

**The influence of country of origin on consumers' quality perception
and selection of interior merchandise**

Bernice Gaum

Dissertation

M Consumer Science (Interior Merchandise Management)

Supervisor: Prof AC Erasmus

**The financial assistance of the National Research Foundation (NRF)
towards this research is hereby acknowledged. Opinions expressed
and conclusions arrived at, are those of the author and are not
necessarily to be attributed to the NRF**

September 2014

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and selection of interior merchandise**

by

Bernice Gaum

**Dissertation submitted in partial fulfilment of the requirements for
the degree M Consumer Science (Interior Merchandise Management)**

in the

**Department of Consumer Sciences
Faculty of Natural and Agricultural Sciences
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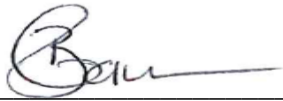
September 2014

Dedicated to

Eunice
&
Bernard

Declaration

I, Bernice Gaum, hereby declare that the dissertation for the Masters in Consumer Science: Interior Merchandise Management at the University of Pretoria, hereby submitted by me, is my own work and has not previously been submitted for a degree at this or any other university or tertiary institution and that all reference material contained herein has been acknowledged.



Bernice Gaum

September 2014

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Abstract

The study aimed to explore and describe consumers' reliance on brands, specifically the Country of Origin (COO) of brands as a heuristic, i.e. the perceived quality of a selected category of interior merchandise and to subsequently explain how COO influences consumers' quality perceptions and product choices. The study focussed on major household appliances, due to the prominence of brand names and the COO on these products. In other interior merchandise product categories such as furniture and textile products, the brand name and COO is not necessarily that prominent or visible. A survey was conducted in the Tshwane metropolitan, which is a wealthy urban area in South Africa and a key role player in the economic sector. The study was conducted in the context of an emerging economy, where international brands have penetrated the market and made a wider range of products and brands available to the consumer. The data was collected by using convenience sampling methods supplemented by snowball sampling. It involved the self-completion of a structured questionnaire by 450 willing respondents who fit the prerequisite for the study, i.e. males and females, 25 years and older who belong to the middle to upper socio-economic group (earn R5000 or more per month) and who have an education level of grade 12 or higher, regardless of population group. Data analysis involved descriptive statistics, as well as exploratory factor analysis, specifically Principal Axis Factoring, using an Oblimin rotation with Kaiser Normalization to determine the underlying factors associated with the quality indicated by brand names and the associations consumers make of brand names and specific product characteristics. Calculations of means, standard deviations, Cronbach's Alpha, Anova, t-tests and post hoc Sheffe's tests were calculated where significant differences between demographics were investigated for further interpretation.

The study concluded that consumers are relatively brand conscious, men more so than women and that they are brand familiar in terms of various major household appliance brands. Quality as the most important branded product meaning were confirmed, as well as the use of brands as an indicator of performance and functional product attributes, i.e. value for money. Brands are also frequently used, especially by females, as an indicator of the product's environmental and ethical compliances, but less so to infer its status implications. The study did however confirm younger consumers use brand names to a greater extent to infer social status than older consumers. It also revealed that the Black and other population group use brand names as an indication of status characteristics significantly more than White consumers. Consumers seem to have little knowledge of the COO of brands; they do

however have strong stereotypes of Western and Eastern countries as well as South Africa, where Western countries enjoy more positive stereotypes than the others. These stereotypes also seem to strongly influence their overall quality perceptions of major household appliances, especially in terms of durability, performance and prestige. The COO of a brand can therefore have implications for its brand equity and should be addressed in brand management and marketing initiatives.

Key words: Major household appliance industry, brands, brands' country of origin, country stereotypes, brand equity

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Chapter 1

THE STUDY IN PERSPECTIVE

This chapter explains the background of the study and introduces the research problem and briefly explains the methodology and theoretical perspective followed in this study. Also included are the study's structure as well as important definitions, abbreviations and acronyms used in the text.

1.1 INTRODUCTION

During the early eighteenth century, commodity traders established an international route of trade which integrated the commodity market across nations (Dobando-Gonzalez, Garcia-Hleraux & Guerrero, 2012). This trading platform has since evolved into countries with mutually dependent economies, which is now referred to as globalisation. Although globalisation has micro and macro perspectives, this study will only examine the latter as it refers to international trade, investment and supply chains (Merino & Vargas, 2013; Mussa, 2003). Globalisation has made it possible for companies to manufacture their products in different countries around the world and supply their products and brands internationally, especially to countries with huge potential such as emerging economies with large consumerised populations, like South Africa (Chen & Su, 2012; Koschate-Fischer, Diamantopoulos & Oldenkotte, 2012; Biswas, Chowdhury & Kabire, 2011; Chu, Chang, Chen & Wang, 2010; Reich, 2006). Since South Africa's transition to democracy in 1994, the economic sanctions against the country have been lifted (Du Plessis & Smit, 2006) and South African consumers are now fortunate to enjoy Western-, Eastern- as well as local brands in their shopping environments. The recent economic recession has also contributed to companies investing into unsaturated and wealthy markets (Khan, Bamber & Quazi, 2012; Chen & Miller, 2010) with buying power, such as South Africa, which has increased the different brands that are available in the shopping environment. The availability of imported brands has, according to multiple scholars, a positive attraction (Batra, Ramaswamy, Alden, Steenkamp, Ramachander, 2000; Burke, 1996; Ger, Belk & Lascu, 1993). Importing restrictions regarding quality in South Africa are however not very strict, which requires of consumers to be able to distinguish between poor and good quality products when purchasing products. The now bigger variety of imported and local brands may therefore complicate consumers' decisions and influence their quality perceptions.

Interior merchandise includes all products that are displayed and used in the home, such as major household appliances, furniture, textile products and crockery (Elsasser, 2004:3). Certain brand names may be better known to consumers in the different product categories, because they are widely available and easily accessible. Purchases of major household appliances involve considerable financial implications and therefore consumers usually gather external information to support their purchasing choices (Lamb, Hair, McDaniel, Boshoff & Terblanche, 2008:74). This type of decision-making may involve high levels of risk and therefore consumers may also dedicate a lot of time and effort to gather information and to evaluate alternatives before making purchases (Kardes, Cline & Cronley, 2011:64). Brand names can serve as a heuristic to reduce this risk and give consumers peace of mind (Rahman, Haque & Hussain, 2012). The major household appliance category is a highly competitive market in South Africa with various international and local brands available to choose from (Covary, 2013; Finlay & Liechti, 2008). The significance of the country of origin (COO) effect may therefore be substantial during the decision process, especially as this sector mainly comprises of durable, technically complex and fairly expensive products (Chattalas, Kramer & Takada, 2008; Yasin, Noor & Mohamad, 2007).

The country of manufacturing (COM) refers to the country where the products are actually manufactured, whereas the country where the brand originated from is referred to as the country of origin (COO). This is usually where the original company is based and represents the country that consumers associate the brand with. Brands and their associated COO's may even be associated with good or poor quality products (Chen & Su, 2012; Koschate-Fischer *et al.*, 2012; Chung, Pysarchik & Hwang, 2009). Goods produced in Western countries are for example perceived to be superior to those produced in Eastern countries (Batra *et al.*, 2000).

Consumers perceive quality in terms of a product's overall excellence and are therefore influenced by tangible and intangible product dimensions, which in turn involve various product attributes (Toivonen, 2012). COO and brand image are two of the array of extrinsic product cues that consumers may use to evaluate a product and can subsequently be seen as marketing controlled quality indicators which may, together with internal influencing factors that exist in consumers' minds, influence consumers' quality perceptions during the decision-making process (Akdeniz, Calantone & Voorhees, 2013; Chen & Su, 2012; Koschate-Fischer *et al.*, 2012; Cant, Brink & Brijall, 2006:198). Brands and COO are visible on labels and are often used as a heuristic for a bundle of product attributes, i.e. as a simplifying strategy, especially if consumers have little or no knowledge (tacit as well as explicit) or experience with a product category or when experiencing time constraints. Consumers may therefore deduce the characteristics (value) of an appliance based on its

brand and COO, such as its quality, price, sustainability and status (Rahman *et al.*, 2012; Schiffman & Kanuk, 2010:48; Chattalas *et al.*, 2008). These indicators will therefore determine consumers' quality perception and subsequently their purchase intention towards a particular brand (Chen & Su, 2012; Koschate-Fischer *et al.*, 2012).

Consumers expect accurate and informative product labels on products that provide sufficient information that would enable them to make informed purchasing decisions (Roth & Diamantopoulos, 2009). The newly revised Consumer Protection Act of South Africa (68/2008) (hereafter referred to as the Consumer Protection Act), *inter alia*, section 22(50)(a) states that a producer of any goods must apply trade descriptions to the products they produce, which must specify the product's COO. When consumers become more familiar with a product or brand name, they will increase their product related knowledge such as the COO of products. This knowledge can either be tacit (subconscious assumptions) or explicit (comprehensive and accurate), which will subsequently cause them to develop country images (Gilson, Lim, Luciano & Choi, 2013; Huang, Davison & Gu, 2011; Ozretic-Dosen, Skare & Krupka, 2007). Several studies have concluded that the image of the COO can be very influential in terms of consumers' quality perception of that brand, based on the quality and value they associate with the particular country (Koschate-Fischer *et al.*, 2012; Ting, 2012; Biswas *et al.*, 2011; Chu *et al.*, 2010). A consumer's perception of a country is *inter alia* based on its economic development; therefore products that originate from developing countries are generally viewed as of a lower quality compared to those from developed countries (Khan *et al.*, 2012; Chu *et al.*, 2010; Chung *et al.*, 2009).

Consumers are seen as problem solvers who actively search for, and evaluate information about products and brands before the purchasing process. They will however not necessarily try to get all the available and relevant information regarding every purchase choice they make (Schiffman & Kanuk, 2010:481) and may simplify this process by utilizing cognitive structures/mental shortcuts (schemas), which they have developed over time (Kaiser, 1997:34). Schemas give consumers the sense that they understand the world and can therefore strongly influence the way in which they process information and the conclusions they reach (Fiske & Taylor, 2013:104). These mental shortcuts are cognitive systems, which a consumer uses to categorize objects based on different cues (Kaiser, 1997:34). Consumers may therefore simplify their purchasing decisions by referring to preferred brands that are simultaneously entangled with a specific COO, and associate certain functional, emotional and self-expressive values to it, which creates a level of trust/distrust (Anana & Nique, 2010; Du Plessis & Rousseau, 2007:102). The brand image is therefore an important perceptual cue consumers use to make certain associations about a product (Enslin & Klopper, 2011:19), such as the tangible product attributes, culture or innovativeness of the

firm, quality and even the COO (Bick, 2011:38). They may also attach emotional value to the brand if it makes them experience a certain emotional benefit such as feeling safe when using the product. The self-expressive value they may attach to it (Du Plessis & Rousseau, 2007:102) refers to the ability of the brand to communicate consumers' status or self-image to others (Rahman *et al.*, 2012), as they may regard certain brands as a symbol of prestige or status that could be beneficial to them (Anana & Nique, 2010).

1.2 THE RESEARCH PROBLEM

Due to globalisation, brands are distributed and available internationally, especially to countries with emerging economies and growing consumerised populations, such as South Africa (Chu *et al.*, 2010; Hamzaoui-Essoussi, 2010; Reich, 2006). This has brought about a cluttered market environment where consumers are confronted with a wide and even overwhelming variety of local and global brands (Tran & Fabrize, 2013; Parsons, Ballantine & Wilkinson, 2012; Chung *et al.*, 2009). This means that the product evaluation process of products has become more complex. For multiple reasons consumers rarely base their purchasing decisions on all the available and relevant information regarding every purchase choice they make (Schiffman & Kanuk, 2010:481). Often the process is simplified by utilising mental shortcuts (schemas), which they have developed over time (Kaiser, 1997:34). They may therefore trust brands they are familiar with and assume that they are superior because of the implied guarantee of quality, performance, dependability and prestige (Schiffman & Kanuk, 2010:202). Literature indicates that consumers are inclined to make certain inferences about products from their brand names and also discriminate between local, Western and Eastern brands based on different quality connotations. Consumers who are highly brand conscious may therefore rely on a brand image as a quality indicator rather than to weigh all the product attributes (Workman & Lee, 2013; Rahman *et al.*, 2012; Hamzaoui-Essoussi, 2010). However, brands, brand image and COO are entangled, as consumers may associate a country with a specific brand (Bick, 2011:38), but may also deduce the image of a brand from the COO-image of that particular brand (Chen & Su, 2012). A study regarding consumers' use of the COO as a heuristic therefore inevitably transfers the attention to the brand name, because it is the first cue consumers see and because it is more prominent before they see the actual COO information. Consumers who have little brand or product category knowledge, may therefore refer to extrinsic quality indicators that they can more easily associate or are familiar with, such as the COO (Koschate-Fischer *et al.*, 2012; Schiffman & Kanuk, 2010:198; Veale, Quester & Karunaratna, 2006). Consumers often even deduce the COO from the brand name and associated product characteristics such as quality (Usunier, 2011). The COO can therefore have a significant influence on the brand's image and consumers' perception of product features. This implies that a positive COO

association can even compensate for a weak brand (Diamantopoulos, Schlegelmilch & Palihawadana, 2011).

Although much research has been conducted on how the COO can influence consumers' product quality perceptions, even in South Africa (Diedericks, 2013), empirical evidence pertaining to these concepts in terms of interior merchandise, especially in an emerging economy, such as South Africa with unique contextual circumstances, are lacking (Sonnenberg, Erasmus & Schreuder, 2014; Chen & Su, 2012). For retail and industry it is important to understand how the COO influences consumers' perceptions of product- and brand quality, since much emphasis is lately placed on locally produced goods to support local economies as part of global sustainability concerns. In a competitive market this could determine the survival of imported brands unless they can rely on their COO-image as an indicator of highly sought after characteristics such as quality (Chu *et al.*, 2010). Quality perceptions, whether founded, realistic or not, play an important role in a purchase decision (Koschate-Fischer *et al.*, 2012; Biswas *et al.*, 2011; Sonnenberg, Erasmus & Donoghue, 2011), as consumers act on their perceptions, which can lead to the purchase or non-purchase of products (Jacobs & De Klerk, 2007). Evidence of the COO-effect on South African consumers' product judgements would therefore be highly beneficial during consumer facilitation as it assumes a non rational decision process that needs to be supplemented with factual information as well as for marketing initiatives that need to accommodate consumers' perceptions.

1.3 JUSTIFICATION OF THE RESEARCH

The influence of the COO on consumers' product perceptions has been a topic of discussion among scholars since the 1960's (Chen & Su, 2012; Biswas *et al.*, 2011). Some research studies focussing on the COO-effect, has however evoked criticism, as a number of studies have concluded that the effect is irrelevant and insignificant in consumers' purchasing decisions (Samiee, 2011), despite evidence of the contrary in different country contexts (Koschate-Fischer *et al.*, 2012; Ahmed, Johnson, Yang, Fatt, Teng & Boon, 2004). Various scholars agree that the COO-effect on consumers' perceptions and consequently purchase decisions still exists and is relevant in academic, marketing and business contexts (Chen & Su, 2012; Biswas *et al.*, 2011; Chu *et al.*, 2010). Companies also use this information in their marketing strategies and therefore confront consumers with this type of information in their purchasing environment. There has also been an increase in attempts made by countries, especially those known for producing poor quality products, to improve the image of their own country (Magnusson, Westjohn & Zdravkovic, 2011), in order to develop strong brands with positive brand images (Diamantopoulos *et al.*, 2011).

Studies regarding the COO-effect have mostly been conducted in developed countries, which may differ from how consumers in a developing country perceive brands (Chen & Su, 2012; Biswas *et al.*, 2011). It is therefore possible that the COO-effect and consumers' quality perception are country- and product category specific (Usunier, 2011; Chu *et al.*, 2010), which makes it a relevant topic to investigate in an emerging economy such as South Africa. Literature is also sparse regarding the influence of the compound effect that different influencing factors can have on consumers' quality perceptions (Veale *et al.*, 2006) and especially the significance of the COO as a quality dimension. The limited studies that have been conducted on the multiple influencing factors, have delivered mixed results. It is therefore essential to include other extrinsic quality indicators as well as intrinsic and extrinsic influences (socio-economic factors) to conduct a well rounded study and contribute to the literature (Toivonen, 2012; Saunders, 2010; Brucks, Zeithaml & Naylor, 2000). Brand names are readily used by consumers as a heuristic for quality, which therefore have implications for their quality perceptions of a product (Rahman *et al.*, 2012). Consumers readily deduce the COO of a product based on its brand name (Magnusson *et al.*, 2011), which makes it important to examine to what extent consumers' brand perceptions influence their quality perceptions: the more brand conscious consumers are, the more their perceptions and purchase decision will be influenced by brand names and images (Workman & Lee, 2013). Previous researchers have also recommended to further investigate to what degree consumers' brand consciousness will influence their perceptions and purchasing intentions towards brands (Nelson & McLeod, 2005). The COO of a brand may be an important information cue to inexperienced consumers with limited brand experiences and product knowledge in a product category (Koschate-Fischer *et al.*, 2012). Brand name may reduce the effect of COO if it is a well-known brand with a strong brand image and equity (Chu *et al.*, 2010). Previous research indicates that COO is used to a greater extent for low involvement products (for example routinely purchased products), whereas with higher involvement products (for example expensive products) other extrinsic quality indicators, such as brand names, take precedence (Koschate-Fischer *et al.*, 2012). The major household appliance category under investigation implies high-involvement products.

With regard to the criticism (Samiee, 2011) and acknowledgement of the COO-effect (Chen & Su, 2012) and the moderating effect of brand names during decision-making (Chu *et al.*, 2010), this study will aim to investigate to what degree consumers rely on the COO and brand image of different brands of household appliances, to infer the quality of a product. Socio-economic factors may also influence to what degree COO influence consumer perceptions (Usunier, 2011) and how quality is perceived (Wankhade & Dabade, 2006). This study will aim to contribute to Consumer Science literature by creating a better understanding amongst producers, retailers and marketers of how consumers deduce the quality of major

household appliances and to what extent COO and brand image counteract or substantiate each other. This is important as consumers' quality perceptions are important during a purchase decision. It will also be beneficial to see if South African consumers regard the quality of locally produced brands as higher than those made internationally, as studies conducted in the United States for example concluded that consumers regard locally made products as a safer choice (Koschate-Fischer *et al.*, 2012; Biswas *et al.*, 2011). Studies conducted in emerging economies however concluded that consumers prefer international brands, specifically brands from developed countries (Khan *et al.*, 2012; Batra *et al.*, 2000). Manufacturers, retailers, marketers and brand managers in South Africa can therefore benefit from the findings of this study, for example to launch suitable marketing strategies and to employ the correct marketing tools to influence consumers' perceptions, especially to counteract unfortunate negative COO-images (Barber, Dodd & Kolyesnikova, 2009).

1.4 RESEARCH AIM AND OBJECTIVES

The principal aim of the study is to explore and describe consumers' reliance on brands, specifically the COO of brands as a heuristic, i.e. the perceived quality of a selected category of interior merchandise and to subsequently explain how COO influences consumers' quality perceptions and product choices.

The following objectives were formulated to ensure the gathering of applicable data from which appropriate conclusions could be drawn. Each objective involved investigation of the perceptions of consumers with different demographic characteristics namely gender, age, education level, population group and monthly household income.

- Objective 1:** To explore and describe consumers' brand consciousness as an indication of the importance they attach to brand names and their COO as a quality indicator in consumers' choices/preferences of major household appliances.
- Sub-objective 1.1: To explore and describe consumers' brand familiarity in the major household appliance category as an indication of their brand consciousness.
- Sub-objective 1.2: To explore and describe the importance of brand names as a quality indicator relative to other factors during consumers' evaluation of major household appliances.
- Sub-objective 1.3: To explore and describe consumers' associations of brands with specific product characteristics.

- Objective 2:** To explore and describe the importance of COO as a quality indicator in consumers' choices/preferences of major household appliances.
- Sub-objective 2.1: To explore consumers' explicit knowledge of the COO of prominent brands in the major household appliance product category.
- Sub-objective 2.2: To explore and describe the stereotypes that consumers hold regarding Western-, Eastern - and local brands in order to deduce the potential/probable influence of these stereotypes on their quality perceptions, i.e. in terms of the different quality dimensions.
- Sub-objective 2.3: To discuss consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible differences in quality perceptions.

1.5 STUDY AREA

The investigation was carried out in the metropolitan of the City of Tshwane in the Gauteng province in South Africa. The Tshwane metropolitan forms part of the wealthiest and fastest expanding province in South Africa, also referred to as the economic hub of the country. Manufacturing plays a big role in the economic sector, of which household appliances are one of its largest sub-sectors (City of Tshwane, 2014). Due to this wealth, economic growth and manufacturing, it offers a wide variety of appliance stores and brands to the city's consumers. Tshwane was also selected, because the researcher is located in the area, which facilitated the recruitment of voluntary fieldworkers to assist with the data gathering and the final recruitment of respondents in the metropolitan area to partake in the study.

1.6 RESEARCH DESIGN AND METHODOLOGY

The study is a quantitative, correlational study and is exploratory and descriptive in nature in order to address a void in the literature regarding the relationships between consumers' quality perceptions and the COO of brands (Salkind, 2012:197; Fouché, Delport & De Vos, 2011:156; Zikmund & Babin, 2010:44). It was a cross-sectional survey design, which measured the responses of the sample at a given point in time and place, i.e. 2013, in Tshwane, using a structured self-completed questionnaire (Fouché *et al.*, 2011:156).

The time and financial constraints necessitated the use of non-probability, convenience sampling, with purposive characteristics, because respondents had to be 25 years or older, have a minimum education level of grade 12 and had to earn a monthly household income of R5000 or more, regardless of gender and population group. The drop-off-collect-later method was used to distribute the questionnaires to allow respondents enough time to complete the

questionnaire and to ensure a relatively large sample. Snowball sampling was also employed: 540 questionnaires were distributed across the geographic area within one month (Zikmund & Babin, 2010:312; Walliman, 2005:97). The questionnaires were therefore distributed by voluntary fieldworkers and dropped off at office buildings and schools where employees assisted with the recruitment of appropriate respondents. These efforts facilitated the return of 450 anonymously and voluntarily completed useful questionnaires from which the data were used to draw appropriate and useful conclusions.

The questionnaire consisted of 14 questions that were divided into four sections (i.e. Section A; B; C; D), which entailed demographic information, brand and COO knowledge and perception questions. The sections were defined as follows; Section A: Demographic information; Section B: Meaning of branded products; Section C: Brand associations; Section D: COO-associations. The questionnaire consisted primarily out of closed-ended questions, using four-point Likert-type scales. Open-ended questions were however added in Section A (Questions 2 and 6) and D (Question 11). The questionnaire predominantly consisted of adapted versions of established and tested scales. After approval of the research protocol by the research committee of the Department of Consumer Science of the University of Pretoria, the research design and the questionnaire were piloted, the statistician and research consultant approved the final questionnaire and data collection commenced.

1.7 DATA ANALYSIS

A pilot test, which involved 15 respondents was initially carried out and analysed. Based on the outcome, some of the wording in the questionnaire had to be changed. The data obtained from the final questionnaire was numerically coded by the researcher and entered into a data analysing tool (*Excel* spread sheet) by data capturers of the Department of Statistics of the University of Pretoria. The data was further cross checked and edited to prevent any errors and to ensure the reliability of the results (Salkind, 2012:159; Fouché & Bartley, 2011:252). With the assistance of a qualified statistician of the University of Pretoria, the data analysis was done using descriptive (percentages; frequencies; means) and inferential statistics (standard deviations; Cronbach's Alpha, t-tests, post hoc Sheffe's test). To further analyse and interpret the data, exploratory factor analysis, specifically Principal Axis Factoring, using an Oblimin rotation with Kaiser Normalization were used to analyze Questions 7 (Section B) and 8 (Section C) (Zikmund & Babin, 2010:325). This was done to determine the underlying factors associated with the quality indicated by brand names and the associations consumers make of brand names and specific product characteristics. Means, standard deviations, Cronbach's Alpha, Anova, t-tests and post hoc Sheffe's tests were calculated where significant differences within demographics categories were of

interest in terms of further interpretation. To better communicate certain findings, the data were converted and further presented in the form of tables and graphs (Salkind, 2012:161-171).

1.8 THEORETICAL PERSPECTIVE

The social cognitive perspective was chosen to guide the research process, because stereotypes and categorisation were relevant in the study (Khan *et al.*, 2012). This perspective also allows for better understanding of how consumers make sense of the retail context they are interacting in, such as consumers' brand- and COO- perceptions and how that influence their perceptions and purchasing behaviour (Fiske & Taylor, 2013:16; Jacobs & De Klerk, 2010; Jacobs & De Klerk, 2007; Donoghue & Erasmus, 1999).

