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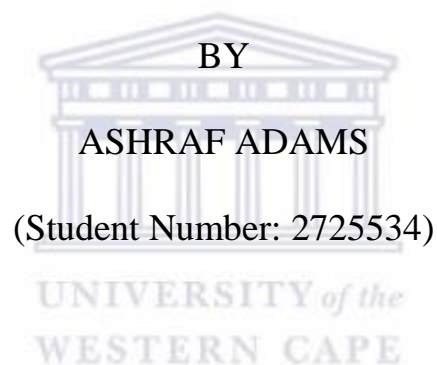
FACULTY OF

ECONOMIC AND MANAGEMENT SCIENCES

THE IMPACT OF UTILITARIAN and HEDONIC NEEDS SATISFACTION ON BRAND TRUST, BRAND AFFECT AND BRAND LOYALTY FOR SELECTED FAST MOVING CONSUMER GOODS IN SOUTH AFRICA

BY

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Mini-thesis prepared under the supervision of Dr Helen Inseng Duh and submitted in partial fulfilment of the requirements for the Degree of Master of Commerce in Business Management in the School of Business and Finance of the Faculty of Economic and Management Sciences at the University of Western Cape.

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KEY WORDS

FMCG

Brand trust

Brand affect

Consumer satisfaction

Utilitarian and hedonic values

Behavioural and attitudinal brand loyalty

Western Cape

South Africa

ABSTRACT

The concept of brand loyalty highlights the importance of brands in marketing strategy development because it leads to a stream of benefits for the company (lower marketing costs, less price sensitivity, greater market share and greater profits). Questions thus arise about how brand loyalty is achieved, especially for low involvement product categories classified as fast moving consumer goods (FMCGs).

Models of how brand loyalty is built have been tested and most agree that brand loyalty is linked to satisfying customer needs. Knowledge about the type of needs (utilitarian and hedonic) is however, not usually determined. How the different types of needs first influence brand trust and brand affect, before affecting consumer satisfaction, also requires investigation.

This study therefore tested how brand building efforts for some selected FMCG brands in South Africa impact on brand loyalty, as well as the extent to which utilitarian and hedonic need satisfaction leads to brand trust and brand affect for these low involvement products. The study also examined the extent to which brand trust and affect influence consumer satisfaction, examined as drivers of attitudinal and behavioural brand loyalty.

Quantitative research methods were used to collect and analyse the data, appropriate because of the nature of the research (testing relationships between multi-variables), and the fact that standardised instruments were available to test the proven and valid variables.

Data was collected from 272 White, Indian, Coloured and Black South Africans living in Cape Town. The respondents were sampled from malls in Nyanga (targeting Black consumers, most of whom represent lower income consumers), Mitchell's Plain (targeting middle income Coloured and Black consumers), and Canal Walk (targeting high income White, Coloured, Indian and Black consumers), all of which either have SPAR, Pick n Pay or Shoprite/Checkers retailers that sell FMCGs. Structural equation modelling was the main data analysis method for this multivariate investigation.

The results revealed that, unlike studies which suggest that consumers enjoy mainly utilitarian benefits from FMCGs, both utilitarian and hedonic needs of consumers in the Western Cape of South Africa are being satisfied for the selected branded FMCG categories in this study. The results also indicate that consumers develop behavioural and attitudinal loyalty to FMCG brands, even though they fall in the low involvement product category. Both brand loyalty types were found to be driven by consumer satisfaction, which originated from brand trust and found to be outcomes of utilitarian and hedonic values associated with FMCG brands. While utilitarian values drive brand trust, hedonic values impacted on both brand trust and brand affect.

This study's results mean that FMCG brands provide functional, instrumental and practical benefits (utilitarian values), as well as aesthetic, experiential and enjoyment-related benefits (hedonic values). The results also showed that consumers tend to rely on the ability of the brands to perform its stated function (brand trust). Brand trust leads to consumer satisfaction, which in turn leads consumers to purchase the same brand repeatedly over time (behavioural loyalty) and to commit to and emotionally connect to the brands (attitudinal loyalty).

This study differs from most other investigations in that it uncovers drivers of brand loyalty for low-involvement products and brands classified as FMCGs. Retailers and FMCG brand owners will be interested to know that they can adapt their brand communication and advertising strategies to appeal to both functional benefits and emotional security of their branded FMCG products. This strategy can build trust in the brands, which strongly predicts satisfaction, which in turn can strongly secure attitudinal brand loyalty and a greater likelihood of repurchasing of the brand in the future.

PLAGIARISM DECLARATION

1. I declare that this research mini-thesis has been completed under the guidance and instruction of Dr Helen Inseng Duh of the University of Witwatersrand, Gauteng, South Africa, and that the mini-thesis may not be submitted, in whole or in part, in order to obtain another degree, other than M.Com (Business Management) at U.W.C.

2. I hereby declare that I know what plagiarism entails, namely to use another's work and to present it as my own without attributing the sources in the correct way.

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5. I declare that all the work presented by me in every aspect of the course, is my own, and where I have made use of another's work, I have attributed the source in the correct way.
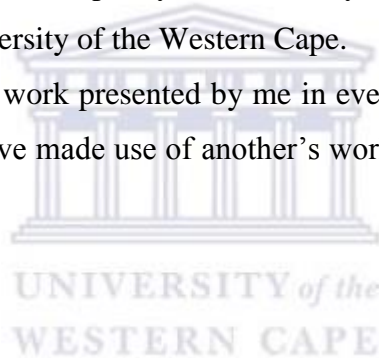
Ashraf Adams

June 2016

DATA DECLARATION

I hereby declare that the data collected to conduct this research was acquired through mall intercepts from the Nyanga Junction Mall (on the outskirts of Nyanga, Cape Town), Westgate Mall and Promenade Mall (in Mitchell's Plain, Cape Town), the Canal Walk Mall (in Century City, Cape Town) as well some pilot data acquired from students at staff at the University of Western Cape. I acknowledge that I am fully aware that any use of the data, other than for the purpose of research, is strictly prohibited and that the respondents have been guaranteed confidentiality.

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Ashraf Adams

June 2016

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DEDICATION

The highest glory and thanks to only The Almighty for the strength, guidance, perseverance and knowledge bestowed on me to start and complete my Masters. I would also like to thank my family and friends who contributed to my success, especially my parents, wife and sons who supported and encouraged me through thick and thin.
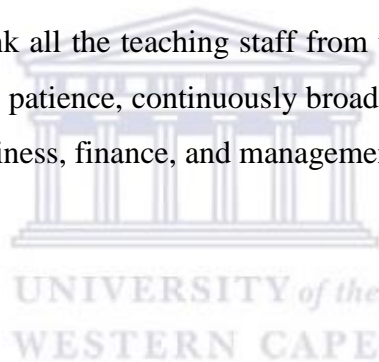
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List of Abbreviations

ABL: Attitudinal brand loyalty

BBL: Behavioural brand loyalty

BHV: Brand hedonic values

BUV: Brand utilitarian values

CBA: Consumer brand affect

CBT: Consumer brand trust

CFA: Confirmatory factor analysis

CFI: Comparative fit index

CSAT: Consumer satisfaction

FMCG: Fast moving consumer goods

GOF: Goodness-of-fit

GTC: Groceries, toiletries and confectionary

RMR: Root mean square residual

RMSEA: Root mean square error of approximation

SEM: Structured Equation Modelling
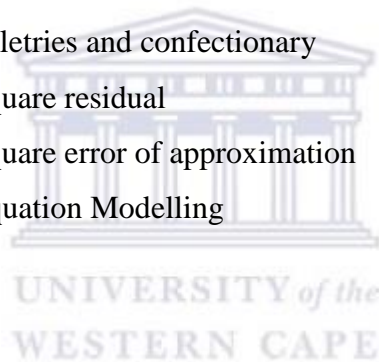
1.   INTRODUCTION

1.1   Introduction

The benefits of building and maintaining customer brand loyalty (e.g. lower marketing cost, positive word of mouth, resistance to competitor's offerings and resultant increased profitability) has been recognized for more than five decades (Zineldin et al., 2014:1), but there are still questions as to how and whether brand loyalty is built with different product categories (Drennan et al., 2015:48). Most models (see for e.g., Chaudhuri and Holbrook's, 2001; Chitturi et al., 2008; Oliver's 1999 models) posit that brand loyalty can be achieved by satisfying customer needs. Recent reports are however showing that the relationship between customer satisfaction and brand loyalty is not that straightforward and simple (Chitturi et al., 2008:48; Thurn and Gustafsson, 2012:45; Zineldin et al., 2014:4). Customer satisfaction, Chitturi et al. (2008:48) report, does not necessarily translate into customer loyalty because consumers seek more than just being satisfied. They want to be delighted, and this depends on marketers' knowledge of the specific consumption goals or benefits consumers seek to satisfy or enjoy (do Vale and Duarte, 2013:30).

The consumption goals, which may either be utilitarian (functional, practical or instrumental benefits of product consumption) or hedonic (pleasure and enjoyment-related benefits of product consumption) benefits satisfaction (Chitturi et al., 2008:61), differ depending on the product categories (do Vale and Duarte, 2013) or on whether the type of product is durable or non-durable goods. For the consumption of durable consumer goods such as laptop, cars and cell phones, Chitturi et al. (2008) found that it was the hedonic benefits and not merely the utilitarian needs satisfaction consumers gained from these products. These delighted consumers and positively affected the two (i.e., repurchase and word-of-mouth) key measures of loyalty.

Chitturi et al. (2008:61) concluded that when product designers and marketers strive to build customer loyalty, they should put more focus on hedonic needs satisfaction than on

utilitarian needs provisions since hedonic need satisfaction generates more emotional and affective outcomes. Will this suggestion be applicable to non-durable fast moving consumer goods (FMCGs), which is viewed as everyday low-priced and low-risk consumer products that require very little thought when purchasing (Ullah and Prince, 2012:8)?

In addition to examining the extent to which consumers derive the usual utilitarian benefits from the purchase and use of FMCGs, this study seeks to investigate whether consumers also get hedonic benefits and how these benefits drive brand trust, brand affect, satisfaction and brand loyalty. This chapter starts by stating the research problem and objectives of the study. The chapter then describes the main concepts of this study. Thereafter, the research methodology will be introduced. This chapter concludes with a discussion on the contribution this study will make in the field of marketing and brand management.

1.2   Research Problem

The marketplace has become unpredictable because of increased competitive pressure and a heightened difficulty in building and sustaining loyal customers. Marketers are therefore putting brand loyalty development and sustenance at the heart of their brand building activities (Fournier and Yao, 1997). The management of consumer brand loyalty however depends on marketer's ability to measure, understand, and leverage brand loyalty, which according to Fournier and Yao (1997), should be guided by conceptual and empirical research relevant to understanding how and why brand loyalty exist. Despite its strategic managerial importance, Chaudhuri and Holbrook (2001) regrettably noted that there are still conceptual and empirical research gaps in the study of brand loyalty. This is especially so in the retail industry (Zineldin et al., 2014).

According to Dick and Basu (1994:99), brand loyalty "is striving for theoretical legitimacy and practical significance" away from the ongoing measurement orientation. In the FMCG

sector, Lacey (2007:327) noted that empirical studies on how variables interact to create customer commitment and ultimate loyalty is lacking. Even though FMCGs are an important consumer product category for a unique brand management programme, Moolla and Bisschoff (2013) noted that there was no existing theoretical and empirical framework to test brand loyalty drivers for FMCGs.

Mano and Oliver's (1993) theoretical and empirical model provides a framework that delineates the evaluative (utilitarian and hedonic) and the affective (pleasantness and arousal) dimensions that drive consumer satisfaction but did not examine how satisfaction in turn affect customer loyalty.

Chaudhuri and Holbrook (2001) tested the effect of utilitarian and hedonic values on brand loyalty through the impact of brand trust and brand affect, but failed to assess how consumer satisfaction is first affected before brand loyalty is developed. Chitturi et al.'s (2008) model examined how customer loyalty is developed through utilitarian and hedonic benefits and different types of satisfaction enjoyed, but used durable consumer goods. To guarantee brand loyalty, Aviv (2002) noted that there has to be considerations of the importance consumers assign to different product types attributes. That importance or the attributes they value is not only product type-specific but is also culture specific (Lim and Ang, 2008:226).

1.3　Objectives of the Study

This study aims to survey consumers from different income and racial groups in the Western Cape of South Africa, to investigate 1) whether in addition to utilitarian values, consumers receive hedonic values from FMCGs brands, 2) whether consumers can be loyal to FMCGs brands, and 3) how the utilitarian and hedonic values or benefits they enjoy from some selected FMCG brands affect their brand trust, brand affect, satisfaction with the brand, and how that satisfaction in turn affect behavioural and attitudinal brand loyalty. The aim of the study is driven by 1) the research problem stated above, 2) Steenkamp and Burgess' (2002) call that U.S and European models be tested in emerging markets, and 3) Chaudhuri and Holbrook's (2001) claim that product category characteristics affect the type of brand evaluation consumers make and the ultimate brand loyalty and performance.

1.4　Description of the Main Concepts of this Study

This section defines and describes the key concepts used in this study.

1.4.1　Utilitarian value (of a brand)

Chaudhuri and Holbrook (2001:85) define utilitarian value of a brand as "the ability of a brand to perform functions in the everyday life of a consumer". This is akin to the functional, instrumental and practical benefits of a brand's consumption offer (Chitturi et al., 2008:49). Utilitarian value was described by do Vale and Duarte (2013:30) as consumption experiences that tend to be "fundamentally functional, instrumental, sensible or practical, a kind of experience that is usually associated to a simple justification and to a set of needs that demand a clear solution". They further state that utilitarian intention to buy a product has a cognitive and extrinsic motivation. Examples of products that have utilitarian attributes are ink cartridge and medicines.

1.4.2   Hedonic value (of a brand)

A hedonic value is the pleasure potential of a product class to a consumer (Chaudhuri and Holbrook, 2001: 85). It refers to the aesthetic, experiential and enjoyment-related benefits of a brand's consumption offer (Chitturi et al., 2008:49). According to do Vale and Duarte (2013:30), purchases or choices grounded on hedonic dimensions are experiences "often described as entertaining, pleasant, exciting, spontaneous and sensory" and "generally has an intrinsic motivation leading to an inherent reward that is sought after, in the form of a higher order goal".

While some product category (e.g., medicines and ink cartridge) may provide exclusively utilitarian values, others may provide both utilitarian and hedonic values. For example, a consumer may purchase a cellular phone for either its utilitarian value of receiving calls or sending text messages and emails or for its hedonic value of stylish and modern designs. For product categories that provide both utilitarian and hedonic values, do Vale and Duarte (2013) report that, consumers' attitudes and their levels of satisfaction are driven by the relative weight of both utilitarian and hedonic values they get from the products.

Product classification according to utilitarian and hedonic values is important to not only understand why and when different products and services are chosen, but it is especially important to FMCGs, which lack a consistent classification. Classification according to utilitarian and hedonic values are also important to FMCG retailers which are increasingly motivated to provide differential treatment, layout and promotional activities to their various product categories (do Vale and Duarte, 2013).

1.4.3   Brand trust

Liu et al. (2011:72) describe brand trust as "the belief held by the customer that the supplier will provide the service or product that meets the customer's needs". Brand trust is also described as the potential of the average consumer to rely on the ability of the brand to perform its stated function whilst having the security in his/her interaction with the brand, based on the perceptions that the brand is reliable and responsible for the interests and

welfare of the consumer (Delgado-Ballester, 2011:11; Chaudhuri and Holbrook, 2001:82; Delgado-Ballester and Munuera-Aleman, 1999:1241). Considering that trust reduces the perceived risk in a supplier–customer exchange relationship, and enhances seller-buyer cooperation, it is suggested that it contributes to behavioural loyalty, such as repeat purchasing and positive word of mouth (Nyanga, 2015:1). Describing commitment as "an effort to maintain a valued relationship" and trust as a "partners' confidence in the other partner´s reliability and integrity", Thurn and Gustafsson (2012:30) reported that commitment and trust were popular drivers of seller-buyer relationship research.

1.4.4   Brand affect

Brand affect is a brand's potential to elicit a positive emotional response in the average consumer as a result of its use and is positively affected by the hedonic values and negatively affected by utilitarian values that consumers hold of products (Chaudhuri and Holbrook, 2001:82). Moolla and Bisschoff (2013:6) found that, in the FMCG industry, brand affect had a strong impact on brand loyalty while brand trust was found to be a weaker predictor of brand loyalty. They did not however specify whether the loyalty was behavioural or attitudinal. Deng et al. (2010:90) suggested that brand affect and trust were important predictors of brand satisfaction.

1.4.5   Consumer satisfaction

Customer satisfaction is defined as "a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance to expectations." (Kotler and Keller, 2012:82). According to Oliver (1999:34), customer satisfaction is the consumer's fulfilment response and a judgment that a product or service feature (or the product or service itself) provided a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment Aaker (2012) posit that customers will be willing to stick to a brand and stay loyal to it, if they are satisfied with the brand. He therefore suggests a direct relationship between brand satisfaction and loyalty.

1.4.6   The conceptualisation of brand loyalty

Brand loyalty can be conceptualised under opposing philosophical views. There is the stochastic versus deterministic view and the behaviourist versus attitudinal view of brand loyalty (Fournier and Yao, 1997).

1.4.6.1.   The stochastic versus deterministic perspectives of brand loyalty

The stochastic viewpoint is based on a theory put forward by Kuehn, Ehrenberg and Bass (Sharma, 1981:364), which assumes that consumers repeat brand purchases can be predicted from a known purchase frequency or probability distribution. Thus, since the level of repeat purchase can be measured from basic variables, it is believed to be stable over a given brand penetration and purchase frequency (Knox and Walker, 2001:113). Bass (1974:2) considers this view to be stochastic since a varied number of market variables affect behaviour, and their impact occurs in unpredictable frequencies.

The deterministic view conversely holds that for a given brand and type of consumer, repeat purchase behaviour is not easily predictable because it is impacted by some determined number of independent variables. Considering the multi-variables that cause behaviour, Jacoby and Chestnut (1978) question this view.

1.4.6.2.   The behaviourist versus attitudinal perspectives of brand loyalty

Concerned about the operationalisation of brand loyalty, the behaviourists consider brand loyalty a behavioural construct. This theory states that the number of times consumers repurchase a specific brand in a given time period after experiencing it, can be measured (Fournier and Yao, 1997:452). Jacoby and Chestnut (1978) however argue that this view lacks explanatory capacity. Considering that brand loyalty is a complex construct, they propose that it should be measured by the embodiment of both behavioural and attitudinal measures, namely psychological commitment such as brand preference and insistences resulting from cognitive processes. The attitudinal component, Dick and Basu (1994:111) contend, creates avenues for explaining brand loyalty.

Knox and Walker (2001:113) note that the differing perspectives of brand loyalty are creating difficulties in interpreting much of the ongoing brand loyalty studies. It has also resulted in different modelling of brand loyalty determinants, especially as repeat purchase, brand commitment and brand loyalty are interchangeably used. Knox and Walker (2001) however suggest that Jacoby and Chestnuts' (1978) conceptualisation and definition of brand loyalty be considered because it provides a more embodying view of the brand loyalty construct.

Jacoby and Chestnuts (1978:80) define brand loyalty as:

> the biased (i.e., non-random), behavioural response (i.e., purchase), expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, which is a function of psychological (decision making, evaluative) processes resulting in brand commitment.

Since this definition of brand loyalty stresses the preference (biased), purchase frequency (over time) and the attitudinal (psychological) nature of brand loyalty, it is viewed as a composite definition and appropriate because it also considers consumer responses over a set of brands rather than just a single brand. Viewing brand loyalty in two dimensions, Oliver (1999:34) defines brand loyalty as "a deeply held commitment to re-buy a preferred product or service consistently in the future, thereby causing repetitive purchasing of the same brand or brand set despite situational influences and marketing efforts being able to cause switching behaviour".

Chaudhuri and Holbrook (2001), Bandyopadhyay and Martell (2007), Keller (2009,) and Nam et al. (2011) also interpret brand loyalty according to behavioural and attitudinal dimensions. Chaudhuri and Holbrook (2001:82) define behavioural loyalty as "the propensity of consumers to purchase the same brand repeatedly over time", and attitudinal loyalty as "the degree of dispositional commitment in terms of some unique values associated with the brand". This study measures brand loyalty in terms of these two dimensions and examines the antecedents which predict both behavioural and attitudinal loyalties.

The dependent (i.e., utilitarian and hedonic values, brand trust and affect, and brand satisfaction) and independent (behavioural and attitudinal loyalty) variables of this study were developed into a conceptual model.

1.5   Conceptual Model of this Study

Chapter 3 discusses the theoretical perspectives of brand loyalty and some identified gaps in previous models of brand loyalty which guided the development of the conceptual model in this study. The model of the relationships between variables is presented in Figure 1.1.

Figure 1.1: The conceptual model of this study - adapted from Chitturi et al.'s (2008) and Chaudhuri and Holbrook's (2001) models
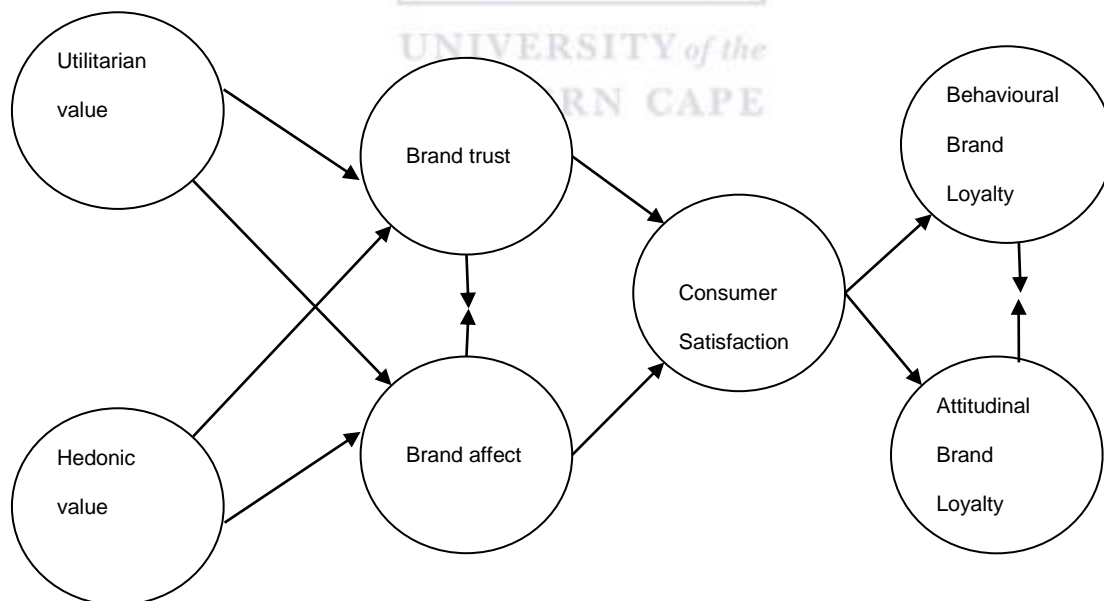
This study's model was tested using the research methods introduced in the next section.

