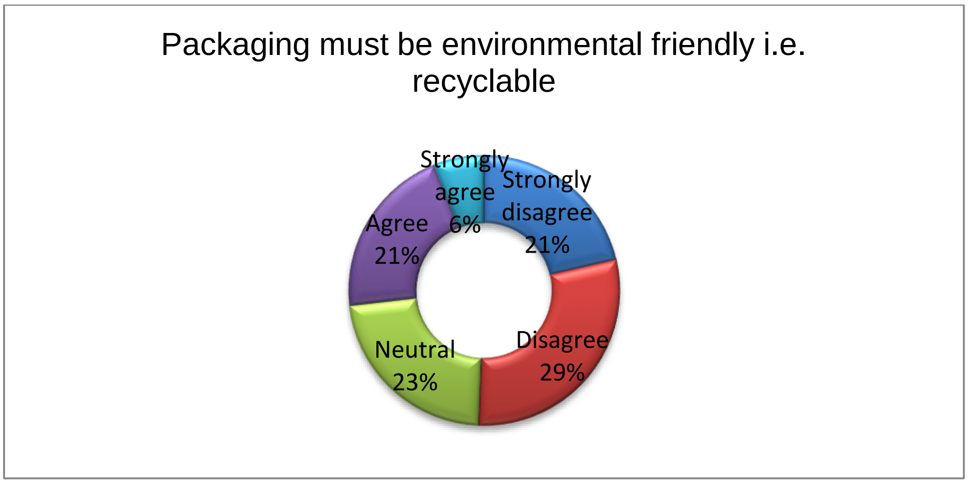


Figure 7.19 Factor D4

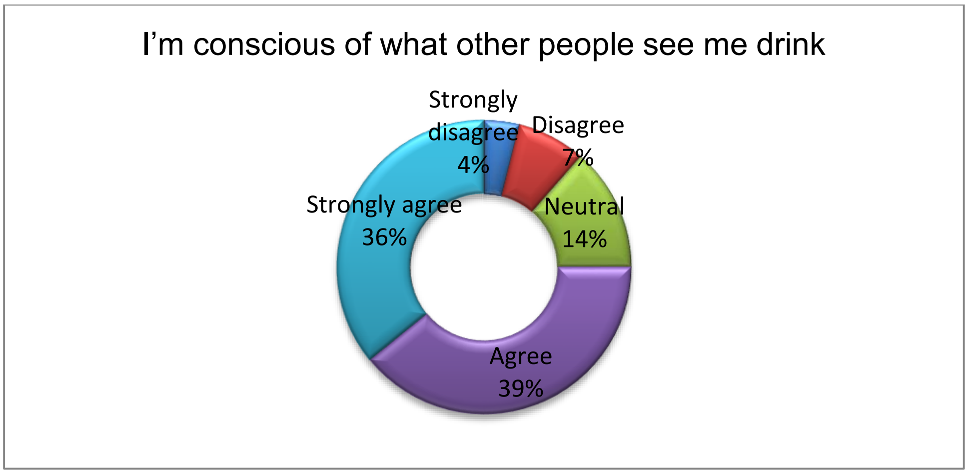


Figure 7.20 Factor D5

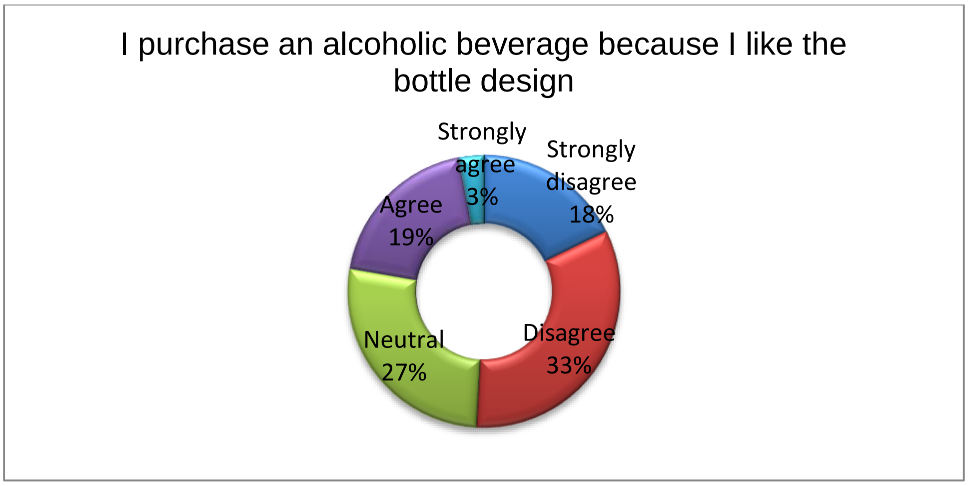


Figure 7.21 Factor E1

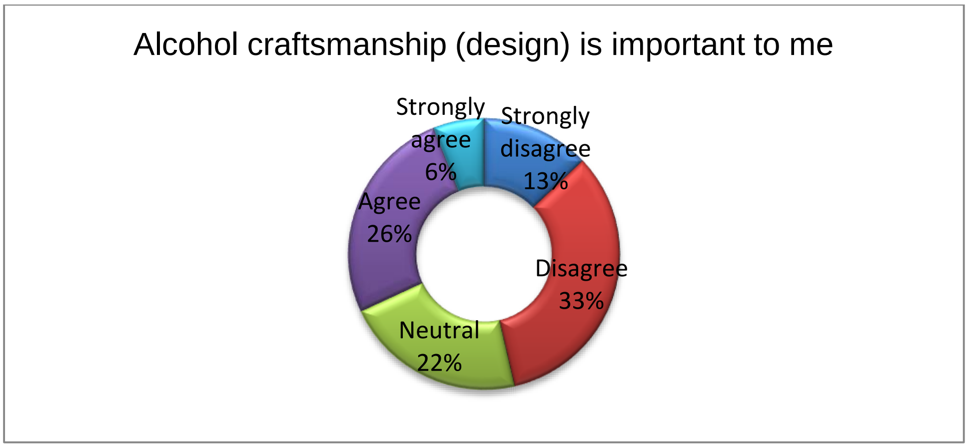


Figure 7.22 Factor E2

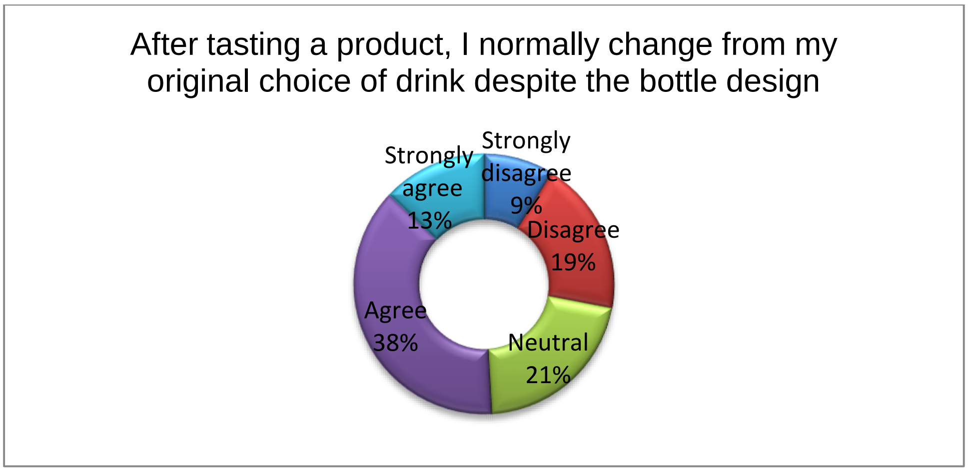


Figure 7.23 Factor E3

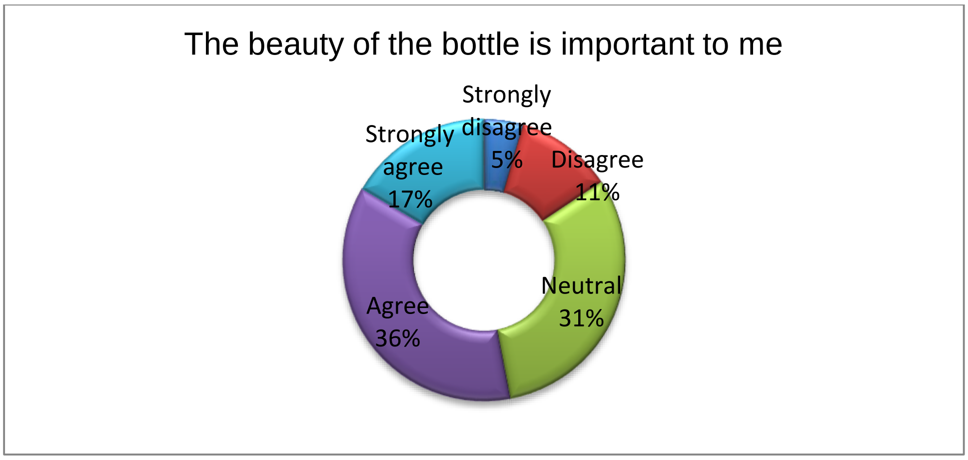


Figure 7.24 Factor E4

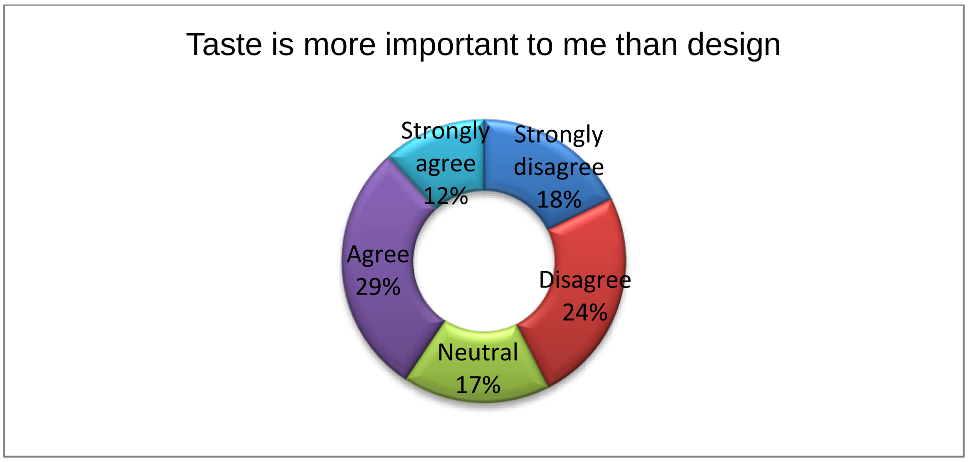