This perspective proposes that consumers may use brand names to simplify purchasing decisions and to reduce emotional stress during this process (Schiffman & Kanuk, 2010:481). It therefore suggests that consumers categorise certain information (desirable product features) into groups (certain brands which they presume have all of these features) to deduce a product's quality and simplify the purchase decision (Fiske & Taylor, 2013:106). This perspective is especially relevant to COO-research, implying that consumers hold cognitive perceptions (schemata) of a country and also use the image they have of a specific country to deduce the quality of a product rather than to go through a lengthy rational decision process (Wang, Li, Barnes & Ahn, 2012). Therefore, for the purpose of this study the focus was placed on consumers' cognitive structures (perceptions) (Fiske & Taylor, 2013:16), such as their quality perceptions of brands.

The following six assumptions of the social cognitive perspective were applied to the study:

The social cognitive theory proposes that *consumers learn through the observation of others*, such as their behaviour, and then imitating it (McAlister, Perry & Parcel, 2008:173). When consumers are evaluating products, such as major household appliances, they are involved in an extensive problem solving process. They may then rely on the cognitive structures they have developed through observing others: considering the same quality indicators in a similar manner than their family member in order to purchase a good quality product with which they will be satisfied (Dos Santos, 2013:117; Schiffman & Kanuk, 2010:224-225).

Consumers dynamically interact with their retail environment (*reciprocal determinism*) and therefore their purchasing behaviour is influenced by personal and environmental factors (Glanz, Rimer & Viswanath, 2008:170). The information on the products' box or the

information that the sale assistant provides can be influential within the retail environment, however this influence is reliant on how the consumer internally perceive this information. If consumers then decide to purchase the product, the retailer's decision to stock the specific brand will be reinforced and they will be inclined to stock more products of the specific brand (Ambrose & Chiravuri, 2010; McAlister *et al.*, 2008:170; Everett, Pieters & Titus, 1994).

Consumers use internal mechanisms (cognitive structures) to process external stimuli. When evaluating major household appliances, consumers will therefore refer to their existing knowledge and perceptions of the various brands and their COO's to base a purchasing decision on (Jacobs, 2003; Kaiser, 1997:252).

The social cognitive theory further proposes that *consumers will only exert certain behaviour if they have an incentive to motivate them.* This entails that if consumers value a durable product which will satisfy their needs, they will direct their purchase to an appliance which they perceive as having the highest quality (Schiffman & Kanuk, 2010:481; McAlister *et al.*, 2008:171, 172; Young, Lipowski & Cline, 2005).

As mentioned above, the purchase of major household appliances are complex, especially if consumers do not have the necessary experience or knowledge of the products. *Self-efficacy*, which refers to the self-reflective perceptions consumers have about their own capabilities, may therefore influence this purchase. Consumers who perceive they have little knowledge about an appliance category, may therefore feel uncertain about their purchase decisions and refer to surrogate indicators such as brand names to reassure them of their purchase decision (Ambrose & Chiravuri, 2010; McAlister *et al.*, 2008:172; Young *et al.*, 2005).

In order for consumers to simplify their purchases, they place products into mental *categories*, which may lead to them forming *stereotypes* (Bagozzi, Gürhan-Canli & Priester, 2007:136; Kaiser, 1997:255). Consumers may therefore categorize a Miele product into a specific cognitive structure, such as it is a major household appliance or a German product (Aboulnasr, 2006). This may then lead to category confusion which encourages stereotyping, such as all German products are innovative and durable (Fiske & Taylor, 2013:292, 297; Khan *et al.*, 2012).

1.9 PRESENTATION AND STRUCTURE OF THE RESEARCH

The dissertation is structured in six chapters and are outlined as follows:

Chapter 1 explains the background of the study and introduces the research problem as well as justifying the research. The research aim and objectives are presented and the study area; research design and methodology; data analysis; and theoretical perspective applied to the study are briefly explained. The study's structure as well as important definitions, abbreviations and acronyms in the text are included.

Chapter 2 provides the theoretical background of the study by reviewing relevant literature in order to present the constructs of the study and their implications for the research. This literature review firstly focuses on South Africa as an emerging economy and its white goods industry. Consumers' quality perceptions and its dimensions are discussed and thereafter how consumers make purchasing decisions regarding major household appliances. Brands and its pertinent dimensions of the study are discussed and the country of origin effect, especially the image and stereotypes attached to countries. Lastly the overall use of brand names and the COO as heuristics are discussed.

Chapter 3 presents and justifies the theoretical perspective and its assumptions that were used to guide the research. Also presented and explained are the conceptual framework and the research objectives.

Chapter 4 comprehensively explains the research design and methodology utilised for the study in order to achieve valid and reliable results that may answer the research objectives. The important concepts are operationalised and the methods used during data analysis are indicated. The chapter is concluded with an indication of the quality of the data and a discussion of the ethical issues of the research.

Chapter 5 presents the demographic characteristics of the sample, followed by the data analysis and discussion of the results according to the study's objectives. Existing literature are used to validate the discussions.

Chapter 6 presents the conclusions according to the objectives of the study. The procedures followed throughout the research process are reviewed and the limitations of the study are presented. Recommendations for further or follow-up studies are offered and the implications of the findings for academic, retailing and marketing purposes are discussed.

1.10 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

To assist the reader and to avoid confusion the following explanations of terms, abbreviations and acronyms used throughout the dissertation, are provided:

COD	Country of design: This refers to the country in which the product was designed and is communicated to the consumer using the phrase “designed by” (Chen & Su, 2012).
COM	Country of manufacture: This refers to the country in which a product was actually made and is therefore coined as the phrase “made in” (Chen & Su, 2012).
COO	Country of origin: This refers to the country from where the brand originated and with which the brand is associated (Wang & Yang, 2008).
Halo effect	A cognitive cue (bias) consumers use to evaluate a product by inferring certain beliefs concerning the attributes of a product to other products with the same brand (Chu <i>et al.</i> , 2010).
Heuristic	This is a shortcut decision rule consumers use when they are short on time and are not able to process all the relevant information within a specific period. It can be explained as a ‘rule-of-thumb’ which enables consumers to quickly and efficiently make decisions, such as perceiving all products with a specific brand name as good quality (Schiffman & Kanuk, 2010:481).
LSM	Living standards measure: The method used to segment the South African population into consumer groups. The segments are based on the standards of living of the consumers, such as their ownership of major appliances (Pricewaterhouse Coopers (PWC) & Economist Intelligence Unit, 2012; Cant <i>et al.</i> , 2006:77).
MHA	Major household appliances: This is a product category consisting out of “white goods” such as cooking, baking, cooling and laundry appliances (Donoghue, De Klerk & Isaac, 2012; Erasmus, Makgopa & Kachale, 2005).
SAARF	South African Audience Research Foundation: This foundation conducts research regarding media audience and brands/products to enable companies to correctly segment and target their audience (SAARF, 2012).



Chapter 2

LITERATURE REVIEW

This chapter provides the theoretical background for the study in order to present and conceptualise the constructs of the study that are eventually presented in the conceptual framework.

2.1 THEORETICAL BACKGROUND

Consumers consider various attributes of a product during the pre-purchase phase, including the brand name, country of origin (COO) or a specific valued product feature, such as the price or guarantee, to determine which product they prefer. This study and the following literature review focus on the relevance of a brand name and its COO as prominent product features and their influence on consumers' perceptions during decision-making.

2.2 SOUTH AFRICA AS AN EMERGING ECONOMY

South Africa is categorised as an emerging economy, which entails that the country has undergone an extensive economic reform, but has not yet reached the economic maturity of developed countries such as Germany and Britain. The country has undergone social restructuring, economic liberation and has been included in the global economy, which contributes to the "emerging" status of the country (Sevic, 2006). South Africa formally joined the BRICS (Brazil, Russia, India, China and South Africa) group in 2012, which constitutes the leading emerging economies in the world. This will further enable the country to play an influential role in the global market and therefore further improve the local economy (National statistics offices of the BRICS Group, 2013; Adreasson, 2011). Consumers within this leading emerging economy will evaluate and purchase products differently to those in developed and even other emerging countries (Labuschagne, Van Zyl, Van der Merwe & Kruger, 2012).

2.3 THE SOUTH AFRICAN WHITE GOODS INDUSTRY

The study investigates consumers' perceptions of brand names and their COO in a specific product category, namely major household appliances, due to the prominence of brand

names on these products. In other interior merchandise product categories such as furniture and textile products, the brand name is not necessarily that prominent or visible. Major household appliances can include a wide variety of so-called “white goods”, namely cooking, baking, cooling and laundry appliances. It therefore includes appliances such as ovens, stoves, microwave ovens, refrigerators, freezers and washing machines. Major household appliances are also classified as durable goods (Donoghue *et al.*, 2012; Erasmus *et al.*, 2005) due to their long service lives, because they are generally expensive and involve more complex decision procedures (Erasmus, Donoghue & Sonnenberg, 2011; Jooste, 2010:4-7; Lamb *et al.*, 2008:73), where brand names are often used as a heuristic to ease the decision process and to reduce risk perception (Rahman *et al.*, 2012).

With the two major role players of the South African economy, namely mining and manufacturing gradually declining, the economy has become increasingly consumer driven (Gauteng Province Provincial Treasury, 2012). South Africa, as an emerging market, is therefore highly attractive to foreign investment because of the various beneficial characteristics the country hold in terms of its consumer population. These benefits include a sizeable middle-class with a substantial per capita income, a wide variety of customer groups (niche markets) that have considerable disposable incomes as well as an increasing unmet demand for essential and luxury products (Kumar, Sharma, Shah & Rajan, 2013). The South African consumer population are however not only attractive due to their emerging characteristics, but also due to their increasing consumption patterns which reflects those of high-income countries (Sonnenberg *et al.*, 2014), especially in terms of the purchase of major household appliances which can be associated with economic development (Bonaglia, Goldstein & Mathews, 2007:372)The South African middle class is especially attractive to international companies, with an expected 11 million households reaching middle-class status by 2016. This progress will mostly be driven by Black consumers, which makes it a lucrative market to further investigate and cater to. These households will approximately earn R89 500 annually and will therefore have a relatively big disposable income to spend on high-end consumer goods, such as major household appliances (PWC & Economist Intelligence Unit, 2012).

Approximately 10 million people relocated from informal settlements to formal housing between 1994 and 2010 in South Africa and more people now have access to water and electricity. By 2009 the South African government succeeded in 75% electrification, with 55% rural and 88% of the urban population connected to the electricity grid (Niez, 2010). This has consequently increased the demand for white goods in the country with literally millions of consumers purchasing major household appliances for the first time (Sonnenberg *et al.*, 2014; Department of Human Settlement, 2013; PWC & Economist Intelligence Unit, 2012).

Due to the increase of shopping mall developments across the country, consumers do not have to travel far to have a wide variety of products and brands to choose from, especially consumers based in townships and rural communities (Gauteng Province Provincial Treasury, 2012; PWC & Economist Intelligence Unit, 2012). This has undoubtedly contributed to the major household appliance market growth, because even with the recent recession and continued income inequality, the appliance market gradually grew, which gives an indication that the white goods industry will keep growing and expanding in the future, with an estimate of 16% growth between 2012 and 2016 (Euromonitor International, 2014a; Sonnenberg & Erasmus, 2013). The average South African consumer spends more of their budget on durable goods than the average consumer in 43 other countries, including Switzerland, America, Germany, Zimbabwe, Thailand and India (Clements, Wu & Zhang, 2006).

For over a decade the country has not been able to manufacture medium-to high-end appliances and has relied on imports to cater to the demand. The manufacturing capabilities of the country has only allowed for the manufacture of chest freezers, twin tubs, tumble driers, stoves and entry-level refrigerators. These manufacturing restrictions and market growth have not gone unnoticed under the major and minor international role players in this industry, seeing that the major household appliance market in South Africa has become highly competitive with approximately 25 different brands to choose from (Covary, 2013). The majority of these brands are imported from countries such as Korea, Japan, China, United States, United Kingdom and Germany. At present, Defy is the major local brand in this product category (Finlay & Liechti, 2008), although the brand was procured by Turkey's Arçelik (ARCLK) group, a leading European home appliance manufacturer, in 2012. Defy shares the majority of the market share with two Korean brands, Samsung and LG, who are mostly supported by the middle-to-higher-income groups. These brands are especially popular due to their value for money focus, feature-rich and eco-friendly appliances (Euromonitor International, 2014b; Sonnenberg *et al.*, 2014; PWC & Economist Intelligence Unit, 2012). The acquisition of Defy is one of various procurements of foreign companies in the South African market, which further reflects the growing foreign investment in the country and its industries (Ersoy, 2011). This foreign investment is not only directed by developed countries, but also by other emerging economies, such as China, which is a leading importing partner of South Africa. This will subsequently lead to a more Chinese COO presence in the local market, which may have beneficial implications, because it will stimulate competition for the South African customer base between developed and emerging economies, which will increase the variety of brands for consumers to choose from at competing prices (Adreasson, 2011).

2.4 CONSUMERS' PERCEPTIONS OF QUALITY

Consumer decision-making involves internal thought processes, which may be controlled by various internal and external influencing factors. Perceptions are one of these internal influencing factors which may motivate a consumer to act in a certain way, such as purchasing a product (Du Plessis & Rousseau, 2007:261; Jacobs & De Klerk, 2007). Perception is the process whereby individuals select stimuli (information consumer is exposed to) from their environment, internally organise and interpret it, in order to create a meaningful image of the world around them (Schiffman & Kanuk, 2010:175). The stimulus is selected by one of the consumer's five senses, which makes the packaging of a product important, because the information on the box, its size, shape and colour could have an impact on the formed perception (Noel, 2009:96). By recognising the COO of a product on its packaging and using it to deduce the brand image, they form perceptions about product features (Du Plessis & Rousseau, 2007:166, 261).

Perceptions are however not only formed by external stimuli from the environment, but also from previous experiences, which may convince individuals to form certain predispositions. This is seen as the interpretation of the observed stimuli, whereby consumers attach meaning to it. Perceptions are therefore subjective, because consumers will prioritise different external stimuli, and organize and interpret them differently. This leads to images of the world around them which are inherently personal to every individual consumer (Du Toit, 2013:75, 81; Schiffman & Kanuk, 2010:179). Not only must the consumer observe the stimuli, but also react to it, in order to form a perception (Du Toit, 2013:75). Therefore, in order for consumers to form perceptions about a product, they must perceive the stimuli from the external world such as the product's extrinsic quality indicators for example through media and translate it internally, using mental activities (Jacobs & De Klerk, 2007). Consumers must therefore be exposed to a product, such as its advertisements and packaging (sensory inputs), but also pay attention to it in order to form a perception of it (Noel, 2009:94). Their perception is then based on the stimuli which they perceive as most important for that specific product. The COO and brand image can thus play a role in the way consumers formulate their perception, if they can see this information on the product's box or label or have knowledge and experience with it (Du Plessis & Rousseau, 2007:166-261). Perceptions are generally based on the stimuli which consumers regard as important in a specific context.

2.4.1 Consumers' quality perceptions in terms of product evaluations

Quality perceptions play an important role in a purchase decision (Koschate-Fischer *et al.*, 2012; Biswas *et al.*, 2011; Sonnenberg *et al.*, 2011) and can motivate consumers to purchase a certain brand name. It is generally understood that the increase of perceived quality will lead to a more positive perception of the brand name and consequently strong brand equity (Aaker, 1996:19). Perceived quality is a multi-dimensional and abstract construct that can be examined from different perspectives (Jover, Montes & Fuentes, 2004). The perspective used to study it, will determine the definition used to explain it. For the purpose of this study, the consumer perspective is used, which refers to the way consumers perceive and judge product quality (Sun & Paswan, 2011; Garvin, 1984). Perceived quality implies that it is not an objective quality evaluation; as it is a personal and situational procedure that is largely based on partial and biased information (Jover *et al.*, 2004). This study therefore focuses on consumers' perceptions of quality and not their absolute belief of the product quality (Sun & Paswan, 2011), as consumers evaluate quality subjectively, in terms of the extent of the product's overall excellence (Toivonen, 2012). Quality can therefore be seen as the capacity of a product to satisfy consumers' wants and needs (Garvin, 1984). Inevitably, consumers have different expectations of a product (Erasmus *et al.*, 2005) and the product that delivers on these expectations leads to consumer satisfaction (Lamb *et al.*, 2008:5).

Consumers evaluate product quality based on the total product quality concept, i.e. in terms of tangible and intangible product dimensions, which is influenced by various product attributes. Intangible attributes are referred to as the services that accompany the product, such as sales assistance and after-sale care (Toivonen, 2012; Brucks *et al.*, 2000). For the purpose of this study, only the tangible product attributes will be discussed, as it is relevant to the COO. Tangible product attributes include intrinsic cues, i.e. the innate product features which will change the actual product if any of these features are changed, while extrinsic cues refer to features which can be altered without changing the actual product (Schiffman & Kanuk, 2010:195; Aqueveque, 2006; Veale *et al.*, 2006). These intrinsic and extrinsic cues represent the quality indicators which determine consumers' quality perceptions. This study will focus on COO and brand image as quality indicators, based on previous research that have established that in the absence of intrinsic cues or the presence of ambiguous intrinsic cues, consumers will rely more on extrinsic indicators to make quality judgements (Ahmed *et al.*, 2004). Extrinsic indicators are also more relevant for the investigated product category, because consumers may have little product related experience and knowledge, seeing that major household appliances are expensive and durable products with extended time lapses between purchases (Erasmus *et al.*, 2005).

2.4.2 Quality dimensions of consumers' total quality perception

The role of quality indicators, such as COO, in terms of consumers' quality perceptions is quality dimension specific (Chung *et al.*, 2009). Realising the intricacy of the quality construct, Garvin developed quality dimensions to simplify it, namely; conformance, features, durability, serviceability, performance, reliability, image and aesthetics. These dimensions have since been adapted to include dimensions relevant to consumers' evaluation of quality and which are universal across different product categories (Yuen & Chan, 2010; Brucks *et al.*, 2000; Garvin, 1984). To ensure that the relevant dimensions are included in the study, the basic properties that consumers generally consider during the pre-purchase evaluation stage when purchasing interior merchandise, will be used as a guideline (Erasmus *et al.*, 2005). Product quality is functionally and symbolically evaluated and therefore dimensions that represent both these characteristics were added in the study (Chung *et al.*, 2009). The following quality dimensions were consequently attended to in this study; durability, performance, serviceability, aesthetics, prestige (brand- and technical prestige) and environmental friendliness. Although relevant across different product categories, the importance of each of these quality dimensions may vary over different product categories (Toivonen, 2012; Chung *et al.*, 2009; Brucks *et al.*, 2000).

Durability refers to the usage that a consumer can get out of a product before it needs to be replaced. In terms of major household appliances it refers to the product's service life, for example, the number of uses a consumer can get out of a microwave oven, or the number of washes a dishwasher performs before having to be serviced or replaced (Jooste, 2010:39; Yuen & Chan, 2010:225). Therefore it can be associated with the materials, design and finishes of a product (Erasmus *et al.*, 2005).

Product *performance* refers to the product's operating characteristics, features and ability to perform its functions (Jooste, 2010:39; Yuen & Chan, 2010). It can therefore be associated with the programmes of a dishwasher or the materials used for manufacturing the products (Erasmus *et al.*, 2005). The more features a product has, the more versatile it may be and consumers may perceive it as having superior quality (Brucks *et al.*, 2000).

Serviceability represents the speed of repair and competence of the repair team of a brand, for example the ease of locating service centres and obtaining spare parts (Jooste, 2010:39; Yuen & Chan, 2010). In terms of major household appliances, it can therefore refer to the ability of the manufacturer or retail store to either replace or fix a broken appliance.

Product *aesthetics* are concerned with how the product appeals to the consumer's senses and can therefore be associated with the intrinsic quality cues of products (Yuen & Chan, 2010), for example the design, colour, finishes and materials used to create an overall aesthetical appeal to consumers (Erasmus *et al.*, 2005).

Prestige refers to the extent of a product's or brand's ability to communicate its superiority to consumers (Brucks *et al.*, 2000). It is therefore associated with the image of the brand name, store or even the technological innovativeness of the product (Chung *et al.*, 2009). Consumers use these attributes as quality indicators based on the notion that expensive products with innovative functions and well-known brand names or COO's indicate superior products (Erasmus *et al.*, 2005).

Environmental friendliness refers to the raw material and production processes used during manufacturing, the water and energy consumption during use and the means of disposal. This is important aspects to consider during the purchasing process of major household appliances, because these products are technologically complex and has a relative long service life, which means the purchase of an appliance may have a long effect on the environment (Sonnenberg *et al.*, 2011)

Consumers generally integrate several quality indicators, which they internally process into information that makes sense to them within their own cognitive frameworks. Consumers use cognitive frameworks in memory, such as their product and brand knowledge to determine how and to what extent quality indicators and other influencers will influence their eventual quality perceptions (Schiffman & Kanuk, 2010:37; Thang & Tan, 2003). Consumers thus interpret the quality cues they have identified using their existing knowledge, obtained through product related consumer socialisation (Erasmus *et al.*, 2005; Veale *et al.*, 2006).

2.5 CONSUMERS' MAJOR HOUSEHOLD APPLIANCE PURCHASING DECISIONS

Major household appliances have both aesthetical and functional features and may be very visible in the home, which complicates decision-making (Elsasser, 2004:219), as consumers may even consider these products as an extension of themselves (Erasmus *et al.*, 2011). The evaluation and selection of major household appliances therefore involve various product attributes such as its colour, dimensions, price, brand names, eco-friendliness and labels. For example, a refrigerator can be assessed by its dimensions (if it will fit into the kitchen space), price (affordability), brand name (is it a reputable brand name which the consumer trusts or feel that the brand name will reflect his/her social status) and COO (consumer's perception of the country's ability to produce superior quality products)

(Alriksson & Öberg, 2008; Sammer & Wüstenhagen, 2006). It is however noteworthy that a recent study regarding South African consumers' evaluation and selection of major household appliances in the retail environment concluded that price does not supersede other product features and that the functionality of an appliance is of greater importance to consumers (Sonnenberg *et al.*, 2011; Sonnenberg & Earsmus, 2013).

Three broad categories of decision-making exist, namely; routine-, limited- and extensive decision-making (Lamb *et al.*, 2008:73). The decision process followed is influenced by how important, expensive and technically complex a product is (Schiffman & Kanuk, 2010:478), as well as the experience a consumer has had with the product category in the past, also referred to as product related consumer socialisation, and how recently the previous purchase was made (Erasmus, Donoghue & Dobbelstein, 2014; Solomon, Bamossy, Askegaard & Hogg, 2010:434; Cant *et al.*, 2006:212). Risk perception also contributes to the complexity of the purchase decision when evaluating major household appliances (Erasmus *et al.*, 2014). Perceived risk is the uncertainty consumers feel when making a purchase decision without being able to foresee the consequences thereof (Du Plessis & Rousseau, 2007:176). There are various types of risk consumers may perceive, such as financial-, social-, psychological-, performance, physical- and time risk (Schiffman & Kanuk, 2010:202). These types of risks may be perceived separately or simultaneously when making a purchase decision (Du Plessis & Rousseau, 2007:176, 77), but will influence the overall perceived risk in different ways (Veloutsou & Bian, 2008). The product category and previous experience consumers might have had with a specific brand or product category may moderate the perceived risk (Schiffman & Kanuk, 2010:203).

Major household appliances are durable, predominantly expensive and technically complex goods, with which consumers readily associate risk before making a purchase decision (Erasmus *et al.*, 2014; Donoghue *et al.*, 2012). The various brand names in the retail environment have also increased and there is an extended time lapse (approximately ten to fifteen years) between the purchases of these goods. If the purchased appliance do not perform or function as expected, consumers will only be able to rectify the purchase mistake when their budget allows it, which might only be in a few years, or when it needs to be replaced (Sonnenberg & Erasmus, 2013; NAHB, 2007). When purchasing major household appliances, consumers will therefore go through an extensive decision-making process and will most likely diligently go through all the steps of the process to reduce risk perception (Schiffman & Kanuk, 2010:479). In order to understand how quality perceptions play a role in the purchasing decisions of consumers, it is necessary to understand the entire decision-making process of consumers, as consumers use perceptions to make decisions (Schiffman & Kanuk, 2010:484). The decision-making process consist out of five stages, namely; the

problem recognition-, information search-, evaluation of alternatives-, purchase decision- and post purchase behaviour stage (Lamb *et al.*, 2008:68). Within these stages, consumers will use the quality dimensions of the products to form an overall quality perception of the products to base their purchase decision on (Schiffman & Kanuk, 2010:484).