1.6   Research Methodology

Quantitative research methods were used to collect and analyse this study's data. Quantitative methods were appropriate because of the nature of the research (testing relationships between multiple variables) and the fact that standardised instruments which have been tested and proven reliable and valid, were available to test this study's variables. Questionnaires were used to collect data and were self-administered through mall intercept at big malls in Cape Town, Western Cape, South Africa.

1.6.1.   Sampling frame, size and method

The main sample frame consisted of White, Indian, Coloured and Black South Africans drawn from Gugulethu malls (to obtain Blacks consumers most of whom are of lower income), Mitchell's Plain malls (to obtain middle income Coloureds and Blacks), and Century City malls (to obtain high income Whites, Coloureds and Blacks), all of which had either SPAR, Pick n Pay and Shoprite/Checkers retailers that sell FMCGs.

It was envisaged that the sample size would be 450 (150 subjects drawn from each mall). Due to time constraints and the difficulty in getting shoppers to spend some of their shopping time to complete questionnaires, only 272 respondents successfully completed the questionnaires. This sample size however conforms and exceed Hair et al.'s (1998) recommended minimum sample ratio of 14 respondents to each variable. This study has 7 variables and when multiplied by 14, the minimum sample size is 98. The 272 respondents comprised females and males between the ages of 18 and 60 years old. Even though the sample size was not representative of the general population, Knox and Walker (2001) recommend that a sample size should reflect a cross-section of demographically diverse shoppers and not the country population number.

As did Knox and Walker (2001), a stratified random sampling method was used since it enables the recruitment of respondents from different strata of the population. According to Galpin (2002:54), the common stratifying variables for people are age, sex, race, income

group, occupation, and education. Thus, as mentioned above, segments of different races and income levels were surveyed.

1.6.2. Method of data analyses

Structural equation modelling was the preferred data analyses method because of the multivariate nature of the study. Specifically and in line with the Chaudhuri and Holbrook (2001) data analytical method, path analyses were conducted. Hair et al. (1998:582) describe path analysis as "a method based on specifying relationships in a series of regression-like equations". The data analyses started with descriptive statistics of the actual sample structure obtained and of the reliability coefficients of the scored items.

1.7   Study Significance

This study will contribute to the theoretical field of marketing and brand management by determining whether in addition to utilitarian value, South African consumers also receive hedonic value and develop emotional attachment (brand affect) to low-involvement brands like FMCG brands. Even though they hold more utilitarian value, do Vale and Duarte (2013:30) found that Portuguese consumers hold some hedonic value for a number of FMCGs. Unlike utilitarian need satisfaction, Chitturi et al. (2008:57) suggest that hedonic need satisfaction is more likely to build customer loyalty, since it generates more emotional and affective outcomes.

This study will also contribute to knowledge by determining whether South African consumers develop loyalty to FMCG brands which are mostly sold in a transactional marketing setting as opposed to relational marketing setting. Asking the question as to whether loyalty exists within the Swedish FMCGs market, Thurn and Gustafsson (2012:31) found that the loyalty level is low because the customers chase quality products and services for low prices.

Practically, this study will assist marketers of the selected FMCG brands to understand the type of value consumers get from brands and the performance of their brands in terms of brand satisfaction, brand loyalty and the factors influencing performance.

1.8   Limitations of the Study

The study is limited to factors that affect satisfaction (not dissatisfaction) and loyalty (not disloyalty) especially since completely different sets of variables affect dissatisfaction and disloyalty (Chitturi et al., 2008; Knox and Walker, 2001). The study is also limited by the fact that it was conducted only in Cape Town, the second largest city in South Africa. Even though Cape Town is a socio-economically diverse city, the inclusion of Johannesburg, the largest socio-economic city of the country, would have enriched the validity of the study.
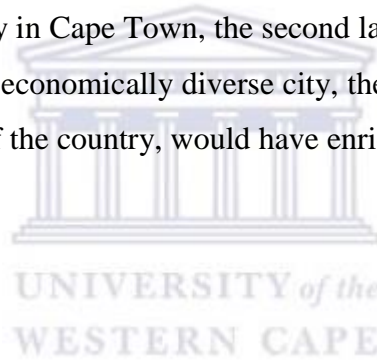
1.9   Organisation of the mini-thesis

Chapter 1 – The introduction
This chapter introduces the research problem, objectives, concepts, conceptual model of the study, methodology to test the model, and how the study is organised.

Chapter 2 - The nature and contribution of the FMCG industry
In this chapter FMCG is defined and classified. The chapter describes the characteristics of FMCG products and discuss the role players and economic contribution of the FMCG sector in South Africa. Considering the nature of FMCGs, the chapter predicts the type of values consumers may derive and whether they are likely to develop brand loyalty.

Chapter 3 – Drivers of brand loyalty

This chapter reviews previous studies on the drivers of brand loyalty to assess whether and how brand loyalty has been explained in the FMCG industry. It also assesses the extent to which brand loyalty of various products has been studied in emerging markets such as South Africa.

Chapter 4 - Research methodology

This chapter discusses the research methods used to collect and analyse the data. The chapter also includes a description of the sampling technique adopted and the composition of the sample. It starts by recapping the research problem and formulating the hypotheses that were tested.

Chapter 5 – Results, presentation, discussions, conclusions and recommendations

This chapter presents and discusses the results of the empirical investigation against the background of the conceptual model tested, plus the research objectives. It also concludes the theoretical and empirical findings of the study and discusses the theoretical and practical contributions of this study. The chapter ends with suggestions for further research.

2. THE FAST MOVING CONSUMER GOODS (FMCG) MARKET

2.1 Introduction

This chapter defines and examines the characteristics of FMCG products. It also examines global, African and South African FMCG markets and discusses the role players of the FMCG sector in South Africa. Factors that drive growth in the African FMCG market are also examined. Considering the nature of FMCGs, the chapter predicts the type of values consumers may derive and whether they are likely to develop brand loyalty for FMCGs.

2.2 Definitions and Characteristics of FMCG

FMCGs are products which are consumed by most consumers on a daily basis or at regular intervals (Vaishnani, 2011:2). Kotler and Armstrong (2011:374) define FMCGs as low value items that are frequently sold by retailers. Joghee and Pillai (2013:9) refer to FMCGs as convenient and low involvement products, whereas Fouladivanda et al. (2013:946), view FMCGs as those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year. They contrast it with durable goods which are generally replaced over a period of several years. FMCGs are usually purchased on a small-scale with consumer decisions heavily influenced by advertising and promotions by manufacturers (Mbuyazi, 2012:15).

The FMCG market can be divided into four major consumer categories, namely food, toiletries, household and health categories (Nayyab, et. al., 2011:804). Some of the main characteristics of FMCGs can be summarised as follows (Tiwari, 2012:168):

- Frequent purchasing by the consumer.

- Low consumer involvement with little or no product involvement. Products with strong brand loyalty are exceptions to this rule.

- Low pricing strategy by the marketer.

- High volume targets expected.

- Low margin contributions to the marketed product basket offering.

- Extensive distribution networks.

- High stock turnover.

FMCGs have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. Some FMCGs such as meat, fruits and vegetables, dairy products and baked goods, are highly perishable. Other goods such as alcohol, toiletries, pre-packaged foods, soft drinks and cleaning products have high turnover rates (Tiwari, 2012:168).

The FMCG industry primarily deals with the production, distribution and marketing of consumer packaged goods (Mohan and Sequeira, 2012:2; Qasim and Agarwal, 2015:2041) and is often referred to as a "low margin – high volume" industry from a retailer perspective (KPMG, 2015:1; Mohan and Sequeira, 2012:2). Price competition between retailers can be intense within FMCG product categories, especially as they are often near-identical. To boost profitability, companies use marketing and other techniques to establish loyalty to some FMCG categories (for example drinks, milk, bread, meat, vegetables, soap, soup, maize meal, beans, cool drinks, paper products, pharmaceuticals, packaged food products, household products). These activities enable companies to charge higher prices. Another important characteristic of the FMCG sector is that it generally does well in an economic downturn, with consumers being more willing to cut back on luxury products and channel their spending into essentials such as FMCGs.

The competition among FMCG manufacturers is growing, probably due to increased investment in the FMCG industry. India for example, has seen a remarkable growth; their FMCG industry is regarded as one of the largest in the world with total market size in excess of US$20.1 billion annually. The FMCG industry growth in India is driven by the availability of key raw materials, the presence of cheap labour, a well-established distribution network, intense competition between organised and unorganised segments, and low operational costs. The FMCG industry is also regarded as one of the largest sectors in New Zealand and accounts for 5% of Gross Domestic Product (Vaishnani, 2011:2; Qasim and Agarwal, 2015:2042).

2.3   The Global FMCG Industry

In the past, very little attention was paid to FMCGs as there was a common belief that its margins were too low for the investment and effort required (Moolla, 2010:137). Success in the Indian market, however, soon drew marketers' attention to the potential of this industry. Siag and Choudhary (2015:1) state that FMCG Industry is projected to grow by 12% and reach a size of US$43 billion by 2013, and US$74 billion by 2018 in India. A booming Indian population, particularly the middle class and rural segments, presents an opportunity to marketers of branded products to convert ordinary consumers into branded FMCG product consumers (Qasim and Agarwal, 2015:2042). The FMCG industry is also growing elsewhere, especially in the United States, where it is by far the largest sector of the economy. Some of the most well-known global FMCG companies are Sara Lee, Nestlé, Reckitt Benckiser, Unilever, Procter and Gamble, Coca-Cola, Carlsberg, Kleenex, General Mills, Pepsi, Mars, Nirma, Dabur, and Himani (Vaishnani, 2011:3; David, 2013:2).

The extensive range of consumable goods offered by the FMCG industry involves a huge amount of money, while the contest among FMCG manufacturers is continuously intensifying. Consumers are presented with hundreds of brands on a daily basis and are therefore, spoilt for choice (Pillay, 2007:2). The objective of most marketers of FMCGs is to maximise the wealth of their shareholders by increasing turnover through innovative marketing campaigns. Top FMCG global companies are characterised by their ability to produce items in highest demand by consumers and, at the same time, develop loyalty and trust towards their brands. The branding of FMCGs has become an integral part of attracting and retaining consumers globally. David and Govender (2014:163) state that the branding of FMCGs involves positioning a product correctly and ensuring that the brand is well communicated. Regular market research is also needed whilst preserving the heritage of the brand.

2.4   The FMCG Market in Africa

The KPMG 2015 Sector Report provided a World Bank 2010 report on household FMCGs spending in Africa (See Figure 1). The World Bank's Global Consumption Database indicates that the total household expenditure on FMCG goods, based on a sample of 39 African countries, reached almost US$240bn in 2010 (KPMG, 2015: 5). The report further highlights that household FMCG expenditure was highest in Nigeria (US$41.7bn), followed by Egypt (US$27.6bn), South Africa (US$23bn), Morocco (US$20.1bn) and Ethiopia (US$19.2bn).

Figure 2.1: 2010 household FMCG Spending ($bn) for 39 African countries

Household FMCG Spend 2010 ($bn)
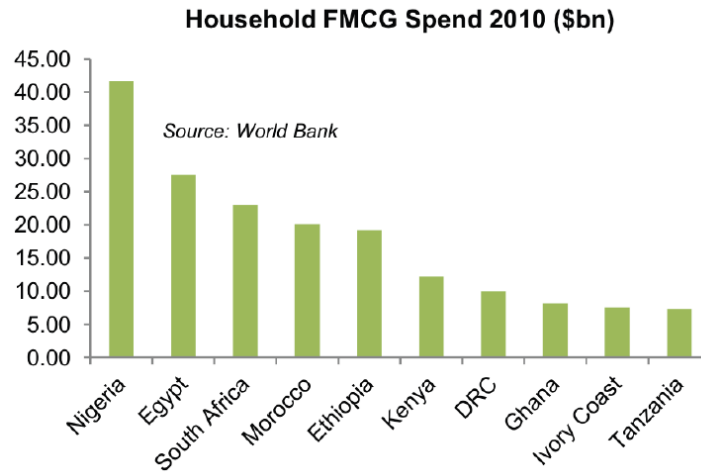
Source: World Bank

Source: KPMG (2015, p. 2)

The World Bank's data suggests that cereals, grains and wheat represented the largest share of household spending on FMCG products, reaching US$64.5bn in 2010. Beverages accounted for a much smaller share of total household spending on FMCG goods in Africa. In nominal value terms, household spending on beverages reached US$22.1bn in 2010, with $18.1bn of this being spent on non-alcoholic beverages. Dairy (3%), personal care (2.9%) and tobacco (1.8%) represented fairly small shares of household expenditure on FMCG goods in Africa during 2010.

Figure 2.2: 2010 household FMCG spending according to product categories across 39 African countries

Household FMCG Spend 2010 (% of Total)

Tobacco, 1.83%
Personal Care, 2.87%
Alcoholic Beverages, 1.67%
Non-alcoholic Beverages, 7.55%
Dairy Products, 2.99%
Meat & Fish, 19.98%
Vegetables & Fruit, 24.77%
Cereals, Grains & Wheat, 26.88%
Other Edibles, 11.46%

Source: World Bank
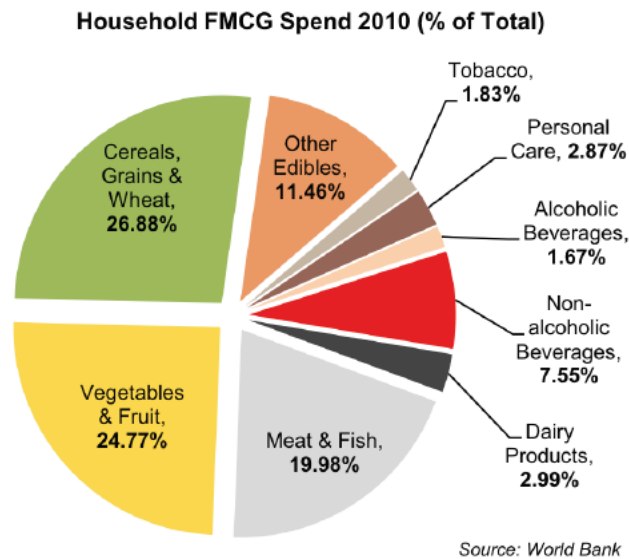
Source: KPMG (2015, p. 5)

Some of the merits of FMCG industry, which made this industry so attractive in Africa, are low operational costs, strong distribution networks and the presence of renowned FMCG companies. Population growth is another factor behind the success of FMCGs.

2.5   The FMCG Market in South Africa

South African consumers seek quality, reliability and consistency in the performance of the products they consume on a daily basis. The South African market is highly fragmented and characterised by a diversity of cultures, traditions and beliefs. Factors influencing the fragmentation include historical imbalances in consumer purchasing power, illiteracy and a wide variety of socio-economic challenges (Pillay, 2007:1).

Steenkamp (2010:25) state that the FMCG market in South Africa was worth about ZAR 350 Billion in 2009, and mainly driven by Massmart, Metcash, Shoprite Checkers group, Pick 'n Pay group, Spar group, New Clicks and Woolworths. These retailers and wholesalers sell directly to the public in the South African market and are mainly supplied by multi-nationals such as Nestlé, Parmalat, Coca Cola, Simba/PepsiCo, Kellogg's and Unilever. Some of the biggest South African suppliers are Tiger Brands, Pioneer Foods, AVI Limited and Clover.

There are a huge number of categories in the South African FMCG industry but groceries, toiletries and confectionary (GTC) contribute a significant amount (Steenkamp, 2010:25). The Gauteng GTC market is the biggest of all the regions. Gauteng also shows the highest growth year-on-year. FMCG in South Africa saw a 1% drop in value growth in 2012 as a result of price deflation due to price decreases from market leaders in order to stimulate sales volumes after the economic downturn. Consumer spending also dropped as a result of the resultant economic crisis (David, 2013:38).

The supermarket sector in South Africa has however continued to grow, with a share of the food retail market reaching a worth of ~ ZAR 356.9 billion for the 2014 financial year (Trade Intelligence Corporate Comparative Performance Report, 2015). Four major companies account for 97 % of sales in the South African formal food retail sector. In 2012, Shoprite Checkers controlled around 38 % of the formal food retail market, followed by Pick n Pay at 31 %, Spar with 20 %, and Woolworths with 8 % (Battersby and Peyton, 2014:155). Collectively these retail groups have stores located throughout South Africa and cater for the needs of the vast majority of South African consumers. The stores stock a wide variety of fast moving goods purchased by South African consumers (Pillay, 2007:2). Figure 2.4 show the degree to which various retailers service the South African market. The figure shows that Shoprite dominated the South African market with a 62.48% penetration level in the 2014 financial year.

The Trade Intelligence Corporate Comparative Performance Report (2015) reveals that the Shoprite group, SPAR, Pick n Pay and Woolworths service more than 80% of South African FMCG consumers.

Figure 2.3: Total penetration of retailers servicing South African consumers
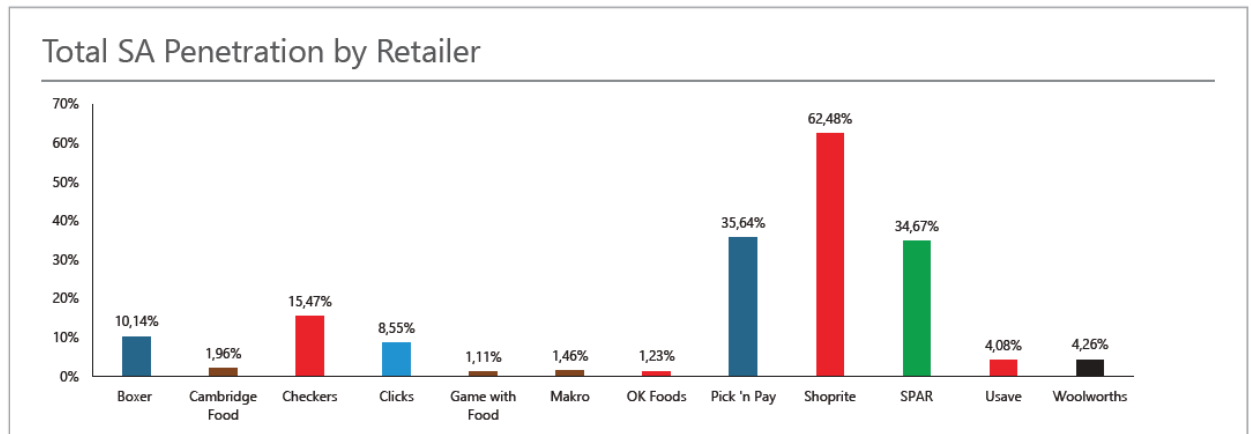
Source: Trade Intelligence Corporate Comparative Performance Report 2015

The Shoprite group had the largest store footprint in South Africa during 2014 with 2 032 stores and a store footprint share of 31% of all the stores in South Africa. The SPAR group had 1 870 stores and has a store footprint share of 25%. Pick n Pay group had a store-count of 1 048 and a store footprint share of 15%. Woolworths group had a store-count of 621, and a store footprint share of 15% of the stores in South Africa, accompanied by a high growth rate. These major supermarkets are expanding into rural areas and lower-income urban areas previously without supermarkets. The expansion can be mostly attributed to growing disposable income among South African consumers. This disposable income has effectively opened new markets to supermarket retailers and their subsidiaries such as Boxer owned by Pick n Pay, and Sentra owned by Shoprite (Mkhabela, 2014:19).

In addition to entering new markets, the supermarkets are expanding through the opening of new store formats. Pick n Pay, for example, recently announced a partnership with BP to build 120 new convenience stores on petrol station forecourts. Woolworths have 45 such stores in partnership with Engen (Battersby and Peyton, 2014:156).

The South African retailers also operate out of the country. Shoprite for example, opened its first non-South African store in 1995 and by the end of 2012, had 131 non-South African supermarkets in 16 African countries (Battersby and Peyton, 2014:156).

2.6   Growth Drivers in the FMCG Market

Key drivers of growth in the FMCG industry, according to KPMG (2015:3); Nayyab, et al., (2011:807), and Siag and Choudhary (2015:2), especially across Africa include the following:

2.6.1   Population size

In addition to income per person which informs the types of FMCG products to be offered to a specific market, FMCGs offerings are also dependent on population size. The consumer spending trend in FMCGs is monitored to secure maximum retailer benefit from the biggest segments of the population (Nayyab, et. al., 2011:807).

2.6.2   Spending power

The KPMG 2015 sector report on FMCGs in Africa distinguishes between four household consumption segments for multilateral organisations. The segments are classified according to income thresholds, as follows:

(i)   Lowest – below US$2.97 per capita a day

(ii)   Low – between US$2.97 and US$8.44 per capita a day

(iii)   Middle – between US$8.44 and US$23.03 per capita a day

(iv)   Higher – above US$23.03 per capita a day

While one would expect the highest spending on FMCGs to come from the higher income level, the KPMG (2015) sector report surprisingly shows that the highest (about 59%) of 2010 household spending was accounted for by the 'lowest' income group. A total of 44%

came from the 'low' income group, 26% from the 'middle' income group but only approximately 8% came from the 'higher' income group of total household expenditure in 2010 for the 39 countries surveyed. See Figure 3

Figure 2.4: 2010 household FMCG spending by income group for 39 African countries

Household FMCG Spending by Income Group 2010

Source: World Bank

Legend: Personal Care, Alcoholic Beverages, Non-alcoholic Beverages, Meat & Fish, Dairy Products, Vegetables & Fruit, Cereals, Grains & Wheat, Other Edibles, Tobacco
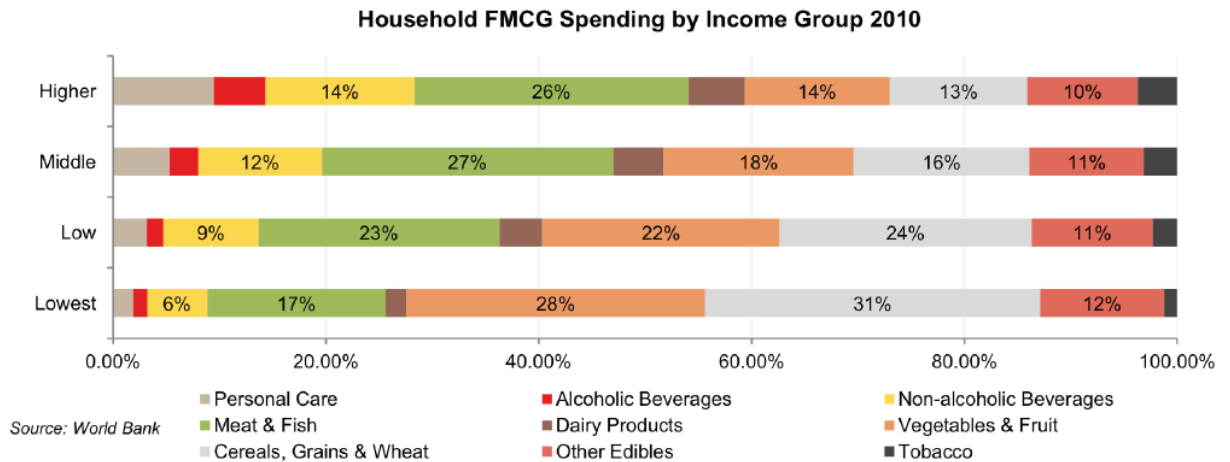
Source: KPMG (2015:6)

2.6.3   Population density

Population density refers to the number of individuals located in close proximity to one another. A large population scattered over a large territory does not represent a particularly appealing prospect from an FMCG perspective as the logistics costs to service such a population would be extensive (KPMG, 2015:3). It is more beneficial for FMCG retailers to have a localised market with a large enough size and close proximity purchasing their products on a daily basis. In simpler terms, markets with higher urbanisation rates usually offer better FMCG prospects.