Figure 7.25 Factor E5

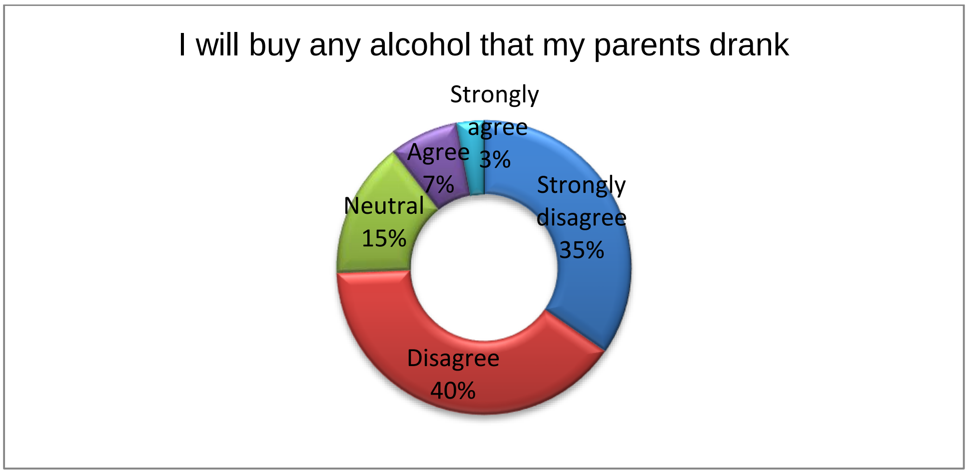


Figure 7.26 Factor F1

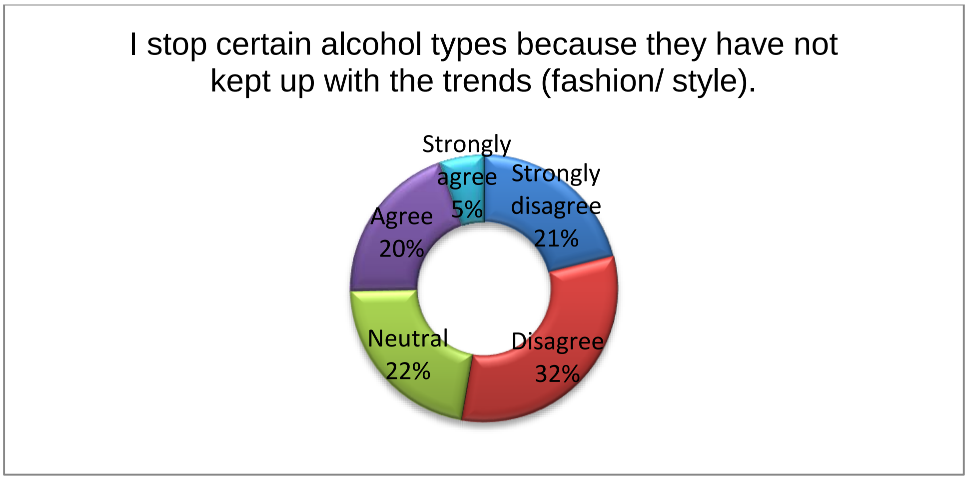


Figure 7.27 Factor F2

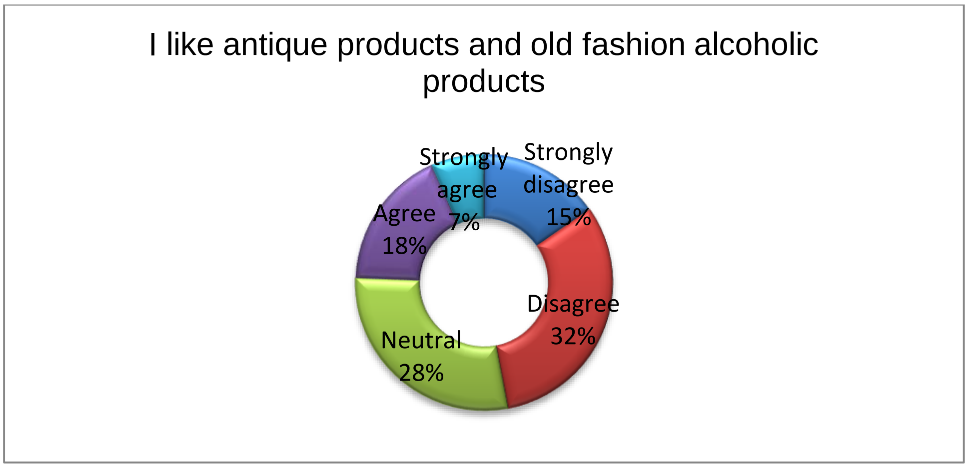


Figure 7.28 Factor F3

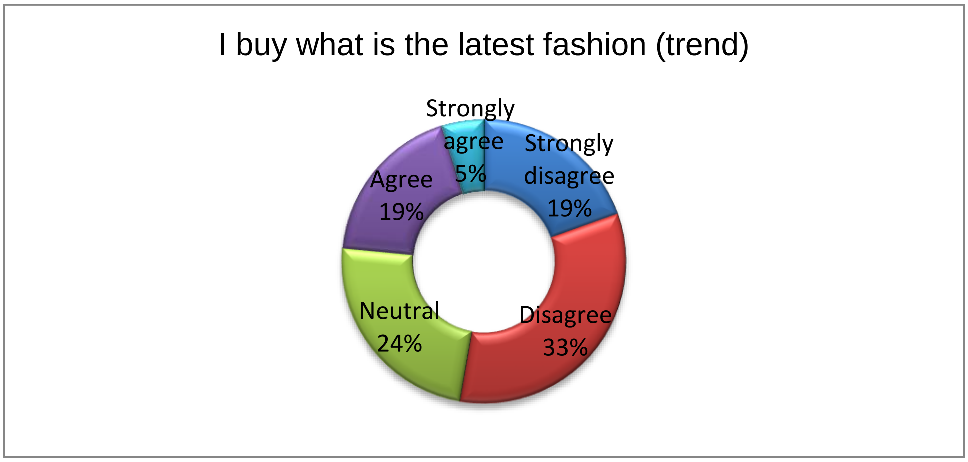


Figure 7.29 Factor F4

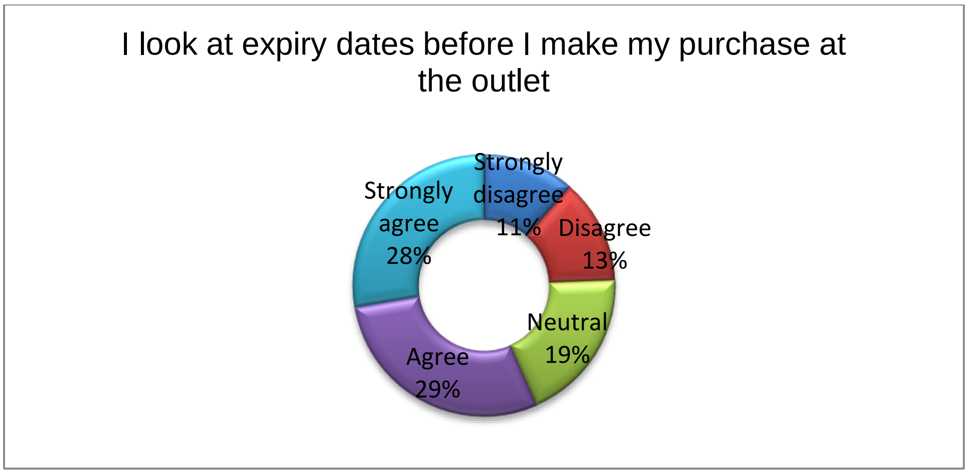


Figure 7.30 Factor F5

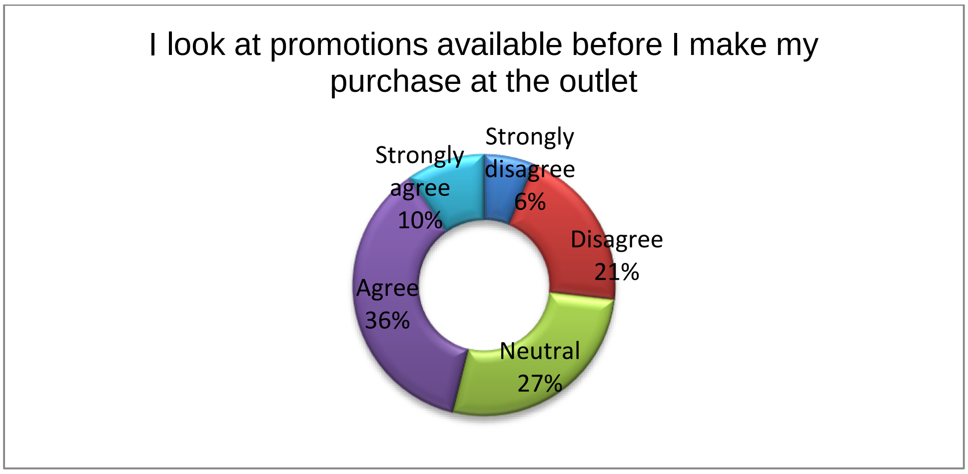


Figure 7.31 Factor G1

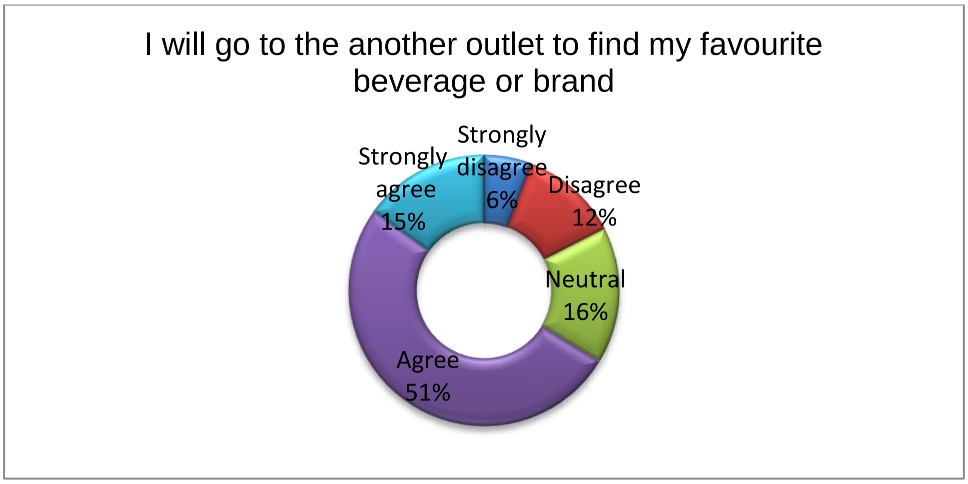