Need recognition is the first stage of the consumer decision-making process and takes place when consumers are confronted with the experience of inconsistency between what they want and what they have (Kardes *et al.*, 2011:64). These needs are readily noticed by consumers either if their current products become out dated or reach their end-of-life or if they realise their current products lack in performance. This stage therefore refers to a consumer recognising a need for a good quality major household appliance and will lead to the next stage of searching for information about the product which can satisfy their product and quality needs (Lamb *et al.*, 2008:68).

Within the *information search* stage consumers can either look internally, considering previous experiences, or externally, consulting word-of-mouth and scrutinising advertisements, for the necessary information that they need to make an informed decision (Lamb *et al.*, 2008:68). In this step consumers determine which product attributes are important and which brands to evaluate with these attributes. Experienced consumers generally have well established criteria to evaluate products. An unfamiliar product category, will however pose higher levels of risk so that consumers dedicate a lot of time and effort in gathering product information and evaluating alternatives during the pre-purchase phase (Kardes *et al.*, 2011:71, 64). Due to the complexity of the decision regarding major household appliances, consumers are more involved in these purchases and will dedicate more time to do an extensive information search (Schiffman & Kanuk, 2010:479). They will firstly conduct an internal search and therefore consider information from memory (cognition), i.e. personal experience and expand that with external sources before comparing various alternatives (Labuschagne *et al.*, 2012; Sonnenberg *et al.*, 2011). Consumers therefore firstly consider internal information, which includes their existing knowledge frameworks developed through previous experiences with a specific product category or brand name and if they have limited experience or knowledge, they will extend their search for external information, for example gathering information from friends, family (non-marketing controlled information), the media, packaging, labels or promotional campaigns (marketing controlled information) (Schiffman & Kanuk, 2010:483; Sammer & Wüstenhagen, 2006). The information consumers gather about the quality of products may then play an important role in the early stages of the decision-making process, as that would help them to define their evoked set of products before the final decision is made (Sonnenberg *et al.*, 2011).

In the next stage consumers will *evaluate alternative* products within the product category to narrow down the number of alternatives to consider. The products which the consumer will choose to base his/her final decision on will be based on the intrinsic and extrinsic quality cues of the product (Elsasser, 2004:17), which will guide the consumer to make an informed and responsible purchasing decision. With the standards and criteria that the consumer has set for the product to meet, he/she then compares different products that can satisfy their needs (Lamb *et al.*, 2008:71, 72). Due to the complexity of a major household appliance purchase and the bulk of information that need to be considered, consumers will usually apply either of the decision rules, namely non-compensatory or a compensatory decision rule where brand names could be a prominent preference. The non-compensatory rule is used when consumers have a strong preference for certain attributes which they are not willing to compromise, for example a brand name. All products which do not comprise of these preferred attributes will then be ignored. Therefore, consumers may exclude certain brand names from their evoked set, simply because they are not part of their preferred, non-negotiable attributes. When using the compensatory rule however, a consumer allocates relative 'weights' to certain product attributes based on their perceived importance. During the consumer's evaluation of the specific product, the low and high 'weight' counts will eventually outbalance one another (Schiffman & Kanuk, 2010:491; Solomon *et al.*, 2010:351). In this instance a consumer makes certain compromises. For example, a consumer may perceive a product positively if it is expensive and if the brand name is unknown. The product can also be perceived positively if the price is low, but if the brand name is well-known and trusted (Schiffman & Kanuk, 2010:210; Erasmus *et al.*, 2005). During this stage, consumers will therefore jointly consider the product attributes which they deem important, such as brand name, functionality and COO to assure a satisfactory purchase is made (Sonnenberg *et al.*, 2014)

After gathering sufficient information consumers cease gathering information and comparing alternatives and finally make a purchase decision (Kardes *et al.*, 2011:71). The *purchase stage* is where the consumer purchases the chosen product and is therefore the behavioural element (Elsasser, 2004:17; Schiffman & Kanuk, 2010:497). Thereafter the *post-purchase stage* will commence as consumers compare the product performance with their initial expectations concerning product performance (Elsasser, 2004:17). This evaluation may result in satisfaction or dissatisfaction regarding the purchase or brand (Lamb *et al.*, 2008:72), as consumers compare their perceptions of a brand with their expectations and may conclude a positive or negative quality perception of the product (Kardes *et al.*, 2011:71).

The shopping experience of the consumer therefore comprises of consumer behaviour (e.g. product evaluation and purchase), consumer characteristics (e.g. perceptions and motives) and the shopping environment (e.g. store and atmosphere) (Van der Merwe & Campbell, 2008; Fiore & Kim, 2007), which dynamically interact (Glanz *et al.*, 2008:170). During this process, consumers use the quality indicators and socio-cultural factors as stimuli, which they internally process into information that makes sense to them. Consumers will use internal influencers, such as their product and brand knowledge to determine how and to what extent the quality cues will influence their quality perception (Schiffman & Kanuk, 2010:37, 484; Thang & Tan, 2003). Consumers will therefore interpret the quality cues using their existing knowledge, based on their previous experiences with the quality indicators in terms of the quality dimensions (Veale *et al.*, 2006; Erasmus *et al.*, 2005). In general, several product attributes will jointly be compared, however empirical evidence pertaining to the evaluation of appliances by emerging consumers within a retail environment providing an increasing variety of products and brands to choose from, are lacking (Sonnenberg *et al.*, 2014). The evaluation of appliance brands in terms of their COO is therefore increasingly important to determine consumers' preferences between Western, Eastern and local brands, especially to promote locally produced products in an attempt to combat poverty and intensify economic growth.

2.5.1 Consumers' use of labels when purchasing major household appliances

As explained, within a purchasing decision, consumers will actively search for information to simplify their decision-making process and make a satisfactory purchase decision (Schiffman & Kanuk, 2010:481). Within the information search stage of the decision-making process, consumers will refer to labels as an external information source (Labuschagne *et al.*, 2012). Product labels must therefore portray relevant and accurate information in order to assist consumers in their purchasing decisions (D'Souza, Taghian & Lamb, 2006). Consumers must therefore be able to easily read, understand and interpret all of the label information in order to appropriately react to it (Omotosho, 2011). Policy makers in South Africa have acknowledged the importance of labels by stating in the newly revised Consumer Protection Act (68/2008) (hereafter referred to as the Consumer Protection Act), *inter alia*, section 22(50)(a) that a producer of any goods must apply trade descriptions to the products they produce, which must specifically indicate the product's COO. In an attempt to further provide consumers with accurate information and moderate inefficient household appliances sold in the country, the government will be implementing standards and labelling for all appliances within the next five years. These labelling measures will be modelled after the standards of the European Union, which suggest that measures should be taken to make it

understandable for South African consumers in order for them to make informed purchasing decisions (Sonnenberg *et al.*, 2014; Covary, 2013; Sonnenberg & Erasmus, 2013).

Product labelling, especially COO-labelling, has become particularly important in the modern globalized world (Saunders, 2010), because consumers nowadays require accurate and informative product labels that provide sufficient COO information to enable them to make quality deductions and to subsequently facilitate their purchasing decisions (Roth & Diamantopoulos, 2009). The COO construct can be divided into several elements, such as, 'country of manufacture' (COM), 'country of design', 'country of assembly' and 'parts made in', which could provide consumers with more accurate, detailed information, but may lead to confusion as to what these statements entail and which information cue provides a better signal of quality (Saunders, 2010). To minimise the confusion, only the COO or COM or both information cues are generally indicated. Research done in Australia and the USA has however indicated that consumers are inclined to prioritise the COO to signify the brand quality (Magnusson *et al.*, 2011; Saunders, 2010). Consumers therefore perceive the COO-labelling of an interior product/brand as an important extrinsic cue to make certain deductions of its attributes (Saunders, 2010). The COO information on the label will therefore enable consumers to make informed decisions and to decide for themselves, whether they wish to be patriotic in their purchasing decisions, e.g. to purchase locally made appliances (Miranda & Kónya, 2006) or to only purchase appliances from developed countries which they perceive to be superior in quality compared to those from developing countries (Chu *et al.*, 2010). It is noteworthy that the Consumer Protection Act of South Africa requires only the COO as a prerequisite information cue, however not specifying how prominent this information must be presented on the product. The "Proudly SA" campaign which was launched in 2001 also emphasises the COO of products to increase the demand for locally made products to grow the local economy (Proudly South African, 2010). This campaign could however only be beneficial for Defy prior to their acquisition by the Arçelik (ARCLK) group.

Labels attached to major household appliances present the information which marketers or policy makers wish to communicate to consumers in a purchasing situation. The information that is presented on a label may include the appliance's product dimensions, price, brand- or manufacturer name, company logo or the COO (Omotosho, 2011). In an evaluation or purchasing situation within a retail environment, a floor model of an appliance will be displayed on the showroom floor next to other brand names and models of the same type of appliance, to enable the consumer to compare alternatives. The bigger appliances, such as stoves, refrigerators, chest freezers, washing machines, tumble dryers and dishwashers will mainly be displayed without their packaging (box in which it will be delivered). Depending on

the retail outlet and available floor space, the smaller appliances such as microwaves may be displayed in and out of their packaging, with a few boxes of the same model stacked on top of each other and the floor model on top or next to them. The packaging, which is usually a box, specifies the brand name and type of appliance, as well as pictures indicating which side is up; against which angle it can be stored or transported; the amount of appliances which can be stacked and stored on top of each other; and that the content is fragile and electrical. The packaging also has a label on indicating the model number, type of appliance, serial number, colour, energy class, packaging dimensions and gross weight.

With the absence of the packaging on the showroom floor, consumers may then regularly make a purchase decision only based on the information on the floor model and manual booklet. There are various labels attached to an appliance (floor model) which provide consumers with a considerable amount of different types of information to consider. These labels have different degrees of visibility and will therefore play a different level of importance during the evaluation process. The brand label will be the first thing the consumer sees, with the brand name being displayed on the appliance's front side. Depending on the retail outlet, some retailers will frequently attach a sign pertaining to the model (Samsung RL48), dimensions, energy rating, gross capacity, price and payment terms (total price, deposit, amount payable per month and interest rate) to the appliance. The energy label that notes the producer, model number, efficiency of the appliance, annual energy consumption (kWh) and noise level (dB) is also attached to the front of the appliance with a peel-off sticker. Some suppliers with an attractive guarantee or COO (German excellence) will also provide this information on a peel-off sticker on the front of the appliance, which would make this information as visible as the brand name. When opening the appliance's door, the 'model type' label is visible on the side or top of the door panel. This label provides the serial number (S/N), model number, rated voltage (220 V~ / 50Hz), rated input (200W), rated current (0.9A), dimensions (W x D x H) and COO of the appliance. For washing machines and dishwashers there may also be a label recommending a certain type of washing/dishwashing powder. The user manual will also be inside the appliance providing consumers with installation, operation, maintenance, cleaning and safety information. It will also provide the appliance's specifications, the warranty and guaranty agreement as well as the contact details of the supplier and authorised service stations. On the back of the appliance there is usually an image of the appliance's electrical circuit with all the electrical information and the type of blowing gas used (cyclopentane).

Consumers would almost always read product labels (Labuschagne *et al.*, 2012; D'Souza *et al.*, 2006). However, the extent and variety of information on the labels may lead to confusion and discourage consumers to consult all of the labels and consequently avoid the information

on them (Kempen, Bosman, Bouwer, Klein & Van der Merwe, 2011; Sonnenberg & Erasmus, 2005). As explained above the brand name is one of the most visible and prominent labels on an appliance, while consumers first have to open the door and look for the less prominent 'model label' that indicates the COO (Thakor, 1996). Only brands with an attractive COO will prominently advertise this information on the product and make this extrinsic factor as explicit as the brand name and price. A recent South African study regarding furniture concluded that South African consumers do not regard the COO as important information on labels, which might be due to the lack of education and understanding of the benefits of local manufacturing and purchasing locally produced products (Labuschagne *et al.*, 2012). Interior merchandise with limited labels may lead to consumers with limited brand consciousness and knowledge not being able to deduce the correct COO of certain brands, or not considering this extrinsic quality indicator at all. It should however be noted that labels do not appear as prominently on all interior merchandise, because major household appliances have more informative and visible labels than furniture. Consumers may therefore be able to locate and use the COO information more pertinently. As the brands of major household appliances are more prominently indicated on advertisements and at the point of purchase, it is necessary to investigate consumers' familiarity and knowledge of these prominent and minor brands.

2.5.2 The influence of consumers' product related knowledge when purchasing major household appliances

Although the purchase of major household appliances is generally seen as a complex purchase decision, the extent of complexity differs from consumer to consumer depending on certain personal and situational factors. Consumers with knowledge or prior experience with major household appliances will perceive the purchase decision as less complex than consumers with limited or no experience. When a large variety of competing products are available to choose from in the market place, the perceived complexity of the purchase decision may however increase (Erasmus, 2013:17). It is therefore important to understand how product-related knowledge will influence the decision-making process.

Consumers' ability to evaluate major household appliances may largely depend on the product related consumer socialisation they have undergone and subsequently the product related knowledge they have acquired and stored in memory over time (Solomon *et al.*, 2010:328, 436). The product related knowledge will influence their entire decision-making process, especially the information search stage (Raju, Lonial & Mangold, 1995; Brucks, 1985). A consumer's cognitive framework (internal influencers) may permit or inhibit him/her to objectively and accurately evaluate a product (Erasmus *et al.*, 2005; Veale *et al.*, 2006).

Consumers with different degrees of expertise in a specific product category will handle product evaluations differently and form dissimilar perceptions when making purchase decisions, as their cognitive frameworks used to deduce the final decision, differ (Guo & Meng, 2008). Within the emerging context, a considerable number of South African consumers have had limited product exposure to major household appliances and the different brands within this product category, which therefore suggest that they have limited product experience and knowledge (Sonnenberg & Erasmus 2013; Gothan & Erasmus, 2008).

Consumers' product related knowledge refers to information about the company, brand and product category that consumers have obtained over the years and stored in their memory (Noel, 2009:19, 21; Kolyesnikova, Laverie, Duhan, Wilcox & Dodd, 2008). The three knowledge categories relevant to consumer behaviour includes subjective-; objective knowledge and prior experience (Aertsens, Mondelaers, Verbeke, Buysse & Van Huylenbroeck, 2011; Guo & Meng, 2008; Veale *et al.*, 2006; Brucks, 1985). Objective knowledge refers to the accurate factual information that consumers have stored in their long-term memory about various products and countries (Wang *et al.*, 2012). It is mostly based on actual experiences with products and brands and credible information which they have cognitively processed and stored. Conversely subjective knowledge entails consumers' product or brand familiarity i.e. the perceived knowledge or expertise consumers think they possess. There may thus be a discrepancy between consumers' objective and subjective knowledge, which may cause misjudgement of the quality of products, because what consumers think they know is true regarding products may not always concur with what is accurate and true. Misperceptions of this kind also lead to consumers only undertaking limited information searches and misjudging quality cues (Veale *et al.*, 2006).

Subjective and objective knowledge play an intricate, yet different role in the information processing stage of the consumer decision-making process and subsequently the evaluation and selection of major household appliances (Sonnenberg & Erasmus, 2013; Brucks, 1985; Aertsens *et al.*, 2011). Consumers will therefore utilize both objective and subjective knowledge when judging appliances and when they become aware of the COO of an appliance. This is especially important when they are familiar with a brand name and have pertinent expectations of a country (Wang *et al.*, 2012). It is however suggested, but not empirically proven, that when considering the heuristics consumers may use during the decision-making process, subjective knowledge may be a better indicator to understand the decision strategies they use (Brucks, 1985), because it relates to the degree of confidence consumers have in their own knowledge. Consumers with limited confidence in their existing knowledge regarding major household appliances will therefore be stimulated to search for

additional information to assist them in their evaluation. Consumers with more confidence will however have a high level of subjective knowledge and rely on their presently stored information. The objective knowledge consumers have assists and simplify the use and implementation of newly attained information (Aertsens *et al.*, 2011). It can therefore be seen as a surrogate for the ability a consumer possess to process and use product information (Kolyesnikova *et al.*, 2008).

Consumers also use cognitive frameworks in memory, such as their product and brand knowledge to determine how and to what extent quality indicators and other influencers will influence their eventual quality perceptions (Schiffman & Kanuk, 2010:37; Thang & Tan, 2003). Consumers who possess high levels of objective knowledge may use this knowledge more pertinently when making selections, because they can more easily differentiate between product features to make an objective product decision. Consumers with higher levels of subjective knowledge tend to rely more on extrinsic product cues such as the COO of a product (Veale *et al.*, 2006). The COO may therefore affect consumers who are familiar and knowledgeable about a product differently to those who are not. Consumers who are less familiar with products or their COO will be affected by COO stereotypes they may have formed, as well as the cognitive country image. When more familiar and knowledgeable about products, consumers will be affected less by the country image and more by the product image (Wang *et al.*, 2012).

Two dimensions of knowledge which are also relevant in this research are tacit and explicit knowledge. Explicit knowledge refers to the factual information consumers have, such as the actual COO of a product and statistics pertaining to the influence of importing products on the local economy. This type of information is needed to understand the effect a purchase can have on the local economic environment. Tacit knowledge can be defined as the expertise or skills consumers develop, which is subconscious and intricate (Marx-Pienaar & Erasmus, 2014; Huang *et al.*, 2011). Just as it is suggested that consumers' concern for the environment would increase if they were more knowledgeable about it and would consequently motivate them to make more pro-environmental purchases (Marx-Pienaar & Erasmus, 2014), so would the increase of consumers' knowledge of the positive effects of purchasing locally made products motivate them to be more aware of the COO of products and purchase 'Proudly South African' products in an attempt to support the local economy. In terms of the above discussion, explicit knowledge was chosen as the most appropriate dimension to utilise for this study.

In summary, the various stages of the decision-making process may be significant however differently influenced by objective and subjective knowledge. It may influence to what degree

the intrinsic and extrinsic features of a product influence decision-making and to what extent consumers would search for new, or rely on existing information (Raju *et al.*, 1995). Consumers' product related knowledge may ultimately determine to what degree the brand name influence the evaluation process, because with limited product related knowledge, consumers rely more on heuristics, such as brand name to determine product quality (Gothan & Erasmus, 2008).

2.6 BRANDS AND BRANDING

In the simplest sense, brands are the meanings brand managers try to, and consumers actually attach to a product (Solomon *et al.*, 2010:37). It is however a complex concept with tangible (visible) and intangible (invisible) dimensions. The tangible dimensions include amongst others the logo, whereas the intangible parts refer to the values and culture of the brand (Anana & Nique, 2010). The tangible parts are essential for consumers to distinguish between products from different companies, but the intangible dimensions enables consumers to form an emotional bond with the brand, as it amplifies aspects such as its trustworthiness (Lamb *et al.*, 2008:214). The brand image may therefore aid companies in communicating with the consumers and conveying their brand identity to ensure that they can distinguish between brand competitors (Janonis, Dovaliene & Virvilaite, 2007).

In the shopping environment, consumers readily associate risk with certain purchases and may use the brand name to reduce the feeling of risk (Koschate-Fischer *et al.*, 2012; Enslin & Klopper, 2011:10), by using the specific brand as a surrogate of quality (Rahman *et al.*, 2012). Depending on the prior experiences with a brand, consumers will prefer certain brands (Shiffman & Kanuk, 2010:481). These preferences may however be based on consumers' perceptions and not be based on rational decision-making (Wyma, Van der Merwe, Bosman, Erasmus, Strydom & Steyn, 2012). Consumers therefore use their feelings, beliefs and experiences with brands to form an image of the brand, which they then use in their pre-purchase decision-making process (North, De Vos & Kotze, 2003). This enables consumers to reduce their purchasing time and effort, because consumers will rely on the brand name as a shopping tool (Lamb *et al.*, 2008:214), which may rationally or emotionally motivate consumers to purchase and stay loyal to a brand, for example, a consumer may rationally perceive Miele as a durable brand, but may also emotionally attach prestige to its name (Anana & Nique, 2010). Brands therefore signal a guarantee of certain benefits to consumers (Tiwari, 2010).

When considering brands and how they influence consumers' perceptions and purchase decisions, it is clearly a complex and intricate concept, with various influential dimensions.

Only the relevant dimensions of brands and consequently their influences on consumer decision-making will be discussed. It is however important to continuously take into account the emerging context of the study. This is important, as consumers' degree of exposure and experience with brands may influence to what degree brand names influence their perceptions. This exposure is country specific, because consumers from developed countries have been exposed to multiple brands since the 1900's while consumers in emerging economies have only recently been exposed to it and are still developing their own attitudes towards these various brands (Strizhakova, Coulter & Price, 2008).

2.6.1 Consumers' brand consciousness

Brand consciousness and brand sensitivity are two concepts that are readily used interchangeably. This concept refers to the importance consumers attach to brand names in their pre-purchase decision in all emotional and mental activities concerning the decision process (Workman & Lee, 2013). It therefore encompasses consumers' perceptions of brands as well as their interest in brand names. Brand consciousness is consumer specific, as every consumer may have different cognisant levels of brand names and their connotations (Nelson & McLeod, 2005). The more brand conscious consumers are, the more influential brand images will be during purchase decisions (Workman & Lee, 2013). Consumers who are highly brand consciousness are able to more accurately identify brand imitations and differences between brands (Nelson & McLeod, 2005) and may therefore be more informed as to the COO of certain brands.

2.6.2 Brand equity

To facilitate a company's competitive advantage in the market, their brand must be optimally positioned, which is made possible by a better understanding of brand equity that may only be better understood if companies and marketers understand consumer perceptions, seeing that brand equity is created in the mind of consumers (Tran & Fabrice, 2013). The importance of brands and consequently brand equity has considerably increased in the past several years and plays a big role in the value and monetary worth of an organisation (Bick, 2011:33). It can therefore be defined according to the financial or customer-based approaches (Chirani, Taleghani & Moghadam, 2012). Within the financial approach it is seen as an asset on the balance sheet of a company which is appraised in order to estimate its value. The customer-based approach alternatively defines it as the different responses consumers have to brand marketing, based on their brand knowledge (Fayrene & Lee, 2011). It is therefore a market-based intangible asset (Bick, 2011:33) which is a composite of assets that are associated with a brand. These assets are customer loyalty, brand

awareness, brand associations and perceived quality, which may add or deduct value from the product (Tran & Fabrizze, 2013). These assets aid consumers in distinguishing brands from one another and influences their brand knowledge and perceptions (Tiwari, 2010). Brand equity can therefore not be seen as an objective consumer indicator, but rather an indication of their brand perceptions (Fayrene & Lee, 2011).

Customer-based brand equity can either be positive or negative, because consumers may perceive the above mentioned assets as either favourable or unfavourable (Tiwari, 2010), depending on their experiences with the brand (Bick, 2011:34). Positive brand equity encourages consumer value (Tiwari, 2010), which enable companies to implement price premiums, as consumers are more willing to purchase the brands (Tong & Hawley, 2009). It may therefore lead to a brand having a high market performance, because with the increase in brand loyalty, awareness, associations and quality, comes a greater demand for the brand and subsequently higher sales and competitive advantage (Chirani *et al.*, 2012; Solomon *et al.*, 2010:252). All the brand equity issues are not pertinently relevant to this study and will not be addresses. Customer-based brand equity as conceptualised by Keller (1993) will be used and therefore consumer brand knowledge will be considered.

2.6.3 Consumers' brand knowledge in promoting brand familiarity

Knowledge is obtained through learning, which is the collection and integration of information (Noel, 2009:108). Brand knowledge is therefore consumers' awareness of a brand such as all the information consumers have stored in their memory regarding a brand, for instance name, logo, design and quality (Enslin & Klopper, 2011:18). In order for consumers to effectively use all of the information, they use knowledge structures in which the information is organised and stored for convenient use in a future purchase (Noel, 2009:108). Brand knowledge comprises of two dimensions namely brand image (brand associations) and brand awareness. Brand image is the brand associations consumers have stored in their memory, which may also be seen as perceptions, whereas brand awareness is the extent of a consumer's brand recognition, i.e. their ability to identify different brands and making associations with it (Tran & Fabrizze, 2013; Fayrene & Lee, 2011).