During 2010 there were 53 urban agglomerations with a population of more than one million each in Africa (KPMG, 2015:3). These agglomerations, in order of population size, are Cairo, Lagos, Kinshasa, Johannesburg, Luanda, Khartoum, and Dar es Salaam. These cities are large markets for FMCGs.

2.6.4 Infrastructure development

A lack of quality infrastructures remains a key constraint to higher levels of foreign direct investment in a number of African countries. Weak infrastructures, with special reference to electricity supplies and road networks adversely impact on FMCG sector in a particular country (Siag and Choudhary, 2015:2).

Roads account for 80% of goods and 90% of passenger transport on the African continent. Yet few of Africa's roads are paved, and less than half of rural Africans have access to all-season roads. According to the World Bank, only 18 African countries had a capital stock of more than US$5bn in 2013, with South Africa being in this fortunate group (Siag and Choudhary, 2015:2).

2.6.5 Downstream industry effectiveness

A large number of firms in the FMCG sector depend on downstream domestic industries such as manufacturing, agro-processing and agriculture to deliver quality products in high volumes to FMCG consumers. Certain FMCG products have by nature very short shelf-lives, especially certain foods and dairy products. It is often necessary for retailers to rely on local supply chains to ensure that product wastage is kept to a minimum (KPMG, 2015:3; Nayyab, et. al., 2011:807).

Downstream industries do not always exhibit the necessary degree of efficiency and flexibility required to keep customers satisfied while simultaneously driving financial gains on the bottom line. As a result, many FMCG retailers opt to vertically integrate businesses where possible, for example by buying a stake in a local packaging store or establishing a wholly-owned manufacturing plant in close proximity to the local market they are aiming to service. In some cases, the costs associated with establishing an effectively functioning supply chain may outweigh the benefits on the sales side, resulting in some firms potentially not investing despite market possibilities exhibiting adequate FMCG demand potential.

2.6.6   Policy and business legislature

Economic policies and legislation in relation to foreign direct investment, trade barriers, property and labour also represent key determinants of FMCG sector growth. A country's economic policies, quality of institutions and prevailing legislation have a big influence on FMCG markets and the business environment. Regulatory trade barriers which simply aim to protect inefficient local producers can be harmful to the economy. Even slight changes to input costs could have major implications in the FMCG landscape, potentially resulting in a loss of market share (Nayyab, et. al., 2011:807).

Property and labour laws also impact on the business environment. Labour laws and the power of unions bear significant influence on the productivity, flexibility and cost of labour in a country. FMCG retailers relying on local supply chains could thus be directly influenced by these factors. Legislation and incentive schemes pertaining to foreign direct investment might also make certain markets more attractive from an investment point of view.
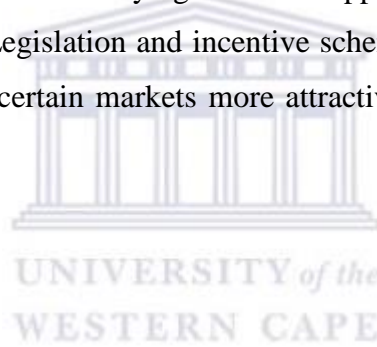
2.7   Key Success Strategies in the FMCG Industry

The KPMG (2015:8) report identified certain strategies that likely drive companies to succeed in Sub-Saharan Africa. The strategies which characterise successful firms are: effective marketing to attract consumers, establishing brand loyalty, and refining supply chains to ensure appropriate pricing and commercial viability. These strategies are discussed below.

2.7.1 Focussing on country clusters

FMCG retailers are advised to focus on country clusters (i.e. a region that contains more than one viable market) rather than on individual countries. Another strategy is to focus on regions with cultural similarities, supported by political stability and good quality road infrastructures across borders (Siag and Choudhary, 2015:4). Typical viable FMCG clusters identified were West Africa (Nigeria, Ghana and Ivory Coast), Southern Africa (South Africa, Namibia, Botswana and Angola), and East Africa (Kenya, Ethiopia, Uganda and Tanzania).

2.7.2 Localising the product offering

FMCG retailers should ensure that they are properly informed about the needs and lifestyles of consumers in targeted African countries. This should influence their decisions about products, pricing and marketing, and their strategies should be supported by appropriate research (Siag and Choudhary, 2015:4). It was reported that African consumers were brand and quality conscious but affordability remained a key consideration with purchasing decisions. Unilever understood this principle when the company sought to lower prices and improve affordability by reducing pack sizes and thus allowing them to target low income households. FMCG retailers are also advised to target multiple price points thereby spreading the risk over affluent and lower income households whilst relying on consumers who buy FMCG products daily (Srivastava and Sharma, 2013:192).

2.7.3 Making communication media relevant

Brand awareness is improved by retailers who leverage appropriate communication strategies. FMCG companies are advised to resist the automatic use of traditional "above-the-line broadcast media" and instead to apply more resources to physical and digital marketing. Coca-Cola understood this concept and resorted to supplying fridges to local retail outlets. Nestlé also demonstrated this by using local entertainers to market the company's products (KPMG, 2015:8).

2.7.4 Creative supply chain usage

FMCG retailers are advised to carefully consider supply chain models in Africa. Companies should be mindful of import tariffs when importing products. They should also be mindful of the fact that products are often delayed at ports (Siag and Choudhary, 2015:4). Incentives are often found for FMCG manufacturers who consider sourcing in-market, for example, Unilever investing in South African manufacturing sites.

There is a trend among consumers to demand more from the FMCG brands which are traditionally consumed. Consumers also seek more convenience products; products with packaging that keep products fresher for longer and which offer protection for its contents, advertising that keeps them aware of new product developments, and distribution that keeps products within arm's length of consumer desires. All parties involved in the marketing and distribution of FMCGs needed to be aware of these and other consumer demands to supply suitable market offerings.

The values and benefits consumers obtain from FMCGs are also important. The next section discusses these values and benefits.

2.8 Reported Values / Benefits consumers get from FMCGs

Chaudhuri and Holbrook (2001:85) report that consumers could enjoy utilitarian and hedonic benefits from the consumption of FMCGs. Hedonic values are the pleasure potential of a product class and utilitarian values are the ability of products to perform functions in the everyday life of a consumer (Zeeman, 2013:51).

Chitturi, et al. (2008:49) view utilitarian benefits as the functional, instrumental and practical benefits of consumption offerings, whilst hedonic benefits are aesthetic, experiential, and enjoyment-related. Consumers mostly tend to attach greater weight to utilitarian dimensions as opposed to hedonic dimensions, unless they believe they have

"earned the right to indulge". The consumption of a product's superior hedonic benefits evokes greater promotion emotions of cheerfulness and excitement, whereas the consumption of superior utilitarian benefits evokes greater prevention emotions of confidence and security (Chitturi, et al., 2008:49).

Most consumer decision-making processes are heavily influenced by the utilitarian vs. hedonic properties of the products or services they acquire (Dhar and Wertenbroch, 2000:62). Attitudes and levels of satisfaction specifically tend to be associated to the relative weight of both these dimensions (Mano and Oliver, 1993:451). For FMCGs, do Vale and Duarte (2013:30) found that consumers tend to more likely value utilitarian benefits. The utilitarian and hedonic benefits of consumer products could satisfy the following consumption goals:

2.8.1 Prevention goals and utilitarian benefits vs Promotion goals and hedonic benefits

Prevention goals are those that ought to be met, such as "behaving in a safe and secure manner" and "being responsible." Fulfilment of prevention goals in the context of product consumption eliminate or significantly reduce the probability of painful experiences. Consumers thus experience positive emotions which result from the fulfilment of prevention goals.

Promotion goals are those that a person aspires to meet, such as "looking cool" or "being sophisticated." Fulfilment of promotion goals in the context of product consumption significantly increase the probability of a pleasurable experience, thus enabling consumers to experience emotions that result from the fulfilment of promotion goals (Chitturi, et al., 2008:50).

2.8.2 Utilitarian benefits and confidence/security vs hedonic benefits and excitement/cheerfulness

It has been shown that utilitarian benefits are perceived as being closer to necessities or needs that helped to fulfil prevention goals (Chitturi, et. al., 2008:50). If prevention goals are however not fulfilled, customers experience increased pain in the form of negative feelings. On the other end of the spectrum, the "aspire-to-meet" nature of promotion goals increases customers' focus on the hedonic benefits of a product. The non-fulfilment of promotion goals is perceived as a loss of pleasure rather than an increase in pain. This is due to hedonic benefits being perceived as closer to the luxuries or wants that promotion goals fulfil.

2.8.3. Utilitarian benefits and satisfaction; hedonic benefits and delight

Utilitarian benefits fulfil prevention goals and alleviated pain, whilst hedonic benefits fulfil promotion goals and enhance pleasure. However, to delight customers, it is not sufficient simply to avoid pain by meeting prevention goals. It is important that the fulfilment of prevention goals by the consumption of utilitarian benefits be complemented with the enhancement of pleasure by the consumption of hedonic benefits that fulfil promotion goals (Jones, et al., 2006:975).

2.8.4. Prevention goals and anger; promotion goals and dissatisfaction

Failure to meet utilitarian expectations typically leads to anger; whilst the failure to meet hedonic expectations merely led to dissatisfaction. Consumers consider the fulfilment of utilitarian expectations a necessity. When a product fails to meet a necessity (i.e., utilitarian expectation), consumers are likely to experience intense negative emotions that are high in arousal. In contrast, failure to meet hedonic expectations and aspire-to-meet promotion goals are likely to evoke low arousal feelings of sadness and disappointment, which leads to dissatisfaction (Chitturi, et al., 2008:52). Consumers approach shopping for FMCGs having utilitarian and hedonic shopping motivations, with prevention and promotion goals in-mind (Zeeman, 2013:57).

2.8.5 Categories of utilitarian and hedonic shopping motivations

Zeeman (2013:57) summarises the categories of utilitarian shopping motivations as follows:

(i) Achievement

Consumers with utilitarian motivations evaluate a shopping experience with reference to the achievement of the planned shopping goal (Zeeman, 2013:57). Jones et al. (2006:974) state that the acquisition of products is important to these consumers as they are typically non-emotional consumers, focused on completing a specific task.

(ii) Efficiency

The motivation of efficiency is a typical situation whereby a consumer strives to swiftly satisfy projected needs. A retail store typically offers convenience when there is a reduction in time spent by the consumer to acquire a product, accompanied with maximised shopping opportunities (Zeeman, 2013:58).

For hedonic shopping motivations, Zeeman (2013:36) provides the following categories:

(i) Gratification shopping

Evans et al. (2009:25, cited in Zeeman, 2013:36) describe gratification shopping as consumers using shopping to treat themselves, to get rid of stress, or to lighten a foul mood. Wagner and Rudolph (2010, cited in Zeeman, 2013:36) remarks that consumers motivated by gratification wish to treat themselves to achieve an outcome of feeling special and positive.

(ii)   Adventure shopping

Zeeman (2013:36) defines adventure shopping as consumer shopping in order to have a feeling of being in another universe and to feel a sense of adventure or stimulation. Consumers who wish to attain sensory stimulation along with expressing their own identity are motivated by other adventure shoppers.

(iii)   Idea shopping

Zeeman (2013:37) categorises idea shoppers as consumers who attempt to keep up with new fashions and trends and trying to find new products and innovations. These consumers want to be knowledgeable about current developments, new products, and new ways to use a product.

(iv)   Social shopping

Zeeman (2013:37) defines social shoppers as consumers who seek opportunities to interact or socialise with other individuals with interests similar to their own. Hedonic shoppers typically view shopping with friends and family as a social excursion (Assael, 2004:51, cited in Zeeman 2013:37).

(v)   Role shopping

Zeeman (2013:38) defines role shoppers as consumers who attain pleasure when shopping for others, for example gift shopping.

(vi)   Value shopping

Value shoppers are consumers who connected emotionally with targeted brands and products whilst enjoying the process of negotiating with sales people for the purpose of obtaining a bargain. When these consumers receive a better discount, they feel ingenious about their shopping (Zeeman, 2013:55).

Irrespective of the type of value consumers seek, the level of shopping values obtained affect the level of satisfaction, which in turn affect loyalty attitudes and other outcomes.

Other variables such as trust, the flexibility of the supplier, the age of the relationship, or switching costs could moderate these relationships (Jones, et al., 2006:977).

Radder (2002), cited in a Matarid, Youssef and Alsoud (2014:155) study, found that brand loyalty exists within selected South African FMCG segments where a brand has become a consumer's preferred choice and where there is a deeply held commitment to re-buying the particular brand or service. Latently loyal consumers typically exhibit low patronage levels but high emotional attachment to providers (Radder, van Eyk and Swiegelaar, 2015:103). By viewing brands as assets, companies are better able to put their brand building expenditures in context with the value that the brands deliver through attained brand loyalty (David, 2013:21). The bond connecting a consumer to a brand is critical as it results in behaviours that cultivate brand profitability and create brand loyalty (Schiffman and Kanuk, 2007:239, cited in David, 2013:21).

Chaston (cited in Zineldin, et al., 2014:2) argue that the high volume sales nature of the FMCG market is associated with large numbers of customers and low profit margins, making the establishment of long-term relationships expensive. Research however shows that loyalty can be built by focusing on trust and commitment.

2.9   Conclusion

The nature of the FMCG market with high volume sales, large numbers of customers and low profit margins, makes it very expensive to retain and establish long-term relationships with consumers. Since consumers enjoy some benefits from the consumption of FMCGs, marketers and retailers should understand the benefits consumers gain from them. With this knowledge, marketers can use relationship management tools such as the developing of trust and commitment strategies to develop loyalty to their products. Loyalty programmes and loyalty cards can further aid this strategy (Zineldin et al., 2014:3).

3.   DRIVERS OF BRAND LOYALTY

3.1   Introduction

Chapter 2 examined the nature, contribution and marketing of FMCG products. It also delved into the question of whether consumers can build brand trust, brand affect and brand satisfaction with FMCGs, which are reported to be drivers of brand loyalty. This chapter examines the concept and drivers of brand loyalty. It starts by discussing the two philosophical viewpoints of brand loyalty, namely the stochastic vs deterministic perspectives, and the behaviourist vs the attitudinal perspectives. The chapter thereafter highlights the benefits of building and maintaining brand loyalty. It reviews reported drivers of brand loyalty and concludes with a proposed model for this study, which aims at examining and explaining brand loyalty to FMCGs in South Africa.

3.2   Definition and Conceptualisation of Brand Loyalty

Before defining brand loyalty, it is important to understand what a brand is. Kotler and Keller (2006:274) define a brand as:

> a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible—related to product performance of the brand. They may also be more symbolic, emotional or intangible—related to what the brand represents.

These qualities of a brand can "add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers", thus creating brand equity (Aaker, 1996:103-104). Amongst the factors contributing to brand equity, brand loyalty is a major

factor since it embraces or is an important mediator between other factors and brand equity (Khan and Mahmood, 2012:33). What then is brand loyalty?

3.2.1   Definitions of Brand Loyalty

Loyalty is one of the most researched topics (Moolla and Bisschoff, 2013) and defined in various ways (see Moisescu, 2014; Moolla, 2010; and Pillay, 2007 for the various definitions). For example, Jacoby and Kyner (1973:2) define brand loyalty as the biased behavioural response expressed over time by some decision making unit with respect to one or more alternative brands out of a set of such brands. They describe brand loyalty as a function of psychological decision making & as an evaluative processes. Along the same line of thinking, brand loyalty is defined by Oliver (1999:34) as a deeply held commitment to rebuy a preferred product or service consistently in the future, thereby causing repetitive purchasing of the same brand or brand set despite situational influences and marketing efforts being able to cause switching behaviour.

The most elaborate and commonly referenced definition of brand loyalty is presented by Jacoby and Kyner (1973), and is appropriate in this study because the FMCG industry consists of many alternative brands. Whether or not the biased repurchase of a particular FMCG brand over time is a function of some psychological processes as the definition suggests, is one of the questions this study aims to answer.

Since Day (1969) suggested a composite definition of loyalty, researchers (Jacoby and Kyner, 1973; Dick and Basu, 1994; Assael, 1998, Jensen and Hansen, 2006) have viewed loyalty in terms of two dimensions – behavioural and attitudinal. The crux of this composite definition is the addition of psychological processes This means that repeat purchase is not merely an arbitrary response, but the result of some preceding factors (for example psychological, emotional or situational factors). Dick and Basu (1994) point out that even a relatively important repeat purchase may not reflect true loyalty to a product but may merely result from situational conditions such as brands stocked by the retailer.

This position is further supported by Hofmeyr and Rice (2000:87), who postulate that it is possible for a brand to be loyally bought without commitment, especially:

- by force of circumstances; when consumers cannot buy the brand they want, resulting in them loyally purchasing the second or third best brand, or

- by choice; when consumers do not care what they buy, resulting in them loyally purchasing the market-leading brand by default.

Mellens et al. (1996:509-511) suggest the following six requirements to achieve brand loyalty:

1) Biased behavioural response: This implies that there is most likely a systematic tendency to buy a certain brand or group of brands.

2) Actual purchase of the brand: Brand loyalty is not possible unless the actual purchase of the brand occurs.

3) Expressed over time: An incidental bias towards a brand does not guarantee brand loyalty. Some consistency is needed during a certain time span of brand purchases. One should not only consider the number of times a specific brand is purchased during that period, but also the purchase pattern over successive purchase occasions.

4) Decision-making unit: Brand loyalty is defined by the purchase pattern of a decision-making unit which may be an individual, a household or a firm. The decision unit does not have to be the actual purchaser.

5) Selection of brands: One or more brands are selected out of a set of brands. This condition implies that consumers may actually be loyal to more than one brand, a phenomenon observed by other researchers, especially for low involvement goods where the consumer often does not evaluate brands on a continuous scale but classifies them discretely as acceptable or unacceptable.

6) Function of a psychological process: Brand loyalty is a function of psychological (decision-making, evaluative) processes. Brands are chosen according to internal criteria resulting in a commitment towards the brand which is an essential element of the brand (Moolla, 2010).

According to Moolla (2010), brand loyalty is built over time through a collection of positive experiences that requires consistent effort and attention to detail. Loyal customers are repeat customers who choose a brand or company without even considering other options. They buy more, they buy more regularly, and they frequently recommend the brand to others.

3.2.2   Philosophical viewpoints of brand loyalty

Fournier and Yao (1997:451) identify three fundamental viewpoints that split loyalty researchers:

(i)   The stochastic versus deterministic / purposive nature of repeat purchasers.

(ii)   The behavioural versus the attitudinal / hybrid attitudinal-behavioural operationalisation of the brand loyalty concept.

(iii)   The psychological (cognitive) versus anthropological / sociological (emotional) research orientations.

Most brand loyalty research is mainly conceptualized under the first two opposing philosophical views, i.e., the stochastic versus deterministic view of repeat purchases, and the behaviourist versus attitudinal view of brand loyalty operationalisation (Fournier and Yao, 1997).

3.2.2.1   Stochastic versus deterministic nature of repeat purchases

The stochastic group typically focuses on aggregate repeat purchase patterns (Fournier and Yao, 1997). Brand loyalty from a stochastic / coincidence approach is considered equivalent to repeat purchasing and not grounded on isolated factors which determines this behaviour. It is thus impossible to detect antecedents of stochastic repeat purchases, resulting in companies gaining no understanding of how to build brand loyalty according to this approach (Uncles, Dowling and Hammond, 2003:297). According to Sharma (1981) the stochastic viewpoint is held by many contributors: Kuehn (1962, cited in Sharma, 1981:364), Ehrenberg (1959, cited in Sharma, 1981:364), and Bass (1974:19). The crux of the theory is that consumers repeat purchase brands in random fashion which can be

predicted by assessing the known purchase frequency or probability distribution (Knox and Walker, 2001:112) via basic variables. The theory of stochastic preference implies that deterministic predictions of individual behaviour would achieve very limited success because, "even if behaviour is caused, the bulk of the explanation lies in a multitude of variables which occur with unpredictable frequency" (Knox and Walker, 2001:113).

The stochastic approach seems useful for explaining consumer purchase behaviour of fast-moving consumer goods, for example, detergents and toothpaste (Kabiraj and Shanmugan, 2011:287; Jensen and Hansen, 2006:442). There is however evidence to show that, even for frequently purchased consumer goods, the purchase decisions are rarely made on a purely arbitrary basis.

The deterministic group typically focuses on a theoretical explanation of loyalty as a biased expression of individual preference (Jacoby and Chestnut, 1978:80). Unlike the stochastic view which holds that loyalty is predicted by a multitude of variables, the deterministic view holds that for a given brand and type of consumer, repeat purchase behaviour is impacted by some determined number of independent variables. Jensen and Hansen (2006:442) for example state that, by examining relative attitude as an antecedent of repeat purchasing, a determinist approach to brand loyalty is assumed. This means that, from a determinist approach, brand loyalty is predicted by a limited number of causes or independent variables for a given brand and set of consumers. Causal research carried out by the deterministic school has however met with only partial success (Knox and Walker, 2001:113), because the repeat purchase nature of brand loyalty could be due to multivariate factors (Maheshwari, Lodorfos and Jacobsen, 2014:16). The message here is that the concept of brand loyalty is complex and may require psychological (commitment) measures, behavioural measures, or a composite of the two measures.

3.2.2.2   Behavioural versus attitudinal operationalisation of the loyalty concept

Behaviourists consider brand loyalty a behavioural construct. They believe that the number of times consumers repurchase a specific brand, in a given time period after experiencing it, can be measured (Fournier and Yao, 1997). Rundle-Thiele and Mackay (2001:532) however call for a distinction between brand loyalty and repeat purchasing. Behavioural measurements are seen as inadequate for good representations of future behaviour and have been criticised for a lack of conceptual basis and a narrow view of what is in fact a dynamic and complex aspect of consumer behaviour (Bloemer and Kasper, 1995:314; Suhartanto, 2011:9).

Attitudinal loyalty is based on stated preferences, commitments or purchase intentions (Mellens Dekimpe and Steenkamp, 1996:513; Rundle-Thiele and Mackay, 2001:532). Kwong and Candinegara (2014:91) provide three measurement variables for attitudinal loyalty, namely:

(i)   Relative attitude - when consumers evaluate a product or service relative to the degree of differentiation it offers from alternatives.

(ii)   Willingness to recommend - when the consumers recommend or share their good experience toward the product or service with other consumers.

(iii)   Altruism - when consumers express their willingness to assist the company or other consumers in the effective delivery of a product or service.

Mellens, Dekimpe and Steenkamp (1996:512) note that attitudinal measures can distinguish brand loyalty from repeat buying as the measures are based on commitment of purchase intentions with emphasis on the cognitive element of brand loyalty. Attitudinal measures also give insight into the motivations for consumer behavioural choices which are less likely to be influenced by random / stochastic short run fluctuations. Suhartanto et al. (2011:9) however highlight that the attitudinal approach is criticised for its lack of predicting power of actual purchase behaviour. They further report that measuring only one facet of brand loyalty may result in measuring spurious attitudes, i.e. unstable attitudes that do not fully explain subsequent behaviour.