Figure 7.32 Factor G2

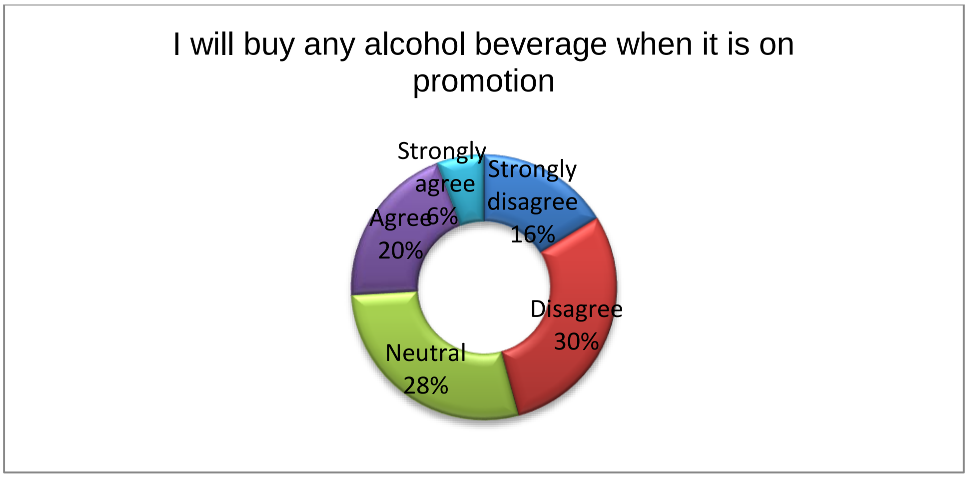


Figure 7.33 Factor G 3

Figure 7.34 Factor G4

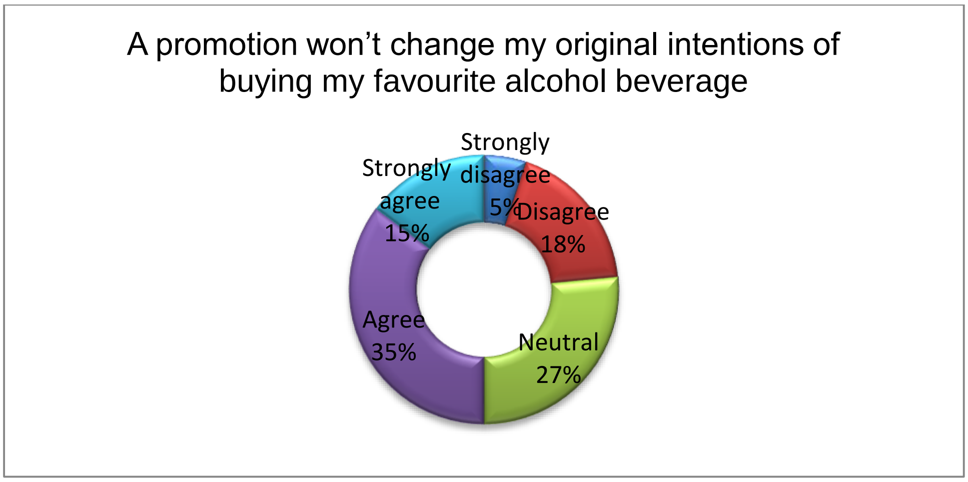


Figure 7.35 Factor G5

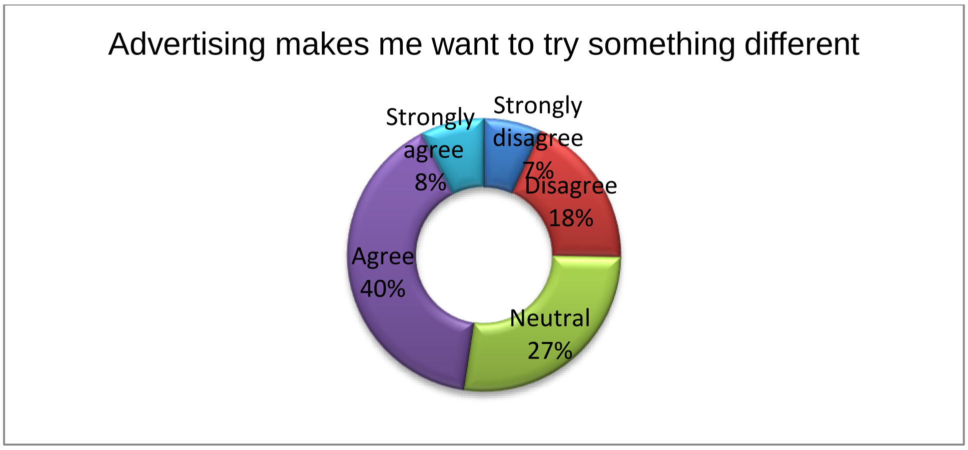


Figure 7.36 Factor H1

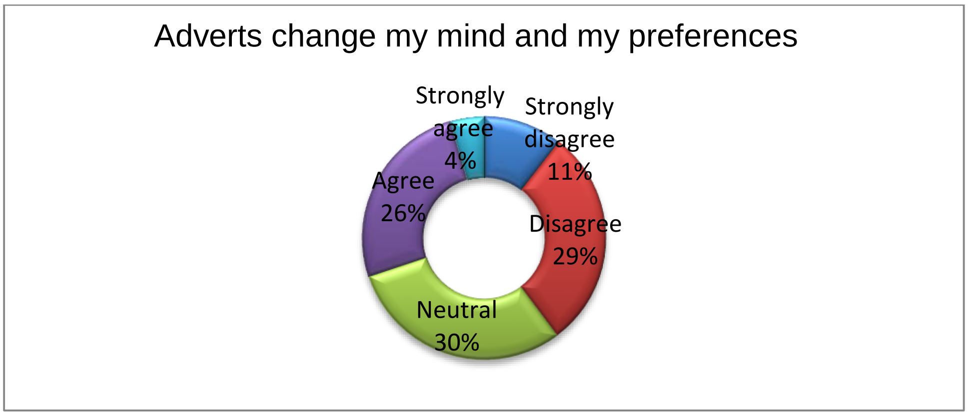


Figure 7.37 Factor H2

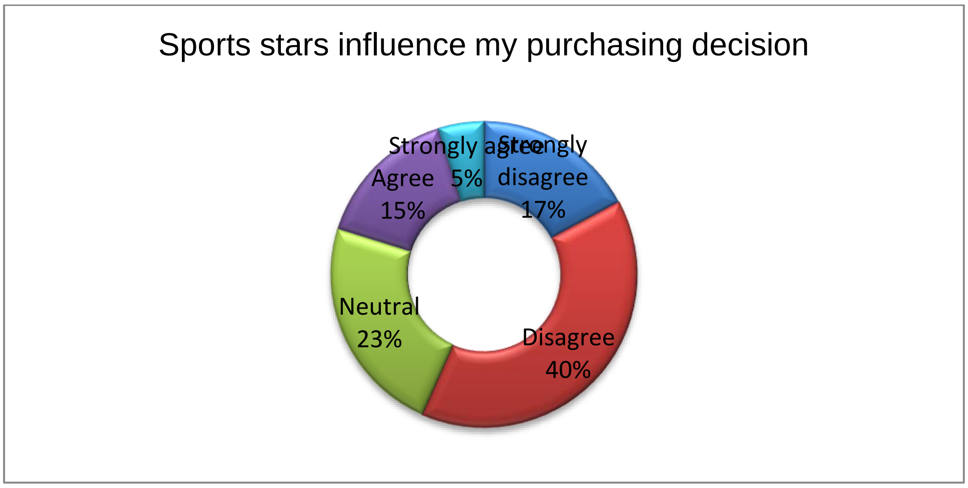


Figure 7.38 Factor H3

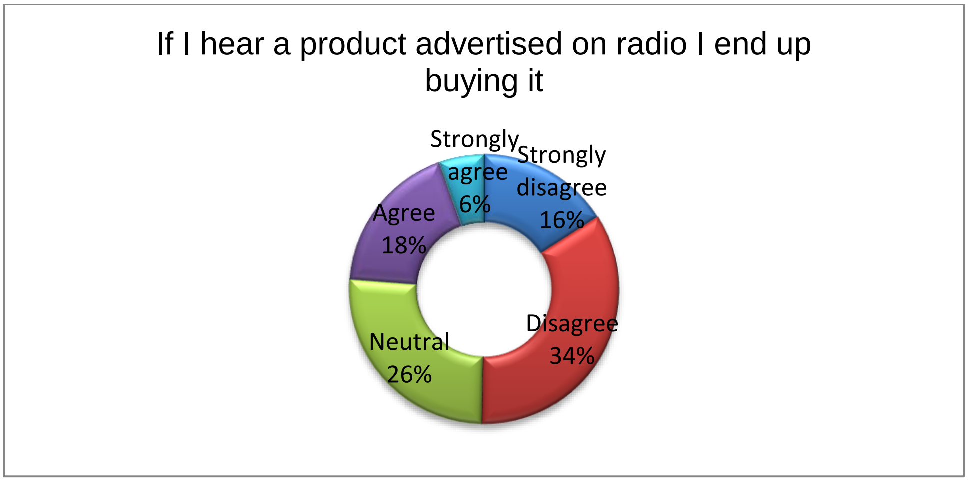


Figure 7.39 Factor H4