When a company develops a brand, they see it as a legal instrument which portrays the identity of the product and company to consumers (Anana & Nique, 2010) in terms of a logo, name, symbol and design (Lamb *et al.*, 2008:214). Consumers then transform this identity into a certain *brand image* or personality in their minds, which they then use to simplify their purchasing decisions (Anana & Nique, 2010). Brand image is therefore the actual associations consumers make with a brand based on the meanings they attach to it. These

meanings are part of their cognitive structures, which have been developed over time due to their own experiences and what they have heard from reference groups. These meanings may include the various dimensions of the product, such as the functional and symbolic benefits they attach to it (Homer, 2007), for example quality, values and personal identity. The brand image also pertains to how consumers feel about a brand name, and what they believe about it, which is consequently the brand perceptions consumers hold (Amini & Ahmadinejad, 2012; Enslin & Klopper, 2011:19). Consumers' associations are therefore made in terms of their perceptions about products or organisations, for example concerning tangible product attributes, culture, innovativeness of the firm, quality, trustworthiness, social responsibility or the COO (Bick, 2011:38; Fayrene & Lee, 2011). A brand image culminates as consumers' responses towards a brand's name, logo and associations (Rahman *et al.*, 2012), which is then used as determinants in consumer decision-making, seeing that consumers prefer brands with images that coincide with their own (Solomon *et al.*, 2010:33). Favourable brand image perceptions lead to brand loyalty and a halo effect which positively influences brand associations (Amini & Ahmadinejad, 2012; Hanzaee & Farsani, 2011; Tong & Hawley, 2009; Janonis *et al.*, 2007).

As previously mentioned consumers regularly associate themselves with particular brands and use it to communicate their status or self-image to others (Rahman *et al.*, 2012; Saunders, 2010). If the brand's image is congruent with the consumer's self-image, the consumer will have a positive attitude towards that brand. However, when only considering the quality aspect of a product, consumers should also trust the brand in order to see it as a safe purchase (Hanzaee & Farsani, 2011). Consumers also consciously use the image of a country to make assumptions about the quality of a brand (Ting, 2012). The COO inevitably thus influences a brand's image, and quality assumptions (Chen & Su, 2012; Koschate-Fischer *et al.*, 2012; Bick, 2011:38). The brand image is therefore seen as an important schema consumers use (Noel, 2009:110).

Brand awareness can be defined as the ability of consumers to correctly identify a brand in various different situations and conditions (Subhani & Osman, 2011). It can therefore refer to the degree of brand recognition (familiar with brand due to prior experience) and brand recall (name a brand when given a specific product category) within a purchasing situation. During consumer decision-making, brand awareness can be highly influential, because if consumers immediately think of a brand when mentioning a product category, such as Samsung or Defy within the major household appliance category, they will likely consider these brands in their purchase decision, because they are familiar with it (Aaker, 1996:3). With the increase of brand familiarity consumers will have formed a more comprehensive brand image and be able to use it more effectively within a purchase situation (Srivastava & Kamdar, 2009).

The higher the level of brand awareness (familiarity) and positive associations with the brand, the more customer-based brand equity will transpire (Tong & Hawley, 2009). Within the context of this study it is therefore important to consider brand familiarity, which refers to the prior experiences or knowledge consumers have had with a brand (Hu, Liu, Wang & Yang, 2012). If consumers are familiar with a specific brand, they have started to form a brand image and therefore with the increase in familiarity the brand image becomes more specific and useful (Srivastava & Kamdar, 2009). Consumers are consequently able to access and use their brand knowledge structures of familiar brands more effectively than for unfamiliar brands (Delgado-Ballester, Navarro & Sicilia, 2012). Consumers prefer familiar brands and may generally be more willing to purchase them. Studies within the food industry, have found that consumers perceive familiar brands to have better quality than unfamiliar brands (Delgado-Ballester *et al.*, 2012; Paasovaara, Luomala, Pohjanheimo & Sandell, 2012). When consumers are confronted with various brands and different information, they may be influenced by the degree of familiarity with the various brands. If they have a high level of brand familiarity they will have more knowledge regarding the tangible and intangible aspects of the brand and use this knowledge to consider the congruent and incongruent information presented to them and make an informed decision. Consumers with less brand familiarity will however be overwhelmed by the incongruent information and base their purchase decisions on limited information (Hu *et al.*, 2012).

2.6.4 Brand image congruity

Brand image congruency can be explained as the similarities between consumers' perception of certain aspects of the brand and their perceived brand image, for example the 'fit' between the product category or product features and the brand image (Hu *et al.*, 2012). Consumer knowledge, whether subjective or objective influence brand image congruity, because what consumers think they know and actually know must be in line with what the brand communicates in order for consumers to have a congruent brand image (Sjodin & Törn, 2006). Therefore in order for brand congruity to occur, schema congruity must exist, because the depiction of the brand/product must correspond with the brand image the consumer have cognitively stored (Srivastava, Gandhi & Sharma, 2012). A distinction can be made between two different brand image congruencies, namely symbolic and functional image congruity. Symbolic congruity is established if the symbolic features of a brand are similar to consumers' aspiration, whereas the functional congruity occurs if the utilitarian features of a brand are similar to consumers' desired features (Hu *et al.*, 2012).

Brand image is consumer specific, because each individual consumer has his/her own perception and associations of a brand, but there should be a majority of shared associations

among consumers, especially for a well-established brand (Sjödín & Törn, 2006). Therefore, the influence of the brand image congruency may differ from consumer to consumer, as it depends on the strength and number of associations they have. Consumers may therefore have strong country associations, such as they associate China with cheap products, which may then influence their purchase decision when they become aware of the COO (Ahmed, d'Astous & Petersen, 2011). If the significant product features of a product category are associated with a brands' COO, positive COO congruency will occur and therefore positively influence the brand image. Conversely, unfavourable congruencies will occur if the significant product features are not associated with the COO, i.e. the consumer do not perceive the country to be able to produce quality products that will contain these features (Matarazzo & Resciniti, 2013). Brand image incongruity occurs if the new information consumers receive about a brand is not the same as their established brand image (Sjödín & Törn, 2006). The evaluated brand does therefore not align with the image the consumer have of it, such as it has different features, the COO is not what they expected or the quality they then expect from the COO does not align with the quality they expect from the brand (Srivastava *et al.*, 2012). Congruity and subsequently incongruity must however be seen as continuous constructs, because it can range from poor to good. If the majority of the target audience therefore perceive their established brand associations do not fit with the new brand communication they are receiving, moderate brand incongruity occurs (Sjödín & Törn, 2006). If consumers perceive brand incongruity, they will internally try to resolve it (Ahmed *et al.*, 2011). Consumers may therefore perceive that a country is not equipped to produce highly technological products such as major household appliances and therefore presume these products will have poor quality.

Congruency may therefore explain the manner in which consumers stereotypically evaluate certain countries' products. Brand congruency between the country of origin and the product category can be beneficial for a brand, because the positive country associations can be transferred to the brand (Ahmed *et al.*, 2011), which makes it important for companies with a favourable country image, to reinforce their country and brand congruency to increase positive consumer perceptions (Matarazzo & Resciniti, 2013).

2.7 THE COUNTRY OF ORIGIN EFFECT

The COO is the country which the brand is perceived to belong to and may differ from where the branded products are manufactured. A subtle indication of the COO, such as a picture of the Eiffel tower indicating France, is no longer sufficient because the COO must pertinently be indicated on the product. It is however not specified as to the explicitness of the COO indication, which may lead to certain brand names either under or over playing this

information. Brands with a COO that signifies poor quality would therefore make the COO information less visible, while those with an appealing COO would display it more pertinently and even ensure it to be one of the first information cues consumers see in a purchasing situation. It is also noteworthy that some well-known brand names have already been embedded with their COO (Consumer Protection Act, 2008; Thakor, 1996).

The COO effect refers to the degree to which the country of brand origin influences consumers' perceptions and product evaluations (Tran & Fabrizze, 2013) and is therefore the country associations consumers infer regarding a brand, or as a global image. When considering the concepts as country associations, mainly product-related associations are made such as the price, quality and reliability, i.e. characteristics that consumers think are associated and true to a specific country. It is however more useful to look at these concepts in terms of the global image as it encompasses the associations consumers make with a country with regard to their products, which is closely linked to countries' political and economic circumstances and cultural symbols. By examining the COO in terms of the global image, it can be assumed that consumers evaluate a product according to their beliefs about a country and the perceptions they hold about the capacity of the country to produce the products (Hamzaoui-Essoussi, 2010). This explains why brands originating in the USA, which is an affluent country with excellent economic prospects and admirable political power, are perceived to be superior to brands from developing countries (Chu *et al.*, 2010). The COO may therefore be utilized as a cue for consumers to make assumptions regarding a brand or product and its features and quality (Khan *et al.*, 2012).

2.7.1 The country of origin image

The country which is associated with a specific brand is referred to as the COO, which has its own unique image (Khan *et al.*, 2012; Thakor, 1996) that is product category specific (Matarazzo & Resciniti, 2013). In academic literature the COO image can either be defined as a country image, product image of a country or product-country image, which is a combination of the two definitions. The country image refers to the country's technological, economic, political and social aspects, whereas the product image of a country refers to the product attributes expected from a country, i.e. the beliefs consumers hold of a country's products, such as the innovativeness, workmanship and technological advancements countries are able to incorporate into their products (Wang *et al.*, 2012). Regardless of the definition, this image are readily referred to as the COO cue, which is a significant information cue that consumers are able to use in the cluttered market environment to ease the shopping process (Khan *et al.*, 2012).

If a country's products are unfamiliar to consumers, they may use the COO image of the specific country to infer certain characteristics to the brand and consequently its quality (Ting, 2012). They may therefore consider the expertise or natural resources of that specific country within their purchasing decision (Thakor, 1996). Consumers' purchasing behaviour is multifaceted and are therefore not only influenced by one description of COO, but jointly by their COO perceptions, such as the country's economy and people, the features of a product and the perceptions they have of the COO's products. Therefore, the cognitive country image influences product image, which subsequently influences consumers' quality perceptions and purchase intentions (Wang *et al.*, 2012). In terms of this research, the product-country image will therefore be used, because consumers' overall country perceptions and their product perceptions will be examined.

A distinction must however be made between the cognitive-, affective- and conative components of the country image, because it can explain how the COO-cue are processed and used. The cognitive country image refers to the knowledge and beliefs consumers hold of a country, such as its economic development, industrialisation, living standards and technological advancements. By cognitively using the COO-cue, consumers will attempt to rationally use the COO information by deducing the quality of a brand based on the COO. The affective country image refers to the emotional value consumers attach to a specific country, such as the positive and negative attitudes consumers have regarding the country's social and political systems. Consumers' affections may influence their decisions or not play a role at all, depending on whether they see it as an appropriate basis of judgement. If there are inconsistencies between the cognitive and affective country images, the affections of consumers may inhibit information processing and increase stereotyping (Wang *et al.*, 2012; Bloemer, Brijs & Kasper, 2009). Lastly, the conative country image is the behavioural intentions consumers have regarding the country, such as the purchase of a brand from that specific country (Tran & Fabrizze, 2013; Khan *et al.*, 2012; Wang *et al.*, 2012).

The cognitive approach is relevant to this study because empirical evidence points to consumers cognitively processing the COO information, especially for expensive and technically complex products, such as major household appliances (Bloemer *et al.*, 2013). Country image are therefore the broad perceptions consumers have of the product quality from a specific country, which infers the country's ability to produce innovative, reliable and quality products (Khan *et al.*, 2012). Consumers may therefore hold stereotypes regarding the image of a COO as a result of the stereotypes they hold of the image of the country or the image of the products from that country (Wang *et al.*, 2012). A country's image, and therefore consumers' country stereotypes may have positive or negative implications (Khan *et al.*, 2012).

2.7.2 The country of origin as a stereotype to simplify purchasing decisions

Consumers simplify and expedite their purchases using categorisation, which is the organisation of their market and purchasing knowledge into categories (Noel, 2009:19). Consumers consequently develop COO cognitive categories to enable them to process the product category information of a specific country and their related characteristics. When evaluating products, consumers therefore use COO information as a category label by transferring their stereotypic beliefs of a country to the product category being evaluated (Ahmed *et al.*, 2011). Stereotypes refer to the mental image consumers form about a product, based on certain characteristics, which eventually influence their expectations of an object. Even though in everyday life stereotypes are readily thought of as antagonistic and inaccurate attitudes people have of a specific group or object, a stereotype may also be positive (Sandstrom, Martin & Fine, 2006:39, 40) and therefore positively or negatively influence consumer purchasing behaviour (Schiffman & Kanuk, 2010:183).

Consumers' purchasing behaviour is continuously influenced by their national stereotypes of the products' COO (Khan *et al.*, 2012; Liu, Johnson & Johnson, 2005). The COO therefore serves as a stereotype which consumers use to link the product to a positive or negative emotional association with the country. Stereotypes about a country are consumers' beliefs about the people and products from that country, which they use to make inferences about the product's attributes, such as its quality. Therefore, the brand and COO can serve as cognitive shortcuts consumers use to simplify a purchasing process of major household appliances, especially when the consumer is overwhelmed by the assortment of products in the market and when the decision process is complex for whatever reason (Chattalas *et al.*, 2008; Ozretic-Dosen *et al.*, 2007; Verlegh, 1999). Consumers may therefore use country stereotypes to assume product attributes or quality, due to the experiences they have had with other products from the particular country (Khan *et al.*, 2012). As consumers become more familiar with products and build on their product knowledge of different brands from different countries (tacit as well as explicit knowledge), consumers develop an image about a country, which may influence how they perceive a brand and how they evaluate the quality of a product (Ozretic-Dosen *et al.*, 2007). The more favourable the image, the more positively they will perceive the brand (Magnusson *et al.*, 2011). It should however be noted that consumers with more explicit knowledge about a product category will rely less on the stereotypes they attach to certain brands or countries (Guo & Meng, 2008).

Although stereotypes are useful schemata for consumers to use in the cluttered market environment, it can lead to consumers making hasty purchasing decisions, which they only base on minimal information about the product. They may mistakenly presume that certain

attributes are the same for all products from a certain country or brand. It may therefore lead to the rejection of a product because a consumer perceives the COO as one that produces poor quality products and even ethical issues such as abuse of child labour, without considering other important quality indicators of the product (Guo & Meng, 2008; Sandstrom, Martin & Fine, 2006:40). Although challenging and costly, by launching promotional campaigns to improve a country's and its products' images, marketers are able to alter consumers' national stereotypes to and hereby improving the negative perceptions they may have (Khan *et al.*, 2012).

Marketers may therefore draw attention to the COO with a favourable country image in their marketing strategies and promotional campaigns, whereas marketers of brands with an unfavourable COO image will try to conceal the COO. For example Germany is associated with engineering and technology, which may lead to consumers stereotyping all German brands as innovative (Khan *et al.*, 2012). German brands such as Miele therefore extensively promote the German heritage of their brand. Strong and well-known global brands may however have evolved beyond their COO, which may influence marketers to downplay the COO associations and only focus on the brand itself in promotional campaigns (Tran & Fabrice, 2013).

2.8 THE USE OF BRAND NAMES AND THEIR COO AS HEURISTICS OF QUALITY

As mentioned above, when evaluating major household appliances, the cognitive processing of COO information is relevant to this study. This evaluation process may include one of four cognitive COO-effects, namely heuristic-effect; summary construct-effect; halo-effect; product attribute-effect (Bloemer *et al.*, 2009). These cognitive COO-effects suggest that if the COO information is available to consumers, they will use it as relevant information to evaluate products or brands (Liu *et al.*, 2005) by using the image of a country as a surrogate of quality when evaluating major household appliance brands (Chu *et al.*, 2010).

Consumers are seen as problem solvers who actively search for, and evaluate information about products and brands before making a purchase. They usually do not have the time to get all the available and relevant information regarding every purchase choice they make and may also lack experience to accurately use all of the gathered information (Schiffman & Kanuk, 2010:481). To simplify this process, they may then utilize cognitive structures/ mental shortcuts (schemas), which they have developed over time (Kaiser, 1997:34). The purchase of major household appliances is especially seen as complex and to simplify the extensive purchase decisions while also reducing risk perception, consumers may use extrinsic product cues as quality heuristics, such as the COO (Koschate-Fischer *et al.*, 2012). They use these

heuristics as a surrogate to simplify their purchasing decisions in order to save them time and effort (Rahman *et al.*, 2012), especially if they are unfamiliar with the product or brand and are confronted with ambiguous information. The heuristic-effect therefore refers to the use of the COO information to cognitively evaluate the quality of brands (Koschate-Fischer *et al.*, 2012; Bloemer *et al.*, 2009). Consumers may therefore simplify their purchasing decisions by referring to preferred brands that are simultaneously entangled with a specific COO, and associate certain functional, emotional and self-expressive values to it, which creates a level of trust/distrust (Anana & Nique, 2010; Du Plessis & Rousseau, 2007:102).

The *summary construct-effect* refers to a kind of memory-database consumers have cognitively developed over time regarding information of the brands from a specific country. Consumer should be familiar with the brands of a specific country in order to recall the necessary stored information. They will therefore conceptualise their product-related knowledge of a specific country into the image they have formed for the country and use it to simplify evaluation processes, by not evaluating all the attributes of a product (Chu *et al.*, 2010; Bloemer *et al.*, 2009). The *halo-effect* can be seen as a cognitive moderator which consumers use to infer various attributes to a product based on one or a few of the attributes. Within the COO context, consumers will evaluate products by transferring all the beliefs they have of the attributes of a product from a specific country to all the products from that country. This evaluation strategy is especially relevant if consumers are not able to sufficiently evaluate the quality of a product because they have limited experience with it and then use the COO to infer the quality (Chu *et al.*, 2010; Bloemer *et al.*, 2009). The *product attribute-effect* does not have a direct effect on the evaluation process, because this 'effect' will only take place if there is no exposure to other product attributes or information. The COO information will then motivate consumers to look more closely and investigate other attributes of the product (Bloemer *et al.*, 2009).

2.9 SUMMARY

The emerging South African market has attracted foreign investment, which has resulted in a cluttered market environment where consumers are confronted with a variety of different brands from various countries, inclusive of the major household appliance product category. There has also been an increase in the demand for major household appliances in South Africa, seeing that water and electricity are more accessible to a growing number of consumers since 1994. Brand names and the COO information of the various major household appliance brands are highly relevant in terms of consumer perceptions and how these perceptions influence their purchase decisions. Research has shown that consumers

form certain brand images which are affected by the country stereotypes they have formed of the COO, more so than the COM.

In order to simplify purchasing decisions, consumers may use extrinsic cues such as brand names and COO information as heuristics of quality. Quality perceptions play an important role within the consumer decision-making process, which is greatly influenced by consumers' existing knowledge and previous experiences with the product category and brands. Consumers with little product related knowledge or experience will use extrinsic cues to a greater extent than consumers with more knowledge, to simplify their purchasing decision. The influence of the quality indicators are therefore influenced by the existing cognitive schemata consumers have developed over time. The South African consumer is emotionally and functionally influenced by the COO of the brand, because the purchase of locally produced products is beneficial for the local economy. However, the quality of Western products is generally seen as superior to local and Eastern brands.



Chapter 3

THEORETICAL PERSPECTIVE, CONCEPTUAL FRAMEWORK AND RESEARCH OBJECTIVES

This chapter presents the assumptions of the social cognitive perspective that was used to guide the research and the interpretations of the findings. The conceptual framework and the research objectives are subsequently presented.

3.1 JUSTIFICATION FOR THE USE OF THE SOCIAL COGNITIVE PERSPECTIVE

Within country of origin (COO) research, categorisation and subsequently stereotyping play a significant role within consumer evaluation and decision-making processes. This is due to consumers cognitively developing COO categories to enable them to easily process product-related information regarding a product from a specific country. Within this process they subsequently transfer their stereotypic beliefs of a country to the product category being evaluated (Ahmed *et al.*, 2011; Aboulhasr, 2006; Hamzaoui & Marunka, 2006). To date, limited literature has been done to investigate the role of consumers' use of stereotypes when purchasing interior merchandise (Donoghue & Erasmus, 1999:14) and therefore the importance placed on stereotypes within the COO and major household appliance context of this study, is appropriate. It is suggested that COO research, especially those including national stereotypes, can be investigated within social cognition, because cognitive schemata and perceptions are important aspects to consider (Bloemer *et al.*, 2009; Chattalas *et al.*, 2008). Therefore it is an appropriate theory to use to better understand and explain consumers' perceptions, behaviour and their decision-making process.

3.1.1 Introduction

Social cognition entail various theories (Fiske & Taylor, 2013:16), which can be used in Consumer Science to examine the thought (cognitive) process of consumers, i.e. their conscious mental activities, such as how they learn and form perceptions and how that influence consumer behaviour (Jacobs & De Klerk, 2007; Sandstrom *et al.*, 2006:213). One of the main objectives of using the perspective is to understand how consumers make sense

of themselves, the people around them (Fiske & Taylor, 2013:16) and the commercial world with which they are interacting (Jacobs & De Klerk, 2007). This study, focused on consumers' cognitive structures, which can be referred to as a mental schema, such as their general knowledge about a product and their memory of the experiences they have had with it as well as the outcomes of these structures, such as the quality perceptions they form about a product (Fiske & Taylor, 2013:16).

Consumers will be exposed to stimuli (products, brand names, advertisements and packaging) in their shopping environment, which they must internally process in order for them to make sense of it and consequently evaluate products and make a satisfactory purchase decision (Shiffman & Kanuk, 2010:175). The stimuli and information they observe and process are then stored in memory using cognitive schemas, which they can subsequently use in future purchase decisions. Environmental stimuli, such as brand names, either consciously or unconsciously activate these cognitive schemas, which could probably activate other relevant schemas that ultimately aid the consumer in making decisions (Augoustinos, Walker & Donaghue, 2014:20, 24; Fiske & Taylor, 2013:16). The schemas will therefore enable consumers to process and encode the stimuli by using their memory in order to ease the process of recalling relevant information (Augoustinos *et al.*, 2014:24; Kaiser, 1997:34).

3.1.2 Core assumptions of the social cognitive perspective

The social cognitive approach has several basic assumptions which influence the understanding of the phenomena, but for the purpose of this study the following assumptions will be discussed in terms of consumers' quality perception of major household appliances.

Consumers learn from observing others

Consumers learn while in social interaction, i.e. observing their behaviour (McAlister *et al.*, 2008:173) and then imitating it. Observational learning therefore needs to take place in order for consumers to acquire the necessary cognitive skills to function within a shopping environment (Bandura, 1986:49). During the course of the consumer's life, he/she is socialised to shop for products in a certain way (Jacobs & De Klerk, 2010), such as considering only certain brand names when evaluating a certain product category. Consumer socialization is a lifelong process whereby people acquire and develop their knowledge, experiences, skills and attitudes which forms an integral part in functioning as a consumer in the marketplace (Schiffman & Kanuk, 2010:323-326; John, 1999; Rose, 1999).

Observational (vicarious) learning can be used to explain this assumption, as consumer learning is the result of mental activities (cognitive learning) during problem solving activities, such as evaluating products. Consumers will therefore observe the behaviour of their peers or family towards a situation (evaluating various quality indicators during the purchase of a product) and the consequences (satisfied/dissatisfied with quality) to which the behaviour leads. When confronted with a similar situation, consumers will recall the outcomes of their peers' behaviour (reinforcement) and will then mimic it in order to achieve similar positive results. Consumers use this learning as a control mechanism to resolve their problems and to feel in more control in their environment, as they may feel the people they are observing have skills or knowledge of the purchase situation (Dos Santos, 2013:117; Schiffman & Kanuk, 2010:224-225). If consumers' parents preferred certain brands, these consumers would therefore have grown up using these brands, which might lead to them only consider two or three brand names they are familiar with when evaluating major household appliances. The same may be true when considering the COO of brands, for example, if a consumer has been socialised to believe Chinese brands are poor quality, they will avoid these brands when making a purchase decision, especially when purchasing technically complex and expensive products such as major household appliances.

Dynamic interaction between people and their environments

A consumer's psychological development is interactively influenced by the social environment, which indicates that the social cognitive approach is structured on the basis of the reciprocal determinism (McAlister *et al.*, 2008:170; Young *et al.*, 2005). This model indicates that consumer behaviour is brought about by personal factors such as cognition, the individual's behaviour and environmental factors, which dynamically interact. The personal factors can include attitudes, cognitions and beliefs, which can therefore also be seen as the quality perceptions the consumer has formed about a product (Ambrose & Chiravuri, 2010; McAlister *et al.*, 2008:170; Bandura, 1986:23). The environment refers to social and physical environments. The social environment includes reference groups such as friends and family and the physical environment can refer to the purchasing environment in which the consumer is active (Schiffman & Kanuk 2010:36, 484).