Oliver (1999:35) and Nyanga (2015:8) argue that consumers become loyal at each attitudinal phase relating to different elements of the attitudinal development structure. Specifically, consumers are theorised to become loyal in a cognitive sense first, and later in an affective sense, later again in a conative manner, and finally in a behavioural manner, which is described as action-inertia.

(i)   Cognitive is used to describe the weakest phase of loyalty based on factual information about the company or product's attributes and performance; it is when the customer is still easily persuaded by competitor communication (Oliver, 1999:35).

(ii)   In the affective phase, the customer has developed a positive attitude and some emotional attachment after using the product for some time, but is still vulnerable to competing brands (Oliver, 1999:35).

(iii) Real loyalty to a brand begins in the third phase of conative loyalty, when the customer has formed a strong desire to repurchase the brand.

(iv)   The consumer then gets to the mature phase of action loyalty, possessing both the intention and motivation to repurchase the brand (Oliver, 1999:35; Nyanga, 2015:8).

Considering that brand loyalty is a complex construct, Mellens Dekimpe and Steenkamp (1996:513) propose that it should be measured by a composite embodiment of both behavioural and attitudinal measures. Dick and Basu (1994:111) contend that the composite behavioural and attitudinal measurements of loyalty create better avenues for explaining brand loyalty. They see brand loyalty as a favourable attitude towards a brand over other competing brands and repeated patronage. Chaudhuri and Holbrook (2001:143) also examine two linking aspects of brand loyalty, namely purchase loyalty and attitudinal loyalty. A loyal customer is viewed as one who buys only one brand in a particular category over time and has a strong positive attitude towards the brand (Nyanga, 2015:8; Bandyopadhyay and Martell, 2007; Brijball, 1993:364). Keller (2013:120) also views brand loyalty in the two dimensions of behavioural and attitudinal loyalty. He describes these dimensions in terms of how often and how much customers purchase a brand as well as how they see a brand as something special, loveable, and a favourite.

3.3 Brand Benefits leading to Brand Loyalty

Consumer brand knowledge can be defined in terms of the personal meaning a brand has, stored in consumer memory. It relates to the cognitive representation of the brand (Keller, 2003:596). Different kinds of information may become linked to a brand, including the benefits (value and meaning) that consumers attach to the brand's product attributes. The existing literature (Huang et al., 2015:3; Keller, 2003:596; Park et al., 1986:136) proposes three categories of brand benefits, namely functional, symbolic and experiential benefits derived from purchase or consumption (Keller, 2003:596).

Park et al. (1986:135) report that the long-term success of a brand depends on marketers' abilities to select a brand meaning or benefit prior to market entry. They operationalise the meaning in the form of an image and propose that this image is maintained over time. A firm-selected brand meaning is derived from basic consumer needs, namely functional, symbolic, and experiential, which are discussed below.

3.4.1 Functional

Functional benefits can be defined as those that motivate the search for products that solve consumption-related problems (Huang et al., 2015:3). It is linked to product attributes of a consistent and reliable quality. A brand with a functional concept is designed to solve externally generated consumption needs.

3.4.2 Symbolic

Symbolic benefits are defined as the desires for products that fulfil internally generated needs based on self-enhancement, occupying a role position, attaining a group membership, or ego-identification (Huang et al., 2015:3). They correspond to non-product attributes and relate to intrinsic needs for emotional enjoyment, self-expression and social

approval. A brand based on a symbolic concept is designed to associate the individual with a desired group, role, or self-image.

3.4.3 Experiential

Experiential benefits are defined as desires for products that provide sensory pleasure, variety, and/or cognitive stimulation. It relates to what customers feel when they use the product or service, assuring that their experiential needs such as sensory, variety and cognitive stimulation are satisfied.

It is common practice for researchers to assign products to one of these three benefit categories on the basis of product class membership (for instance lawnmowers are typically seen as functional products, cars are seen as symbolic, and food is experiential). It should however be noted that the terms functional, symbolic and experiential refer to the image created in a brand and not a product class (Park et al., 1986:136). A brand is a cluster of functional and emotional values which offers a mixture of symbolic, functional and sensory benefits to consumers (Park et al., 1986). Consumers have a regular relationship with a brand as it serves these important roles (Langer, 1997), and are willing to pay a premium for their brands of choice (Davis, 2002). Brand loyalty and brand equity will be enhanced whilst brand parity will be combatted if brand owners and managers clearly understand and communicate the needs satisfied by their brands and develop appropriate brand strategies (Fournier, 1998). Despite the importance of knowing the benefits which various FMCG brands provide, knowledge of the benefits is still lacking.

3.4   Benefits of Brand Loyalty

A major objective of any marketing strategy is to motivate the process of consumer repurchasing a brand offering (Knox and Walker, 2001:112). Repeat purchasing is important to marketing management since the action of retaining customers often requires less marketing resources than recruiting new customers, thus making it economically desirable. There are however three salient factors which contribute to the difficulty of retaining customers (see Knox and Walker, 2001:112):

(i)   Understanding repeat purchase behaviour requires behavioural data. Collecting such self-report survey data is often expensive, especially in the FMCG arena.

(ii)   The terms 'repeat purchase', 'brand commitment' and 'brand loyalty' have been used interchangeably in research, resulting in differing reference points.

(iii)   Having two opposing thoughts on the nature of repeat purchase results in assumptions about differences in dependent variables.

If these complications in brand loyalty research can be addressed, the results would yield a better understanding of brand loyalty and consumers, and make it possible to best leverage the benefits of this interaction. Some of these benefits are detailed below:

3.4.1   Reduced marketing costs and its affects

Tuominen (1999:74) reports that the most important results of brand loyalty are reduced marketing costs which lead to greater presence for a brand in the market place. This leads to greater brand awareness with resultant positive word-of-mouth testimonials by consumers to their networks, allowing a brand to better defend itself against competition and generate greater revenues (Chaudhuri and Holbrook, 2001:85; Bandyopadhyay and Martell, 2007:37).

3.4.2 Strategic barrier to entry for competitors

Significant resources are required for a brand to enter a market since existing customers must be convinced to try the new brand as opposed to tried-and-trusted brands which they are loyal to (Dick and Basu, 1994:107). The difficulty of entering the market, and competing with a brand whose loyalty has been established, automatically reduces the profit potential for the new entrant (Phiri, 2007:20).

3.4.3 Trade leverage

Brands with higher brand loyalty and equity result in preferred shelf-space in supermarkets. Brand loyalty thus leads to trade leverage and supermarket support. Consumers treat these supermarkets as destination shops, resulting in higher revenue for both supermarkets and brands (Terblanche, 2002:71).

3.4.4 Attracting new consumers

A new consumer to a brand will experience risk and uncertainty in purchasing the brand. A satisfied consumer base can reduce uncertainty and risk as it provides proof that a brand is accepted, successful and enduring. A customer base can also provide brand awareness. Seeing a brand on the supermarket shelf, in action or being used by an acquaintance, can generate brand awareness which can attract new consumers (Rundle-Thiele and Mackay, 2001:530).

3.4.5 Time to respond to competitive threats

Having customers that are loyal to a brand creates breathing space for a brand manufacturer when the new brand has entered the market (Dick and Basu, 1994:107). The brand loyalty exhibited by consumers allows an organisation the time needed to assess the benefits of the new brand, allowing an existing brand to be updated or to neutralise the attack from the new brand (Tuominen, 1999:75).

3.4.6　Higher revenue and profitability for the brand owner

Moolla (2010:93) reports that loyal customers tend to buy more types and volume of products / services from their preferred brand, resulting in enhanced revenue and profitability over the life of the relationship.

3.4.7　Higher sales volume

Reducing customer loss through harvesting brand loyalty can dramatically improve business growth. Brand loyalty leads to consistent and improved sales since the same brand is purchased repeatedly (Moolla, 2010:93).

3.4.8　Premium price ability

As brand loyalty increases, consumers tend to be less sensitive to price changes (Dick and Basu, 1994:107). Consumers are thus willing to pay more for a preferred brand because they perceive value in the brand which other alternatives do not provide (Aaker, 1996:145).

3.4.9　Retain rather than seeking new consumers

Brand loyalists are willing to search for their favourite brand, resulting in less sensitivity to promotions from competing brands. This phenomenon leads to lower costs for advertising, marketing and distribution (Moolla, 2010:93). Some research shows that it can cost four to six times as much to attract new customers compared to what it costs to retain existing consumers (Moolla and Bisschoff, 2012:71).

3.4.10   Creating positive brand perceptions

Most consumers accept the brand premise that a price premium is an indicator of quality. Gregg and Walczak (2010:119) postulate that the price and quality of a product are two of the most important strategic variables in the marketing mix. Understanding the price-quality interdependence is valuable for the positioning of a brand in the hearts and mind of consumers (Dick and Basu, 1994:108). Aaker (1996:149) shows that perceived quality is the single most-important contributor to a company's return on investment (ROI).

3.4.11   Increased usage

Perceived quality, resulting in repeat buying and the brand loyalty it attracts, has been shown to positively affect customer usage. Consumers tend to continue buying brands that reward them with a good experience (Aaker, 1996:149).

3.4.12   Reducing ongoing expenses

Moolla (2010:194) reports that loyalty can be a strategy for reducing ongoing expense (the loyalty effect). A company that retains customers is one that could reduce its investment in customer replacement (Ambler et al., 2002:18, cited in Moolla and Bisschoff, 2012:73).

With the heightened difficulty in building and sustaining loyal customers because of increased competition, marketers are putting brand loyalty development and sustenance at the heart of their brand building activities (Fournier and Yao, 1997). The management of consumer brand loyalty however depends on a marketer's ability to measure, understand, and leverage brand loyalty, which according to Fournier and Yao (1997), should be guided by conceptual and empirical research relevant to understanding how and why such loyalty exists. Chaudhuri and Holbrook (2001) note that there are still conceptual and empirical research gaps in the study of brand loyalty, despite its managerial importance. The next section reviews previous conceptual and empirical research which has examined the drivers of loyalty, especially brand loyalty.

3.5   Drivers of Brand Loyalty

Researchers have uncovered several drivers of brand loyalty through studies which examine loyalty from behavioural, attitudinal and multi-dimensional perspectives. Moolla (2010:126) has reviewed approximately three decades of research on the drivers of brand loyalty. Table 3.1 provides a list of 26 possible brand loyalty drivers identified by Moolla.

Table 3.1: Moolla's (2010) brand loyalty drivers from his review of three decades of research

BRAND LOYALTY INFLUENCES	
Price Worthiness	Switching costs
Emotional Value	Image
Social Value	Relationship
Brand Trust	Reputation
Satisfaction	Involvement
Commitment	Experience
Repeat Purchase	Relevance
Brand Affect	Functional Value
Attitude	Habit
Market Share	Awareness
Cognitive Conviction	Perceived Value
Brand Credibility	Performance
Culture	Religion

Source: Moolla (2010:126)

A further review of the latest studies, including those in South Africa on brand loyalty drivers in various industries, was conducted. A summary of the updated studies on brand loyalty drivers is presented in Table 3.2.

Table 3.2: Reported drivers of brand loyalty

Author(s)	Year	Brand Loyalty drivers	Country and Industry/product category
Nyanga, M.G.H. (page 77)	2015	Perceived quality, durability, brand experience, brand trust, price / affordability), positive word-of-mouth, guarantee, satisfaction, fashionable, relevance, status, reliability, availability, social acceptance, brand name.	Low income earners in Gauteng, South Africa. Products studied are consumables or groceries, durable goods and branded services.
Lourens, A.P.L. (p. 20)	2014	Customer satisfaction, switching costs, brand trust, relationship proneness, involvement, perceived value, commitment, repeat purchase, brand affect, brand relevance, brand performance, culture.	Studied branded groundnuts in Gauteng and North-West provinces in South Africa
Laubser, L.	2014	Price, product quality and performance.	Studied FMCGs within the ageing population in the Western Cape of South Africa.
Basson S. (p. 55)	2014	Switching costs, brand trust, involvement, perceived value, commitment, repeat purchase, brand affect, brand relevance, culture.	Studied pet food brand (Eukanuba) distributed in South Africa.
Simay A.E. (p. 68)	2013	Consumer satisfaction, consumer trust.	Hungarian mobile telecommunications market.
Thurn E. and	2012	Relationship marketing, Total	FMCG market in

Gustafsson D. (p. 50)		quality, customer satisfaction.	Växjö, Sweden.
Ramona L.G. (p. 29)	2012	Quality, value, satisfaction, trust, risk perception, switching costs, variety search, knowledge about the brand (price, benefits), brand identity (image, credibility, equity), situational features (location, environment, customers and store schedule, state of mind before purchase), consumer characteristics (age, education, gender, income).	FMCG and durable goods in the alba county of Romania.
Ismail R., Boye C.L. and Muth A. 2012 (p. 16)	2012	Brand experience, brand satisfaction, brand trust.	Study conducted in Växjö, Sweden regarding the retail industry in general.
Forsido, M.Z. (p. 8)	2012	Brand image, brand experience, customer satisfaction, brand quality, brand switching cost, customer product involvement.	Sweden for smartphones.
du Plooy, H. (p. 28)	2012	Customer satisfaction; brand trust; switching costs; involvement; commitment; perceived value; repeat purchase; brand affect; relationship proneness; brand relevance; brand performance and culture.	Studied pharmaceutical industry with participants from various provinces included Gauteng, Kwazulu-Natal, North West, Free State, Limpopo, Mpumalanga and the Eastern Cape, South Africa
Moolla, A.I.	2012b	Customer satisfaction; switching	Studied the FMCG

		cost, brand trust, involvement, commitment; perceived value; repeat purchase; brand affect, relationship proneness, brand relevance, brand performance, culture, brand reputation, brand experience.	category. in Durban, Johannesburg, Cape Town, Port Elizabeth, East London, Bloemfontein, Polokwane and Potchefstroom, South Africa
Kim, Morris and Swait (p. 104)	2008	Cognitive convictions, brand credibility, attitude strength, affective convictions, brand commitment.	Undergraduate US students.
Chitturi, R. Rajagopal, R. and Mahajan, V. (p. 49)	2008	Hedonic benefits, utilitarian benefits, promotion emotions, prevention emotions, delight, satisfaction.	Survey questionnaires with student participants and automobile owners of cell phones, laptop computers, and cars at a North American university.
Punniyamoor thy and Raj (p. 226)	2007	Involvement, functional value, price worthiness, emotional value, social value, brand trust, satisfaction, commitment, repeat purchase.	Indian cities of Chennai, Bangalore and Trichy for the newspaper industry.
Musa (p. 46), cited in Moolla 2010	2005	Product and seller performance, product and seller satisfaction, perceived value, overall satisfaction and trust.	Kuala Lumpur, Malaysia in the beauty and healthcare industry.
Chaudhuri	2001	Utilitarian value, hedonic value,	Study conducted in the

		brand affect and trust.	US for a number of product categories, including FMCGs.
Mano and Oliver	1993	Utilitarian product evaluations, hedonic product evaluations, arousal, negative effect, positive effect, satisfaction, dissatisfaction.	USA for FMCGs.

Source: Adapted from (Moolla 2010:136)

Rai and Mehda (2013:141) report that the antecedents of loyalty can be grouped into four categories, namely:

(i)   Characteristics of the environment - competitive attractiveness and perceived switching costs (Jones et al., 2006:979), technological changes and legal, economic, culture or environmental changes.

(ii)   Characteristics of the dyadic relationship - shared norms (such as solidarity, mutuality, flexibility, and conflict/complaint resolution), equity, spatial proximity and relationship duration (Price et al., 1995).

(iii)   Characteristics of consumer tendencies - relationship tendencies or proneness, deal proneness and involvement in the category (Rai and Mehda, 2013).

(iv)   Characteristics of the consumer perceptions of the relationship with the marketing firm - overall product or service satisfaction, performance trust and benevolence trust, depth or value of communication, firm or brand image, relationship quality and relationship satisfaction (Rai and Mehda, 2013).

For FMCGs, which are the focus of the current study, Moolla and Bisschoff (2013:3) tested the explanatory power of twelve brand loyalty drivers related to FMCG brands. Their selected drivers emanate from characteristics of the environment (for example culture and switching costs), characteristics of consumer tendencies (for example relationship proneness and involvement) and the characteristics of consumer perceptions of the relationship with the marketing firm (for example customer satisfaction, brand trust,

brand performance). Table 3.3 provides the results of the explanatory power or strength of brand loyalty drivers.

Table 3.3: Explanatory power of FMCG brand loyalty drivers

Loyalty driver	Strength of impact
Commitment	0.809
Brand affect	0.793
Brand relevance	0.770
Perceived value	0.769
Relationship proneness	0.701
Repeat purchase	0.683
Involvement	0.675
Switching cost	0.597
Culture	0.587
Brand trust	0.461
Brand performance	0.455
Customer satisfaction	0.337

Source: Moolla and Bisschoff (2013:6)

Moolla and Bisschoff's (2013) results in Table 3.3 show that, out of the twelve drivers of brand loyalty in the FMCGS industry in South Africa, commitment to the brand best explains brand loyalty, while customer satisfaction has the lowest influence. Bisschoff and Salim (2014:302) further tested the impact of drivers on brand loyalty to financial institutions in South Africa. They found that, in the financial service industry, brand trust and customer satisfaction had the greatest explanatory power, while culture had the lowest influence. These results suggest that the impact of brand loyalty drivers vary according to industry. Thus, different models of brand loyalty should be used for different industries and product categories.

3.6   Brand Loyalty Models

The previous section presented tables of general drivers of brand loyalty in various industries. The models and constructs differ according to the product category investigated and the socio-cultural context of the study. This section presents a previous conceptual model which has been used to explain brand loyalty and which can guide the development of this study's conceptual model.

3.6.1   Chitturi et al.'s (2008) model

Figure 3.1: Chitturi et al.'s (2008) model
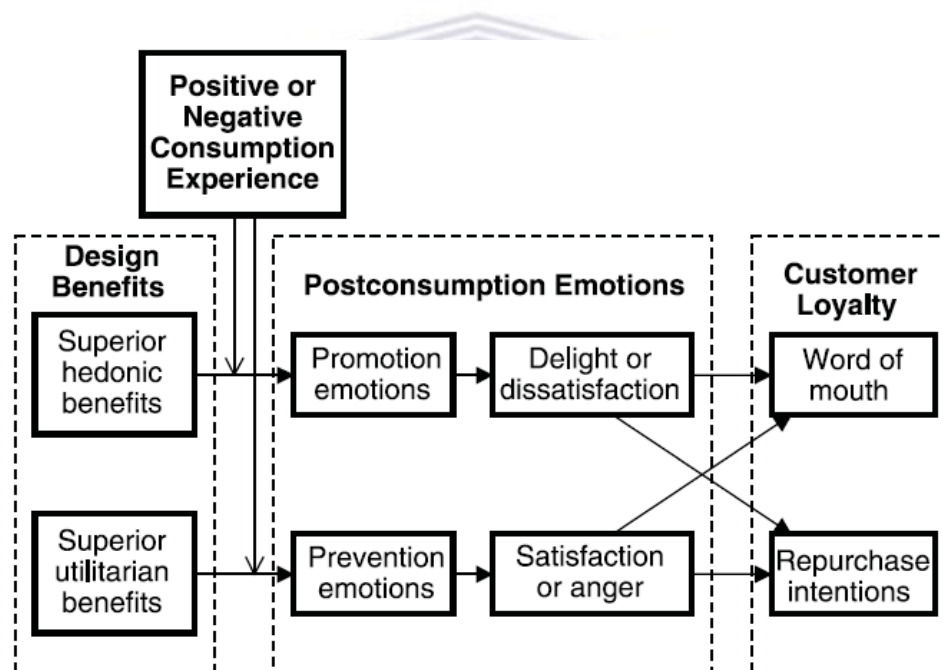
Source: Chitturi et al. (2008:49)

Chitturi et al. (2008) examined how hedonic versus utilitarian product benefits lead to customer satisfaction versus delight and loyalty. They found that the type and intensity of the emotional experience arising from the consumption of hedonic benefits are different from those of utilitarian benefits. This difference in emotional experience resulted in

significantly different levels of customer delight, satisfaction, and customer loyalty (in terms of word-of-

Figure 3.2: Chaudhuri and Holbrook's (2001) model of brand loyalty and brand performance.
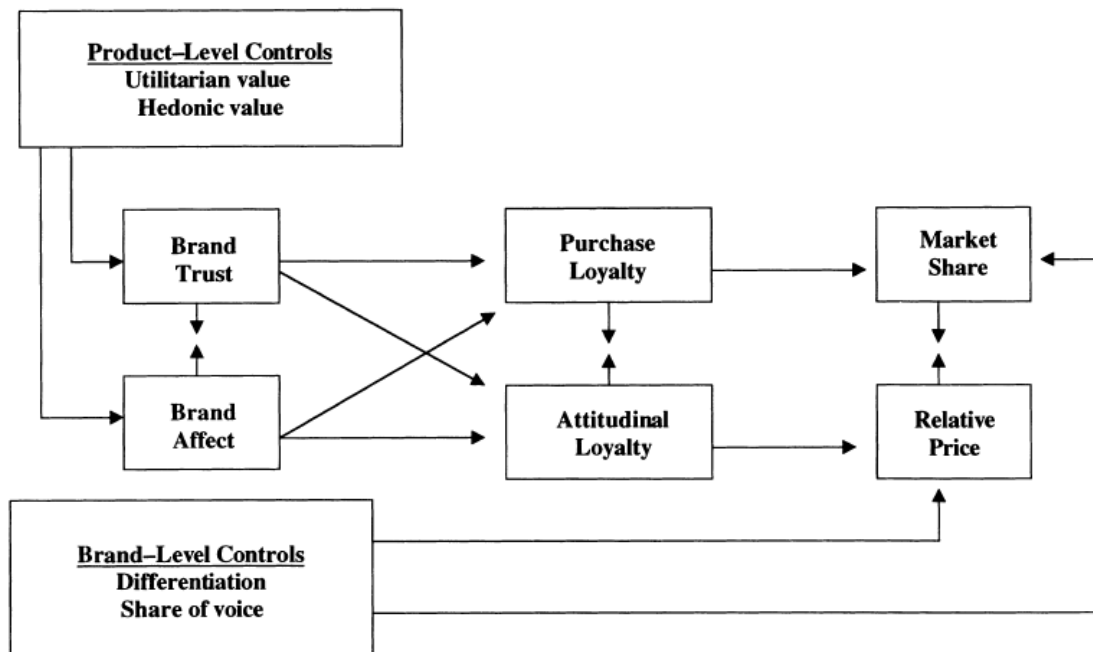
Source: Chaudhuri and Holbrook (2001:83)

Even though Chaudhuri and Holbrook (2001:82) define brand trust as "the willingness of the average consumer to rely on the ability of a brand to perform its stated function", and brand affect as "a brands potential to elicit a positive emotional response in the average consumer as a result of its use", they did not test how these two constructs impact on satisfaction before they affect brand loyalty. Moreover they did not separate the results of the variable relationships for different product categories. It was thus not clear how the results of the relationships apply to the FMCGs category. This study fills this gap by examining brand satisfaction as one of the drivers of brand loyalty and focuses on FMCGs brands, especially since Musa (2005) suggests a relationship between satisfaction and both attitudinal and behavioural loyalty.