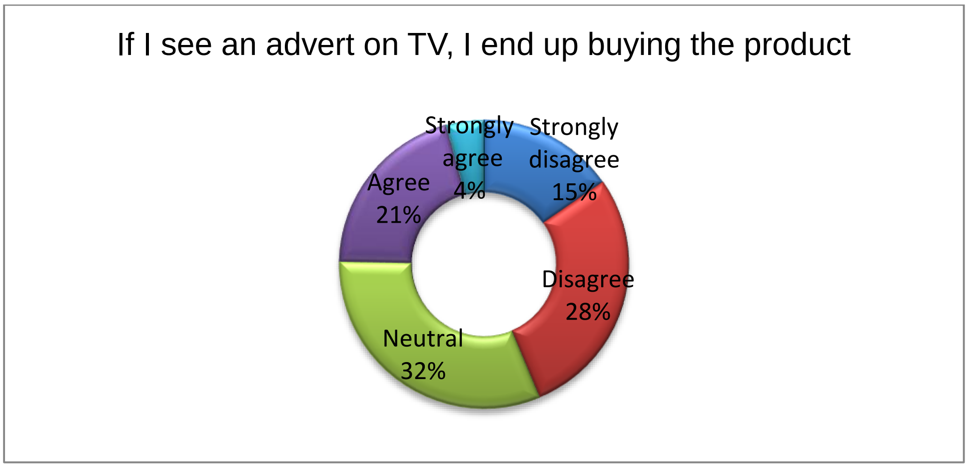


Figure 7.40 Factor H5

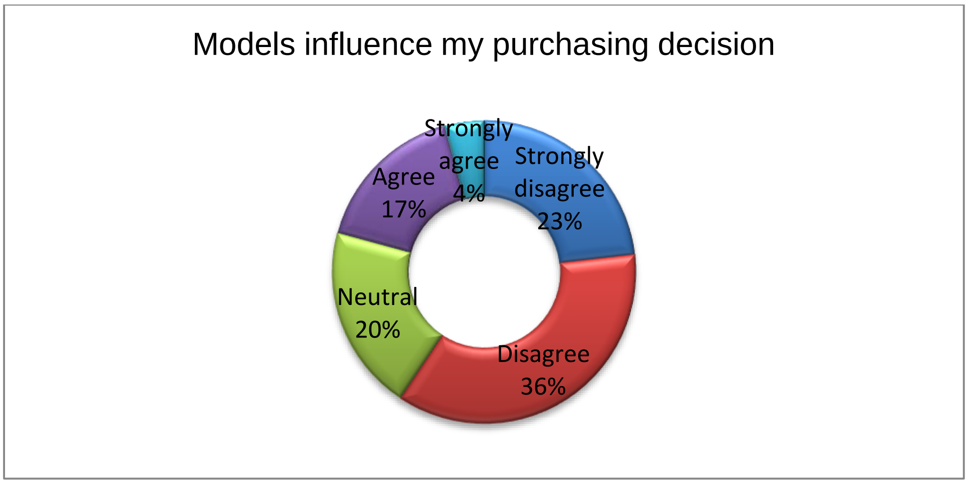


Figure 7.41 Factor H6

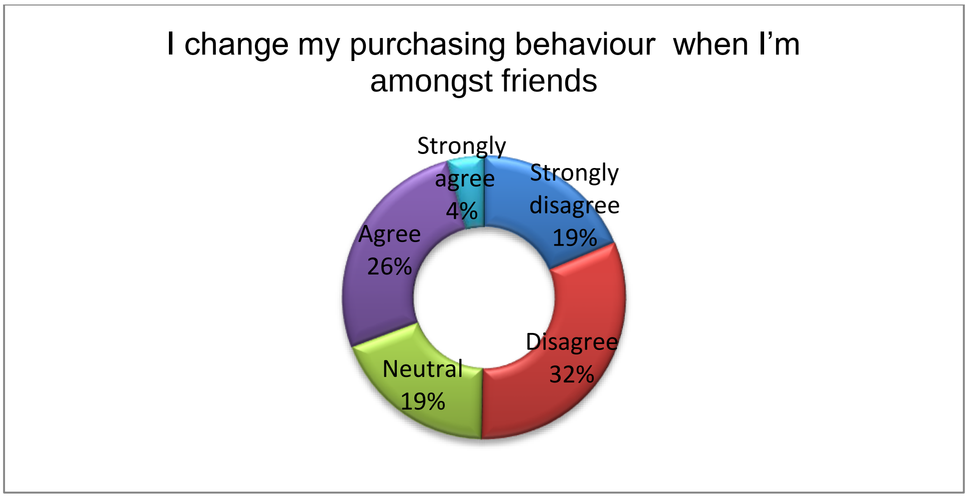


Figure 7.42 Factor I1

Figure 7.43 Factor I2

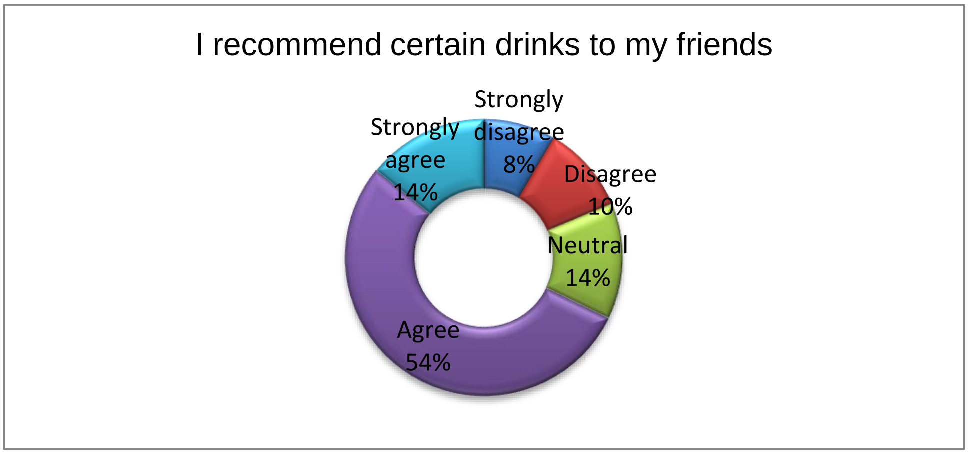


Figure 7.44 Factor I3

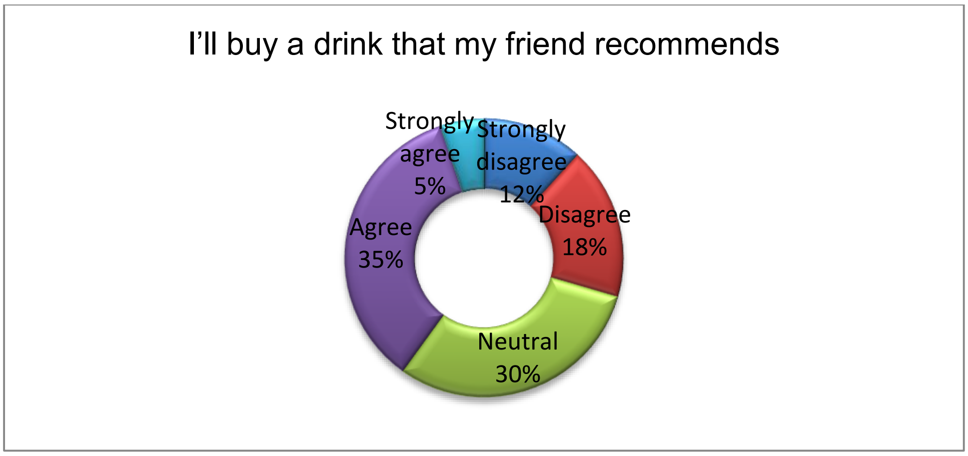


Figure 7.45 Factor I4

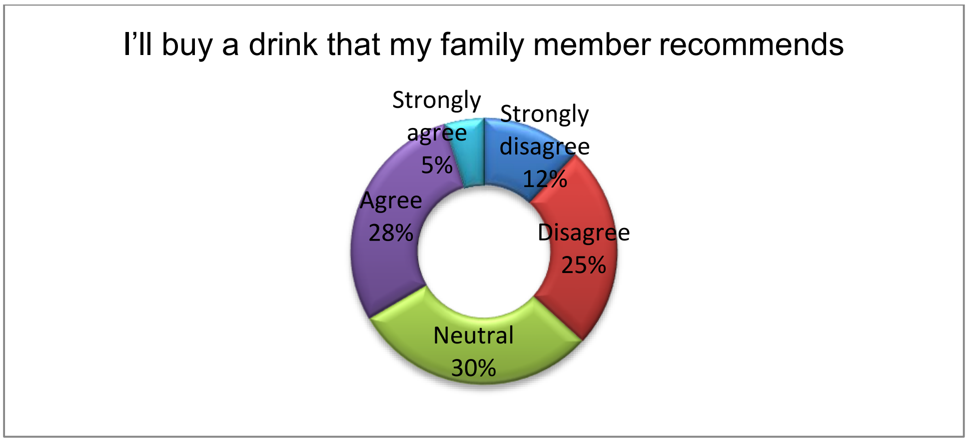


Figure 7.46 Factor I5

Figure 7.47 Factor I6