Although reciprocal determinism indicates a dynamic interaction between the three determinants, it does not mean each determinant will have an equal influence. The influence of each determinant will vary depending on the individual consumer, the shopping environment and the product being evaluated/purchased (Bandura, 1986:24). At different points in time during the decision-making process of consumers, some factors may therefore play a more dominant role than the others, which enables stimuli to influence the thought

process of consumers and by implication influence their behaviour in different ways (Young *et al.*, 2005). When purchasing major household appliances, consumers may have had a good or bad experience with a specific brand, which may lead to them either trusting or distrusting the specific brand name. For instance, if the experience was bad they might perceive the brand's quality as poor (personal factor) and would not consider that brand name in their next purchase or they may conclude that the specific brand comes from a specific country and therefore not consider any brand names with the same COO. To further support their choice in purchase, they may also refer to a trusted friend or family member (social environmental factors) as to what brand names they trust. Their final purchase choice may however then be influenced by the variety of other brand names available to them and their affordability (physical environment).

Consumers use internal mechanisms to process external stimuli

Consumers use internal mechanisms, which can be referred to as cognitive structures, to receive and organize relevant information, such as the external stimuli they receive from the retail environment, to simplify the cognitive process of formulating perceptions and making decisions. By doing this, consumers attempt to understand the commercial world (retail environment) they are in interaction with and the behaviour and reactions they have towards the experiences in this environment (Jacobs, 2003; Kaiser, 1997:252). Cognition is the mental processes of a consumer, such as perceptions and beliefs, which are formed by the processing of secondary information sources, such as the word-of-mouth from friends and family, the direct interactions the consumer has with the product and the environment in which it is and by comparing all of the information to the consumer's own cognitive schema. This mental activity may be stimulated by the shopping environment, such as the quality indicators of the product (Fiore & Kim, 2007).

Consumers organise the knowledge and perceptions they have about the quality of major household appliances within cognitive structures or schemata, which are relevant to certain situations. They then use these perceptions, stored in their memory, as a frame of reference to base their purchasing decision on, as the cognitive structures are adapted to fit a situation and are useful in everyday purchasing situations (Jacobs, 2003; Kaiser, 1997:253). When purchasing major household appliances, consumers may therefore rely on their schema pertaining to the purchase of durable and expensive products. Within this schema consumers may have concluded that a certain brand name is a reliable product and/ or that specific features indicate good quality. They may then only consider the relevant information as indicated by their schema to simplify the decision.

Outcome expectancy

This assumption is concerned with the supposition that consumers will only exert certain behaviour if they have an incentive to motivate them (Young *et al.*, 2005). This factor can be seen as a personal factor in the triadic reciprocity model (Ambrose & Chiravuri, 2010). Their behaviour and learning process are therefore specifically directed to achieve a goal such as making an informed purchase decision based on their presumed rational quality perceptions to yield the maximal positive outcome. The outcome expectancy that consumers may have can be referred to as the belief they hold of the consequences of their behaviour and the value attached to it (Schiffman & Kanuk, 2010:481; McAlister *et al.*, 2008:171-172; Young *et al.*, 2005). It therefore refers to the anticipated outcomes based on their expectations and not the actual outcome (Bandura, 1986:13). This means that consumers will purchase products they perceive as high quality in order for them to own a durable product which will satisfy their needs. This also relates to the assumption that consumers will mimic the behaviour of family or peers if they believe that they will also achieve a positive outcome (Schiffman & Kanuk, 2010:224). Thus, if consumers perceive the quality of the product which their family member owns as high, they will mimic the behaviour of the family member. They will also consider the same product characteristics to imply superior quality or consider the same brand name as a heuristic of quality to ensure they purchase a durable and high quality appliance. Consumers' expected outcome of their shopping behaviour is however influenced by how capable they feel in making the decision (Bandura, 1986:413). It is therefore crucial to consider the influence of self-efficacy on consumers' evaluation and purchase of major household appliances

The role of self-efficacy in consumer behaviour

This assumption can also be seen as a personal factor in the reciprocity model. It refers to the beliefs that consumers have about their capabilities to deal with a situation or to perform certain actions in order for them to achieve a goal. It refers to the self-reflective perceptions consumers have about their own capabilities (Ambrose & Chiravuri, 2010; McAlister *et al.*, 2008:172; Young *et al.*, 2005; Bandura, 1986:391). Self-efficacy can play a major role in changing consumer behaviour, seeing that the stronger an individual's belief is in his/her own capability, the more likely it is that the individual will actually carry out the planned action (Young *et al.*, 2005). Therefore, the greater the amount of encouragement consumers get from their peers, or the amount of experience they get in a certain purchasing situation the greater their self-efficacy will be and the better they will handle purchasing actions (Ambrose & Chiravuri, 2010; Guo & Meng, 2008). With regard to the quality perceptions consumers form about a product, the self-efficacy belief they have regarding their own ability to

understand the quality indicators, will influence their intended behaviour in the purchasing environment. It can therefore be assumed that if consumers feel that they have the ability to effectively evaluate products based on their quality perceptions, they will be confident in making a purchase decision. It can also be assumed that the more experience they gain with purchasing situations of a specific product category, such as appliances, the more they will rely on their own judgements to make a decision. If consumers therefore have limited knowledge regarding major household appliances or have not yet had a lot of experiences purchasing these products, they will have a low level of self-efficacy. They will therefore not be confident in their purchase and extensively search for more information before purchasing a product (Aertsens *et al.*, 2011; Solomon *et al.*, 2010:328, 436; Raju *et al.*, 1995). Consumers may however misjudge their abilities and may overestimate their ability to make an informed and realistic purchase, which may lead to disappointment and dissatisfaction (Bandura, 1986:393), either in themselves or the brand name. In their next purchase they may then feel more uncertain and search for more information.

Categorization

The final assumption pertains to consumers placing people or objects into mental categories, which may lead to them forming stereotypes (Kaiser, 1997:255). Categories refer to the cognitive structures into which consumers categorize products (Aboulnasr, 2006). It is therefore the process used by consumers to simplify the identification process of products by assigning certain attributes to them in order to categorise them, such as with a brand name or a product category (Bagozzi, Gürhan-Canli & Priester, 2007:136). The categories consumers form about a product or brand is based on their knowledge of it and can depict what they expect from it (Fiske & Taylor, 2013:104). These categories may portray perceptual properties of a product, such as its size, colour or even brand name. Consumers may therefore place observed brands, product features or peoples' shopping behaviour towards certain product categories into mental categories (Guo & Meng, 2008; Kaiser, 1997:255). For example; consumers may categorize a certain model Miele washing machine as a major household appliance, a washing machine or as a Miele product. These different categorizations may then subsequently influence consumers to regard different features as important. Within these categories consumers may then associate certain features with the product, such as Miele is a high quality German product or it is a durable major household appliance (Bagozzi *et al.*, 2007:136). Consumers may also link certain properties to more than one product due to a common feature, such as perceiving all products from the same brand name to have the same quality (Guo & Meng, 2008). Categories can be founded on objective or subjective criteria, such as all washing machines are major household appliances (objective) or all German appliances have good workmanship. These categories

can therefore either be based on the actual properties of the product or on the emotions consumers have towards a feature, such as the brand name and COO (Aboulnasr, 2006).

This process of categorization may occur unconsciously when consumers try to identify brands and make decisions, which may lead to category confusion. This confusion occurs when individuals mistakenly perceive an element to belong to a distinct category based on a single characteristic. Consumers may therefore hastily presume that a product is of good quality because of its brand name (category). In turn, categorization can encourage stereotyping, because individuals may attempt to make sense of ambiguous information by trying to validate it with their expectations (Fiske & Taylor, 2013:292, 297). Stereotypes refer to stored beliefs that all members of a certain group possess the same characteristics. Therefore in the context of consumer behaviour, stereotypes refer to consumers believing that products within a certain product category or brand name possess the same features, such as all major household appliances have high energy consumption (Roth & Diamantopoulos, 2009). Stereotyping may have positive or negative implications, because consumers may use it to simplify their complex decision-making and to reduce their uncertainty or risk in a purchasing situation. It may however be negative in the sense that consumers may over generalize or simplify, which leads to prejudice and consumers' assessment of a product being inaccurate. These negative stereotypes may then lead to consumers not objectively assessing a product or brand, as they may reject quality properties or features of a product, which they do not associate with the brand, such as ignoring important product features which considerably influence product quality (Veale *et al.*, 2006; Kaiser, 1997:255).

With regard to the theory surrounding the social-cognitive perspective and its' assumptions, it is clear that by using this approach, a better understanding can be established regarding the quality perceptions consumers form during the evaluation and purchasing process of major household appliances. By exploring the problem using the social-cognitive theory, a better understanding can be developed as to how consumers acquire and retain behavioural patterns, such as forming quality perceptions, in order to develop intervention strategies on how the quality cues can be transformed so that consumers form good quality perceptions of a specific brand name (Ambrose & Chiravuri, 2010).

3.2 CONCEPTUAL FRAMEWORK

A conceptual framework identifies variables in relation to each other (Leedy & Omrod, 2013:42). The key factors or constructs are indicated and their supposed relationship towards one another is graphically indicated. The following framework will give structure and

direction to the study, as the content will be based on and directed by the theoretical perspective of the study (Maxwell, 2004:33).

The conceptual framework (Figure 3.1) is an integration of the preceding literature and the social-cognitive theory, to illustrate and better understand the consumer decision-making process in terms of the quality perceptions consumers may form of major household appliances, based on their cognitive structures.

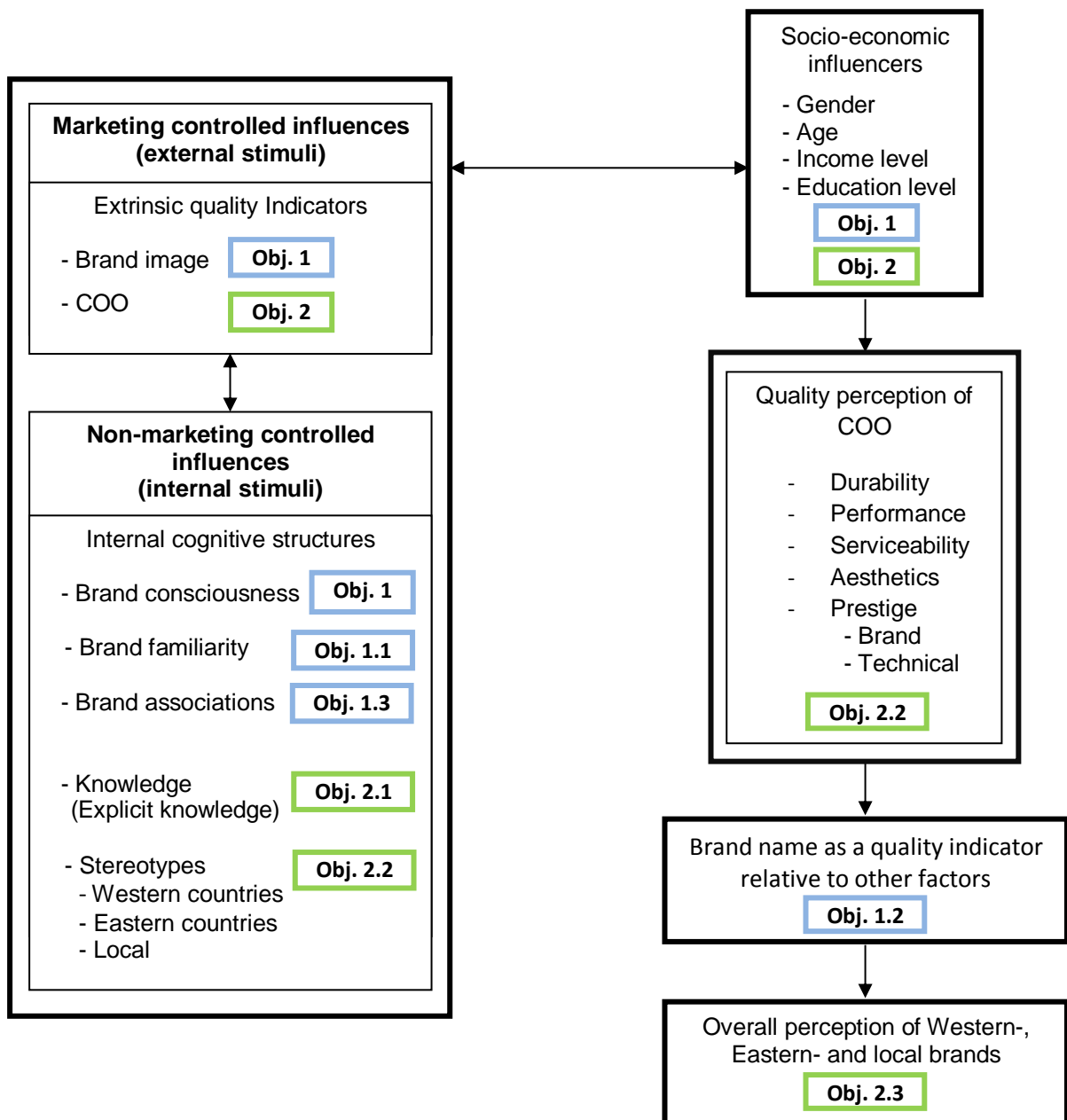


FIGURE 3.1: CONCEPTUAL FRAMEWORK

As suggested in the framework, consumers are influenced in their purchasing behaviour by external and internal stimuli (Du Plessis & Rousseau, 2007:260). The external stimuli are the intrinsic and extrinsic quality indicators of a product which may influence consumers'

perceptions. The intrinsic quality indicators include the colour, design, finish and materials/fibers of a product, but for the purpose of this study only extrinsic indicators will be investigated which include price, brand name, store image and COO, where brand name (objective 1) and COO (objective 2) are the main focus (Schiffman & Kanuk 2010:36, 196; Aqueveque, 2006; Veale *et al.*, 2006). Consumers use their internal cognitive structures, to understand the retail environment (Jacobs, 2003). Therefore the internal influencers such as the brand consciousness (objective 1), brand related experience, familiarity (objective 1.1), brand associations (objective 1.3), brand related knowledge (objective 2.1), and COO stereotypes (objective 2.2) consumers may have about certain products, brands and countries will influence the way in which they perceive the external stimuli and how they influence their quality perceptions (Schiffman & Kanuk, 2010:183; Guo & Meng, 2008; Jacobs, 2003; Kaiser, 1997:253).

Consumers may also be influenced by these internal and external influencing factors, based on their socio-economic factors, such as their gender, age, income and education levels (objective 1 & 2). Consumers from different sexes and ages as well as income and education levels might perceive quality differently and regard different extrinsic quality indicators as important as well as having different degrees of brand familiarity and consciousness (Creusen, 2010; Anwar, Yasin, Iqbal & Sajib, 2013; Vrontis, Thrassou & Vignali, 2006). Consumers will form their quality perceptions of the COO of the brand (objective 2.2) based on the various quality dimensions, such as the durability, performance, serviceability, aesthetics and prestige of the relevant product (Chung *et al.*, 2009; Toivonen, 2012). Consumers may then use brand names as heuristic of quality (objective 1.2) and form an overall quality perception of the brand (objective 2.3). These perceptions will then play a role in the various stages of the decision-making process and can lead to the purchase or non-purchase of a product (Koschate-Fischer *et al.*, 2012; Jacobs & De Klerk, 2007).

3.3 AIM OF THE STUDY AND RESEARCH OBJECTIVES

3.3.1 Aim of the research

The principal aim of the study is to explore and describe consumers' reliance on brand names, specifically the COO of brands as a heuristic, to deduce the perceived quality of a selected category of interior merchandise and to subsequently explain how COO influences consumers' quality perceptions and product choices.

The following objectives were formulated to ensure that applicable data were obtained to draw appropriate conclusions. All the objectives involve investigation of the perceptions of

consumers with different demographic characteristics namely gender, age, education level, population group and monthly household income.

3.3.2 Research objectives

- Objective 1:** To explore and describe consumers' brand consciousness as an indication of the importance they attach to brand names and their COO as a quality indicator in consumers' choices/preferences of major household appliances.
- Sub-objective 1.1: To explore and describe consumers' brand familiarity in the major household appliance category as an indication of their brand consciousness.
- Sub-objective 1.2: To explore and describe the importance of brand names as a quality indicator relative to other factors during consumers' evaluation of major household appliances.
- Sub-objective 1.3: To explore and describe consumers' associations of brands with specific product characteristics.
- Objective 2:** To explore and describe the importance of COO as a quality indicator in consumers' choices/preferences of major household appliances.
- Sub-objective 2.1: To explore consumers' explicit knowledge of the COO of prominent brands in the major household appliance product category.
- Sub-objective 2.2: To explore and describe the stereotypes that consumers hold regarding Western-, Eastern - and local brands in order to deduce the potential/probable influence of these stereotypes on their quality perceptions, i.e. in terms of the different quality dimensions.
- Sub-objective 2.3: To discuss consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible differences in quality perceptions.



Chapter 4

RESEARCH DESIGN AND METHODOLOGY

This chapter presents the research design and methodology of the study with measures used to achieve valid and reliable results in accordance with the research objectives. Ethical issues are also discussed.

4.1 RESEARCH DESIGN

The research design represents the framework, i.e. the plan of the research. The research design directs the research approach, the sampling methods, data collection-, measurement- and data analyses (Fouché *et al.*, 2011:143; Zikmund & Babin, 2010:56). The aim of the study was not to develop new theory, but to address a void in the literature regarding the present relationships between consumers' quality perceptions, brand names as well as their perceptions of the country of origin (COO) of brands. The study was therefore quantitative in nature, correlational and also exploratory and descriptive in nature (Salkind, 2012:197). It took the form of a survey that was cross-sectional. A structured self-completed questionnaire was used, with the intention to collect quantifiable, relevant information that reflect consumers' perceptions at a specific point in time (October/November 2013) and in a specific context (Tshwane, South Africa) (Fouché *et al.*, 2011:156). Being explorative the intention was not to generalise the findings to the entire population of South Africa.

Exploratory research is used to explain a situation or give insight into a phenomenon. The goal of this research is therefore not to provide conclusive evidence of the brand image and COO-effect, but to provide a basis for future studies of its kind in a South African context (Fouché & De Vos, 2011:95; Zikmund & Babin, 2010:444). When a researcher commences with descriptive research, the researcher should already have some basic understanding of the phenomena under investigation, so that appropriate questions can be asked to address the objectives. Descriptive research can be used to confirm/debunk a suggested relationship between two or more variables and describe the market segment in terms of its demographics and how and why their purchasing behaviour towards certain brands and their COO's takes place. The research was also correlational, aiming to confirm linear relationships between selected variables and to indicate their relative importance. A

confirmed relationship can be used to predict consumers' behaviour, for example indicating that certain market segments prefer Western brands, even though the reason for this relationship may not necessarily be clear. Correlation coefficients are used to indicate relationships: the higher the correlation, the stronger the relationship (Lacobucci, 2013:138; Salkind, 2012:203; Fouché & De Vos, 2011:96-97; Zikmund & Babin, 2010:45-46).

A quantitative approach was followed due to its success in similar studies in dissimilar product categories (Matarazzo & Resciniti, 2013:424; Yasin *et al.*, 2007:40). The research techniques used during sampling, data-collection and data analyses were appropriate for the quantitative study (Salkind, 2012:213; Fouché & Delport, 2011:63), which required mathematical and numerical measurements and related statistical procedures (Zikmund & Babin, 2010:94).

4.2 RESEARCH METHODOLOGY

A survey approach, consisting of a single data collection phase, implementing a structured questionnaire, was used.

4.2.1 Sample and sampling

In terms of research, the population refers to a group of people to which the results of a study can be generalized. No research can however be conducted on an entire population and therefore sampling techniques must be used on a smaller group which represents the population, i.e. sample. The chosen sample is referred to as the unit of analysis and must have the same general characteristics of the wider population. The research can either use probability or non-probability sampling in order to choose the sample. Probability sampling is based on randomisation and enables the researcher to generalize the results, because each individual of the population has an equal chance to be selected for the sample. Non-probability sampling was however chosen for this research due to time and financial constraints (Salkind, 2012:33, 95; Strydom, 2011b:224; Zikmund & Babin, 2010:58).

The unit of analysis included both male and female residents of the Tshwane region in South Africa, above 25 years of age, regardless of population group, but specifically consumers with prior experience of purchasing major household appliances for their own households. The age restriction was therefore used to ensure that consumers might have left their childhood homes and have had the opportunity to purchase major household appliances for their own homes. Due to time and financial constraints the Tshwane region was chosen because it was easily accessible for the researcher and because it forms part of the

wealthiest and fastest expanding province in South Africa (City of Tshwane, 2014) and offers a wide variety of appliance stores and brands to the city's consumers. The respondents had to belong to the middle to upper socio-economic group [earn R5000 or more per month (LSM 6 to 10)] (SAARF, 2011), to ensure that respondents within the target group had some opportunity to consider products other than the cheapest, i.e. that only respondents with the resources and buying power to choose between the various brands of major household appliances were included in the sample. The sample also only included respondents with an education level of grade 12 or higher, as some studies have indicated that as education level increases, so does the respondents' discrimination on quality and COO relevance (Creusen, 2010; Vrontis *et al.*, 2006), probably because they are more informed about the origin of brands (Anwar *et al.*, 2013). The sample range was hence relatively big in order to explore and gain insight into various individuals' beliefs and perceptions and to cover a variety of perspectives timely and economically (Greeff, 2011:342; Zikmund & Babin, 2010:312).

4.2.2 Sampling method

Convenience, snow-ball sampling was used to recruit 450 suitable respondents in the targeted geographic area, i.e. Tshwane in Gauteng (Zikmund & Babin, 2010:312). The sampling was purposive in terms of age, income and education level, to ensure an appropriate and approximate representation of the population of the area. The sample was expanded through snowball sampling, as some respondents distributed the questionnaires to appropriate respondents they knew (Walliman, 2005:97). The results can therefore not be generalized, but only used to give insight into the COO-effect during the consumer decision-making process for durable household products and could serve as a point of departure for a representative follow-up study. An effort was however made to include 450 respondents in the study, to ensure that accurate and representative conclusions could be drawn (Salkind, 2012:102; Strydom, 2011b:224, 232, 391).

4.2.3 Measuring instrument

Surveys enable researchers to either interview or observe respondents (Zikmund & Babin, 2010:57; Walliman, 2005:275). A printed questionnaire was used because it is convenient and respondents can truthfully answer questions in their own time without interference from the researcher (Salkind, 2012:147). A structured, self-administered, survey questionnaire was used as the measuring instrument, which was designed according to the research objectives (Zikmund & Babin, 2010:271), whilst standardised and tested scales were adapted and utilised. Likert-type scales were predominantly used because it is user friendly if properly structured and formulated. Closed-ended questions were predominantly used because it

provides compatible data that is simple to code, tabulate and interpret, and allows respondents to timely and easily answer the questions (Zikmund & Babin, 2010:273, 255; Walliman, 2005:286). An effort was made to ensure that the questions were unambiguous and easy to interpret by the average South African consumer. Clear and accurate instructions were also provided before every question. The writing on the questionnaire was legible, every question and page was clearly numbered and the questions were well-organized to avoid confusion (Salkind, 2012:150). The brands used in question 10, were selected based on their presence in the South African household appliance market. Some highly conspicuous brands, as well as lesser known brands were included to detect respondents' brand consciousness. Certain brands, which do not fall under the major household appliance category, were also included to test/determine respondents brand knowledge.

The questionnaire was evaluated by a statistical research consultant, who made recommendations regarding some of the wording, punctuations and numbering. The questionnaire was then pilot-tested with fifteen respondents who complied with the sampling requirements, i.e. age, education level and income level (Zikmund & Babin, 2010:54). During pilot testing some respondents indicated that the wording of some of the main questions were confusing. Based on their recommendations, the wording was then changed to ensure they were understandable and answerable. It also became apparent that more space was required for the answers to the open-ended question (Question 11), as some respondents indicated more than two brands they were not familiar with. The statistician then analysed the questionnaire again, to ensure that the questions would sufficiently match the objectives and statistical procedures. The final structure of the questionnaire, i.e. the respective sections, aspects relevant to the questions and the measuring scale are indicated in the distinctive columns in Table 4.1.