3.6.3   Musa's (2005) model

Musa (2005:46) proposes that perceived value from both direct seller performance and product performance (which can be the utilitarian value) leads to direct seller and product satisfaction, and that overall satisfaction leads to both behavioural and attitudinal loyalty. Musa (2005) also proposed that trust moderates the satisfaction-loyalty relationship. Even though he did not empirically test this model, he suggests that there are cause-and-effect drivers of both attitudinal and behavioural loyalties. Unlike Chaudhuri and Holbrook's (2001) model, Musa (2005) suggests a satisfaction-loyalty relationship, even though he does not emphasise the importance of affect, which Chaudhuri and Holbrook (2001) and Moolla and Bisschoff (2013) found to be an important driver of brand loyalty.

Figure 3.3: Musa (2005) model of brand loyalty
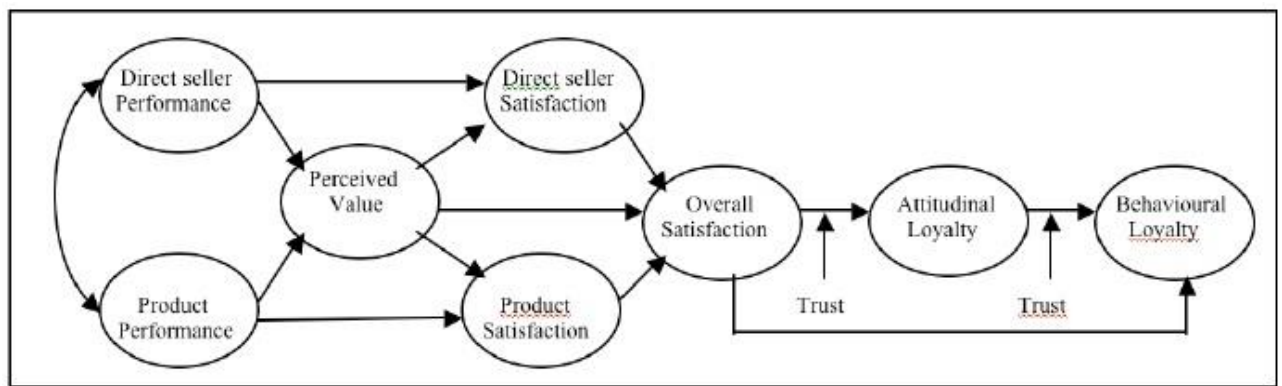
Source: Musa (2005:47)

3.6.4   Moolla and Bisschoff's (2013) model

Reviewing three decades of previous studies on the drivers of brand loyalty, Moolla and Bisschoff (2013:1) could not find a study which focuses on FMCGs. In their review, they identify twelve important drivers and examine how these twelve factors influence brand loyalty in the FMCG industry as depicted in Figure 3.4. Their results reveal that, even though all twelve factors are significant drivers of brand loyalty, brand commitment, brand effect, brand relevance, perceived value and relationship proneness have the greatest impact on brand loyalty. Customer satisfaction, brand performance and brand trust however have the least impact on brand loyalty. Even though Moolla and Bisschoff (2013)

examined the impact of a wide range of brand loyalty drivers, they did not test how these factors inter-relate to impact on brand loyalty. Moreover they did not examine the two dimensions (behavioural and attitudinal) of brand loyalty. The current study not only views brand loyalty in two dimensions, but also examines how some of Moolla and Bisschoff's (2013) variables (for example brand trust and affect) predict brand satisfaction before both brand loyalties are explained.

Figure 3.4: Moolla and Bisschoff's (2013:5) brand loyalty model
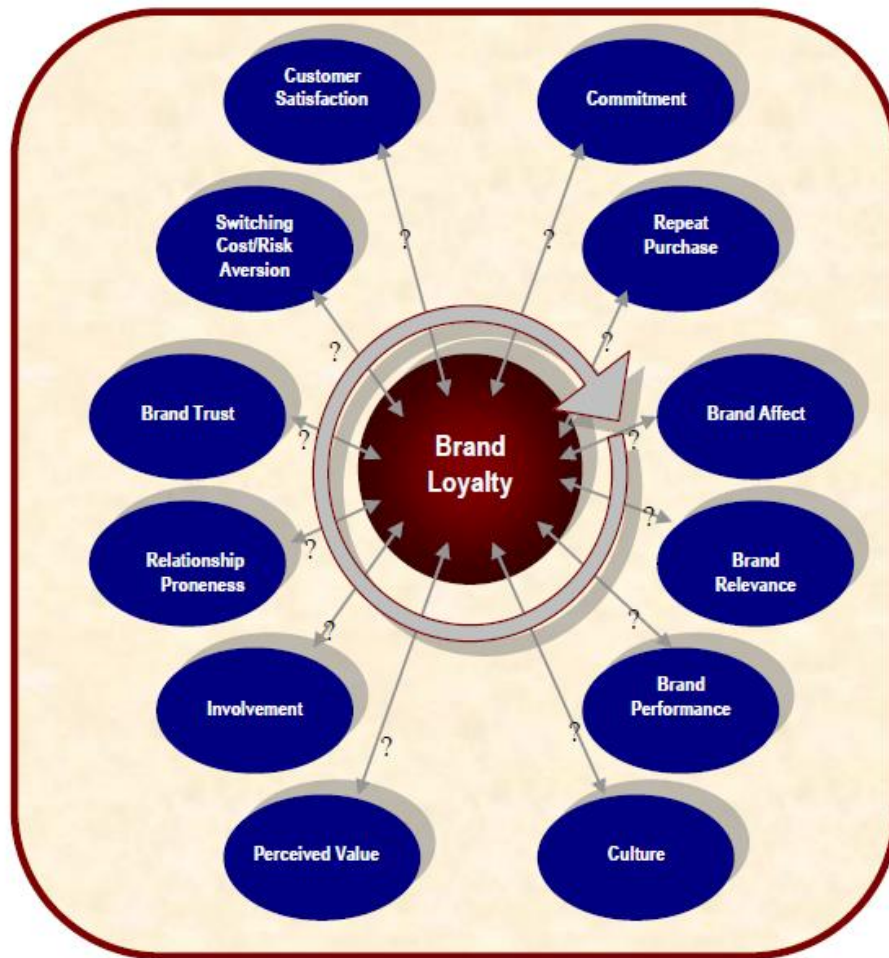
Source: Moolla and Bisschoff (2013:5); Moolla (2010:144)

3.6.5   This study's conceptual model

Figure 3.5: This study's conceptual model
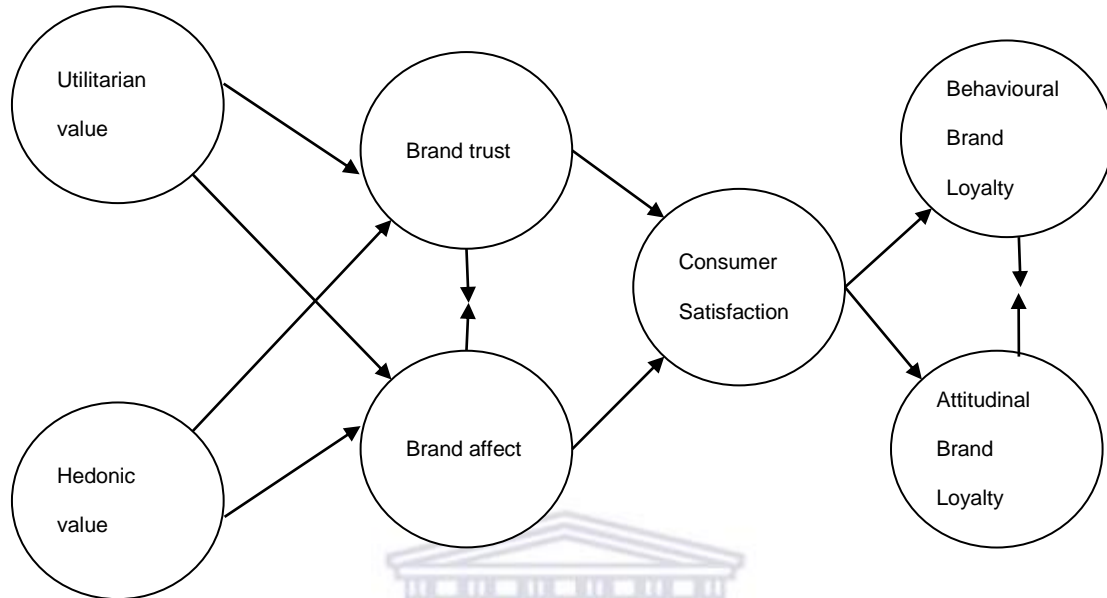
This study proposes a conceptual model (Figure 3.5) to achieve its objectives, guided by the following concepts:

- FMCGs can provide both utilitarian and hedonic benefits or values (Do Vale and Duarte, 2013),

- Both utilitarian and hedonic values drive brand trust and brand affect (Chaudhuri and Holbrook, 2001),

- Brand trust (or prevention emotion) and brand affect (promotion emotion) lead to brand satisfaction and delight respectively (Chitturi et al., 2008), and

- Brand satisfaction can in turn drive brand loyalty (Moolla and Bisschoff, 2013) or both attitudinal and behavioural loyalty (Musa, 2005).

The variables and the relationships between them are discussed in the following section.

3.6.5.1 Utilitarian and hedonic values

Utilitarian benefits refer to" functional, instrumental, and practical benefits of consumption offerings"; whilst hedonic benefits refer to "aesthetic, experiential, and enjoyment-related benefits" (Okada, 2005:44; Chitturi et al., 2008:49). Hedonic consumption generally has an intrinsic motivation, leading to an inherent reward that is sought after, whilst utilitarian consumption tends to have an extrinsic motivation that does not comprise a reward in itself but accomplishes more pleasurable and emotional goals (Dhar and Wertenbroch, 2000:69; Do Vale and Duarte, 2013:30).

Consumers experience both utilitarian and hedonic values while shopping (Zeeman, 2013:32). Zeeman (2013:2) also reports that consumers' utilitarian and hedonic shopping motivations significantly predict and influence their behaviour and is therefore important for retailers and marketers to understand in order to gain maximum financial benefit. A consumer may perceive a shopping experience as valuable when planned goals are achieved, which is known as the utilitarian value. However, when a shopping experience is valued because a consumer is having fun and enjoys the shopping trip, then the consumer is motivated by hedonic value (Zeeman, 2013:33).

(i)   Utilitarian consumption needs

Utilitarian consumption experiences tend to be described as more functional, instrumental, sensible or practical and are usually associated to a simple justification, or satisfying needs that demand a clear solution (Do Vale and Duarte, 2013:30; Okada, 2005:44). A consumer with utilitarian shopping motivations wants to attain a useful benefit or fulfil an economic need during the shopping trip (Zeeman, 2013:32). According to Hawkins and Mothersbaugh (2010:414), utilitarian consumers see shopping as an effort. They are therefore of the opinion that, when marketing to obtain the interest of utilitarian consumers, the function and the value of the product or service should be highlighted.

Zeeman (2013:33) highlights two categories of utilitarian shopping motivation - efficiency and achievement. Efficiency refers to "the consumers' shopping need to save time and resources" whilst achievement refers to "the consumer shopping need to achieve a specific

goal". The suggestion is that with utilitarian shopping, success only occurs when a specific product, planned for at the outset of the shopping trip, is found. A shopping trip initiated from a mission or task represents utilitarian motivation. The mission is completed when the economic need is satisfied or the useful benefit is obtained. The driving force of a utilitarian shopping is thus necessity (Zeeman, 2013:3).

(ii)   Hedonic consumption needs

Do Vale and Duarte (2013) report that hedonic consumption needs were conceptually introduced more than twenty years ago in a seminal work by Holbrook and Hirschman (1982), and are often described as entertaining, pleasant, exciting, spontaneous and sensory. Hedonic consumption at elevated levels may eventually be associated with feelings of guilt due to its pleasurable nature. Many academic works refer to hedonic consumption as designating those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of a customer's experience with products.

Zeeman (2013:36) argues that hedonic shopping motivations can be divided into gratification shopping, adventure shopping, idea shopping, social shopping, role shopping and value shopping.

- Gratification shopping is "consumers using shopping to treat themselves, to get rid of stress, or to lighten a foul mood".
- Adventure shopping is "a consumer shopping to have a feeling of being in another universe and to feel a sense of adventure or stimulation".
- Idea shopping is "consumers attempting to keep up with new fashions and trends and trying to find new products and innovations as idea shoppers".
- Social shopping is "consumers seeking opportunities to interact or socialise with other individuals with interests similar to their own or bond with friends and family".
- Role shopping is "consumers attaining pleasure when shopping for others".
- Value shopping is "consumers connecting emotionally and enjoying the process of negotiating with sales people for the purpose of obtaining a bargain".

Viewing hedonic shopping as hedonism, Kaul (2007:83) suggests that it pertains to experience-based aspects of consumption. Consumers driven by hedonism, according to Hoyer and Stokburger-Sauer (2012:7), search for products and services that provide the satisfaction of feeling good.

(iii)   Choice of utilitarian versus hedonic benefits

The choice of whether utilitarian or hedonic or both consumption goals are being satisfied depends on the type of product category, whether durable or non-durable goods are consumed, and culture (Aviv, 2002; Lim and Ang, 2008; Chitturi et al., 2008; Do Vale and Duarte, 2013). For FMCGs, for example, Do Vale and Duarte (2013) found that consumers act more on utilitarian than hedonic values.

For the consumption of durable consumer goods such as laptops, cars and cell phones, Chitturi et al. (2008:48) found that customers derive hedonic benefits, not only utilitarian needs satisfaction, from these products. They delight consumers and positively affect the two key measures of loyalty, namely repurchase and word-of-mouth promotion. The feelings of cheerfulness and excitement that arise from the fulfilment of promotion goals by hedonic benefits are high-arousal feelings (Chitturi et al., 2008:52; Mano and Oliver, 1993:452).

Regarding cultural differences, Lim and Ang (2008) suggest that consumers in Shanghai, China are culturally conditioned towards utilitarian consumption as opposed to Singaporean consumers who are culturally conditioned towards hedonic consumption. They found that Shanghai consumers view brands of utilitarian products as more sophisticated, competent, exciting, and sincere than hedonic products, unlike Singaporean consumers, who prefer the hedonic benefits of products.

Utilitarian benefits generally fulfil prevention goals and alleviate pain whilst hedonic benefits fulfil promotion goals and enhance pleasure. However, to delight customers, it is not sufficient to simply avoid pain by meeting prevention goals. Delight is best achieved by fulfilling prevention goals through the consumption of utilitarian benefits, complemented by the enhancement of pleasure through the consumption of hedonic

benefits that fulfil promotion goals (Chitturi et al., 2008:51). Attitudes and levels of satisfaction tend to be associated to the relative weight of both these dimensions (Mano and Oliver, 1993:453). The levels of intensity of the emotional experience from hedonic benefits differ from utilitarian benefits, ultimately leading to different levels of customer delight, satisfaction and loyalty. Utilitarian and hedonic values, Chaudhuri and Holbrook (2001) suggest, lead to brand trust and brand affect. Thus,

> H_1: Utilitarian value is positively related to both (a) brand trust and (b) brand affect.

> H_2: Hedonic value is positively related to both (a) brand trust and (b) brand affect.

3.6.5.2   Brand Trust

Veloutsou (2015:407) asserts that trust exists when one party has confidence in a partner's reliability and integrity. Trust, he continues, is delicate and subjective; it is based on consumer beliefs rather than hard facts. Consumers trust brands which they feel to be secure and reliable and believe that these brands act in their best interests (Delgado-Ballester, Munuera-Alemán and Yagüe-Guillén, 2003:37).

Chaudhuri and Holbrook (2001:37) and Matzler Grabner-Krauter and Bidmon (2006:77) view brand trust "as the willingness of the average consumer to rely on the ability of the brand to perform its stated function". Delgado-Ballester (2011:14) identifies two dimensions of brand trust, namely:

(i)   Reliability: Relates to the technical or competence-based ability / willingness projected by the brand to keep promises and satisfy consumers' needs.

(ii)   Good intentions of the brand / dependability: Relates to concern for consumers' interests and welfare projected by the brand.

Brand trust development is a long-term process and a trustworthy brand needs to show that it cares about customer expectations, fulfilling promises and valuing customers (Kiyani et al., 2012: 491).

Fournier and Yao (1997) state that marketers should understand the trust factors in the relationship. Baumann, Hamin and Chong (2014:29) report that "the ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and the main ingredient of this bond is trust". They add that "trust lies at the heart of the marketing concept".

Trust appears to be essential in the process of building and maintaining relationships with brands and to build partnerships with consumers (Veloutsou, 2015:409; Yoo and Bai, 2013:167). A stable brand personality and consistency in goods or service attributes will reduce emotional risk for purchasers and increases brand credibility (Veloutsou, 2015:407). This can result in the development of trust and satisfaction, especially when customers believe that the brand supports their needs. Kiyani et al. (2012:491) suggest that trust plays an important role in customer repeat purchase decisions and long term consumer satisfaction. Thus,

H_3: Brand is positively related to consumer satisfaction.

3.6.5.3   Brand Affect

Chaudhuri et al. (2002:37) define brand affect as the "potential in a brand to elicit a positive emotional response in the average consumer as a result of its use". Perceived differences in brands in terms of quality and reliability lead to a higher perception of the brand when selected from that product category, which in-turn leads to greater commitment to that chosen brand, greater brand trust, and / or greater brand affect (Chaudhuri and Holbrook, 2002:38).

Moolla and Bisschoff (2012:79) declare that brand affect is normally characterised by two independent dimensions, namely positive and negative. It can be generally stated that people strive to experience positive and avoid negative effect (Moolla, 2010:133). There is thus a positive relationship between positive affect experienced in a retail context and willingness to buy. Brand affect is seen as affective commitment especially where a customer experiences a favourable attitude towards brands that they purchase regularly.

Customers therefore can be said to form a satisfaction judgement of the brand and can substantiate why they became loyal to the brand (Basson, 2014:41). Basson (2014:41) further reports that brand affect serves as a predictor of consumer behaviour, while hedonic value and personality traits are seen as two drivers of brand affect. Mano and Oliver (1993) assert that affect is an antecedent to, and necessary for, satisfaction. In a retail setting where there are large assortments and choice overload, Spassova and Isen (2013) suggest that positive affect shifts people's attention from the difficulty of the choice task and provide satisfaction. Thus,

H4: Brand affect positively affects consumer satisfaction.

3.6.5.4   Consumer Satisfaction

Customer satisfaction depends on a product's perceived performance relative to a buyer's expectations (Mazibuko, 2010:13). If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler and Armstrong, 2010:37). Schiffman and Kanuk (2010:29) affirm that customer satisfaction "is the individual consumer's perception of the performance of the product or service in relation to his or her expectations".

Thurn and Gustafsson (2012:40) report that the benefits of high customer satisfaction are decreased price elasticity, increased customer loyalty, decreased future transactions costs, reduced charges imposed on attracting new customers, and improved reputation for the company. Punniyamoorthy and Raj (2007:225) declare that customer satisfaction helps to explain post-purchase behaviours, including complaining, word-of-mouth, repurchasing intention and product usage.

Product satisfaction is characterised by an attitude-like post-consumption evaluative judgment. Both affect and cognitive product attributes are posited to influence satisfaction simultaneously (Mano and Oliver, 1993:454). Customer satisfaction is deemed to be one of the most important determinants of customer loyalty (Dick and Basu, 1994:104; Oliver, 1999:33).

Customer satisfaction, Chitturi et al. (2008:48) report, does not necessarily translate into customer loyalty because consumers seek more than just being satisfied. Although a customer is satisfied, the creation of customer loyalty differs among products, industries and situations (Zineldin et al., 2014:2). Sahin, Zehir and Kitapçı (2011:1290) see satisfaction as a proxy or an antecedent of loyalty. Brand satisfaction is relative to each brand's position in the market at any given time (Moolla, 2010:128). According to Kiyani (2012:497), brand satisfaction is the most commonly used variable to measure brand loyalty, especially as an increase in satisfaction generally leads to an increase in loyalty. Musa (2005) proposes that customer satisfaction leads to both behavioural and attitudinal loyalty. Thus,

H_5: Customer satisfaction is positively related to (a) behavioural brand loyalty and (b) attitudinal brand loyalty.

3.6.5.5   Behavioural loyalty and attitudinal loyalty

This research reviewed the behavioural and attitudinal nature of brand loyalty, including the definitions, various researchers' views on each of the loyalties and the ways in which these concepts differ.

The crux of the composite nature of brand loyalty is the psychological process whereby repeat purchase, which characterise behavioural loyalty, is not merely an arbitrary response but the result of some proceeding psychological, emotional and situational factors. It is argued that both the behavioural and attitudinal characteristics of consumers are necessary in measuring brand loyalty to get a full picture of the concept (Nyanga, 2015:8; Yoo and Bai, 2013:167; Bandyopadhyay and Martel, 2007; Dick and Basu, 1994; Jacoby and Kyner, 1973; Oliver, 1999). This study therefore not only investigates whether both behavioural and attitudinal loyalties are developed for FMCGs, but also proposes a conceptual model which attempts to explain both loyalties.

3.7 Conclusion

This chapter discussed the drivers of brand loyalty. It explored the benefits of building and maintaining brand loyalty. The two philosophical viewpoints, namely the stochastic vs deterministic perspectives of brand loyalty, and the behaviourist vs the attitudinal perspectives of brand loyalty were discussed. The chapter also reviewed various studies which have investigated the drivers of brand loyalty. The chapter presented important brand loyalty models which guided the development of this study's model. The chapter ended by presenting this study's conceptual model and discussing the variables in the model and the relationships that exist between the variables of the model. The next chapter discusses the methodology used to test the study's proposed model.

4. RESEARCH METHODOLOGY

4.1 Introduction

Chapter 3 reviewed studies and models which examined the drivers of brand loyalty. This study's conceptual model was developed based on these reviews. This chapter discusses the methods used to test the study's conceptual model. It specifically discusses the research methods used to collect and analyse the data, describing the sampling technique and the composition of the sample. It starts by recapping the research objectives.

4.2 Research Objectives and Question

As stated in Chapter 1, this study aimed to achieve the following research objectives:

(i)   To investigate whether, in addition to the utilitarian benefits consumers enjoy from the consumption of FMCGs, they also enjoy hedonic benefits.

(ii)   To investigate whether consumers can be loyal to FMCGs.

(iii)   To examine how the utilitarian and hedonic benefits consumers enjoy from some selected FMCG brands affect their brand trust, brand affect and satisfaction with the brand, and how this satisfaction in turn affects behavioural and attitudinal brand loyalty.

Considering these objectives, the main research question to be answered was:

How do utilitarian benefits, hedonic benefits, brand trust, brand affect and brand satisfaction of selected FMCG brands in South Africa affect the brand loyalties of Western Cape consumers?

The next section discusses the research design deemed to be appropriate for the answering of this question.

4.3 Research design

Sekaran (2003:29) views a research design as a framework for conducting market research. Such a framework guides the collection, analyses and reporting of information needed to structure and solve a research problem or answer a research question. Sekaran (2003:29) further states that a research design is set up to decide on issues such as how to collect data, analyse and interpret the data, and provide answers to problems or questions. Marketing research can be broadly classified into three types of research designs, namely exploratory, descriptive or causal (Kotler and Keller, 2006:104). These different types are used to address different types of research objectives.