Figure 7.48 Factor J1

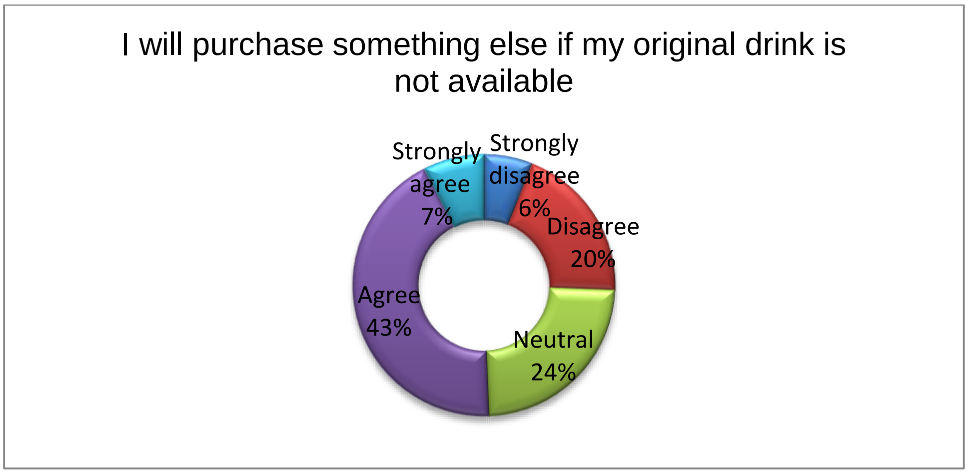


Figure 7.49 Factor J2

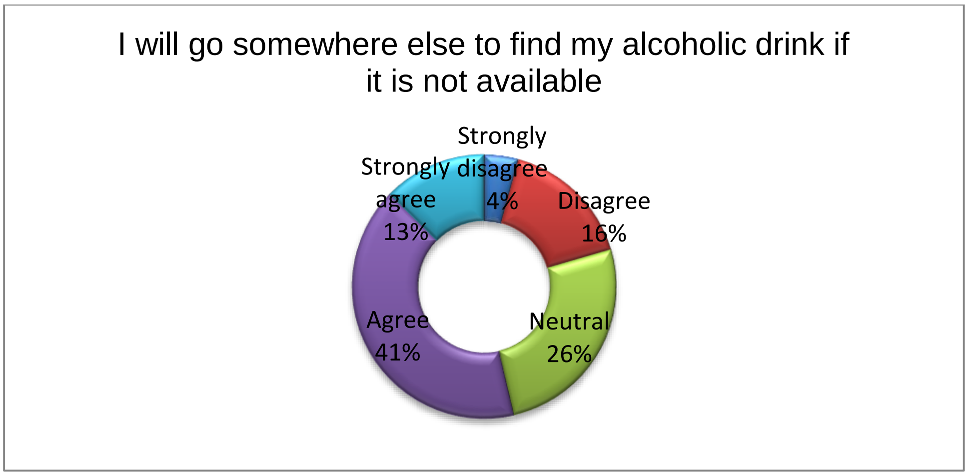


Figure 7.50 Factor J3

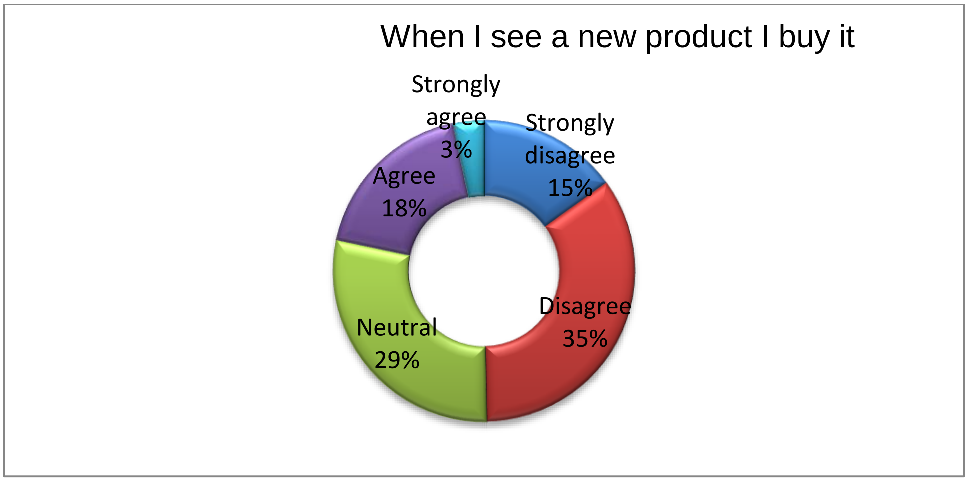


Figure 7.51 Factor J4

Figure 7.52 Factor J5

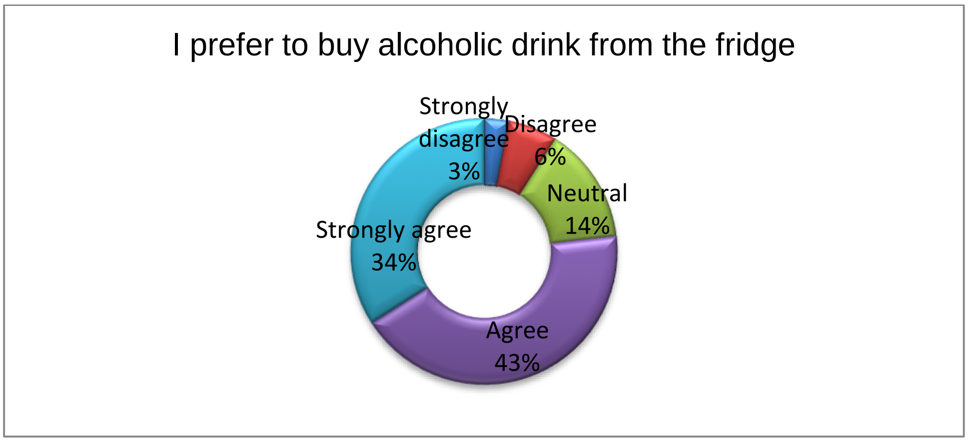


Figure 7.53 Factor K1

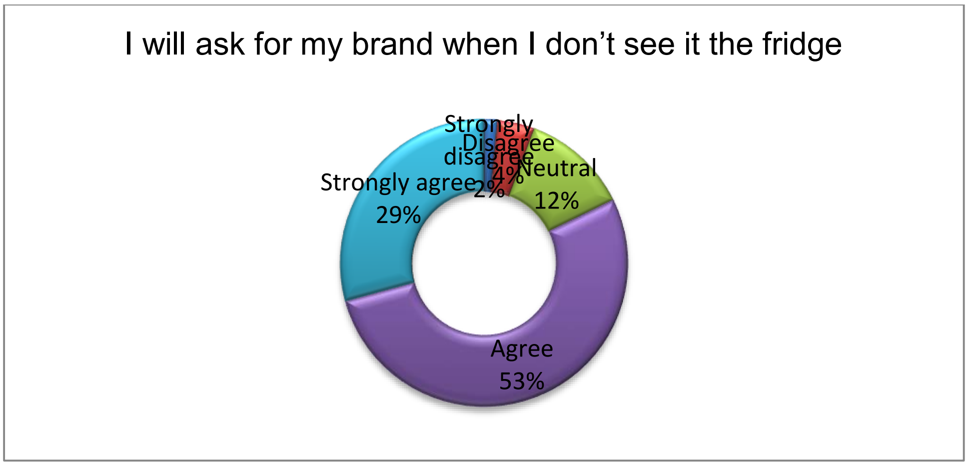


Figure 7.54 Factor K2

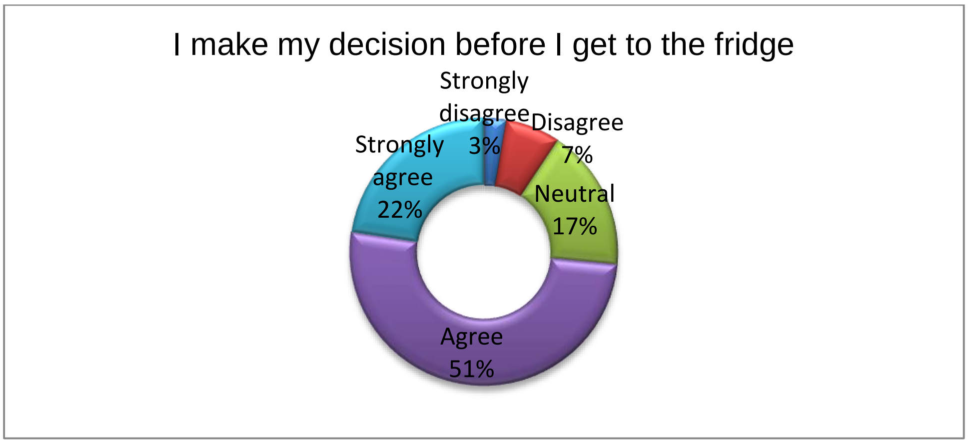
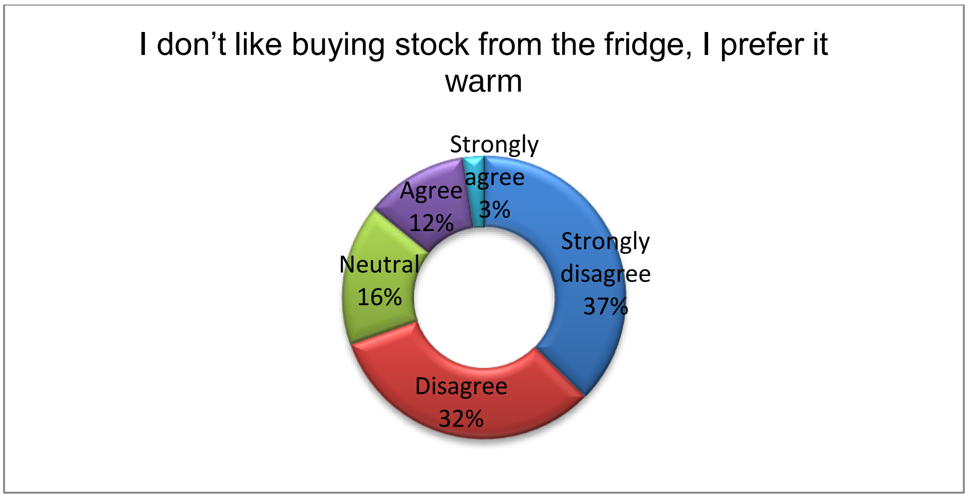