TABLE 4.1: QUESTIONNAIRE STRUCTURE

Section	Aspects and measuring scale
A Demographics Questions 1 - 6	* Provides the personal (demographic) details of respondents, i.e.: gender; age, education level, population group, monthly household income, area of residence.
B Meaning of branded products Question 7	* The importance consumers' attach to brand names as a quality indicator relative to other factors during their evaluation of major household appliances: Measured with an adapted 32-item, four-point Likert-type scale. The scale was originally developed and tested by Strizhakova <i>et al.</i> (2008) to measure the meaning of branded products. The original scale used a seven-point Likert-type agreement scale. For this study it was adapted to a four-point Likert-type scale ($M_{Max} = 4$) and although all the statements of the original scale were used, they were shuffled and some wordings were re-phrased to appeal to the South African consumer. The scale examines seven broad themes which has been conceptualised into four dimensions. The four dimensions include quality, values, personal identity and traditions, where personal identity consists of self identity, group identity and status factors and the tradition factor includes family- and national traditions (Bearden, Netemeyer & Haws, 2011:350). The Cronbach Alphas of the original scale indicated a valid and consistent scale.
C Brand associations Questions 8 9	* Brand associations in terms of the importance of brand names as a heuristic to indicate various characteristics of products: Measured with a 12-item, four-point Likert-type scale, adapted from Diedericks (M-student in 2013). The scale investigates three dimensions, namely; eco-friendliness, status-related attributes and functional/ performance-related attributes. The original scale was developed for the clothing industry within South Africa; therefore some items were rephrased for the major household appliance context of this study. As recommended by the former study, two additional items were added to the eco-friendly dimension to aid with factor analysis. The internal validity of the original scale was tested and confirmed. * Brand consciousness: Measured with an 8-item, four-point Likert-type scale, adapted from Sproles and Kendall (1986). The original scale had 7-items, but for the purpose of this study, it was expanded to eight. The original scale used a six-point Likert-type scale, but was adapted to a four-point Likert-type scale ($M_{Max} = 4$) for this study. The wording was also re-phrased to appeal to the South African consumer. The scale and adapted versions of it has successfully been used by Mokhlis and Salleh (2009) as well as Bakewell and Mitchell (2006). The internal validity of the original scale was tested and confirmed.

TABLE 4.1 continued: QUESTIONNAIRE STRUCTURE

Section	Aspects and measuring scale
<p>D COO associations Questions 10</p>	<p>*Brand familiarity: Measured with a 15-item nominal scale [V10.1 - V10.29 (uneven numbers)], where respondents indicated which of the fifteen listed brands are associated with major household appliances. They could indicate 'yes', 'no' or 'don't know'. A similar scale was successfully used in a Masters study in the South African clothing context (Diedericks, 2013) and was slightly adapted for this study. Only nine out of the fifteen mentioned brands were in fact major household appliance brands, while two were small electrical appliances and the rest clothing, car and mobile phone brands. The other brands were included to ensure that the respondents had to think about the answers and not just assume that everything is part of the major household appliance category.</p> <p>* Respondents' explicit knowledge of selected brands of major household appliances: Measured with a 15-item nominal scale [V10.2 – V10.30 (even numbers)], where respondents indicated the specific major household appliance brand's COO, as either 'West', 'East', 'Local' or 'Don't Know'. This scale has successfully been used by Diedericks (2013) and was slightly adapted for this study.</p> <p>* Brand familiarity was again measured for the purpose of triangulation with Question 10, with a 4-item question where respondents could indicate which of the brands in question 10 they are not familiar with.</p> <p>* COO stereotypes, i.e. the stereotypes consumers hold of Western and Eastern countries as well as of South Africa: Measured with a 7-item, four-point Likert-type scale, adapted from Martin and Eroglu (1993) as previously used by Hamzaoui and Merunka (2006). The scale was developed to measure consumers' perceptions of countries' economic and retail environment. The original scale used a five-point differential semantic scale, with six items. This was adjusted to a four-point Likert-type scale ($M_{Max} = 4$), with seven items of which some of the wording was also tailored to appeal to the South African consumer (Hamzaoui & Merunka, 2006:149). The internal validity of the original scale was tested and confirmed.</p> <p>* Respondents' brand perceptions, i.e. their quality perceptions of Western, Eastern and local brands: Measured with a 7-item, four-point Likert-type scale, adapted from Barksdale and Darden (1972). The original scale used a five-point Likert-type scale, with forty items; all the items were however not relevant to this study and therefore only the seven items pertaining to product quality was used. The wordings of the items were also rephrased to appeal to the South African consumer. The scale and adapted versions of it has successfully been used by LaBarbera and Lazer (1980) and Darley and Johnson (1993). These studies estimated the internal validity of the scale and concluded the Cronbach Alphas for the original seven categories to be between 0.53 and 0.72 (Bearden <i>et al.</i>, 2011:388).</p> <p>* Respondents' overall brand perceptions/associations of brand quality referring to Western, Eastern and local brands, in terms of the total product quality concept: Measured with a 16-item, four-point Likert-type scale, adapted from two separate studies. For the durability and performance quality dimensions (four items) the scale from Hamzaoui and Merunka (2006) were adapted and for the serviceability, aesthetical and prestige quality dimensions, five items from Chung <i>et al.</i> (2009) were added. Three additional environmental, two durability and one of each for: serviceability; aesthetical; prestige items were added to ensure a proper representation of all of the quality dimensions.</p>
11	
12	
13	
14	

4.2.4 Data collection

The quantitative data collection commenced after the pilot test procedure. The researcher and 44 trained fieldworkers (third year Consumer Science students) carried out the data collection from 23 October 2013 to 27 November 2013, within the Tshwane region, by distributing 540 structured, self-administered questionnaires to willing respondents who complied with the sample requirements. Third year Consumer Science students assisted as part of an undergraduate assignment for one of their compulsory subjects that included the research process as a study topic (SEM 381). Each fieldworker was supplied with questionnaires, envelopes for the completed questionnaire as well as smaller envelopes for the completed lucky draw slips. In order to ensure that only data from eligible respondents were captured, screening questions were included at the beginning of the questionnaire. The questionnaires were distributed on a drop-off-collect-later basis, to reduce the inconvenience for the respondents as far as possible. The questionnaires were also dropped off at two schools' receptionists (Queenswood primary- and Nellie Swart primary school), for distribution to suitable employees or parents. The same was done at selected office buildings. A hard copy of the questionnaires was personally given to the respondents, and after completion, they could seal the questionnaire in an envelope or staple its sides, to ensure their anonymity. If the respondents had any queries they could contact the researcher (contact number on cover page) or ask the trained fieldworker upon collection (Delport & Roestenburg, 2011:188; Zikmund & Babin, 2010:172). Respondents were motivated to participate in the study and to complete the entire questionnaire by presenting them with an incentive (Zikmund & Babin, 2010:169) in the form of a lucky draw prize (R500 Woolworths gift voucher). In order for the respondents to qualify; they had to complete the entire questionnaire and fill in their contact number on a tear-off slip. The questionnaires were collected in approximately five days. Out of the 540 distributed questionnaires, 467 were retrieved, however only 450 questionnaires were complete and useful for data analysis.

4.3 OPERATIONALISATION

The important constructs of the study are operationalised in Table 4.2.

TABLE 4.2: OPERATIONALISATION OF CONSTRUCTS

Objectives and sub-objectives	Descriptors	Indicators	Section of questionnaire	Statistical methods
Objective 1 To explore and describe consumers' brand consciousness as an indication of the importance they attach to brand names and their COO as a quality indicator in consumers' choices/preferences of major household appliances.	Brand consciousness, i.e. the importance consumers attach to brand names in their pre-purchase decisions.	<ul style="list-style-type: none"> - Brand as a heuristic of quality - The importance of certain types of brands 	Section A Section C Question 9 (V9.1-V9.8)	Descriptive statistics: percentages, means, standard deviation, Cronbach's Alpha.
Sub-objective 1.1 To explore and describe consumers' brand familiarity in the major household appliance category as an indication of their brand consciousness.	Familiarity with specific major household appliance brand names	Ability to identify major household appliance brands correctly	Section A Section D Question 10 (V10.1;3;5;7;9;11;13;15;17;19;21;23;25;27;29) Question 11 (V11.1-V11.4)	Descriptive statistics: frequencies, percentages, means. To determine significant differences within demographic categories: t-test, Anova.
Sub-objective 1.2 To explore and describe the importance of brand names as a quality indicator relative to other factors during consumers' evaluation of major household appliances.	The meaning of brand names	The use of brand names to deduce certain characteristics, i.e. <ul style="list-style-type: none"> - Personal identity - Quality - Family traditions - Values - National traditions 	Section B Question 7 (V7.1-V7.32)	Exploratory factor analysis, Principal Axis factoring using an Oblimin rotation with Kaiser normalization. Means, standard deviation, percentage variance explained, Cronbach's Alpha.
Sub-objective 1.3 To explore and describe consumers' associations of brands with specific product characteristics.	Brand names as a heuristic	The use of brand names to assess certain product properties, i.e. <ul style="list-style-type: none"> - Eco-friendliness - Status implications - Functional and performance attributes 	Section A Section C Question 8 (V8.1-V8.12)	Exploratory factor analysis, Principal Axis factoring using an Oblimin rotation with Kaiser normalization. Means, standard deviations, percentage variance explained, Cronbach's Alpha.

TABLE 4.2 continued: OPERATIONALISATION OF CONSTRUCTS

Objectives and sub-objectives	Descriptors	Indicators	Section of questionnaire	Statistical methods
<p>Objective 2 To explore and describe the importance of COO as a quality indicator in consumers' choices/preferences of major household appliances.</p>	<p>Perception of COO of brands</p>	<p>The perception of brands from the West, East and local (South Africa), i.e: the quality and superiority of products</p>	<p>Section A Section C Question 9 (V9.7–V9.8) Section D Question 13 (V13.1.1-V13.3.7)</p>	<p>Descriptive statistics: frequencies, percentages, means, standard deviation. To determine significant differences within demographic categories: t-test, Anova.</p>
<p>Sub-objective 2.1 To explore consumers' explicit knowledge of the COO of prominent brands in the major household appliance product category.</p>	<p>Consumers' explicit and tacit knowledge</p>	<p>Ability to identify the COO of major household appliance brands correctly</p>	<p>Section D Question 10 (V10.2;4;6;8;10;12;14;16;18;20;22;24;26;28;30)</p>	<p>Descriptive statistics: percentages.</p>
<p>Sub-objective 2.2 To explore and describe the stereotypes that consumers hold regarding Western-, Eastern- and local brands in order to deduce the potential/probable influence of these stereotypes on their quality perceptions, i.e. in terms of the different quality dimensions.</p>	<p>COO stereotypes of Western and Eastern countries as well as local brands (South Africa)</p>	<p>COO stereotypes: Level of development - Technological advancement - Standard of living - Economic stability - Industrialisation</p>	<p>Section A Section D Question 12 (V12.1.1-V12.3.7)</p>	<p>Descriptive statistics: percentages, means, standard deviation, Cronbach's Alpha. To determine significant differences within demographic categories: t-test, Anova.</p>
<p>Sub-objective 2.3 To discuss consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible differences in quality perceptions.</p>	<p>COO influence on quality i.t.o. quality dimensions</p>	<p>The influence of perceptions and stereotypes on quality perceptions of Western-, Eastern- and local brands, i.e: Durability Performance Serviceability Aesthetics Prestige Brand prestige Technical prestige</p>	<p>Question 14 (V14.1.1-V14.3.16)</p>	<p>Descriptive statistics: percentages, means, standard deviation, Cronbach's Alpha.</p>

4.4 DATA ANALYSIS

Data analysis refers to the conversion of the data into understandable and useable information, which entails coding and editing of the data, after which statistical procedures are run to draw conclusions from and address the objectives. Coding entails converting the data into numerical format, whereas editing entails checking the completed questionnaires for legibility (Salkind, 2012:159; Zikmund & Babin, 2010:59).

The data was coded by the researcher after data collection and entered into an Excel spreadsheet. Coding was done in a numerical manner to transfer data into a computerised statistical program. Therefore, if a respondent indicated a 1 as his/her response, a 1 was written into the coding box next to the statement. A code sheet was only used to code the suburbs (V1.6), as the other codes (1 to 14) were transferred from the questionnaire into the coding blocks. The data was further cross checked and edited to prevent any errors and to ensure the reliability of the results (Salkind, 2012:159; Fouché & Bartley, 2011:252). With the assistance of a statistician, the data was analysed using descriptive and inferential statistics to translate the quantitative data into the relevant information necessary to address the objectives in a scientific manner (Zikmund & Babin, 2010:325). In order to present the data in an understandable, rational and manageable manner, the information was displayed using tables and graphs, created with numeric measurements, frequencies, means, medians, standard deviations and percentages distributions (Salkind, 2012:161-171). The researcher was assisted by a qualified statistician from STATOMET of the University of Pretoria to do the relevant inferential statistics. The statistical procedures used for every objective are indicated in Table 4.2.

4.5 QUALITY OF THE STUDY

The selected research design must enable the researcher to answer the objectives for the study. It is therefore essential to address the quality of the data in order to prove the soundness of the research and ensure that it can be used for future studies and that the conclusions may be implemented in the industry. An efficient way to do this is to assess the validity and reliability of the study. Validity refers to the degree to which the test (questionnaire) measures what it is supposed to. Reliability indicates the internal consistency of the test, which is achieved when the same results will be produced under different circumstances (Salkind, 2012:115-126; Fouché *et al.*, 2011:153; Zikmund & Babin, 2010:249; Walliman, 2005:294).

4.5.1 The importance of research design and methodology

In order to establish the quality of the study, it is crucial to consider the advantages and disadvantages of the research design and methodology. When conducting quantitative research, the chosen research design depends on various factors which the researcher must consider in an attempt to select the most appropriate and useful design that fits the circumstances (Fouché *et al.*, 2011:144). Time and available resources were the major constraints to the chosen design and methodology of this study. In order to work with a limited budget and being able to recruit enough respondents, convenient sampling was used, because it is the least expensive and most time efficient method. It does however limit the study, because it is a non-probability sampling method which means that the sample is not representative of the population and therefore the data cannot be generalised to the population (Salkind, 2012:102; Zikmund & Babin, 2010:312). With the limited time frame in which the data collection was done, the sample size was limited to 450, which is relatively small, but is still considered an appropriate and manageable size to perform the necessary statistical procedures and make reliable inferences (Strydom, 2011b:224). A structured self-completed questionnaire was used to gather the primary data. Its advantages greatly outweigh its disadvantages, because even though incomplete or invalid questionnaires may be returned, it is completed anonymously and at the respondents' convenience, which may lead to more truthful results and ensures no interference by the researcher (Salkind, 2012:148; Zikmund & Babin, 2010:271).

4.5.2 Validity

The validity of research is concerned with the extent to which the research design is appropriately planned in order to truthfully and accurately reflects the concepts and measure what it is intended to (Lacobucci, 2013:58; Zikmund & Babin, 2010:250). The validity of the test results acquired during the research can only be stated in degrees of low and high validity, as it can never be proven entirely. Therefore, to ensure that research is true and sound, a high degree of validity must be achieved during the research process (Salkind, 2012:123), which will reflect the credibility of the study and the extent to which the research results can be generalized to a population (Kallet, 2004).

Validity has two key dimensions, namely external and internal validity. External validity refers to the extent to which the results can accurately be transferred to the population outside the sample area of the study. Unfortunately this study employed non-probability sampling and therefore external validity cannot be guaranteed. It can however be enhanced by providing other researchers, who might want to replicate the study, with unambiguous variables.

Internal validity will ensure that the results are a true measure of the studied phenomenon and therefore refers to the extent to which a measuring instrument accurately and truthfully measures what it was supposed to measure (Zikmund & Babin, 2010:222; Walliman, 2005:278, 294; Kallet, 2004) and thus provides results that are a true measure of the phenomenon being studied (Zikmund & Babin, 2010:250). There are several types of internal validity that must be adhered to throughout the study in order to ensure that it meets a high degree of validity (Salkind, 2012:123-124). The four possible types of validity are discussed below and are applied to this study.

4.5.2.1 Theoretical validity

Theoretical validity assesses the legitimacy of the concepts and their relationships towards each other in terms of the phenomenon studied. The phenomenon must therefore be clearly conceptualised and the underlying concepts must form a coherent presentation of what is being studied (Thomson, 2011). To ensure this, a comprehensive review of recent and relevant academic literature (journal articles and textbooks) was conducted which covered all the concepts of interest, such as quality perception, COO-effect and brand consciousness. All the relevant concepts were thoroughly conceptualised and a structured conceptual framework was included, in an effort to ensure that the questions regarding the concepts were asked in an understandable and unambiguous manner in the questionnaire. Cross checks between sources were continuously performed, to ensure the consistency of the information (Zikmund & Babin, 2010:124, 125). The data that the research delivered was also linked to theoretical explanations (Onwuegbuzie & Leech, 2007).

4.5.2.2 Measurement validity

The four types of measurement validity, which were relevant to this study are; content-, construct-, criterion- and face validity. When conducting research within social sciences, content validity must first be proven before the other types of validity can be established (Rossiter, 2008). Content and face validity must therefore have been established before data collection commences, while construct and criterion validity can only be determined afterwards (Delpont & Roestenburg, 2011:173).

Content validity measures the degree to which the measuring tool includes a representative sample of the concepts and whether it is applicable to the theoretical constructs. It refers to the extent to which the measuring instrument reliably represents the concepts in the theory that it is supposed to measure (Jackson, 2012:70; Salkind, 2012:124; Delpont & Roestenburg, 2011:173; Rossiter, 2008). To ensure the validity of the scale used in the

questionnaire and to ensure that it was suitable and representative of the concepts, a thorough literature review was conducted where after all the concepts relevant to the study were clearly and thoroughly operationalised and existing measuring scales were adapted for the purpose of the study. The supervisor of the study, a professor in the Consumer Science field, reviewed the literature and together with a qualified statistician and statistical research consultant, the questionnaire was analysed to ensure that all the concepts were accurately measured and would produce the necessary data. The questionnaire was piloted to ensure that the participants understood the questions and could accurately answer them (Delpont & Roestenburg, 2011:173; Churchill, Brown & Suter 2010:259; Zikmund & Babin, 2010:250).

Face validity is concerned with the appearance of the measuring instrument and therefore indicates to what degree it appears to measure the variables it is supposed to. Even though some researchers in the scientific community argue that it is not a scientific validity measure, it is still important to verify face validity, since the measuring instrument must appeal to respondents, or at least not put them off at first glance. The questionnaire that was used for this study was broken down into sections in order to categorize questions and to make it appear neat and organized. It was pilot-tested and the questions were asked in 'lay-mans terms' to ensure that the respondents understood the questions. All the questions were based on the constructs of the study in order to ensure that the respondents understood their relevance as explained in the cover letter of the questionnaire (Lacobucci, 2013:59, Delpont & Roestenburg, 2011:173-174).

Construct validity refers to the extent to which the data obtained from the test are associated with the fundamental set of variables and therefore successfully describe the constructs. This can be established by correlating the test scores with the scores measured for the underlying theory of the research. This is however a time consuming and expensive procedure. For the purpose of this study, factor analysis was done for two of the questions instead, which indicated that the measured constructs were not highly correlated with each other (Salkind, 2012:125-126; Zikmund & Babin, 2010:251). All the constructs were also thoroughly operationalised and the questionnaire was designed according to recent and relevant literature on the effect of brands and COO on consumers' quality perception of products. They were presented in an understandable manner. Experts in the Consumer Science field also evaluated the questions to ensure that the concepts were accurately measured (Delpont & Roestenburg, 2011:175).

Criterion validity is concerned with the usefulness of the measuring tool as an accurate predictor of the theoretical construct. This may be established with multiple measurements such as comparing the scores on the questionnaire with an established and reputable

external criterion which measures the same concept. In order to achieve a high degree of criterion validity, different items were used in each question of the questionnaire to measure the same concept, as well as existing and tested scales were adapted to accommodate the objectives of the study (Salkind, 2012:125; Zikmund & Babin, 2010:250).

4.5.3 Reliability

The effectiveness of a study can be judged by evaluating its reliability, which indicates whether a consistent measuring method was applied. A method is reliable when the same aspects are measured throughout and delivers the same results, which indicates internal consistency (Lacobucci, 2013:57; Jackson, 2012:66; Zikmund & Babin, 2010:248). This was done by alternating corresponding questions and cross referencing their answers, which can also be seen as alternate-forms reliability (internal consistency) (Jackson, 2012:69). A pilot study was also done, to ensure that the participants understood the concepts and questions and that any unclear items or language were removed or changed before data gathering commenced (Delpont & Roestenburg, 2011:177). To further test the reliability of the study, a correlation coefficient, Cronbach's Alpha was calculated, which measured the extent to which the separate items in the scale were able to correlate with the total measure of the scale (Lacobucci, 2013:57; Salkind, 2012:119).

4.6 ETHICAL ISSUES

Ethics encompass a collective set of moral values which are commonly acknowledged by society regarding the correct and acceptable conduct towards fellow researchers, respondents, sponsors and students (Churchill *et al.*, 2010:42; Strydom, 2011a:114). Throughout the research process, it was attempted to complete the research in an ethical manner, which means that stereotyping, prejudice, discrimination, bias and intolerance were avoided (Walliman, 2005:342). The following ethical issues were considered throughout the study, to ensure a high degree of ethicality was met.

Ethical approval: The Faculty of Natural and Agricultural Science's Ethical Committee of the University of Pretoria approved the research, its questionnaire design and procedures before data collection commenced (Salkind, 2012:90; Walliman, 2005:358). See Addendum A for the letter of ethical approval.

Informed consent and voluntary participation: The cover letter informed respondents of the study's objectives, a time estimate for completion of the questionnaire and that they were allowed to withdraw from the study at any time or only complete the sections they were

comfortable with (Addendum C). No person was coerced to partake in the study. All participants gave informed consent by signing the informed consent form attached to the questionnaire (Salkind, 2012:86, 91; Delpont & Roestenburg, 2011:193; Strydom, 2011a:116).

Protection from harm: No questions included in the questionnaire could potentially cause respondents any emotional distress. If they were uncomfortable with a question, they were not forced or manipulated to complete it (Salkind, 2012:86).

Right to privacy, anonymity and confidentiality: The cover letter ensured anonymity to the participants and even though a signature was required to stipulate the respondent's informed consent, no request was made for disclosure of names and no attempt was made to match a specific person with a specific questionnaire. Respondents may however have voluntarily provided their contact details on a separate tear-off slip to enter into the lucky draw, but no attempt was made to link any tear-slip number to a specific questionnaire. Respondents were also provided with envelopes to seal their questionnaires before returning them and could place their contact details separately into a smaller sealed envelope (Salkind, 2012:88-91; Delpont & Roestenburg, 2011:193; Strydom, 2011a:119).

Data and interpretation: The data was interpreted correctly, the findings were presented truthfully, and no attempt was made to manipulate the results. The study leader reviewed the work and any shortcomings of the research and their implications were clearly indicated in the final research (Strydom, 2011a:126).

Deception of respondents: The cover letter of the questionnaire truthfully and accurately informed the respondents of the nature and aim of the research and no respondent was deliberately misled to partake in the study or while completing the questionnaire. No misleading questions were asked and even though an incentive was provided to motivate the respondents to partake, it was not misleading as to its value (Strydom, 2011a:119), nor did it serve as a form of bribery.

Plagiarism: Seeing that ethical issues are not only concerned with the treatment of respondents, but also with ensuring other researchers are respected, care was taken to ensure that no plagiarism was committed. The adapted Harvard referencing method was used, as is required by the Department of Consumer Science of the University of Pretoria (Strydom, 2011a:126). See Addendum B, for the signed plagiarism declaration of the University of Pretoria.

Cooperation with contributors: The researcher complied with all of the requirements of the National Research Foundation (NRF) who provided funding for the research. All contributions to the study, such as those of the statistician, statistical research consultant and the supervisor were acknowledged (Strydom, 2011a:124).

Publication of findings: The findings of the research will be published as part of a Master's degree, which will be available to other researchers. The results have been presented as truthfully, objectively and accurately as possible to avoid any misinterpretation (Strydom, 2011a:126).

Competence of researcher: This research project forms part of a Master's degree in Consumer Science at the University of Pretoria and was therefore conducted under the supervision of an experienced supervisor who continuously ensured the quality of the work. The researcher also had to complete a series of modules and present a research proposal to the research committee of the Department of Consumer Science, before the researcher was allowed to proceed with the project. All fieldworkers were comprehensively trained and informed of the research objectives and ethical requirements, before they started their work (Salkind, 2012:90; Walliman, 2005:358).

Debriefing of respondents: The credentials and contact details of the researcher were included on the cover page of the questionnaire to ensure that any participant could raise queries or request the results (Salkind, 2012:89).

4.7 SUMMARY

The deliberation of the research design and methodology has been presented in this chapter to attest to the appropriateness of the research methods used throughout the study. Working within the budget and time constraints, this quantitative study was predominantly exploratory and descriptive in nature, using a structured self-completed questionnaire. The data collection yielded 450 respondents and took place in Tshwane, South Africa during October and November 2013. The unit of analysis comprised of male and female individuals with at least a grade 12 qualification, above 25 years of age, regardless of population group and earning a minimum monthly household income of R5000. The data was analysed using descriptive and inferential statistical procedures and were presented in tables and graphs. Throughout the study measures were taken to ensure the validity and reliability of the results. Furthermore ethical implications of the procedures were considered throughout.