Figure 4.1: Types of primary research designs, according to Kotler and Keller (2006:104)
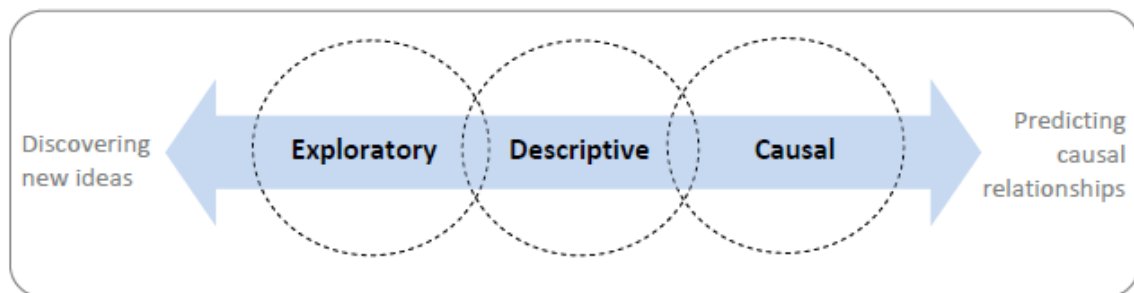
Source: Kotler and Keller (2006:104)

4.3.1 Exploratory research

This type of research design emphasises the discovery of ideas and insights, and often seeks to generate possible explanations for new or ambiguous occurrences whilst attempting to eliminate impractical ideas (Kotler and Keller, 2006). It often represents the initial step of the research process and helps to narrow and refine the research questions.

4.3.2 Descriptive research

This design marks the midpoint of a knowledge spectrum between exploratory and causal or explanatory designs. It provides a detailed account of a social setting or a situation (Kotler and Keller, 2006). Descriptive design is used when a study aims to describe a market phenomenon (Malhotra, 2012).

4.3.3 Causal research

This design focuses on identifying cause-and-effect relationships via experimental testing. It is the most robust research type and relies on inferences of probabilistic relationships between variables (Kotler and Keller, 2006).

Considering that this study aims at describing a market phenomenon of how utilitarian benefits, hedonic benefits, brand trust, brand affect and brand satisfaction of selected FMCG brands in South Africa affect the brand loyalty of Western Cape consumers, descriptive design is most appropriate methodology for this study.

The descriptive study was executed following Zikmund et al.'s (2010:63) research process as presented in Figure 4.2. According to the process, studies which are not exploratory start with the setting of objectives, followed by selecting a research design, all of which was reported in sections 4.2 and 4.3. The next step was the selection of a data collection method and analytical approach, addressed in section 4.4.

Figure 4.2: Zikmund et al.'s (2010:63) research process
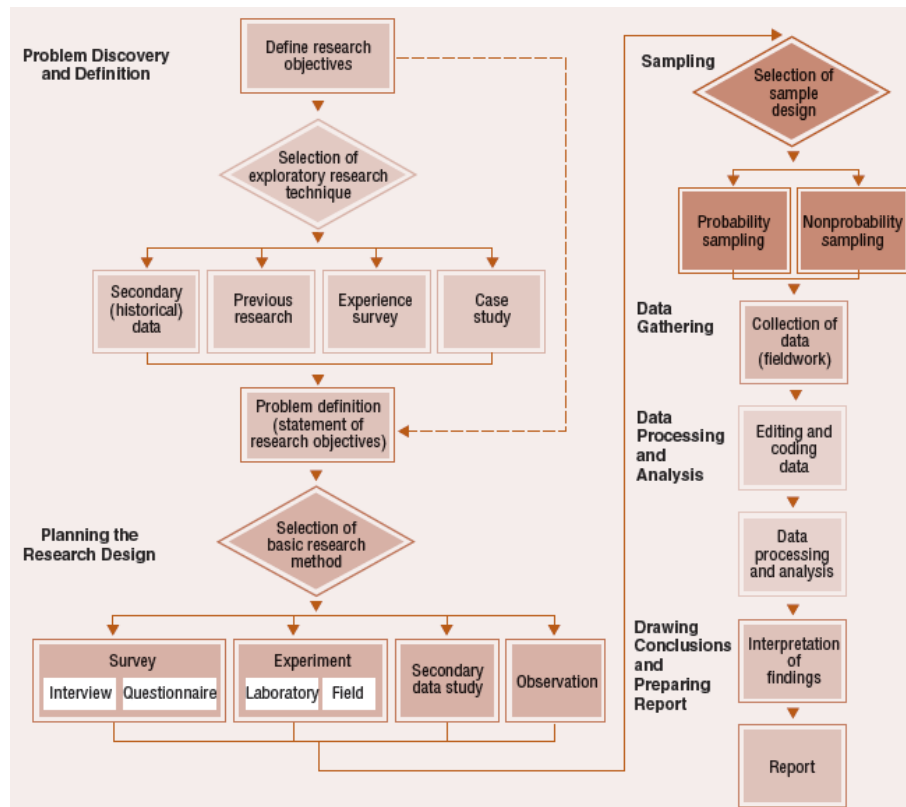
Source: Zikmund et al. (2010:63)

4.4 Research Method

Two main types of data collection methods exist in research, namely qualitative and quantitative.

Wilson (2012:103) defines qualitative research methodology as *"research undertaken using an unstructured approach with a small number of carefully selected individuals to produce non-quantifiable insights into behaviour, motivations and attitudes"*. Wilson (2012:103) defines quantitative research as research methodology "undertaken using a structured approach with a representative sample to produce quantifiable insights into behaviour, motivations and attitudes".

Mbuyazi (2012:127) differentiates between quantitative and qualitative research methods as presented in Table 4.1.

Table 4.1: Comparison between qualitative and quantitative research methods

Qualitative methods	Quantitative methods
Provides depth of understanding	Measures level of occurrence
Studies motivations	Studies actions
Asks "why?"	Asks "how many?" and "how often?"
Enables discovery	Provides proof
Is exploratory	Is definitive
Allows insights into the behavior and trends	Measures levels of actions and trends
Interprets	Describes

Source: Mbuyazi (2012:127)

Sekaran (2003:5) reports that quantitative research can be further sub-classified into inferential, experimental and simulation research approaches:

- The inferential quantitative research approach aims to form a data base from which to infer the characteristics of or relationships in a population. This usually involves research surveys where a sample of population is studied or observed to determine its characteristics, which is then used to infer that the population may have the same characteristics.

- The experimental quantitative research approach is characterised by greater control over the research environment with some variables being manipulated to observe their effect on other variables.

- The simulation quantitative research approach involves the construction of an artificial environment within which relevant information and data can be generated. This permits observation of the dynamic behaviour of a system under controlled conditions.

Considering the nature, namely testing relationships between multi-variables, of this study's research problem and questions, quantitative research methods were used to collect and analyse the data.

A survey method using questionnaires was specifically designed to collect data. Surveys provide a quick, inexpensive, efficient and accurate means of assessing information about a population. Most surveys attempt to portray representative cross-sections of particular target populations (Zikmund et. al., 2010:186).

For this study, cross-sectional data was collected using self-administered questionnaires. The instruments were tested and proved to be reliable and valid to test the study's variables. The data was collected through mall intercepts at significantly big malls identified in Cape Town, which is in the Western Cape province of South Africa.

4.5   Sampling Technique and Procedure

A common goal of survey research is to collect data representative of a population. Kothari (2004:158) defines a sample population as "an aggregate of items possessing a common trait or traits." In other words, a sample population is a complete group of items about which knowledge is sought. Sampling involves any procedure that draws conclusions based on measurements of a portion of the population. The researcher uses information gathered from a survey to generalise findings from a drawn sample back to the population (Zikmund et al., 2010).

4.5.1   Target population

A target population is the group of people to which a study wishes to generalise its findings. It must be carefully defined so that the proper sources from which the data is collected can be identified (Zikmund et al., 2010:406). For this study, the target population is all the purchasers and consumers of FMCG brands in South Africa, capable of reporting the benefits, brand trust, brand affect, brand satisfaction and brand loyalty to selected FMCG brands.

4.5.2   Sample frame

A sample frame is a set of source materials from which a sample is selected. It can also be defined as members of the target population that are to be surveyed. In a household survey, more than one set of materials may be necessary and typically drawn from area frames, or may be selected either from an area or a list frame (Zikmund et al., 2010:406). See subsections below on area and list of frames.

It is good practice to make sure that members from each stratum or distinct group are fairly represented in a sample frame which represents a population. For a stratified sample, the population is divided into strata and a random sample is drawn from each stratum. The number chosen from each stratum has to be in the right mix (Waters, 2011:89). For this study, as per Knox and Walker (2001), a stratified random sampling method was used since it enabled the recruitment of respondents from different strata of the population. According to Galpin (2002:54), the common stratifying variables for people are age, sex, race, income group, occupation, and education.

This study's main sample frame consisted of White, Indian, Coloured and Black South African shopping centre patrons. They were selected from Nyanga (to obtain Blacks patrons, most of whom are lower income consumers), Mitchell's Plain (to obtain middle income Coloureds and Blacks patrons), and Century City (to obtain high income Whites, Coloureds and Black patrons). The strata were more specifically confined to the shopping malls in these areas (i.e. Nyanga Junction on the outskirts of Nyanga, Westgate Mall and

Promenade Mall in Mitchell's Plain, and Canal Walk in Century City), all of which had either SPAR, Pick n Pay and Shoprite/Checkers retailers which sold FMCGs. The reason for focusing on these big retailers, as explained in Chapter 2, is because various sources indicate that at least 80% of all South Africans purchase some FMCGs from these large, formal retailers. This means that a planned random mall-intercept sample in these stores was expected to yield a well distributed, randomised sample.

4.5.3 Sample size

In a quantitative survey design, determining the sample size and dealing with non-response bias is essential (Hair et al., 1998). For this study, it was envisaged that the targeted sample size would be 450 consumers, based on 150 respondents being sought from the three targeted shopping malls in the Western Cape, South Africa. Due to the difficulty of collecting data through mall intercepts, data was however only collected from 272 respondents. According to Hair et al.'s (1998) rule of thumb, the sample size of 272 was adequate as the number of respondents should represent a ratio of 14 observations per variable studied for multivariate analyses. This study had seven variables and when multiplied with the recommended 14 observations, a suggested minimum sample size of 98 was obtained. For structural equation modelling (SEM) however, Hoe (2008) recommends that a sample size of about 200 respondents would provide credible data. Thus the sample size of 272 for this study was adequate to conduct SEM.

4.6 Data Collection

As previously indicated, this study employed a quantitative method with a survey questionnaire to gather data from respondents via mall intercepts at three malls in the Western Cape.

4.6.1 Survey questionnaire development

Previously tested scales from seminal authors on the subject, such as Mano and Oliver (1983), Chaudhuri and Holbrook (2001) and Chitturi et al. (2008) were used as instruments for data collection. The instruments were adapted to selected branded FMCG categories, such as washing powder, soap, juice, milk, and breakfast cereals brands as indicated in Figure 4.3.

Figure 4.3: FMCG brands investigated in this study

Examples of washing powder brands in South African stores

Examples of soap brands in South African stores

Examples of juice brands in South African stores

Examples of milk brands in South African stores

Examples of breakfast cereal brands in South African stores

The first section of the survey questionnaire consisted of an introduction to the survey, clearly stating what the aim of the research study was, along with ethical and confidential declarations assuring respondents of anonymity and confidentiality. This section was followed by a personal data section where aspects like gender, age, race, education approximations and living area descriptions were sought, without the requirement that the respondent's identity be declared.

The rest of the sections contained statements that measured utilitarian and hedonic values, brand affect, brand trust, brand satisfaction and behavioural and attitudinal loyalties. Respondents were asked to rate the degree to which they agreed or disagreed to a five-point Likert scale scoring from 1 (strongly disagree) to 5 (strongly agree).

4.6.2   Data collection procedure

In addition to the researcher who collected data from the mall intercept at malls in the Century City and Mitchell's Plain regions, a Xhosa speaking marketing student was trained as a fieldworker to collect data from the Nyanga region where English is a second language. The trained Xhosa speaking fieldworker was there to provide clarity to any questions in Xhosa. The researcher and the fieldworker had a training session before the data collection started to set ground rules for the questionnaire administration. The rules included aspects such as how the mall shoppers would be approached, and when and how the respondents would be assisted in completing the questionnaire should it become apparent that help was required. Other principles included having integrity and being open

with the respondents, maintaining patience, tact and respect for the respondents, and being accurate and honest in administering the surveys.

Since the respondents were incentivised with juice packages to participate in the survey, the fieldworker was also trained on how the reward could be presented without influencing any responses. According to Zikmund et al. (2010), incentives should be provided after survey participation to prevent the gift's influence on responses.

The targeted respondents were both male and female respondents, of all races, from all socio-economic backgrounds between the ages of 18 and 60 years old, who have just been patrons (consumers or customers) of FMCG products. The targeted respondents were intercepted as they left the check-out tills of the retailers.

Data was collected on Saturdays and Sundays over a two month period and not just focussing on month-end days, to prevent the effect of month-end price promotions which could affect purchase behaviour and responses from patrons.
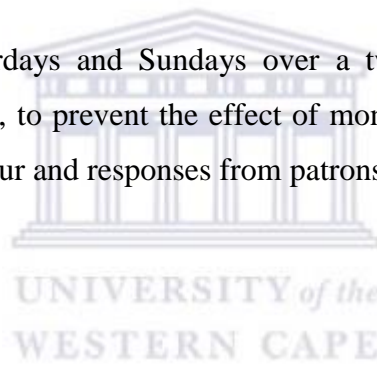
4.6.3 Pilot study

The first designed questionnaire took into consideration the fact that shopping mall patrons might struggle to understand the response style typically used in marketing questionnaires. Infographics like pictograms or animated face scales were thus used to guide responses as indicated in Figure 4.4 below. This concept was tested with ten patrons whose first language was not English as well as additional ten responses form students and staff from the University of Western Cape. It was surprising to find that the infographics were even more confusing to these respondents than a typical Likert scale. The format was consequently replaced with a traditional Likert scale.

Figure 4.4: Pictograms as Likert infographic animated face scales used in the pilot study

Please indicate the extent to which you disagree or agree with each of the following statements pertaining to the FMCG **washing powder / soap, milk / juice, breakfast cereals brands** that you normally purchase from these retailers. Please indicate your preference by marking with a cross (X) in the appropriate block provided.

1	Very Strongly Disagree	VSD	☹
2	Strongly Disagree	SD	☹
3	Disagree	D	☹
4	Neutral	N	☺
5	Agree	A	☺
6	Strongly Agree	SA	☺
7	Very Strongly Agree	VSA	☺

Section B – Consumer perception on brand utilitarian value

9. The brand is vital to fulfilling the needs for these products.

1 - VSD	2 - SD	3 - D	4 - N	5 - A	6 - SA	7 - VSA
☹	☹	☹	☺	☺	☺	☺

Source: Researcher's own survey questionnaire development

A traditional 5-point Likert interval scale was then pilot tested with 20 BCom Honours students and staff members from the University of Western Cape who were likely customers of FMCGs. A small, 200mL juice was displayed as a covered mystery reward to the respondents of the survey to prevent influencing their responses when considering brand loyalty to juice brands. Two survey quality questions were also added at the end of the survey to assess how well the survey was perceived by the respondents.

The standard deviation in the pilot study data showed acceptable variations or dispersions from the average or mean results, indicating that the data points tended to be very close to the mean. Skewness was evaluated as a measure of the asymmetry of the probability distribution of the variables. A Cronbach alpha was also evaluated as a measure of internal consistency. For most of the constructs, the Cronbach alphas were above the 0.7 level, indicating that the internal consistency was acceptable as measures of the constructs. All

these indications pointed to how well the survey questionnaire would be received by the main respondents and how effective it would be to measure the constructs' reliabilities.

4.6.4 Questionnaire for the main study

The questionnaire for the main study was sourced from various authors and was operationalised as presented in Figure 4.5 and outlined in Table 4.2. The figure and table also indicate the source of scales for each of the constructs.

Figure 4.5: Sources and operationalisation of this study's scale
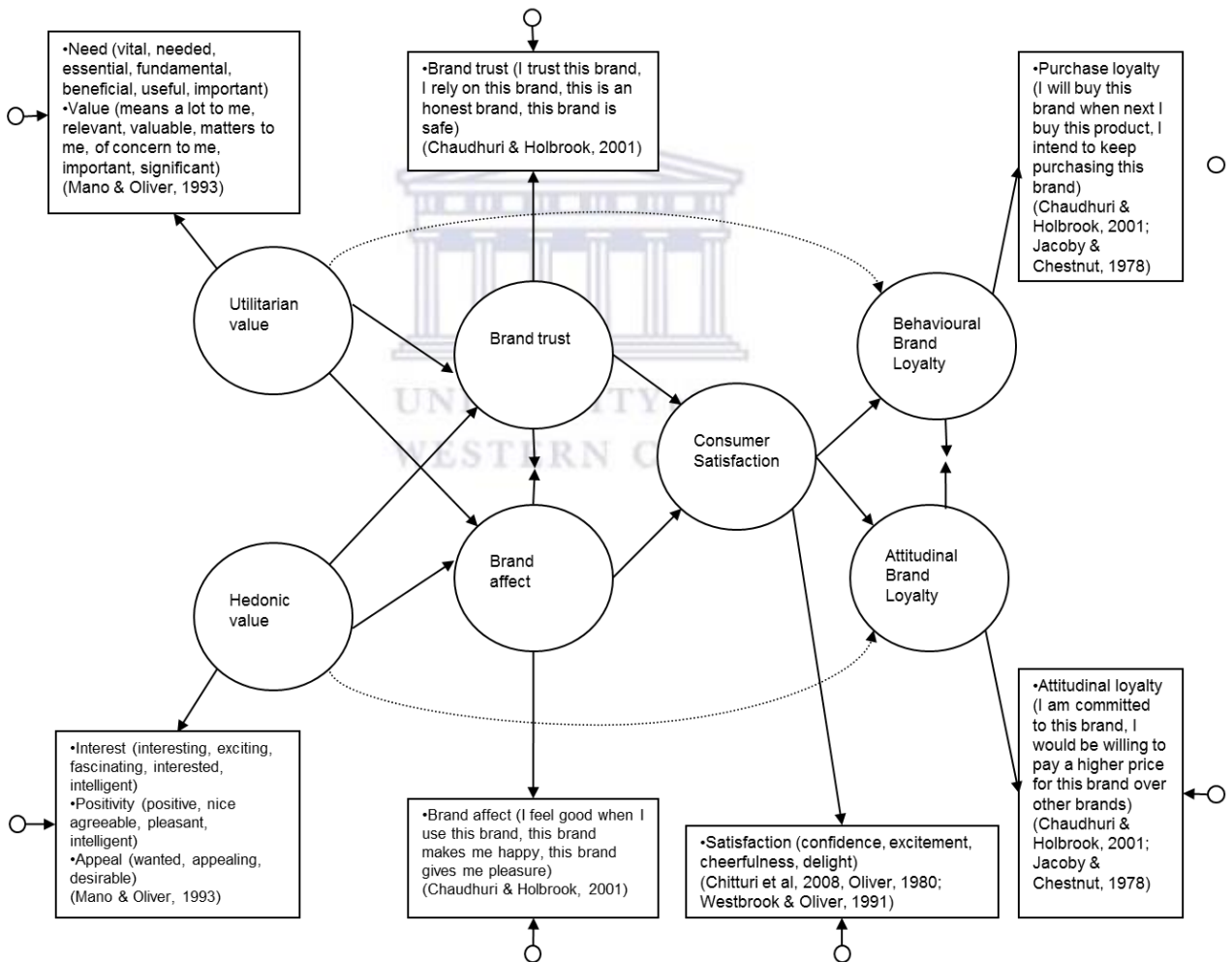
Table 4.2: Questionnaire scales and their origins

Dimension	Code	Item	Source
Utilitarian value	B1	When I buy FMCG products, such as those shown above, I need brand names as a guide to choose.	Mano and Oliver (1993)
	B2	The brand names of FMCG products, such as those shown above, indicate that the products will work better than unbranded versions.	
	B3	Any of the brands, such as those shown above, will be beneficial to me in terms of performance when I buy FMCG products.	
	B4	The brands of FMCG products, such as those shown above, are not a guarantee of better performance.	
	B5	The brands of FMCG products, such as those shown above, are important to me because they perform their functions.	
	B6	I trust the brands of FMCG products, such as those shown above.	
	B7	I would buy the brands of FMCG products, such as those shown above, because the value they offer is important to me.	
	B8	Brands, such as those shown above, are more reliable in their performance compared to FMCG products without brand names.	
Hedonic value	C1	I think the brands of FMCG products, such as those shown above, are interesting when one chooses these products.	Mano and Oliver (1993)
	C2	I think the sight of brands of FMCG products, such as those shown above, is exciting.	
	C3	I think the brands of FMCG products, such as those shown above, are brilliant.	
	C4	I like the fact that brands of FMCG products, such as those shown above, can better perform their jobs.	
	C5	I think the brands of FMCG products, such as those shown above, look more pleasant than un- branded products.	
	C6	I think the brands of FMCG products, such as those shown above, are more attractive than un-branded products.	
	C7	FMCG products with brand names, as shown above, are more likable when compared to those without brand names.	
Consumer brand satisfaction	D1	The brands of FMCG products, such as those shown above, make me happy when shopping for these types of products.	Chitturi et al. (2008); Oliver (1980); Westbrook
	D2	The brands of FMCG products, such as those shown above, satisfy my needs.	

	D3	I am excited when I use brands of FMCG products, such as those shown above.	and Oliver (1991)
	D4	I am confident in brands of FMCG products, such as those shown above.	
	D5	I trust / feel secure in brands of FMCG products, such as those shown above.	
	D6	I get pleasantly surprised when using brands of FMCG products, such as those shown above.	
	D7	I sometimes feel worried when using the brands of FMCG products, such as those shown above.	
	D8	I am sometimes disappointed with brands of FMCG products, such as those shown above.	
Behavioural brand loyalty	E1	My next shopping trip for FMCG products will contain branded FMCG products, such as those shown above.	Chaudhuri and Holbrook (2001); Jacoby and Chestnut (1978)
	E2	I will continue to buy branded FMCG products, such as those shown above when.	
	E3	Any of the brands of FMCG products, such as those shown above, will always be on my list when I shop for these types of products.	
Attitudinal brand loyalty	F1	I am committed to using any of the brands of FMCG products, such as those shown above.	Chaudhuri and Holbrook (2001); Jacoby an Chestnut (1978)
	F2	When I shop for FMCG products, I am willing to pay a bit more for any of the brands as shown above.	
	F3	I will not be happy when I shop for FMCG products and do not find any of the brands as shown above.	
Brand trust	G1	When I shop for FMCG products, I trust the brands as shown above.	Chaudhuri and Holbrook (2001) Jacoby and Chestnut (1978)
	G2	When I shop for FMCG products, I depend on brands as shown above.	
	G3	I see honesty and reliability in the brands of FMCG products, such as those shown above.	
	G4	I see safety and peace of mind in the brands of FMCG products, such as those shown above.	
Brand affect	H1	I feel good when I use any of the brands of FMCG products, such as those shown above.	Chaudhuri and Holbrook (2001); Jacoby and Chestnut (1978)
	H2	I feel happy when I use any of the brands of FMCG products, such as those shown above.	
	H3	I am pleased when I use brands of FMCG products, such as those shown above.	
Survey quality	I1	I found this survey experience pleasant.	N/A
	I2	This survey length was okay.	