Figure 7.55 Factor K3



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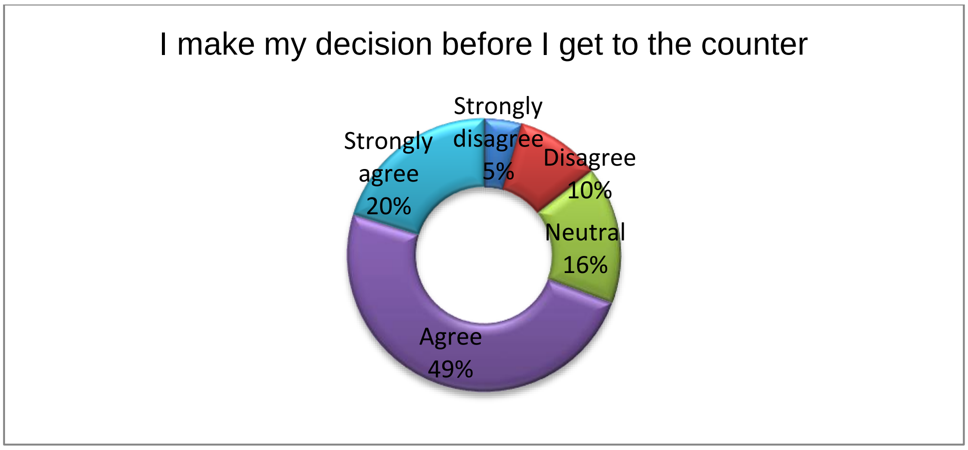

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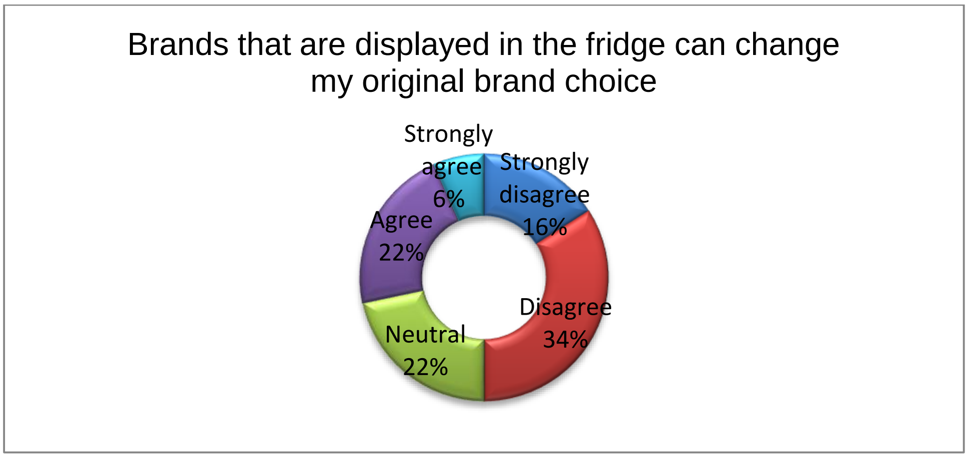