Chapter 5

RESULTS AND DISCUSSION

This chapter firstly presents the demographic characteristics of the sample, followed by the data analysis and discussion of the results in accordance with existing literature. The data is organised according to the objectives for the study.

5.1 INTRODUCTION

The data pertaining to the research objectives were analysed using descriptive and inferential statistics, and supported with interpretations using relevant literature. The information is displayed by using tables and graphs. All percentages are rounded to the second decimal in all texts and graphs.

5.2 DEMOGRAPHIC CHARACTERISTICS OF THE STUDY

The demographic characteristics of the respondents are discussed in the same chronological order as it appears in Section A of the questionnaire namely; gender, age, education level, population group, monthly household income and residing suburb. A total of 540 questionnaires were distributed, of which 467 were retrieved. Only 450 could be used: 17 were disregarded due to incompleteness or non-compliance with the demographic sampling criteria e.g. age, education level or monthly household income.

5.2.1 Gender

Gender is one of the most influential characteristics in forming consumer perceptions and purchasing behaviour (Workman & Cho, 2012; Mokhlis & Salleh, 2009), which makes it an important demographic variable to consider when attempting to understand how it can influence consumers' quality, brand and COO perceptions. Males as well as females were encouraged to participate in the survey, because in modern society both sexes make purchasing decisions regarding high priced and major durables, such as major household appliances (Erasmus *et al.*, 2011; Schiffman & Kanuk, 2010:79; Cant *et al.*, 2006:51). A recent research study in the clothing sector also indicated that both sexes regard quality as

an important factor when making purchase decisions (Workman & Cho, 2012). Gender information of respondents is indicated in Figure 5.1.

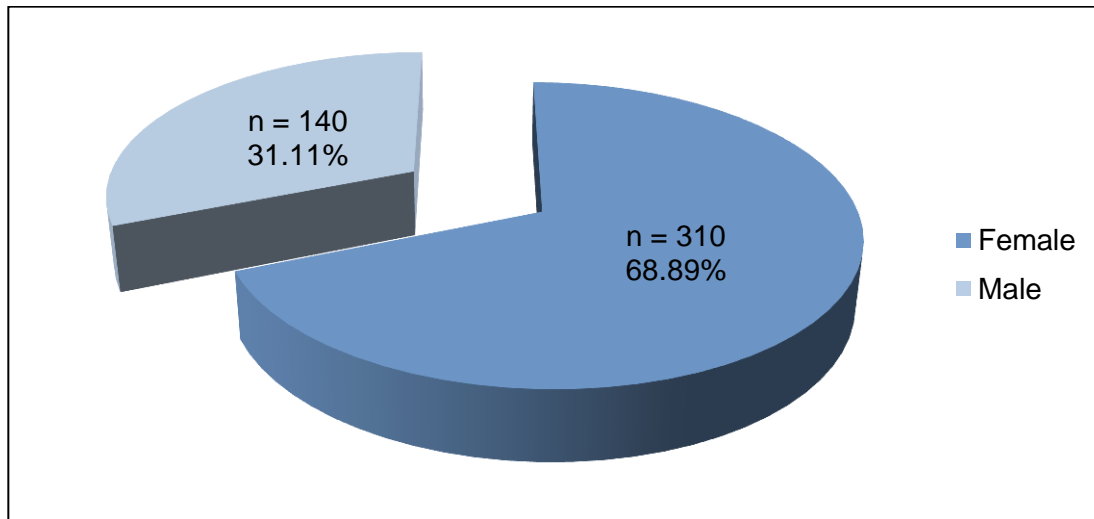


FIGURE 5.1: GENDER OF THE RESPONDENTS (N = 450)

As indicated in Figure 5.1, more females (68.89%) completed the questionnaires as any willing member of a household was allowed to participate. Males and females make decisions at different rational levels (Mokhlis & Salleh, 2009), are guided by different preferences, lifestyles, social pressures and self-images when making purchasing decisions and may therefore place different degrees of importance on various product features, such as quality indicators (Singh & Goyal, 2009; Cant *et al.*, 2006:94). Indications are that females will compare more features of products than males, because they prefer to search for more information when purchasing products, while males tend to consider only one or two features to complete the shopping faster. This may lead to females considering more quality indicators than males when forming a quality perception of products. Males arrange the quality indicators heuristically, whereas females consider all the indicators in an integrative manner and are more detail specific (Kruger & Byker, 2009; Babakus & Yavas, 2008). As previously mentioned, the purchasing process of major household appliances is complex and consumers associate risk with the purchase (Erasmus *et al.*, 2011). Since females are generally more risk averse than males (Croson & Gneezy, 2009), they may be less confident with the purchase process and approach it differently. Studies have delivered mixed results regarding the influence of gender on the presence of local and international brands and it is assumed, at this point in time, that the results may be country specific and influenced by how developed a country is (Giraldi & Ikeda, 2009).

5.2.2 Age

Age was one of the control measures in the study: respondents had to be 25 years and older to partake in the study, to increase the possibility that they have had some purchasing experience with major household appliances. Respondents indicated their age in an open-ended question. Age was then grouped into four categories for statistical analysis (Figure 5.2), namely; young, middle aged, established and older. These age categories were applied as respondents of different age groups are in different life stages and therefore have different values and may prioritise different product characteristics in terms of determining product quality (Giraldi & Ikeda, 2009). For example, older consumers may regard quality as more important than younger consumers (Creusen, 2010) as their disposable incomes may be bigger, which allows them to have more freedom of choice and being able to afford superior quality products, considering that some consumers believe that high quality products are expensive (Schiffman & Kanuk, 2010:198; Simcock, Sudbury & Wright, 2006). Age information of respondents is indicated in Figure 5.2.

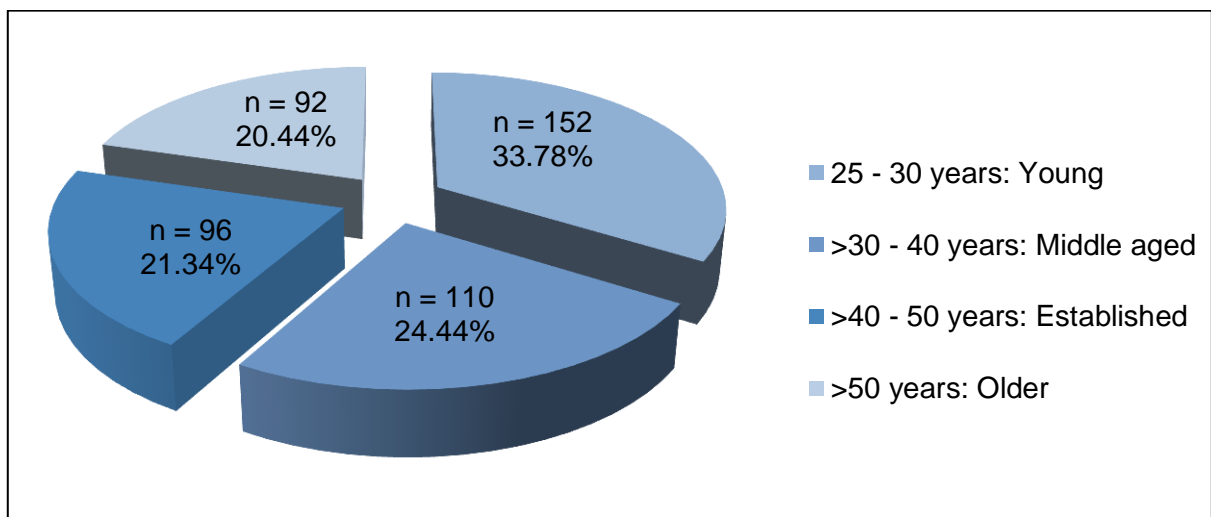


FIGURE 5.2: AGE OF THE RESPONDENTS (N = 450)

As indicated in Figure 5.2, the four age categories of the study were well represented, with slightly more 'young' respondents (33.78%), compared to the other three categories. In South Africa at present the 25 to 29 years age group contributes 4.76 million of the entire South African population of 52.98 million (9%), which is considerably more than any of the other age categories of this study (Stats SA, 2013).

It is important to understand what product characteristics/features consumers of different age groups regard as important, because older consumers may have more knowledge and experience to base their decisions on than younger consumers. They may however base their purchase on a product they trust to reduce the number of comparisons between

different products or brands (De Bruin, Parker & Fischhoff, 2012). It may also be assumed that younger consumers follow compensatory decision rules whereas older consumers follow non-compensatory decision rules (Schiffman & Kanuk, 2010:491). This subsequently influences to what degree the different quality indicators and influencing factors influence consumers' quality perception of certain products and if consumers from different age groups regard brands and COO as important considerations. Brand names are important to young and old consumers, but for different reasons. Young consumers are motivated by social pressure and may regard brand names as a way to convey a desired image to others, while older consumers tend to rely on previous experiences when making a purchase decision and prefer purchasing brands which they know and trust (Singh & Goyal, 2009; Simcock *et al.*, 2006). Research has indicated that younger consumers are more willing to purchase foreign brands than older consumers (Giraldi & Ikeda, 2009), which indicates that the brand and COO does influence different age groups' quality perceptions.

5.2.3 Education level

Consumer education is an important characteristic which influences quality perceptions (Wankhade & Dabade, 2006). It was applied as another control element in the study, as it was important to only include respondents who could read and complete the questionnaire (Adkins & Ozanne, 2005). Consumers with higher education levels are presumed to gather relevant information and to form more accurate quality perceptions and also possess the necessary skills (mental faculties) to logically receive and interpret information (Wankhade & Dabade, 2006). Respondents were required to have an education level of grade 12 or higher, since existing literature indicate that consumers with higher education levels regard quality more important during a purchasing decision, compared to lower educated consumers (Creusen, 2010).

Respondents could indicate their highest education level as follows: lower than grade 12; grade 12; grade 12 plus diploma; grade 12 plus a degree; and postgraduate degree or diploma. Respondents with education lower than grade 12, was disregarded. These four categories were included based on the suggestion that consumers with similar education levels will generally have similar values, purchasing behaviour and product preferences (Schiffman & Kanuk, 2010:80). These categories were included to draw comparisons among groups with similar and different levels of formal education. Respondents' formal education information is indicated in Table 5.1.

TABLE 5.1: EDUCATION LEVEL OF THE RESPONDENTS (N = 450)

Education level	n	%
Grade 12	116	25.78
Grade 12 + diploma	109	24.22
Grade 12 + degree	81	18.00
Grade 12 + postgraduate degree or diploma	144	32.00

As indicated in Table 5.1, the four education level categories were well represented. The Tshwane 2011 census indicate that 4% of the population has no schooling, 34% has a matric (grade 12) (City of Tshwane, 2013), while only 16.70% has some form of higher education (City of Tshwane, 2008). The data is therefore unfortunately not an accurate reflection of the education level of the population of Tshwane. However, the study focussed on higher income, better educated consumers who have the potential to make informed purchase decisions. Consumers with higher education levels are more informed of brands' and products' COO and are more inclined to consider this information in a purchasing situation, especially as an indication of quality (Anwar *et al.*, 2013; Vrontis *et al.*, 2006). Consumers with lower education levels may not have the necessary skills and resources to make informed and responsible purchase decisions (Erasmus *et al.*, 2005). They may not even consider the COO or may not be aware of the implications of this feature. It was therefore more useful to only include higher educated consumers in the study, since they are more likely to consider all the product attributes such as price, aesthetics, brand name and COO when forming a quality perception (Schiffman & Kanuk, 2010:493).

5.2.4 Population group

Respondents indicated their population group according to the Employment Equity Act of South Africa and therefore the questionnaire distinguished between Black, White, Coloured, Asian and 'other' population groups. None of the respondents indicated their population group as 'other'. The four population groups were grouped into two groups (Table 5.2) as the majority of respondents was White (68.44%). The rest were combined as Black and other (31.56%). This study however never aimed to distinguish between the perceptions of the different population groups in South Africa, as it would have required a bigger sample that was not feasible due to the limited time and resources available to conduct the study. This data was therefore mainly used to provide a complete presentation of the sample's composition and to draw limited correlations that could be pursued in a follow-up study.

TABLE 5.2: POPULATION GROUP OF THE RESPONDENTS (N = 450)

Population group categories in questionnaire	n	%	Population group categories of investigation	n	%
Black	118	26.22	Black and other	142	31.56
Coloured	15	3.33			
Asian	9	2.00			
White	308	68.44	White	308	68.44

5.2.5 Monthly household income

Education level may be related to household income, as it is generally agreed that the higher a person's formal education is, the higher his/her occupation status will be and therefore the higher his income may be. It is however important to note that the study considered the joint income of a household, so the response may show a higher income, even though their individual education levels might not be as high. In that light it might not be appropriate to coherently consider these two demographic variables in this study. Income was used as the final control element, seeing that respondents needed to earn a minimum of R5000 to partake in the study. Respondents could indicate their monthly household income in terms of five categories. Seeing that respondents had to earn more than R5000 per month, those who chose the first category, were therefore disregarded and only four categories remained for further analysis. These categories are presented in Table 5.3, which were approximately based on the newly revised Living Standards Measure (LSM) groups that are used by major advertising and media companies in South Africa. The categories are as follows: Lower income group (\geq R5000 to $<$ R10 000), which represents LSM groups 6 (low) to 7 (low); Middle lower income group (\geq R10 000 to $<$ R15 000), which represents LSM groups 7 (high) to 8 (low); Middle upper income group (\geq R15 000 to $<$ R25 000), which represents LSM groups 8 (high) to 9 (high); High income group (\geq R25 000), which represents LSM groups 10 (low) to 10 (high) (Muller, 2009; SAARF, 2011).

TABLE 5.3: MONTHLY HOUSEHOLD INCOME OF THE RESPONDENTS (N = 450)

Monthly household income categories in questionnaire	n	%	Monthly household income categories of investigation	n	%
\geq R5000 - $<$ R10 000	91	20.22	Lower income group	91	20.22
\geq R10 000 - $<$ R15 000	88	19.56	Middle lower income group	88	19.56
\geq R15 000 - $<$ R25 000	102	22.66	Middle upper income group	102	22.66
\geq R25 000	169	37.56	High income group	169	37.56

As indicated in Table 5.3, the ratio between the four monthly household income categories of the study were relatively equal, with the most respondents belonging to the high income group (37.56%) and the least respondents belonging to the middle lower income group (19.56%). Consumers who fall into similar income brackets may belong to the same social class, which influences consumers' values, lifestyles and purchasing behaviour which may

dictate what brands or products are bought (Erasmus *et al.*, 2011; Schiffman & Kanuk, 2010:80). The household income of consumers influences their needs and wants, as it determines their lifestyles, living standards and spending power (Cant *et al.*, 2006:44). Consumers with a lower income have restricted funds which limit their choice of brands. Even though consumers who fall into high or low household income brackets may value quality as an important aspect during a purchase decision, not all of them may prioritise this aspect, for example if they perceive it as an expensive feature that will increase the price (Anwar *et al.*, 2013; Creusen, 2010; Hamilton, 2009).

5.2.6 Area of residence

Respondents were only asked to specify their area of residence (suburb), to confirm the distribution of respondents across Tshwane. Respondents could indicate their area of residence in an open-ended question, where after the researcher regrouped the suburbs according to the six regions in Tshwane (Figure 5.3), as indicated by the 2011 City of Tshwane region map (City of Tshwane, 2011). Due to the small representation (0.89%) of the Far eastern region, it was combined with the Eastern region (38%).

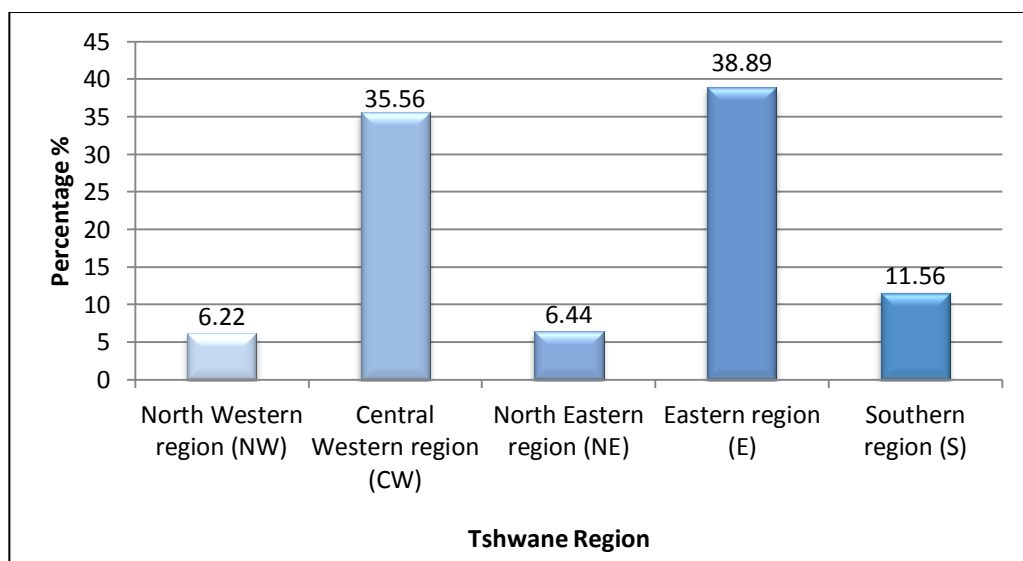


FIGURE 5.3: AREA OF RESIDENCE OF RESPONDENTS (N = 450; Missing: n = 6)

As indicated in Figure 5.3, respondents were recruited from all six of the regions; however more respondents were recruited from the Eastern (38.89%), Central Western (35.56%) and Southern (11.56%) region. Seeing that respondents had to be able to afford and choose between branded products, this distribution was thus beneficial, due to the higher incomes of these regions compared to the others (City of Tshwane, 2008).

5.3 DATA ANALYSIS, RESULTS AND DISCUSSIONS

Results are presented and discussed according to the objectives of the study.

5.3.1 Consumers' brand consciousness as an indication of the importance of brand names and their COO as a quality indicator (Objective 1)

Respondents' brand consciousness as an indication of how important they regard certain types of brands was measured with part of a scale designed by Sproles and Kendall (1986), which involved eight items. The scale measured consumers' choices when considering well-known, more expensive national brands and has successfully been used in several other studies (Mokhlis & Salleh, 2009; Bakewell & Mitchell, 2006). A high mean ($M_{Max} = 4$) indicates respondents' belief that higher prices signal higher quality and also indicate a positive attitude towards best-selling and most advertised brands as well as speciality stores. A higher mean therefore indicates a higher degree of brand consciousness (Sproles & Kendall, 1986). The original scale included seven items, using a six-point Likert-type scale. For the purpose of this study the scale was adapted to include eight closed-ended questions and the wording was also tailored to appeal to the South African consumer. A four-point Likert-type scale was used where respondents could indicate the extent to which they agreed with the randomly listed statements about their brand preferences. The four incremental options included: 1, 'hardly ever' to 4, 'almost always'. To ease analysis and explanations, 'hardly ever' and 'seldom' were combined and are hereafter referred to as 'seldom', whereas 'mostly' and 'almost always' are jointly referred to as 'frequently'. The data presented in Table 5.4 has been arranged in descending order according to the means and will be discussed accordingly. The overall Cronbach Alpha of 0.80, indicates reliable responses and therefore confirm the internal consistency of the responses (Field & Miles, 2010:583).

TABLE 5.4: RESPONDENTS' BRAND CONSCIOUSNESS (N = 450; Missing: n = 6)

Question 9: During the purchasing process of major household appliances, do you...	Seldom (%)	Frequently (%)	Mean	Standard deviation
Focus on well-known brands.	16.89	83.11	3.13	0.78
Regard more famous brands as of a higher quality.	26.00	74.00	2.88	0.81
Purchase what you believe are the best-selling brands.	27.34	72.22	2.86	0.87
Regard local brands as good choices.	54.67	45.33	2.44	0.77
Regard imported brands as good choices.	53.56	46.22	2.41	0.85
Assume that superior brands are sold in nice speciality stores.	56.89	42.89	2.37	0.88
Regard the most advertised brands as good choices.	61.11	38.67	2.33	0.88
Choose more expensive brands.	68.00	31.78	2.15	0.83
Overall Mean				2.57
Standard deviation				0.54
Cronbach Alpha				0.80

Previous studies show that in order to save time and effort and to simplify their purchasing process, consumers readily use brand names in certain product categories as a heuristic/surrogate for quality. Certain brand names also reduce the feeling of risk when purchasing durable products (Rahman *et al.*, 2012; Fischer, Völckner & Sattler, 2010). It was therefore expected that respondents would use the brand names of major household appliances as a quality indicator to discriminate between the various brands. On a four-point scale, means between 2.86 and 3.13 ($M_{Max} = 4$) indicate a high degree of brand consciousness. The overall mean ($M = 2.57$, $M_{Max} = 4$) indicate that respondents are relatively brand conscious, but when investigating each item's mean individually, it does however appear that consumers are not necessarily brand conscious in terms of all the dimensions of a brand, e.g. to choose more expensive brands or most advertised brands.

Results indicate that more than 80% frequently focus on well-known brands and more than 70% perceive famous brands to be of better quality and prefer best-selling brands. Respondents would for example be familiar with well-known and famous brands and include them in their evoked set to increase their confidence in their purchases (Schiffman & Kanuk, 2010:236, 489; Dalman, Desai & Agarwal, 2009). Based on brand familiarity, consumers could therefore develop cognitive structures about the brands and build a brand image with positive associations (Delgado-Ballester *et al.*, 2012; Srivastava & Kamdar, 2009).

Means between 2.15 and 2.44 ($M_{Max} = 4$), indicate that the respondents of this study were not brand conscious in terms of local, imported, most advertised and expensive brands as well as brands which are sold in speciality stores. Literature indicates that consumers in emerging economies prefer international, especially Western brands (Batra *et al.*, 2000), but there was uncertainty among the respondents whether local (45.33%) or imported (46.22%)

brands are better choices. This gives the impression that consumers might be undecided about the superiority of local versus international brands. This response was also recently found in a South African study regarding major household appliances which is rather concerning to local manufacturers because they need local support in the competitive market (Sonnenberg *et al.*, 2011). It could however motivate local manufacturers to enhance their marketing strategies, because consumers seem to be willing to purchase local brands and are not that determined to purchase imported brands, as literature suggests (Akram, Merunka & Akram, 2011; Batra *et al.*, 2000). Only 38% to 43% of the respondents assumed that superior brands are sold in speciality stores and regarded most advertised brands as good choices. However, near 32% (i.e. not the majority) of the respondents chose more expensive brands, which may contradict previous research that indicate that consumers assume that superior brands are more expensive and that quality is related to the price of the appliance (Schiffman & Kanuk, 2010:198; Simcock *et al.*, 2006; Wankhade & Dabade, 2006). Consumers in the modern market place are more informed about the product quality of durables due to the accessibility of information on the internet, while manufacturers also provide them with product information on the packaging, in brand booklets, as well as via service staff and trade shows. Indications are that consumers are highly involved and informed regarding their purchases and consider other aspects than just price when comparing different brands to ensure that they make the right purchase decisions (Boyle & Lathrop, 2009). Previous research has also found that consumers regard price as an indication of the prestige dimension of quality. Results of this study however showed that the respondents did not rely heavily on the prestige of a brand name ($M = 2.29$) (Objective 1.3: Table 5.12), which may explain why they do not readily perceive expensive brands to be good choices (Schiffman & Kanuk, 2010:198; Brucks *et al.*, 2000). These findings may indicate a higher degree of rational decision-making than in the past, suggesting that consumers demand more information about products and therefore apply a higher level of cognitive thinking when considering purchases, especially durable products (Sonnenberg *et al.*, 2011).

The means therefore suggest that consumers are only brand conscious in terms of well-known, famous and best-selling brands, which represent quality to them. They may therefore attach importance to certain brand names in a purchase situation, but do not focus so strongly on the COO in terms of the product being local or imported.

5.3.1.1 A comparison of consumers' brand consciousness in terms of their demographic characteristics

A further investigation was done per subset of the demographic categories to determine any significant differences among demographic groups with respect to their brand consciousness (Table 5.5). This was done using t-test scores for the gender and population group categories and ANOVA for age, education- and income level.