The reliability of this study's main scales was tested and the results are presented in chapter 5.

4.7   Data Analysis

The data captured from the questionnaire represents raw data which needs to be converted into intelligence through analysis (Zikmund et al., 2010). The analyses in this study started with applying descriptive statistics.

4.7.1   Descriptive statistics

Zikmund et al. (2010:486) describe descriptive statistics as an elementary transformation of data in a way that describes the basic characteristics of the data such as central tendency, distribution and variability. Zikmund et al. (2010) further state that descriptive statistics are very effective for simplifying and articulating vast amounts of data and can also provide the researcher with an opportunity to determine the frequency of variables and the effect different variables have on one another. The descriptive statistics applied in this study included sample descriptions of the demographic information including age, education, race and residential classifications supplied by the respondents.

Descriptive statistics were also applied to assess the reliability of the measuring instrument using Cronbach alpha coefficients. Cronbach alpha is a measure of internal consistency; in other words, how closely related a set of items are as a group. A "high" alpha coefficient of $\alpha \geq 0.7$ is often used as evidence that the items measure an underlying or latent construct (Sekaran, 2003).

Before conducting the main analysis to test the conceptual model, correlation analysis was conducted. Correlation measures the strength of an association between the constructs in a conceptual model before structural equation modeling (SEM) is conducted.

4.7.2   Structural equation modeling (SEM)

SEM is a methodology for representing, estimating, and testing a network of relationships between variables, potentially as measured variables and latent constructs (Suhr, 2006:1). SEM is a multivariate and dependence technique used for hypothesis testing and involves distinctions between independent and dependent variables. It specifies measurement errors in the statistical analysis.

SEM is a flexible and comprehensive methodology which offers no default model and places few limitations on what types of relations can be investigated and specified (Suhr, 2006:1). Model specification in SEM requires researchers to support hypotheses with theory. SEM resolves problems of multicollinearity as multiple measures are required to describe a latent construct / unobserved variable, thereby preventing multicollinearity from occurring as the unobserved variables represent distinct latent constructs. SEM is a graphic representation which is a convenient and powerful way to present complex relationships. A pictorial diagram represents a model, visually transformed into a set of equations. The set of equations are simultaneously solved to test model fit and estimate parameters (Iacobucci, 2009:673).

For this investigation, SEM was employed to test the study's conceptual model which portrayed relationships between utilitarian and hedonic brand values, brand trust, brand affect, consumer brand satisfaction, and behavioural and attitudinal brand loyalties. SEM was conducted using an AMOS programme. The results are presented in Chapter 5.

4.8   Ethical Considerations

Ethical considerations pertaining to this research included, but were not limited to, the citing of quotations, referencing of sources and guaranteeing the confidentiality of respondents. The participants were assured of their right to participate, and that they could withdraw from the study at any time should they feel uncomfortable. All data sources were acknowledged to respect the intellectual property rights of other authors and to avoid plagiarism.

4.9   Conclusion

This chapter recapped the objectives of this study and discussed the research methodology along with the data collection and analysis techniques. It concluded by identifying the ethical considerations in conducting the research. The results of the analyses are presented in Chapter 5.

5. RESULTS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the research findings derived from the quantitative analyses. It starts by presenting the descriptive statistics and the results of the reliability tests. The results of the correlation analyses are presented next, after which the SEM results from the hypotheses testing are presented and discussed. The overall results are then discussed and conclusions made. The chapter ends with implications, limitations of the study and recommendations for further study.
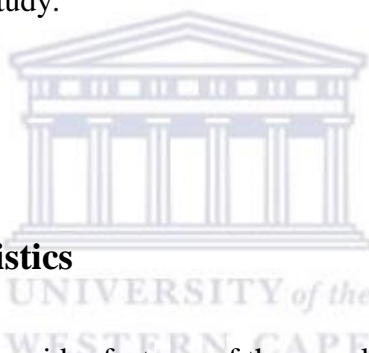
5.2 Descriptive Statistics

This section summarises and provides features of the sample and the constructs.

5.2.1. Socio-demographic data of the respondents

The socio-demographic data of the respondents are presented in Table 5.1.

Table 5.1: Socio-demographic data of respondents

Demographics	Measure	Frequency	Percentages
Gender	1: Male	101	37%
	2: Female	170	63%
Age	1: Age 18-24	48	17.6%
	2: Age 25-34	121	44.5%
	3: Age 35-44	72	26.8%

	4: Age 45-54	25	9.2%
	5: Age 55-64	4	1.5%
	6: Age 65 or over	1	0.4%
Population Group	1: African	75	27.6%
	2: White	21	7.7%
	3: Indian	18	6.6%
	4: Coloured	155	57.4%
	5: Other	2	0.7%
Education	1: Attended Primary School	3	1.1%
	2: Attended High School	142	52.6%
	3: Diploma	69	25.7%
	4: Undergraduate Degree	19	7.0%
	5: Postgraduate Degree	37	13.6%
Marital Status	1: Married	128	47.4%
	2: Single, Never Married	123	45.2%
	3: Separated or Divorced	18	6.6%
	4: Widowed	2	0.7%
Residence	1: Rural Settlement	11	4%
	2: Village / Town	45	16.9%
	3: City / Metropolitan Area	187	69.5%
	4: Other	25	9.6%

Table 5.1 shows that 71.3% of the respondents were between the ages of 25-44. People in this age group are usually in the workforce, are assumed to be shoppers who understand the drivers of their brand satisfaction and loyalty and, as Martins (2007:172) report, account for about 64.1% of FMCG expenditure in South Africa. This population group is a reflection of the racial composition of people in the Western Cape of South Africa, where the Coloured population group constitutes the majority, followed by Africans. The high percentage (63%) of female respondents can be attributed to the fact that more females in South Africa shop for grocery and FMCGs. It is encouraging to note that up to 98.9 % of the respondents have obtained at least a high school certificate, and therefore should have

understood and reliably completed the questionnaire. More so, since education is related to employment and income earning power, they should be working, be within the middle and higher income earners, can purchase various FMCG brands, and can be shielded from economic downturn (Moolla and Bisschoff, 2013).

The three targeted malls for this study are located in the heart of three metropolitan sub-regions of Cape Town. It was thus to be expected that most of the patrons would reside close to the malls within the metropolitan sub-areas. The respondents from metropolitan areas thus constituted 70% of the respondents.

5.2.2. Descriptive statistics on the mean and reliability of constructs

This descriptive statistics on the mean and reliability of the constructs are presented in Table 5.2.

Table 5.2: Mean, standard deviation and reliability results of constructs

Construct	Reliability Cronbach's alpha (α)	Mean	Standard deviation
Utilitarian value	0.71	3.9	0.68
Hedonic value	0.83	3.9	0.67
Customer satisfaction	0.72	3.8	0.70
Behavioural brand loyalty	0.86	4.1	0.77
Attitudinal brand loyalty	0.73	3.8	0.89
Brand trust	0.87	4.0	0.78
Brand affect	0.90	3.9	0.84

With all of the constructs scoring Cronbach's alphas of more than 0.70 in the results in Table 5.2, it is clear that an adequate and above threshold reliability of the scales was found.

The constructs were measured with five-point Likert scales. On the scales, between 1 and 2 means that a respondent disagreed with the statements about the constructs, 3 means that a

respondent was neutral, and between 4 and 5 means that a respondent agreed and strongly agreed with the statements.

The mean scores in Table 5.2 therefore show that the respondents equally enjoy utilitarian (M = 3.9) and hedonic (M = 3.9) benefits or values from their consumption of FMCG brands. They agreed that they trust (M = 4.0), are affectionate towards (M = 3.9), and satisfied (M =3.8) with FMCG brands. All these results guaranteed behavioural (M =4.1) and attitudinal (M =3.8) loyalties to FMCG brands. The next section reports on the results of the correlations between the constructs.

5.2.3. Correlation between the constructs

The coding for the seven constructs was as follows:

a)   Utilitarian benefits (**BUV**)

b)   Hedonic benefits (**BHV**)

c)   Brand trust (**CBT**)

d)   Brand affect (**CBA**)

e)   Brand satisfaction (**CSAT**)

f)   Behaviour brand loyalty (**BBL**)

g)   Attitudinal brand loyalty (**ABL**)
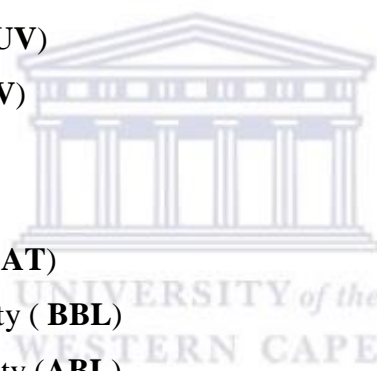
The results of the correlations between the constructs are presented in Table 5.3

Table 5.3: Bivariate correlation results

Pearsons Correlations (β)							
Pearsons correlation (β)	BUV	BHV	CSAT	CBT	CBA	BBL	ABL
BUV	1						
BHV	0.658**	1					

CSAT	0.555**	0.691**	1				
CBT	0.623**	0.599**	0.716**	1			
CBA	0.482**	0.594**	0.693**	0.755**	1		
BBL	0.610**	0.593**	0.568**	0.707**	0.611**	1	
ABL	0.562**	0.544**	0.662**	0.717**	0.657**	0.666**	1

** = All Correlations are positive and significant at < 0.01 level.

In addition to testing how much the constructs were related, a confirmatory factor analysis (CFA) was conducted with SEM to test goodness-of-fit to the data. The results are presented in the next section.
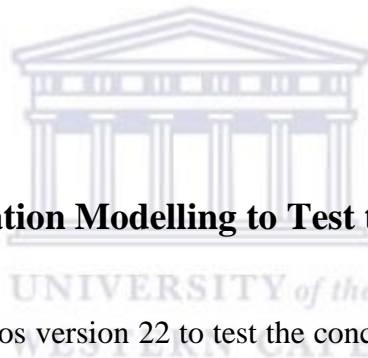
5.3 Structural Equation Modelling to Test the Conceptual Model

SEM was conducted with Amos version 22 to test the conceptual model in Figure 3.5. The test started by assessing goodness-of-fit to the data conducting CFA.

5.3.1. Confirmatory Factor Analysis (CFA) to test goodness-of-fit (GOF)

The objective of CFA is to test whether a data fits a hypothesised measurement model. Parameters are estimated and compared with the sample covariance matrix. GOF statistics are then used to project whether the model is appropriate or needs further revision. A variety of GOF indices pertaining to SEM are available. Kenny (2010) notes that fit is the ability of a model to reproduce the data, usually illustrated as the variance-covariance matrix. A good-fitting measurement model is required before interpreting the causal paths of a structural model. It should however be noted that a good-fitting model is not necessarily a valid model, and vice versa.

There are a number of indices used to assess GOF. Table 5.4 provides various indices obtained in this study to assess GOF. They are described next.

Table 5.4: GOF indices for SEM model fit measurement

The Chi-square ($\chi 2$), P and CMIN/DF values for model fit.					
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	114	1061.961	481	.000	2.208

The RMR, GFI, AGFI and PGFI values for model fits				
Model	RMR	GFI	AGFI	PGFI
Default model	.048	.817	.774	.661

The NFI, RFI, IFI, TLI and CFI values for model fits					
Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.833	.805	.901	.883	.900

The RMSEA and PCLOSE values for model fits					
Model	RMSEA	LO 90	HI 90	PCLOSE	
Default model	.067	.061	.072	.000	

Chi-square index

The chi-square (χ^2) value is a traditional measure for evaluating overall model GOF. It assesses the magnitude of discrepancy between the sample and fitted covariance matrices (Hooper et al., 2008:53). A significant chi-square relative to the degrees of freedom indicates that the observed and implied variance–covariance matrices differ. The chi-square statistic is sensitive to sample size, meaning that the Chi-Square statistic nearly always rejects the model when large samples are used (Hooper et al., 2008:54). Thus, researchers have sought alternative indices to assess model fit due sensitivity of the chi-

square to sample size. One of the alternatives is Wheaton et al.'s (1977) relative/normed chi-square (CMIN/df), because it minimises sample size sensitivity. A good relative/normed chi-square (CMIN/df) has to be less than 5. The relative/normed chi-square (CMIN/df) for this study's model was 2.208. This proposed model thus satisfies Wheaton et al.'s (1977) recommended relative/normed chi-square (CMIN/df) range for model fit.

Root mean square residual (RMR) index

The RMR is the square root of the difference between the residuals of the sample covariance matrix and the hypothesized covariance model (Hooper et al., 2008:54). The range of the RMR is calculated based on the scales of each indicator which, for this study, was a range from 1 – 5. A popular cutoff value for this index is 0.05 or less. For this study, RMR was acceptable with the obtained value of 0.048.

Goodness-of-fit index (GFI)

The GFI calculates the proportion of variance that is accounted for by the estimated population covariance (Hooper et al. 2008, p. 55). This model fit measure considers the variances and covariances accounted for by the model. Its statistic ranges from 0 to 1 with a historic optimal level being GFI > 0.85. This study's model produced a lower GFI score of 0.817. The GFI index has however been criticised for sample sensitivity. So other GOF indices should also be assessed for the test of model fit.

Comparative fit index (CFI)

The CFI provides a more appropriate GOF indication, even when sample sizes are small. It assumes that all latent variables are uncorrelated (null / independence model) and compares the sample covariance matrix with this null model. The CFI values range between 0.0 and 1.0 with values closer to 1.0 indicating a good fit. The CFI index is included in all SEM programmes and is one of the most popularly reported GOF indices due to being one of the measures least affected by sample size. A cut-off criterion for CFI ≥ 0.90 was historically advanced as a desired measure of fit (Hooper et al., 2008). This study's model resulted in a CFI of 0.900 which complies with the desired guideline.

Root mean square error of approximation (RMSEA)

RMSEA indicates how well the model estimates would fit the population's covariance matrix. It is viewed as 'one of the most powerful fit indices' due to its sensitivity to the number of estimated parameters in the model. This means that RMSEA favours parsimony as it chooses the model with the lesser number of parameters. RMSEA values above 0.10 indicate a poor fit, values between 0.08 to 0.10 provides a mediocre fit and values below 0.08 show a good fit. This study's observed model had a RMSEA value of 0.067 which is thus indicative of a good fit of the model.

5.3.2.   SEM path modelling and hypotheses testing

Having shown that the model fairly fits the data, this section provides results of testing the hypothesised relationships in Figure 3.5. The resultant structural model in Figure 5.1 has BUV → CBA and CBA → CSAT relationships removed, because they were not significant in an initial model testing. The removal of these relationships improved the explanatory power of the model.
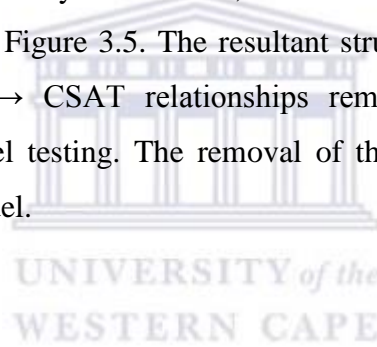
Figure 5.1: SEM results of hypotheses testing
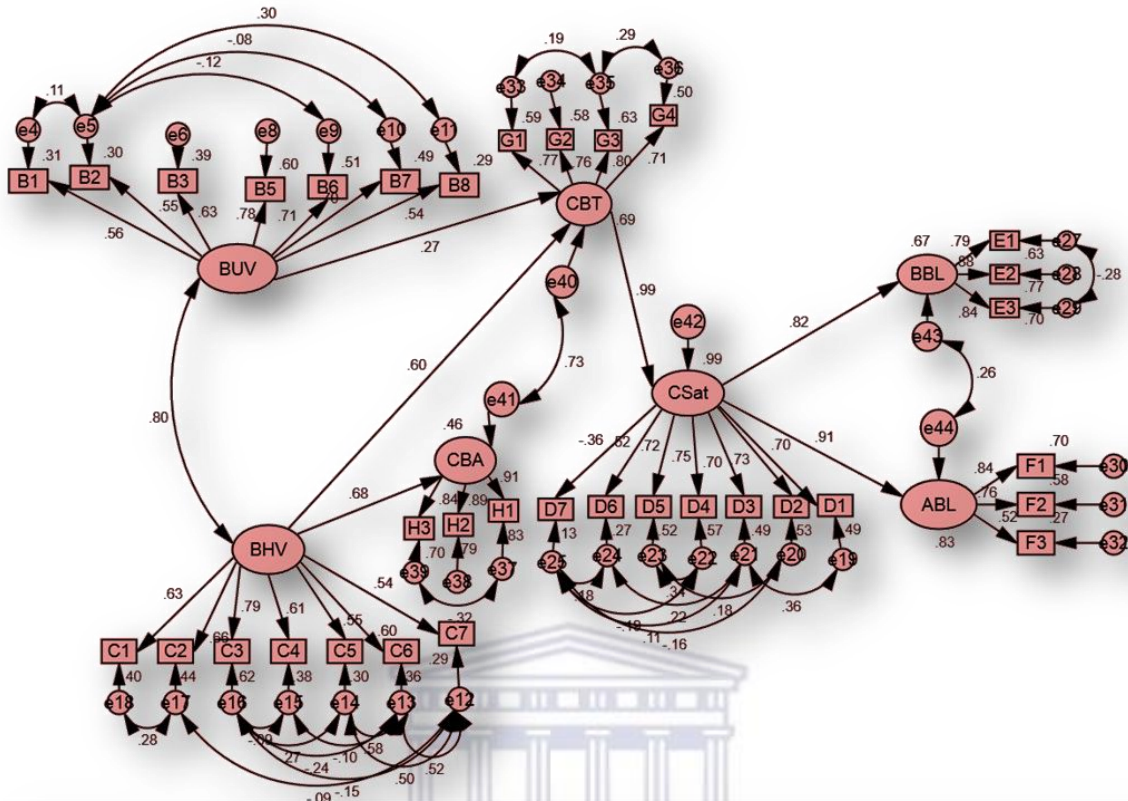
5.3.2.1 Relationship between utilitarian value (BUV), brand trust (CBT) and Brand Affect (CBA)

H₁ proposed that utilitarian value is positively related to both (a) brand trust and (b) brand affect.

The structural model results in Figure 5.1 indicate that 69% of the variance of consumer brand trust was explained by the model. The utilitarian value consumers enjoy from FMCG brands positively contributed 27% to brand trust with (β=.27, ρ<.001). This means that, when utilitarian value increases by 1 unit, brand trust will increase by 0.27 units as well. As aforementioned, the relationship between utilitarian value and brand affect was not significant and was deleted from the model to improve the explanatory power of the model.

5.3.2.2 Relationship between hedonic value (BHV), brand trust (CBT) and brand affect (CBA)

H2 proposed that hedonic value is positively related to both (a) brand trust and (b) brand affect.

The structural model results in Figure 5.1 indicate that 69% of the variance of consumer brand trust was explained by the model. The hedonic value consumers enjoy from FMCG brands positively contributed 60% to explaining the brand trust variance with (β=.60, ρ<.001). This means that, when hedonic value increases by 1 unit, brand trust increases by 0.60 units.

The model explained 46% of the variance of consumer brand affect, with hedonic value positively contributing 68% of this variance with (β=.68, ρ<.001). This means that, when hedonic value increases by 1 unit, consumer brand affect increases by 0.68 units as well.

5.3.2.3 Relationship between brand trust (CBT) and Consumer satisfaction (CSAT)

H3 proposed that brand trust is positively related to consumer satisfaction

The structural model results in Figure 5.1 indicate that 99% of the variance of consumer satisfaction was explained by the model. Brand trust positively contributed to 99% of the customer satisfaction variance with (β=.99, ρ<.001). This means that, when consumer brand trust of FMCG increases by 1 unit, consumer satisfaction increases by 0.99 units as well.

5.3.2.4 Relationship between brand affect (CBA) and Consumer satisfaction (CSAT)

H4 hypothesized that brand affect positively affects consumer satisfaction

This relationship was deleted from the model since it was not significant. It had to be removed to improve the explanatory power of the model.

5.3.2.5 Relationship between consumer satisfaction (CSAT), behavioural brand loyalty (ABL) and attitudinal brand loyalty

H_5 proposes that customer satisfaction is positively related to (a) behavioural brand loyalty and (b) attitudinal brand loyalty.

The structural model results in Figure 5.1 indicate that 67% of the variance of behavioural brand loyalty was explained by the model. Consumer satisfaction positively contributed 82% of the behavioural loyalty variance (β=.82, ρ<.001). This means that, when consumer satisfaction with FMCG brands increases by 1 unit, behavioural loyalty will increase by 0.82 units.

Figure 5.1 also indicates that 83% of the variance of attitudinal brand loyalty was explained by the model. Consumer satisfaction positively contributed 91% to the attitudinal brand loyalty variance (β=.91, ρ<.001). This means that, when consumer satisfaction with FMCG brands increases by 1 unit, attitudinal loyalty will increase by 0.91l.

The SEM hypotheses testing results are summarized in Table 5.5

Table 5.5: Summary of SEM results of hypotheses testing

Proposed Relationships	Hypothesis	Path beta Coefficient	P-value	Hypothesis significance
Utilitarian value and brand trust	H_{1a}	0.27	0.001**	Supported
Utilitarian value and brand affect	H_{1b}	Was deleted from the model		
Hedonic value and brand trust	H_{2a}	0.60	0.000**	Supported
Hedonic value and brand affect	H_{2b}	0.68	0.000**	Supported
Brand trust and consumer satisfaction	H_3	0.99	0.000**	Supported
Brand affect and consumer satisfaction	H_4	Was deleted from the model		
Consumer satisfaction and behavioural loyalty	H_{5a}	0.82	0.000**	Supported

Consumer satisfaction and attitudinal loyalty	H$_{5b}$	0.91	0.000**	Supported

**significant at the 0.01 level

5.4 Discussion of the Results

The objectives of this study were to assess whether, in addition to utilitarian values, consumers derive hedonic values from FMCGs. The study also assessed whether consumers can be loyal to FMCGs, and how the utilitarian and hedonic values they hold for some selected FMCG brands affect their brand trust, brand affect and satisfaction with the brand. The assessment included a determination of how satisfaction in turn affects behavioural and attitudinal brand loyalty. The findings of this study can be compared with comparable findings like Chitturi et al. (2008), Chaudhuri and Holbrook (2001), Musa (2005) and Moolla and Bisschoff (2013) who have conducted related studies.