Figure 7.58 Factor K6

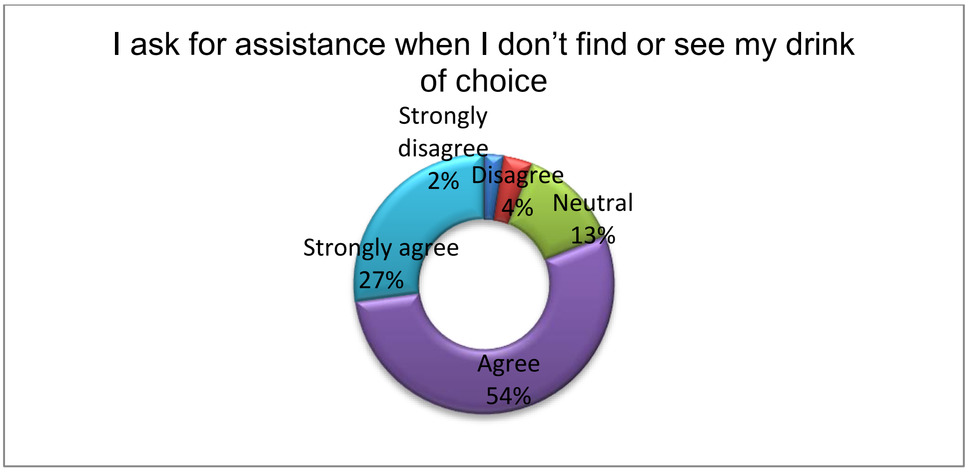


Figure 7.59 Factor L1

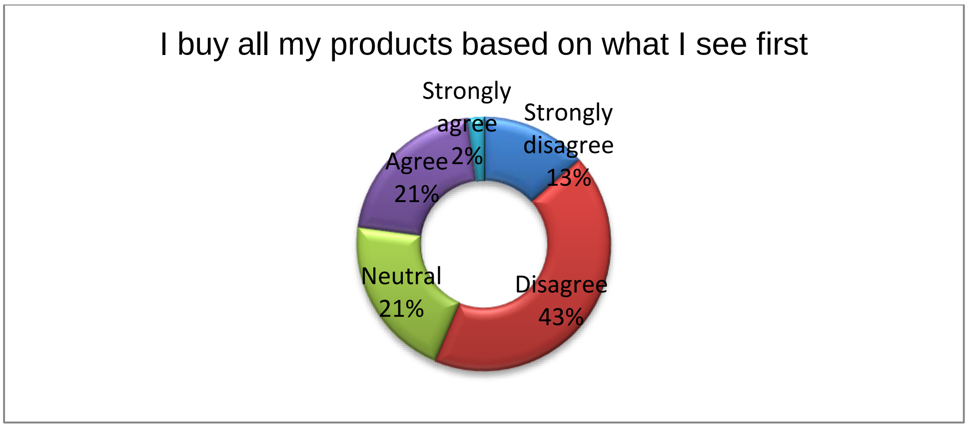


Figure 7.60 Factor L2

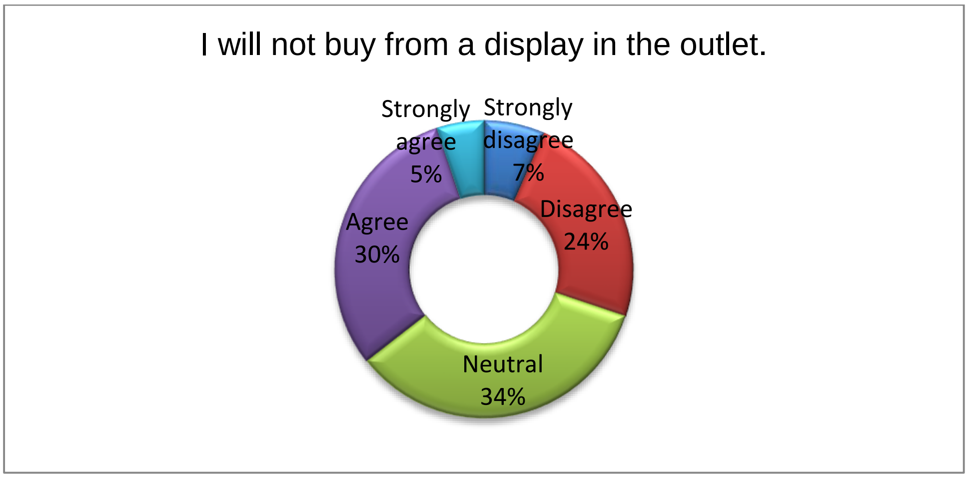


Figure 7.61 Factor L3

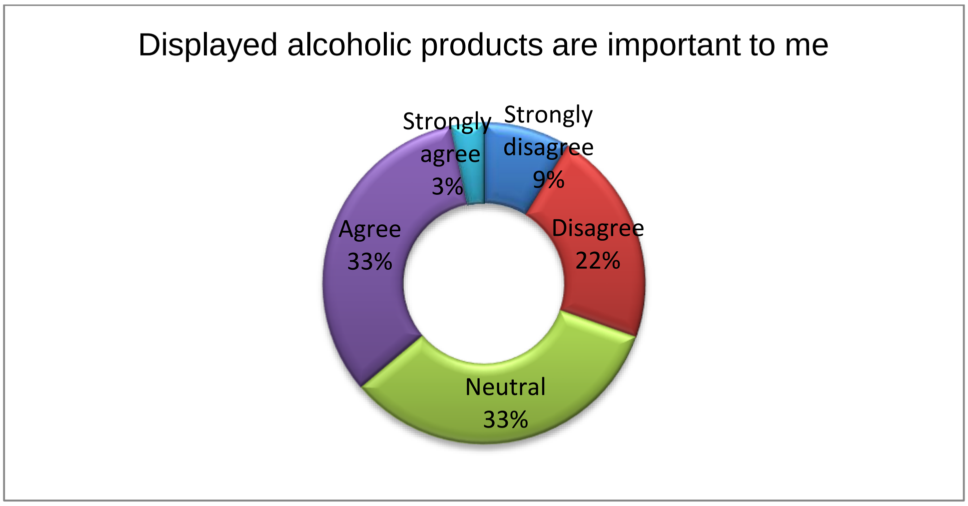


Figure 7.62 Factor L4

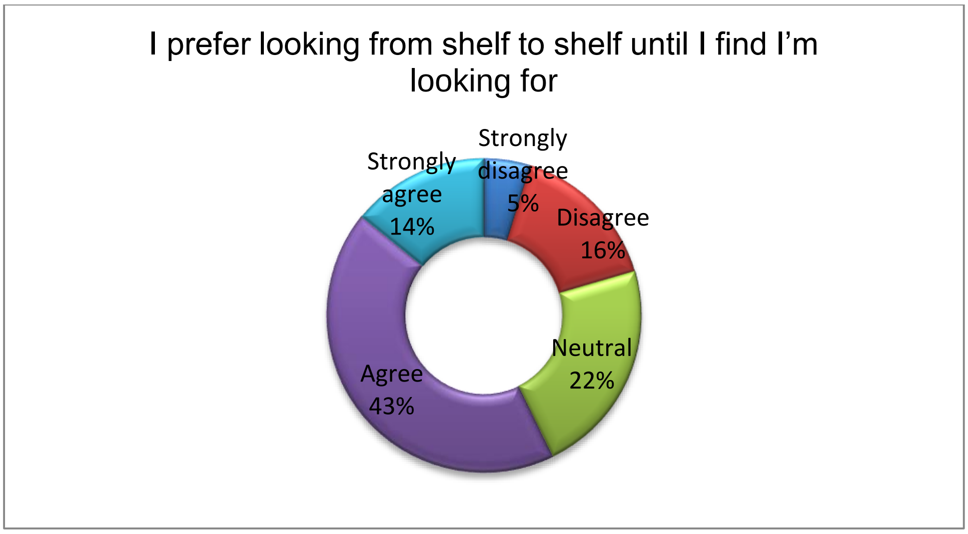


Figure 7.63 Factor L5

Descriptive Statistics							
		Valid N	Mean	Median	Minimum	Maximum	Std.Dev.
A1	Price is important to me when I make a purchasing decision	332	3.81	4	1	5	1.17
A2	I search for specials (low prices) before I make a final purchase	332	3.56	4	1	5	1.14
A3	I will buy my favourite alcohol even if it's over priced	332	3.17	3	1	5	1.23
A4	When alcohol is on special (reduced price), I buy more	332	3.64	4	1	5	1.11
A5	Lower price will make me change my mind on what I was going to original buy	332	3.11	3	1	5	1.17
B1	I look at the quality of the product before I purchase not price	332	3.53	4	1	5	1.07
B2	I will buy an alcoholic beverage when price is low without considering quality	332	2.57	2	1	5	1.19
B3	High quality product will convince me to buy despite the cost	332	3.18	3	1	5	1.08
B4	I look for high quality products at a low price	332	3.48	4	1	5	1.03
B5	I will pay a premium price for a good quality alcoholic product	332	3.54	4	1	5	1.05
C1	Price increase results in me buying less alcohol	332	3.39	4	1	5	1.13
C2	When my favourite drink is expensive, I buy any drink that is cheaper.	332	2.88	3	1	5	1.12
C3	I usually buy stock before price increase (pre-excise / sin tax)	332	2.72	3	1	5	1.15
C4	I buy more alcohol when I get paid	332	3.07	3	1	5	1.30
C5	I always buy alcohol that is on discount first before I buy anything else.	332	2.82	3	1	5	1.19
D1	I purchase an alcoholic beverage because I like the bottle design	332	2.55	2.5	1	5	1.11
D2	Alcohol craftsmanship (design) is important to me	332	2.72	3	1	5	1.15
D3	After tasting a product, I normally change from my original choice of drink despite the bottle design	332	2.70	3	1	5	1.16
D4	The beauty of the bottle is important to me	332	2.61	2	1	5	1.20
D5	Taste is more important to me than design	332	3.95	4	1	5	1.07
E1	I buy alcohol product based on the packaging.	332	2.57	2	1	5	1.08
E2	Alcohol packaging represent me and my style	332	2.79	3	1	5	1.14
E3	Cheap looking packaging doesn't matter as long it's my favourite alcoholic drink.	332	3.27	4	1	5	1.17
E4	Packaging must be environmental friendly i.e. recyclable	332	3.49	4	1	5	1.04
E5	I'm conscious of what other people see me drink	332	2.92	3	1	5	1.31
F1	I will buy any alcohol that my parents drank	332	2.05	2	1	5	1.03
F2	I stop certain alcohol types because they have not kept up with the trends (fashion/ style).	332	2.57	2	1	5	1.18
F3	I like antique products and old fashion alcoholic products	332	2.69	3	1	5	1.13
F4	I buy what is the latest fashion (trend)	332	2.56	2	1	5	1.14
F5	I look at expiry dates before I make my purchase at the outlet	332	3.48	4	1	5	1.32
G1	I look at promotions available before I make my purchase at the outlet	332	3.23	3	1	5	1.08
G2	I will go to the another outlet to find my favourite beverage or brand	332	3.58	4	1	5	1.06
G3	I will buy any alcohol beverage when it is on promotion	332	2.70	3	1	5	1.13
G4	A prize from a promotion will make me try something new	332	3.20	3	1	5	1.14
G5	A promotion won't change my original intentions of buying my favourite alcohol beverage	332	3.36	3.5	1	5	1.10

		Valid N	Mean	Median	Minimum	Maximum	Std.Dev.
H1	Advertising makes me want to try something different	332	3.23	3	1	5	1.06
H2	Adverts change my mind and my preferences	332	2.84	3	1	5	1.06
H3	Sports stars influence my purchasing decision	332	2.51	2	1	5	1.09
H4	If I hear a product advertised on radio I end up buying it	332	2.63	2	1	5	1.12
H5	If I see an advert on TV, I end up buying the product	332	2.70	3	1	5	1.09
H6	Models influence my purchasing decision	332	2.42	2	1	5	1.14
I1	I change my purchasing behaviour when I'm amongst friends	332	2.66	2	1	5	1.18
I2	I buy what my friends drink	332	2.63	2	1	5	1.12
I3	I recommend certain drinks to my friends	332	3.55	4	1	5	1.12
I4	I'll buy a drink that my friend recommends	332	3.04	3	1	5	1.10
I5	I'll buy a drink that my family member recommends	332	2.89	3	1	5	1.10
I6	I will try a beverage recommended regardless if it is whisky, b	332	2.99	3	1	5	1.17
J1	I will not purchase my favourite beverage if my preferred pack is not available	332	2.83	3	1	5	1.10
J2	I will purchase something else if my original drink is not available	332	3.27	4	1	5	1.05
J3	I will go somewhere else to find my alcoholic drink if it is not available	332	3.42	4	1	5	1.04
J4	When I see a new product I buy it	332	2.60	3	1	5	1.05
J5	I will not purchase anything if my drink is not available	332	2.83	3	1	5	1.10
K1	I prefer to buy alcoholic drink from the fridge	332	3.99	4	1	5	1.00
K2	I will ask for my brand when I don't see it the fridge	332	4.04	4	1	5	0.85
K3	I make my decision before I get to the fridge	332	3.84	4	1	5	0.94
K4	I don't like buying stock from the fridge, I prefer it warm	332	2.10	2	1	5	1.10
K5	I make my decision before I get to the counter	332	3.70	4	1	5	1.04
K6	Brands that are displayed in the fridge can change my original brand choice	332	2.69	2.5	1	5	1.17
L1	I ask for assistance when I don't find or see my drink of choice	332	4.00	4	1	5	0.87
L2	I buy all my products based on what I see first	332	2.55	2	1	5	1.03
L3	I will not buy from a display in the outlet.	332	3.04	3	1	5	1.01
L4	Displayed alcoholic products are important to me	332	3.00	3	1	5	1.01
L5	I prefer looking from shelf to shelf until I find I'm looking for	332	3.46	4	1	5	1.07
Occasion1	I buy my favourite alcoholic beverage every time I go out	332	3.72	4	1	5	1.06
Occasion2	I drink a different alcoholic beverage at home than when I'm in public	332	2.58	2	1	5	1.20
Occasion3	I will buy the alcoholic product that sponsored the event	332	2.86	3	1	5	1.10
Occasion4	I drink a different drink when I'm having a meal (than my usual drink)	332	2.95	3	1	5	1.15
Occasion5	I drink a different drink when it's a special occasion i.e. celebrations (than my usual drink)	332	3.14	3	1	5	1.24

Table 7.16 Descriptive statistics for all the Questions

ANOVAs to compare the age groups

Breakdown Table of Descriptive Statistics

Age_new	Factor_A	Factor_A	Factor_A	Factor_B	Factor_B	Factor_B	Factor_C	Factor_C	Factor_C
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
< 21 years	3.88	22	0.68	3.11	22	0.60	3.40	22	0.45
21-30 years	3.42	156	0.81	3.53	156	0.64	2.89	156	0.71
31-40 years	3.49	100	0.81	3.30	100	0.80	2.94	100	0.84
41-50 years	3.65	28	0.75	3.51	28	0.70	3.03	28	0.73
51+	4.03	24	0.48	3.53	24	0.72	3.15	24	0.83
All Grps	**3.53**	**330**	**0.79**	**3.43**	**330**	**0.71**	**2.97**	**330**	**0.76**

Age_new	Factor_D	Factor_D	Factor_D	Factor_E	Factor_E	Factor_E	Factor_F	Factor_F	Factor_F
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
< 21 years	2.86	22	0.97	3.49	22	0.72	2.95	22	0.46
21-30 years	2.78	156	0.88	3.02	156	0.76	2.67	156	0.68
31-40 years	2.46	100	0.94	2.77	100	0.86	2.63	100	0.86
41-50 years	2.71	28	0.85	2.89	28	0.81	2.59	28	0.77
51+	2.24	24	0.93	2.68	24	0.90	2.57	24	0.96
All Grps	**2.64**	**330**	**0.92**	**2.94**	**330**	**0.82**	**2.66**	**330**	**0.76**

Age_new	Factor_G	Factor_G	Factor_G	Factor_H	Factor_H	Factor_H	Factor_I	Factor_I	Factor_I
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
< 21 years	3.59	22	0.45	3.28	22	0.75	3.43	22	0.80
21-30 years	3.20	156	0.69	2.79	156	0.83	3.05	156	0.74
31-40 years	3.02	100	0.88	2.57	100	0.95	2.86	100	0.83
41-50 years	3.23	28	0.82	2.60	28	0.78	2.85	28	0.88
51+	3.22	24	1.00	2.44	24	0.98	2.46	24	0.98
All Grps	**3.18**	**330**	**0.78**	**2.72**	**330**	**0.88**	**2.96**	**330**	**0.82**