5.4.1 Do consumers receive hedonic values from FMCGs?

Considering that FMCGs are low value items that are frequently sold by retailers (Kotler and Armstrong, 2011:374) and are convenient and low involvement products (Joghee and Pillai, 2013:9), it was questioned whether consumers enjoy hedonic benefits from FMCGs. Unlike Do Vale and Duarte (2013) who found that FMCGs hold more utilitarian value over hedonic value in Portugal, this study shows that, compared to utilitarian value, consumers in South Africa equally enjoy hedonic benefits from FMCGs with ($M = 3.9$ for hedonic value and $M = 3.9$ for utilitarian value). This finding is supported by Negm, Sahn and Tantawi's (2012:63) findings, which revealed that consumers in Egypt enjoy both hedonic (perceived enjoyment and prestige) and utilitarian (perceived usefulness and importance) benefits. Additional support for the presence of both hedonic and utilitarian shopper benefits were found by Olsen and Skallerud (2011:537), specifically with hedonic shopping values being positively related to personal interactions, accessibility, and product

value whilst utilitarian shopping values were positively related to physical aspects and product assortment for two major Norwegian consumer goods retail chains. Mano and Oliver (1993:463) also support the finding that both hedonic and utilitarian shopper benefits are experienced by aroused, low-involvement / FMCG at an American, mid-western American university, albeit both to a modest degree.

5.4.2   Can consumers be loyal to FMCGs?

Jacoby and Chestnuts (1978: 80) define brand loyalty as

> the biased (i.e., non-random), behavioural response (i.e., purchase), expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, which is a function of psychological (decision making, evaluative) processes resulting in brand commitment.

Considering that the definition of brand loyalty stresses preference (biased), purchase frequency (over time) and attitude (psychological), and considers consumer response over a set of brands rather than just a single brand, it was questioned whether consumers would develop both behavioural and attitudinal loyalty to FMCG brands which are low involvement products (Joghee and Pillai, 2013,) and are generally replaced over a short period of time (Fouladivanda et al. 2013:946). This study found that South African consumers have developed both behavioural ($M = 4.1$) and attitudinal ($M = 3.8$) loyalty towards the FMCG brands they buy. Chaudhuri and Holbrook (2001: 90) confirmed, in a study performed across a variety of categories (including FMCGs) consumed in the U.S.A., that both purchase loyalty and attitudinal loyalty influence outcomes-related aspects like market share and relative price, albeit through the moderating effects of brand trust and brand affect. This was also confirmed by Knox and Walker's (2001:120) results which showed that, among four consumer purchasing styles ('loyals', 'habituals', 'variety seekers' and 'switchers') in the U.K., there were some consumers who were behaviourally (labelled 'habitual') and attitudinally (labelled 'loyals') loyal to the grocery brands they bought. In India, Mishra, Kesharwani and Das (2016:19) found that consumers loyal to

FMCG brands are mostly the risk adverse consumers but when they eventually trust a brand, they behaviourally and attitudinally stick to it. In Sweden, Zineldin et al. (2014:6) found that consumers can be loyal to FMCG brands but best price and quality has a strong influencing role in this market.

5.4.3   Relationship between utilitarian brand value (BUV) and brand trust (CBT) Change your Index/ Contents accordingly

Chaudhuri and Holbrook's (2001:88) study with university students in the U.S.A. found a relationship between utilitarian value and brand trust, albeit as a control variable to the product-category effect. This study found a strong, positive relationship between utilitarian value consumers enjoy in FMCG brands and brand trust. This finding is supported by Matzler et al. (2006:85) who concluded that hedonic and utilitarian product values contribute to brand trust in the retail category in two Austrian cities which contained low involvement consumer categories, making it similar to the FMCG category.

These results suggest that there might be some benefit in campaigns that draw on the functional properties of a branded FMCG product. As an example, branded washing powders and soaps can illustrate how it can be trusted to wash and clean clothes. Another example would be how juice, milk and cereal branded products can be trusted to be nutritious.

5.4.4   Relationship between hedonic value (BHV) and brand trust (CBT)

The findings of this investigation support a strong positive relationship between the hedonic value consumers enjoy in FMCG brands, and brand trust. This finding is supported by Matzler et al. (2006:85) who, as previously indicated, concluded that hedonic and utilitarian product values contribute to brand trust the retail category in two Austrian cities which contained low involvement consumer categories, making it similar to the FMCG category. With respondents from the U.S.A, Chaudhuri and Holbrook (2001:88) study with university students found a relationship between hedonic value and brand trust, albeit as a

control variable to the product-category effect. This was also the conclusion Kuikka and Laukkanen (2012:534) came to in their investigation of chocolate consumers in Finland regarding the role of hedonic value in brand loyalty, finding that the effect was weaker than expected.

The results obtained from this study shows that campaigns for branded FMCG products that draw on consumers' emotional connections, will build the trust which consumers have in the products. Branded washing powders, soaps, milk, juices and cereals can therefore illustrate the health, security and pride that the consumers would derive from the brands, so as to build trust in the brands over long usage periods.

5.4.5   Relationship between hedonic value (BHV) and brand affect (CBA)

The findings of this investigation support a strong positive relationship between the hedonic value which consumers enjoy in FMCG brands, and brand affect. This finding is in agreement with a study conducted by Chaudhuri and Holbrook (2001:89) with university students in the U.S.A. which found that hedonic value received from FMCG brands was significantly and positively related to brand affect. They view brand affect as a brand's potential to elicit a positive emotional response in the average consumer as a result of its use, and is positively affected by the hedonic values that consumers hold of products.

The marketers of branded washing powders, soaps, milk, juices and cereals in South Africa can therefore benefit from this finding by illustrating the delight which consumers experience in interacting with the brands in their marketing campaigns.

5.4.6   Relationship between brand trust (CBT) and consumer satisfaction (CSAT)

The findings of this investigation indicate that there is a positive relationship between brand trust and consumer satisfaction in FMCG brands. This happens to be the strongest of all the variable interactions considered in this study. Brand trust is shown to contribute 99% in the explanation of the consumer satisfaction variable. This finding is in agreement

with a study conducted in Sweden by Ismail et al. (2012:42) which indicates that brand satisfaction has a strong correlation with brand trust. This finding also agrees with a study performed by Kiyani et al. (2012:497).

Marketers of branded washing powders, soaps, milk, juices and cereals can have a communication strategy which illustrates that these trusted brands keep customers satisfied, thereby ensuring that more consumers stay brand loyal.

5.4.7 Relationship between consumer satisfaction (CSAT) and behavioural loyalty (BBL)

The findings of this investigation indicate that there is a strong, positive relationship between consumer satisfaction and behavioural brand loyalty for FMCG brands. Consumer satisfaction is shown to contribute 82% in the explanation of the behavioural brand loyalty variable. This finding is in agreement with a study conducted by Chitturi et al. (2008:61) in the U.S.A. with a focus on student customer satisfaction and delight with laptops and cellphones, with their repurchase intentions being a measure of behavioural loyalty. For FMCG brands, Zineldin et al. (2014:6) found that brand loyalty is also highly driven by consumer satisfaction and linked to behavioural loyalty for the FMCG retail sector in Sweden.

The results obtained by this study show that it is viable to invest in marketing campaigns for branded FMCG products which access the pool of satisfied customers of the brand, and to draw on them to repeat purchase the branded product, based on consumer satisfaction with the product performance. Branded washing powders, soaps, milk, juices and cereals could utilise a database of satisfied brand consumers and perform sales promotions and activities that will get these consumers to repurchase the brand and make it part of their routine FMCG shopping behaviour.

5.4.8 Relationship between consumer satisfaction (CSAT) and attitudinal loyalty (ABL)

The findings of this investigation indicate that there is a strong, positive relationship between consumer satisfaction and attitudinal brand loyalty for FMCG brands. Consumer satisfaction is shown to contribute 91% in the explanation of attitudinal brand loyalty. This finding supports Anselmsson and Bondesson's (2015:68) results from Sweden across brands for 10 of the largest FMCG categories which found that consumer satisfaction was highly correlated with attitudinal loyalty.

The results obtained in this study shows that it is viable to invest in marketing campaigns for branded FMCG products that accesses the collection of satisfied customers of the brand and draws on their satisfaction and delight to convert them into committed 'loyals'.

5.5 Conclusions, Implications and Recommendations

This section draws conclusions from the findings obtained from testing the postulated hypotheses. The theoretical and practical contributions of the study are presented next and the study ends with limitations of the study and recommendations for further study.

5.5.1 Conclusions

This study showed that consumers enjoy utilitarian benefits in addition to hedonic benefits from FMCG brands and can develop loyalty to these brands. The study also investigated the factors which drive loyalty to FMCGs. The specific research questions were: How do the utilitarian and hedonic values which consumers hold of selected branded FMCG categories affect their brand trust and brand affect? How do brand trust and affect drive consumer satisfaction which, in turn, impact on behavioural and attitudinal brand loyalty?

To answer these questions, a Pearson product-moment bivariate correlation was conducted to assess whether bi-variate relationships were significant. Structural equation modelling (SEM) was the applied to test the hypotheses in this study's conceptual model. As Table 5.3 demonstrates, the correlations between the constructs of the study were strong, positive and significant at < 0.01 confidence level.

Figure 5.2:   Summary of hypotheses testing using SEM and path resultant β-correlations
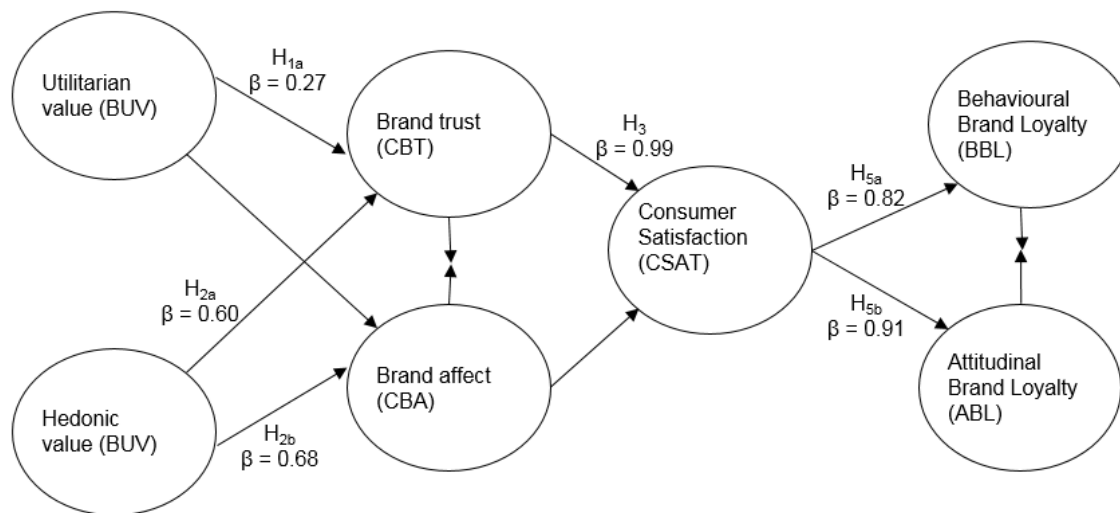
A model fit analysis was conducted to test whether the data fitted the model. The results obtained were *CMIN/df* = 2.208, *RMR* = 0.048, *GFI* = 0.817, *CFI* = 0.900 and *RMSEA* = 0.067. With the exception of GFI, which was supposed to be greater than 0.85, all other indices posted results which illustrated a good fit. This good fit was obtained after deleting the BUV → CBA (H_{1b}) and the CBA → CSAT (H_4) relationships from model test.

From the resultant tested model in Figure 5.2, it can be concluded that hypothesis H_{1a}, H_{2a}, H_{2b}, H_3, H_{5a} and H_{5b} had sufficient evidence to be accepted. This results indicate that while the utilitarian benefit (BUV) enjoyed from FMCG brands affect brand trust (CBT) to a fair degree, the hedonic brand value (BHV) appears to have a stronger influence on not only brand trust (CBT), but also on brand affect (CBA) for the 3 FMCG categories surveyed in the Western Cape. It can therefore be concluded that consumers enjoy aesthetic,

experiential and enjoyment-related benefits from the FMCG brands they purchase and consume. They will most likely trust and develop emotional connections to the FMCG brands they interact with within these three categories. Consumers' reliance on the brand's abilities to always perform its stated functions (brand trust) is however what strongly drives consumer satisfaction.

The SEM results in Figure 5.2 also indicate that consumer satisfaction (CSAT) strongly affect both attitudinal brand loyalty ($\beta = 0.91$) and behavioural brand loyalty ($\beta = 0.82$) for the three FMCG categories surveyed in the Western Cape. This means that if consumers are satisfied with the FMCG brands they buy and consume, they would have the propensity to repeatedly purchase the same brand over time (behavioural loyalty), as well as have a high degree of dispositional commitment emanating from some unique values associated with the brand (attitudinal loyalty). These findings have theoretical and practical implications which is discussed below.

5.5.2   Theoretical and Practical Implications of the study

Theoretically this study will contribute to the field of marketing, consumer behaviour and brand management. Due to the heightened difficulty in building and sustaining loyal customers, marketers are putting brand loyalty development and sustenance at the heart of their brand building activities (Fournier and Yao, 1997). The management of consumer brand loyalty however depends on marketers' abilities to measure and understand brand loyalty. Most previous studies on brand loyalty have focused on understanding the drivers of brand loyalty for high-involvement or durable consumer products and brands. Very limited studies on brand loyalty drivers for low-involvement products and brands, such as FMCG brands were therefore available. The available studies on drivers of FMCG brand loyalty have mostly examined how brand trust and affect directly impact on loyalty (see for example Chaudhuri and Holbrook, 2001; Mishra et al., 2016). They ignore the fact that consumers will need to be satisfied with all aspects of a brand before they become loyal.

This study contributes to knowledge by not only expanding the understanding of brand loyalty in low-involvement product categories, but also by showing that both behavioural and attitudinal loyalty will be enhanced when FMCG consumers are satisfied with their trusted brands. Despite the notion that consumers mostly enjoy utilitarian benefits from FMCG brands, this study revealed that FMCG consumers can equally develop emotional attachment (brand affect and attitudinal loyalty) towards low-involvement brands like FMCG brands.

This study's findings have implications for marketing practitioners, who may be under-estimating the importance of building consumer trust and satisfaction for low-involvement brands such as FMCG brands. The common notion and practice in the FMCG industry is that consumers chase price discounts and can be kept loyal through relationship marketing mechanisms like offering loyalty cards. While Zineldin et al. (2014) found that FMCG consumers stay loyal to retailers who continue to offer them price discounts and quality products, they also found that the use of loyalty cards does not drive loyalty and that most consumers want a relationship with the brand.

The current study concludes that consumers may seek a relationship with FMCG brands which provide them not only utilitarian benefits but also brands that elicit hedonic benefits. This means that marketers could adapt their brand communication and advertising strategies to utilise both the functional benefits and emotional security that the branded FMCG products portray. The current study shows that this strategy will build brand trust which strongly influences satisfaction. This interaction can strongly secure attitudinal brand loyalty from consumers and a greater likelihood of repurchasing the brand in the future. As with Zineldin et al. (2014) who concluded that the overall loyalty of FMCG brands in their Swedish study were strongly influenced by psychological or altitudinal loyalty, this study also demonstrated the same traits for the three FMCG categories investigated. This fact would have remained unsubstantiated if it was not for the nature of this study.

While this study makes important theoretical and practical contributions, the results have been cautiously generalised because of the limitations discussed in the next section.

5.5.3　Limitation and Recommended Areas for Further Research

This investigation was limited by ring-fencing the contributions from Chaudhuri and Holbrook (2001) and Chitturi et al. (2008), who suggest that utilitarian value, hedonic value, brand trust, brand affect and customer satisfaction are drivers of attitudinal and behavioural brand loyalty. While these models provide useful insights, they are however not comprehensive enough to understand the formation of brand loyalty in the FMCG product category in South Africa. For example, unlike this study which examined five drivers, Moolla and Bisschoff's (2013) brand loyalty model related to FMCG brands suggest twelve drivers of brand loyalty. They however do not show how these drivers lead to consumer satisfaction which the current study revealed to be a strong determinant of both attitudinal and behavioural loyalty.

In order to better understand the drivers of brand loyalty in the FMCG industry, it is recommended that this study's model be expanded to include the additional brand loyalty drivers of Moolla and Bisschoff's (2013). In addition to empirically testing the expanded model with quantitative methods, qualitative methods can also be used to obtain deeper insights into the emotional drivers of brand loyalty to FMCG brands.

This investigation was limited to a survey conducted in the metropolitan and suburban regions of the Western Cape in South Africa as this was most accessible and within the budget of the researcher. It is recommended that future investigations should expand the sampling frame to include a more representative sample of the rural communities as well as other provinces of South Africa. Moreover, this investigation was limited to data from 272 respondents which means that the findings should be cautiously generalised to all South African consumers. Larger sample sizes should be used to replicate the study. The scope of this study can also be further expanded by considering private label brands, and investigating whether brand trust and customer satisfaction continue to play a pivotal role

for these brands, considering that previous research identify price as the ultimate driver for repeat purchases of private label brands.

Despite the limitations of this study, it provides important hints to FMCG brand owners and marketers in terms of ideas on how to position their brands to consumers with more poignant communication strategies. These can provide consumers with the right brand triggers to ensure that they remain brand loyal in their repurchase behaviours and attitudes. It will also be useful to retailers who might automatically treat FMCG categories as utilitarian destination categories as opposed to categories with some hedonic characteristics. Retailers can use this insight to make more emotional purchase appeals to consumers by utilising opportunities like investing in in-store, below-the-line marketing support which might positively affect sales to their customers.

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Appendix A: FULL QUESTIONAIRE USED IN THIS STUDY

UNIVERSITY OF THE WESTERN CAPE

School of Business and Finance
Private Bag x17 **Bellville 7535** South Africa
Telephone**:** (021) 959 3525 **Fax:** (021) 959 3219
Secretary: (021) 959 2595

Dear Respondent,

My name is Ashraf Adams. I am studying for Masters in the above school and I am in the process of finishing a research project on fast moving consumer goods (FMCGs) with the Title:

"**The impact of utilitarian and hedonic needs satisfaction on brand trust, brand affect and Brand Loyalty for selected fast moving consumer goods in South Africa**".

FMCGs are products you buy regularly from stores and supermarkets for home and personal use such as food, beverages, stationery, batteries, camera film, vitamin supplements, headache tablets, shaving blades, toiletries, and alcohol. It will be greatly appreciated if you could take a moment to complete the following questionnaire concerning your shopping behaviour around the following FMCGs brands on page 3:

Please note that your response to the questions that follows will be treated with the strictest confidentiality. It would therefore be greatly appreciated if you would answer all questions in a fair and open manner. The information gathered from this questionnaire will be used purely for research purposes. Your participation is voluntary and you may withdraw from the survey at any stage.

Thank you for taking the time and effort to complete this questionnaire.

Declaration form from the Respondent/ Interviewee:

By completing this questionnaire and submitting it, I confirm that I understand the contents and nature of the document and consent to participate in the study.

Signature of Participant: --

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> **Instructions**:
>
> Please indicate your preference by marking with a cross (X) in the
>
> appropriate block provided.

Section A – Personal Data

1. Are you:

❑   Male   ❑   Female

2. Please indicate your age group from the following:

❑   18-24   ❑   25-34

❑   35-44   ❑   45-54

❑   55-64   ❑   65 or over

3. What is your population group? (Please check the one that describes you the closest.)

❑   African   ❑ White

❑   Indian   ❑   Coloured

❑   Other (for data trending purposes only)

4. What is the highest level of formal education you have completed? (Please check only one.)

❑   Attended Primary School   ❑   Attended High School

❑   Diploma   ❑   Undergraduate degree

❑   Postgraduate Degree

5. What is your marital status? (Please check only one.)

❑   Married   ❑   Single, Never Married

❑   Separated or Divorced   ❑   Widowed

6. How would you describe where you have stayed in the last 5 years. (Please check only one.)

- ❑ Rural settlement
- ❑ City / metropolitan area

- ❑ Village / town
- ❑ Other

Examples of washing powder brands in South African stores

Examples of soap brands in South African stores

Examples of juice brands in South African stores

Examples of milk brands in South African stores

Examples of breakfast cereal brands in South African stores

Please indicate the extent to which you agree or disagree by using the following key:

1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree

Please indicate your preference by marking with a cross (X) in the appropriate block provided.

Section B – Consumer perception on brand utilitarian value

B1. When I buy FMCG products, such as those shown above, I need brand names as a guide to choose.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B2. The brand names of FMCG products, such as those shown above, indicate that the products will work better than unbranded versions.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B3. Any of the brands, such as those shown above, will be beneficial to me in terms of performance when I buy FMCG products.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B4. The brands of FMCG products, such as those shown above, are not a guarantee of better performance.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B5. The brands of FMCG products, such as those shown above, are important to me because they perform their functions.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B6. I trust the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B7. I would buy the brands of FMCG products, such as those shown above, because the value they offer is important to me.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

B8. Brands, such as those shown above, are more reliable in their performance compared to FMCG products without brand names.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section C – Consumer perception on brand hedonic value

C1. I think the brands of FMCG products, such as those shown above, is interesting when one chooses these products.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C2. I think the sight of brands of FMCG products, such as those shown above, is exciting.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C3. I think the brands of FMCG products, such as those shown above, is brilliant.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C4. I like the fact that brands of FMCG products, such as those shown above, can better perform its job.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C5. I think the brands of FMCG products, such as those shown above, look more pleasant than un- branded products.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C6. I think the brands of FMCG products, such as those shown above, is more attractive than un- branded products.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

C7. FMCG products with brand names, as shown above, is more likable when compared to those without brand names.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

Section D – Consumer satisfaction

D1. The brands of FMCG products, such as those shown above, make me happy when shopping for these types of products.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

D2. The brands of FMCG products, such as those shown above, satisfy my needs.

Strongly disagree 1❏ 2❏ 3❏ 4❏ 5❏ Strongly agree

D3. I am excited when I use brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

D4. I am confident in brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

D5. I trust / feel secure in brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

D6. I get pleasantly surprised when using brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

D7. I sometimes feel worried when using the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

D8. I am sometimes disappointed with brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section E – Consumer behavioural brand loyalty

E1. My next shopping trip for FMCG products will contain branded FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

E2. I will continue to buy branded FMCG products, such as those shown above when.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

E3. Any of the brands of FMCG products, such as those shown above, will always be on my list when I shop for these types of products.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section F – Consumer attitudinal brand loyalty

F1. I am committed to using any of the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

F2. When I shop for FMCG products, I am willing to pay a bit more for any of the brands as shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

F3. I will not be happy when I shop for FMCG products and do not find any of the brands as shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section G – Consumer brand trust

G1. When I shop for FMCG products, I trust the brands as shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

G2. When I shop for FMCG products, I depend on brands as shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

G3. I see honesty and reliability in the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

G4. I see safety and peace of mind in the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section H – Consumer brand affect

H1. I feel good when I use any of the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

H2. I feel happy when I use any of the brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

H3. I am pleased when I use brands of FMCG products, such as those shown above.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

Section I – Respondent assessment of survey quality

I1. I found this survey experience pleasant.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

I2. This survey length was okay.

Strongly disagree 1❑   2❑   3❑   4❑   5❑ Strongly agree

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Appendix B: PROOFREADING CERTIFICATION

Write Entry Write Entry Write Entry

academic and business writing solutions

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To whom it may concern

This is to confirm that the following dissertation has been professionally edited by me:

The impact of utilitarian and hedonic needs satisfaction on brand trust, brand affect

and brand loyalty for selected fast moving consumer goods in South Africa

by Ashraf Adams

Fran Saunders

26 June 2016