Age_new	Factor_J	Factor_J	Factor_J	Factor_K	Factor_K	Factor_K	Factor_L	Factor_L	Factor_L
	Means	N	Std.Dev.	Means	N	Std.Dev.	Means	N	Std.Dev.
< 21 years	3.20	22	0.64	3.82	22	0.51	3.13	22	0.58
21-30 years	2.89	156	0.61	3.98	156	0.67	2.93	156	0.60
31-40 years	2.95	100	0.69	3.83	100	0.75	3.14	100	0.72
41-50 years	2.87	28	0.61	4.08	28	0.56	2.88	28	0.61
51+	2.72	24	0.77	3.46	24	1.00	3.04	24	0.75
All Grps	**2.92**	**330**	**0.65**	**3.89**	**330**	**0.72**	**3.01**	**330**	**0.66**

Age_new	Factor_Occ	Factor_Occ	Factor_Occ
	Means	N	Std.Dev.
< 21 years	3.52	22	0.68
21-30 years	2.85	156	0.83
31-40 years	2.90	100	0.94
41-50 years	2.75	28	0.92
51+	2.61	24	0.79
All Grps	**2.88**	**330**	**0.88**

Table 7.17 Anova to compare the age groups per factor

7.3 Appendix C Ethics Clearance

Nelson Mandela Metropolitan University

for tomorrow

FORM E

ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESES

Please type or complete in black ink

FACULTY: Business & Economics Sciences

SCHOOL/DEPARTMENT: Business School

I, (surname and initials of supervisor) PROF MARGARET CULLEN

the supervisor for (surname and initials of candidate) MHLATYANA U.L.

__________ (student number) 9713790

a candidate for the degree of MBA

with a treatise/dissertation/thesis entitled (full title of treatise/dissertation/thesis):

OPTIMIZING THE MARKETING MIX TO INFLUENCE CONSUMER PURCHASING DECISIONS IN LIQUOR OUTLETS

considered the following ethics criteria *(please tick the appropriate block):*

	YES	NO
1. Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		✓
2. Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		✓
2.1 Are subjects/participants/respondents of your study:		✓
(a) Children under the age of 18?		✓
(b) NMMU staff?		✓
(c) NMMU students?		✓
(d) The elderly/persons over the age of 60?		✓
(e) A sample from an institution (e.g. hospital/school)?		✓
(f) Handicapped (e.g. mentally or physically)?		✓

3. Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		✓
3.1 Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		✓
4. Will the participant's privacy, anonymity or confidentiality be compromised?		✓
4.1 Are you administering a questionnaire/survey that:		
(a) Collects sensitive/identifiable data from participants?		✓
(b) Does not guarantee the anonymity of the participant?		✓
(c) Does not guarantee the confidentiality of the participant and the data?		✓
(d) Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		✓
(e) Will create doubt whether sample control measures are in place?		✓
(f) Will be distributed electronically via email (and requesting an email response)? Note: • If your questionnaire **DOES NOT** request respondents' identification, is distributed electronically and you request respondents to return it *manually* (print out and deliver/mail); **AND** respondent anonymity can be guaranteed, your answer will be NO. • If your questionnaire **DOES NOT** request respondents' identification, is *distributed via an email link and works through a web response system (e.g. the university survey system);* ***AND*** respondent anonymity can be guaranteed, your answer will be NO.		

*Please note that if **ANY** of the questions above have been answered in the affirmative **(YES)** the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty RECH (Ethics) representative.*

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

3/3/15

SUPERVISOR(S) **DATE**

8/8/15

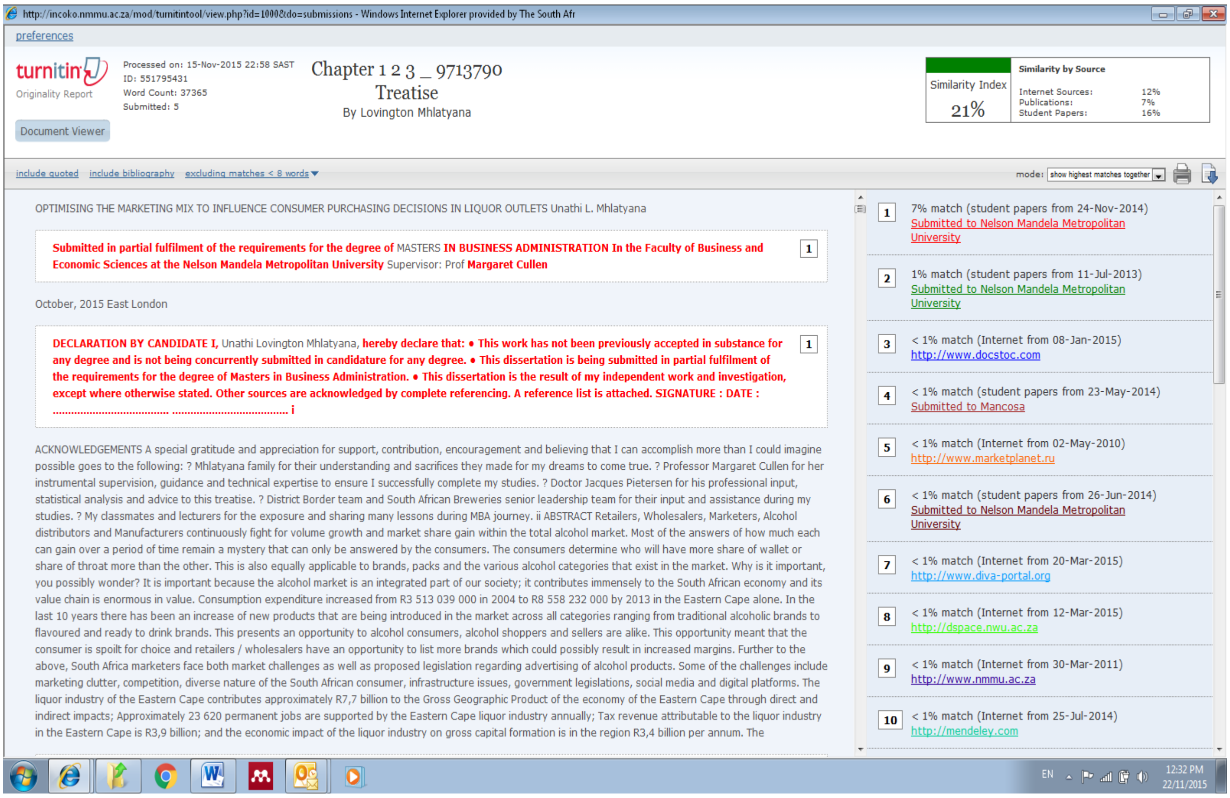
HEAD OF DEPARTMENT **DATE**

03/03/2015

STUDENT(S) **DATE**

Please ensure that the research methodology section from the proposal is attached to this form.

7.4 Appendix D Turnitin report



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OPTIMISING THE MARKETING MIX TO INFLUENCE CONSUMER PURCHASING DECISIONS IN LIQUOR OUTLETS Unathi L. Mhlatyana

Submitted in partial fulfilment of the requirements for the degree of MASTERS IN BUSINESS ADMINISTRATION In the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University Supervisor: Prof Margaret Cullen 1

October, 2015 East London

DECLARATION BY CANDIDATE I, Unathi Lovington Mhlatyana, hereby declare that: • This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree. • This dissertation is being submitted in partial fulfilment of the requirements for the degree of Masters in Business Administration. • This dissertation is the result of my independent work and investigation, except where otherwise stated. Other sources are acknowledged by complete referencing. A reference list is attached. SIGNATURE : DATE : ………………………………. ………………………………. i 1

ACKNOWLEDGEMENTS A special gratitude and appreciation for support, contribution, encouragement and believing that I can accomplish more than I could imagine possible goes to the following: ? Mhlatyana family for their understanding and sacrifices they made for my dreams to come true. ? Professor Margaret Cullen for her instrumental supervision, guidance and technical expertise to ensure I successfully complete my studies. ? Doctor Jacques Pietersen for his professional input, statistical analysis and advice to this treatise. ? District Border team and South African Breweries senior leadership team for their input and assistance during my studies. ? My classmates and lecturers for the exposure and sharing many lessons during MBA journey. ii ABSTRACT Retailers, Wholesalers, Marketers, Alcohol distributors and Manufacturers continuously fight for volume growth and market share gain within the total alcohol market. Most of the answers of how much each can gain over a period of time remain a mystery that can only be answered by the consumers. The consumers determine who will have more share of wallet or share of throat more than the other. This is also equally applicable to brands, packs and the various alcohol categories that exist in the market. Why is it important, you possibly wonder? It is important because the alcohol market is an integrated part of our society; it contributes immensely to the South African economy and its value chain is enormous in value. Consumption expenditure increased from R3 513 039 000 in 2004 to R8 558 232 000 by 2013 in the Eastern Cape alone. In the last 10 years there has been an increase of new products that are being introduced in the market across all categories ranging from traditional alcoholic brands to flavoured and ready to drink brands. This presents an opportunity to alcohol consumers, alcohol shoppers and sellers are alike. This opportunity meant that the consumer is spoilt for choice and retailers / wholesalers have an opportunity to list more brands which could possibly result in increased margins. Further to the above, South Africa marketers face both market challenges as well as proposed legislation regarding advertising of alcohol products. Some of the challenges include marketing clutter, competition, diverse nature of the South African consumer, infrastructure issues, government legislations, social media and digital platforms. The liquor industry of the Eastern Cape contributes approximately R7,7 billion to the Gross Geographic Product of the economy of the Eastern Cape through direct and indirect impacts; Approximately 23 620 permanent jobs are supported by the Eastern Cape liquor industry annually; Tax revenue attributable to the liquor industry in the Eastern Cape is R3,9 billion; and the economic impact of the liquor industry on gross capital formation is in the region R3,4 billion per annum. The

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