TABLE 5.5: RESPONDENTS' BRAND CONSCIOUSNESS PER DEMOGRAPHIC CATEGORY (N = 450)

Demographic variable	Categories	n	Mean	Standard deviation
Gender • p = 0.0174	Female	310	2.54 ^a	0.55
	Male	140	2.65 ^b	0.51
Age • p = 0.0731	>25 – ≤30 years	152	2.65 ^a	0.54
	>30 – ≤40 years	110	2.56 ^a	0.57
	>40 – ≤50 years	96	2.60 ^a	0.54
	>50 years	92	2.43 ^a	0.48
Level of education • p = 0.1345	Grade 12	116	2.55 ^a	0.58
	Grade 12 + Diploma	109	2.54 ^a	0.53
	Grade 12 + Degree	81	2.67 ^a	0.53
	Postgraduate qualification	144	2.56 ^a	0.52
Population group • p = 0.5966	Black & Other	142	2.63 ^a	0.59
	White	308	2.55 ^a	0.52
Income group • p = 0.0714	>5000 – <10 000	91	2.68 ^a	0.58
	≥10 000 – <15 000	88	2.62 ^a	0.55
	≥15 000 – <25 000	102	2.51 ^a	0.60
	≥25 000	169	2.53 ^a	0.47
Overall Mean			2.57	
R²			0.06	
p-Value			0.0086	
Means with different super scripts in a particular category differ statistically significantly (p ≤ 0.05)				

The R-square suggests that the demographic characteristics only have about 6% influence on consumers' brand consciousness. The overall p-value (p = 0.0086) indicate that significant differences exist within the demographic groups with regard to consumers' brand consciousness. Eventually however, significant differences could only be confirmed for gender (p = 0.0174). The t-test results suggest that males ($M_{\text{Males}} = 2.65$; $M_{\text{Max}} = 4$) are significantly more brand conscious than females ($M_{\text{Females}} = 2.54$), which contradicts several other studies which indicate that females are more brand conscious (Workman & Lee, 2013) or equally brand conscious. These inconsistencies may be explained with the suggestion that brand consciousness is product specific (Nelson & McLeod, 2005). The higher brand consciousness of the male consumers in this study may be ascribed to males favouring convenience and relying on fewer indicators. When they know and are able to easily choose

between the various brands, the decision process is easier and faster (Workman & Cho, 2012; Bakewell & Mitchell, 2006; Nelson & McLeod, 2005)

5.3.2 Consumers' brand familiarity as an indication of their brand consciousness (Sub-objective 1.1)

Respondents' brand familiarity of major household appliance brands was investigated using a 15-item nominal scale. A similar scale was successfully used in a Masters study in the South African clothing context (Diedericks, 2013) and was slightly adapted for this study. Fifteen brands from different product categories were included and respondents were asked to indicate which of the fifteen brands fall into the major household appliance product category. They could choose between a 'yes', 'no' or 'don't know' answer. Only nine out of the fifteen mentioned brands were in fact major household appliance brands. The other brands were included to ensure that the respondents had to think about the answers and not just assume that everything is part of the major household appliance category. Findings are presented in Table 5.6 in descending order.

TABLE 5.6: BRAND FAMILIARITY IN THE MAJOR HOUSEHOLD APPLIANCE PRODUCT CATEGORY (N = 450; Missing: n = 87)

Question 10: Please indicate which of the following brands are associated with MAJOR household appliances (e.g. washing machines) and where you think they originate from (County of Origin).	Correct		Don't Know		Missing
	n	%	n	%	n
Samsung	419	93.32	12	2.67	1
Defy	413	92.60	14	3.14	4
Bosch	365	81.84	36	8.07	4
Whirlpool	353	80.05	43	9.75	9
Russell Hobbs	354	79.19	20	4.47	3
KIC	279	62.70	76	17.08	5
Hisense	273	61.49	71	15.99	6
Electrolux	254	57.21	77	17.34	6
Guess	225	50.68	57	12.84	6
Jeep	225	50.68	51	11.49	6
Polo	219	49.32	101	22.75	6
Nokia	212	47.64	31	6.97	5
Miele	206	46.29	125	28.09	5
Breville	146	33.26	215	48.97	11
De Longhi	119	27.05	163	37.05	10
* Shaded brands – Major household appliances * Not shaded brands – Not major household appliances * COO data will be presented in Table 5.16					

More than 90% of the respondents correctly identified Samsung and Defy as major household appliances, while approximately 80% also knew that Bosch, Whirlpool and Russell Hobbs are part of this category. Approximately 60% also correctly identified KIC,

Hisense and Electrolux as major household appliances, while Miele was the only major household appliance where less than 47% of the respondents identified the brand correctly. It is concerning that between 27% and 46% of the respondents incorrectly identified Guess, Jeep, Polo and Nokia as major household appliances, which are relatively visible brands in the clothing, car and mobile phone product categories. This indicates brand image incongruity and brand inconsistencies, brand misrepresentation and a need for better brand positioning for these four brands. Brand extension is readily used as a strategy to launch new products, which is the practice whereby the equity of a well established brand of a specific product category is used, to present a new product in a different product category to the market (Srivastava *et al.*, 2012). This widely used practice may therefore influence consumers' subjective knowledge of well-known brands, so that they may start to think that these brands have certain brand extensions, which is not necessarily the case.

Question 11 served as triangulation to support the answers of question 10: respondents could indicate which of the brands mentioned in question 10, they were not familiar with. They indicated these brands in an open-ended question as summarised in Table 5.7 in descending order.

TABLE 5.7: RESPONDENTS' UNFAMILIARITY WITH BRANDS (N = 450)

Question 11: Which of the brands mentioned above are you NOT really familiar with? You may indicate more than one.		
Brand	n	%
Breville	292	64.89
De Longhi	211	46.89
Miele	176	39.11
Polo	83	18.44
KIC	65	14.44
Electrolux	58	12.89
Hisense	57	12.67
Guess	38	8.44
Jeep	28	6.22
Whirlpool	27	6.00
Russell Hobbs	10	2.22
Bosch	6	1.33
Nokia	5	1.11
Defy	5	1.11
Samsung	2	0.44
* Shaded brands – Major household appliances		
* Not shaded brands – Not major household appliances		

Respondents were relatively unfamiliar with the brand names of small electrical appliances, as approximately 65% of the respondents were unfamiliar with Breville and approximately 46% were unfamiliar with De Longhi. This is consistent with the findings of question 10 (Table 5.6), where approximately 48% and 37% respectively did not know whether these brands were major appliances. Even though these two appliances are small electrical

appliance brands and do not fall into the major appliance category, it is concerning that so many respondents are unfamiliar with these brands that are especially widely available and widely advertised, because consumers tend to regard brand names as a quality indicator which is used to simplify their purchasing decisions and to reduce risk (Rahman *et al.*, 2012; Fischer *et al.*, 2010). Findings relates to the results of Objective 1 (Table 5.4), which show that more than 70% of the respondents regard famous brands as of a higher quality and therefore focus on well-known brands when making purchase decisions.

Approximately 40% of the respondents were unfamiliar with Miele, while only approximately 46% (Table 5.6) recognised that it is a major household appliance brand. This is possibly because it is an expensive brand which is not readily sold in all major department stores. This is however problematic for the brand, as about 60% of this study's respondents fall into the higher income bracket who form part of the target group of the brand. Because such a large percentage indicated that they were not familiar with the Miele brand, and because Miele is a more sophisticated, expensive brand which targets the upper income market segments, effort was made to determine who are not familiar with the brand (Table 5.8). Further investigation indicated that more than 60% of the respondents in the highest income category who have a monthly household income of R25 000 or more correctly identified Miele as a major household appliance brand. This nevertheless indicates that approximately 36% of Miele's target market is not familiar with the brand and therefore not familiar with their products.

TABLE 5.8: MIELE BRAND FAMILIARITY (N = 450; Missing: n = 5)

Question 10: Please indicate which of the following brands are associated with MAJOR household appliances (e.g. washing machines)	Miele brand familiarity i.t.o. income groups							
	Income groups							
	≥R5 000 to <R10 000		≥R10 000 to <R15 000		≥R15 000 to <R25 000		≥R25 000	
	Correct	Don't Know	Correct	Don't Know	Correct	Don't Know	Correct	Don't Know
Percentage	%	%	%	%	%	%	%	%
Miele	35.16	38.46	28.74	36.78	42.42	28.28	63.69	17.86

Findings indicate that consumers are relatively familiar with brand names associated with major household appliances, especially best-selling brands, namely Defy and Samsung who share the majority of the market share of the South African home laundry appliance industry (Euromonitor International, 2014b). Brand familiarity influences consumers' purchase intentions, because the more familiar they are with a brand, the more confident they will be to purchase it (Solomon *et al.*, 2010:326). Consumers use brand names to simplify their purchasing decisions and to determine the quality of the products (Rahman *et al.*, 2012;

Fischer *et al.*, 2010) and therefore companies cannot afford that consumers, especially their target markets are not acquainted with their brands.

5.3.3 The importance of brand names as a quality indicator relative to other factors (Sub-objective 1.2)

The importance consumers attach to brand names as a quality indicator relative to other factors during their evaluation of major household appliances was investigated using an adapted 32-item scale, developed and tested by Strizhakova *et al.*, (2008). The scale measured the meaning of branded products, which is an important concept to investigate and understand, because companies develop brands to communicate the meanings they attach to a product (Solomon *et al.*, 2010:37). The scale examines seven broad themes which has been conceptualised into four dimensions. The four dimensions include quality, values, personal identity and traditions, where personal identity consists of self identity, group identity and status factors and the tradition factor includes family- and national traditions (Bearden *et al.*, 2011:350). The original scale included a seven-point Likert-type agreement scale, but it was adapted to a four-point Likert-type scale ($M_{\text{Max}} = 4$) for the purpose of this study. All the statements of the original scale were used, although they were shuffled and some wordings were re-phrased to appeal to the South African consumer.

Exploratory factor analysis enables the researcher to generate theory by exploring the main dimensions of the constructs within the variables (Williams, Brown & Onsman, 2010). Exploratory factor analysis was therefore chosen for the purpose of this study, which is a statistical technique used to reduce the number of variables within a matrix in order to obtain manageable data. Variables within the matrix may be related to one another, which represent a specific construct/factor. Therefore the closer the variables are related to one another, the fewer factors will be needed to explain all the variables within the matrix. The factor scores may then be utilized as dependent variables (Salkind, 2012:191). Factor analysis is used to determine the underlying relationships or associations between the various test scores and may therefore be seen as a correlating method, used to confirm trends and reliability within a large data matrix (Mvududu & Sink, 2013). This can be achieved using different extraction methods, such as the Principal Axis Factoring used in this study, which is also one of the most frequently used methods in published academic literature (De Winter & Dodou, 2012; Williams *et al.*, 2010). This method is used to reveal the underlying structure of the original variables within the scale. The factors which emerge describe the variance which is common to several variables. The first factor is made up of as much as possible common variance, the second factor of the second most common variance and the process is continued until all of the variance is described (Mvududu & Sink, 2013).

The 32-item scale was therefore subjected to exploratory factor analysis to differentiate coherent factors and to determine the components of each factor. SPSS was used to perform exploratory factor analysis, specifically Principal Axis Factoring, using an Oblimin rotation with Kaiser Normalization. Through repeated factorisation it was decided to omit three items, i.e. V7.7, V7.18 and V7.31, because they failed to load onto any of the factors in a logical manner. The factor loadings are represented by the correlation coefficients between the factor and the variables. Factor loadings equal or greater than ± 0.50 are considered practically significant (Williams *et al.*, 2010). Factor loadings may explain the relative importance of a variable to a factor, because variables which have lower factor loadings are relatively less important to the factor than variables with higher factor loadings (Mvududu & Sink, 2013).

The subsequent outcome of the exploratory factor analysis procedure yielded five factors as presented in Table 5.9, which were labelled:

Factor1:	Personal identity	(13 components/items)
Factor2:	Quality	(5 components/items)
Factor3:	Family traditions	(5 components/items)
Factor4:	Values	(3 components/items)
Factor5:	National traditions	(3 components/items)

The items within the five factors were coherent in terms of literature, with their respective Cronbach Alphas (0.92; 0.82; 0.84; 0.72; 0.87), indicating internal consistency within the factors (Field & Miles, 2010:583). The factors and their respective items are very similar to the dimensions of the original scale, although factor 3 and factor 5 represents a split of the original factor, factor 5 omits one item (V7.31) and factor 1 omits two items (V7.7 and V7.18) of the original scale. Findings of the factor analysis procedure are presented in Table 5.9.

TABLE 5.9: FACTORS IDENTIFIED THROUGH FACTOR ANALYSIS

Question 7: When considering major household appliances...	Factor 1: Personal identity	Factor 2: Quality	Factor 3: Family traditions	Factor 4: Values	Factor 5: National traditions
Do you choose brands that help to express your identity to others?	0.83	-0.07	0.12	-0.06	0.09
Do you use different brands to express different aspects of your personality?	0.71	-0.17	0.10	-0.22	0.01
Do you believe that one generally chooses brands that are associated with the social class he/she belongs to?	0.67	0.02	-0.02	-0.16	0.07
Do you believe that the brands one uses communicate important information about the type of person you are?	0.66	0.16	-0.13	0.07	-0.16
Do you choose brands that bring out your personality?	0.64	-0.05	-0.01	-0.32	0.02
Do you believe that one's achievements can be communicated through the brands one owns and uses?	0.63	0.11	-0.10	0.03	-0.08
Do you believe that the brands that one uses reflect one's social status?	0.63	0.11	-0.09	0.15	-0.14
Do you believe that the choice of brand says something about you as a person?	0.62	0.19	-0.17	-0.03	-0.20
Do you choose certain brands thinking that it will indicate the kind of people you associate with?	0.59	0.00	0.18	0.22	-0.10
Do you focus on brands that will communicate your social status?	0.58	0.20	0.06	0.18	-0.01
Do you feel a bond with people who use the same brands that you use?	0.57	-0.05	0.12	-0.13	-0.08
Do you buy brands to be able to associate with specific people and groups?	0.55	-0.04	0.12	0.07	-0.28
Do you avoid choosing brands that do not reflect your social status?	0.54	-0.13	0.20	-0.05	-0.02
Do you believe that a brand name tells one a great deal about the quality of a product?	0.06	0.74	0.01	0.15	0.00
Do you believe that one can tell a lot about a product's quality from the brand name?	0.08	0.68	0.06	0.01	0.04
Do you consider a brand name as an important source of information about the durability and reliability of the product?	-0.01	0.66	0.01	0.00	-0.03
Do you use specific brand names because they signify quality?	0.01	0.66	0.10	-0.17	0.08
Do you choose brands because of the quality they represent?	-0.11	0.60	0.13	-0.34	-0.01
Do you buy brands that your parents buy/have bought?	-0.01	0.09	0.73	0.00	0.01
Do you use brands that remind you of your family?	0.14	-0.04	0.62	-0.12	-0.14
Do you buy certain brands in order to continue family traditions?	0.09	0.00	0.61	0.12	-0.23
Do you stick to brands that your family uses or has used?	-0.06	0.23	0.60	0.08	-0.05
Do you buy certain brands because they are an important tradition in your household?	0.16	-0.05	0.45	-0.17	-0.27
Do you choose brands because you support the values they stand for?	0.11	0.20	0.06	-0.54	-0.17
Do you buy brands that are consistent with your values?	0.25	0.17	-0.09	-0.38	-0.18
Are your brand choices based on the companies' values?	0.18	0.14	-0.02	-0.37	-0.26

TABLE 5.9 continued: FACTORS IDENTIFIED THROUGH FACTOR ANALYSIS

Question 7: When considering major household appliances...	Factor 1: Personal identity	Factor 2: Quality	Factor 3: Family traditions	Factor 4: Values	Factor 5: National traditions
Do you use specific brands that reflect your national heritage?	-0.02	-0.01	0.08	-0.01	-0.85
Do you prefer brands that are associated with your national heritage?	-0.04	-0.08	0.07	-0.07	-0.82
Do you choose certain brands because they are part of your national traditions?	0.12	-0.04	0.15	-0.00	-0.64
Mean	1.97	3.19	2.13	2.47	1.74
Standard deviation	0.64	0.57	0.68	0.75	0.73
% Variance explained	35.11	9.80	8.21	4.95	3.61
Cronbach Alpha	0.92	0.82	0.84	0.72	0.87

Five factors emerged, namely factor 1: Personal identity; factor 2: Quality; factor 3: Family traditions; factor 4: Values; factor 5: National traditions. The means for the five factors varied between 1.74 and 3.19. The % variance explained is 61.68, which is acceptable in terms of explaining variance in the data. Standard deviations were acceptable (0.57 – 0.75). The means indicate pertinent differences in terms of consumers' consideration of brand names as an indication of the quality of an appliance relative to other factors (see Figure 5.4). The respective means for the five factors suggest that consumers' strongest association with a brand name is quality, followed by values, which is consistent with the findings of the original scale (Strizhakova *et al.*, 2008). During their evaluation of major household appliances, consumers may therefore be inclined to use brand names as a quality indicator ($M_{\text{Factor2}} = 3.19$) more so than as an indicator of personal identity ($M_{\text{Factor1}} = 1.97$), family traditions ($M_{\text{Factor3}} = 2.13$), Values ($M_{\text{Factor4}} = 2.47$) and national traditions ($M_{\text{Factor5}} = 1.74$).

A discussion of the five factors subsequently follows.

Factor 1: Personal identity

With thirteen items, this factor measured three constructs, namely brands as a reflection of self identity (personality), a means to establish group identity and a signal of social status (Bearden *et al.*, 2011:350). This can therefore be associated with the intangible dimensions of a product, i.e. the emotional connection consumers have with it (Lamb *et al.*, 2008:214). Consumers prefer brand names with a personality that coincides with their own or makes them feel part of a bigger community (Schiffman & Kanuk, 2010:163). On a four-point scale, the mean ($M = 1.97$) indicates that consumers seldom use brands as a reflection or signal of personal identity, which concurs with the original study in terms of an emerging country (Strizhakova *et al.*, 2008). A previous study however indicated that South African consumers

are generally concerned about status-related factors of major household appliances (Erasmus *et al.*, 2011), although it did not investigate the self- and group identity attached to these brands, but rather the aesthetics, reputation, exterior finishes and impressiveness of the brands. Based on previous research, consumers from emerging and developing countries will probably be less concerned with this dimension compared to consumers from developed countries (Erasmus *et al.*, 2011; Strizhakova *et al.*, 2008). In the context of this study consumers apparently do not strongly associate their own identity with that of a brand name.

Factor 2: Quality

This factor consists of five items which measured brands as a quality indicator to reduce risk (Bearden *et al.*, 2011:350). The mean ($M = 3.19$) indicates that consumers mostly use brand names as a quality indicator, which supports the findings of the original scale (Strizhakova *et al.*, 2008). Various other studies also indicate that consumers may use the brand name to reduce their risk perception, i.e. using it as a heuristic to deduce quality (Rahman *et al.*, 2012; Enslin & Klopper, 2011:10).

Factor 3: Family traditions

Use of brand names as an indication of family traditions was also measured with five items (Bearden *et al.*, 2011:350). It is generally believed that people learn how to be consumers from their family members and may therefore attach the same meaning to certain brands as their mothers or fathers did, i.e. product related consumer socialisation (Strizhakova *et al.*, 2008; Du Plessis & Rousseau, 2007:261). The findings of this study however indicates that consumers seldom ($M = 2.13$) use brand names as a reflection of their family traditions. The findings are consistent with the findings and explanations of the original scale. When consumers in an emerging market have not been exposed to certain brand names for an extensive period, they probably have not developed family traditions regarding certain brands over a few generations (Strizhakova *et al.*, 2008).

Factor 4: Values

This factor consists of three items which measured consumers' use of brand names to reflect personal values of the company (Bearden *et al.*, 2011:350). The mean ($M = 2.47$) indicates that consumers seldom attach brand names to the companies' values. The mean is however higher than for factors 1, 3 and 5, which suggests some concern about the values of companies and how ethically they conduct their business. This can also be explained in terms of the findings of Sub-objective 1.3 (Table 5.12), which indicate that consumers mostly ($M = 2.86$) use brand names as an indication of desirable environmental and ethical characteristics of companies (Du Toit, 2013:84, 90).

Factor 5: National traditions

This factor consists of three items which measured consumers' use of brand names as an indication of national traditions (Bearden *et al.*, 2011:350). The mean ($M = 1.74$) indicates that consumers very seldom use brand names to deduce national traditions. The explanation is similar to that of factor 3 (family traditions), because consumers may not have had the chance to develop an understanding of national traditions with regard to certain brand names over time (Strizhakova *et al.*, 2008).

5.3.3.1 A comparison of the importance of brand names as a quality indicator relative to other factors in terms of consumers' demographic characteristics

The means for the five factors were calculated per subset for each of the demographic categories, to determine possible significant differences within specific demographic groups regarding the importance they attach to brand names as a quality indicator relative to other factors. This was done using t-test scores for the gender and population group categories and Anova for age, education level and income level. All the demographic categories were investigated simultaneously, i.e. the demographic model was developed under the condition that $\text{Mean F1; Mean F2; Mean F3; Mean F4; Mean F5} = \text{LSMean (gender); LSMean (age); LSMean (level of education), LSMean (population group); LSMean (income level)}$. Findings of the demographic categories per factor are presented in Table 5.10.

TABLE 5.10: COMPARISON OF THE MEANS FOR THE DIFFERENT FACTORS PER DEMOGRAPHIC CATEGORY (N = 450)

Means for the five factors per demographic category						
Category (N = 450)		FACTOR 1 Personal identity Mean (*SDM)	FACTOR 2 Quality Mean (*SDM)	FACTOR 3 Family traditions Mean (*SDM)	FACTOR 4 Values Mean (*SDM)	FACTOR 5 National traditions Mean (*SDM)
Gender:						
Female	n = 310	1.93 ^a (0.62)	3.16 ^a (0.59)	2.16 ^a (0.69)	2.43 ^a (0.72)	1.69 ^a (0.72)
Male	n = 140	2.08 ^b (0.66)	3.26 ^a (0.51)	2.07 ^a (0.66)	2.55 ^a (0.80)	1.87 ^b (0.75)
p-value = ≤0.05		0.0084	0.1042	0.3503	0.1258	0.0140
Age:						
≥25 - ≤30	n = 152	2.08 ^a (0.62)	3.18 ^a (0.58)	2.25 ^a (0.70)	2.50 ^a (0.73)	1.81 ^a (0.75)
>30 - 40	n = 110	2.01 ^a (0.68)	3.19 ^a (0.58)	2.15 ^a (0.65)	2.49 ^a (0.76)	1.74 ^a (0.72)
>40 - 50	n = 96	1.93 ^a (0.61)	3.17 ^a (0.55)	2.14 ^{ab} (0.65)	2.50 ^a (0.72)	1.77 ^a (0.75)
>50	n = 92	1.80 ^a (0.60)	3.23 ^a (0.55)	1.89 ^b (0.65)	2.37 ^a (0.80)	1.61 ^a (0.70)
p-value = ≤0.05		0.3942	0.8874	0.0194	0.7378	0.4901
Education:						
Grade 12	n = 116	1.98 ^a (0.67)	3.18 ^a (0.60)	2.09 ^a (0.61)	2.43 ^a (0.77)	1.71 ^a (0.74)
Grade 12 + diploma	n = 109	2.02 ^a (0.62)	3.12 ^a (0.55)	2.10 ^a (0.68)	2.52 ^a (0.75)	1.75 ^a (0.72)
Grade 12 + degree	n = 81	2.03 ^a (0.60)	3.24 ^a (0.47)	2.26 ^a (0.66)	2.51 ^a (0.59)	1.75 ^a (0.71)
Grade 12 + postgraduate degree or diploma	n = 144	1.90 ^a (0.63)	3.23 ^a (0.60)	2.11 ^a (0.74)	2.43 ^a (0.81)	1.76 ^a (0.77)
p-value = ≤0.05		0.0957	0.4403	0.0513	0.5509	0.6824
Population group:						
Black & other	n = 142	2.28 ^a (0.64)	3.22 ^a (0.59)	2.24 ^a (0.69)	2.65 ^a (0.71)	1.92 ^a (0.76)
White	n = 308	1.83 ^b (0.58)	3.18 ^a (0.56)	2.08 ^a (0.67)	2.38 ^a (0.75)	1.67 ^b (0.71)
p-value = ≤0.05		<.0001	0.3160	0.2015	0.0010	0.0056
Income:						
≥R5000 - <R10 000	n = 91	2.17 ^a (0.67)	3.22 ^a (0.51)	2.32 ^a (0.67)	2.48 ^a (0.74)	1.84 ^a (0.78)
≥R10 000 - <R15 000	n = 88	2.03 ^a (0.62)	3.14 ^a (0.56)	2.19 ^{ab} (0.68)	2.55 ^a (0.77)	1.75 ^a (0.74)
≥R15 000 - <R25 000	n = 102	1.86 ^a (0.62)	3.15 ^a (0.68)	2.03 ^b (0.65)	2.42 ^a (0.74)	1.73 ^a (0.71)
≥R25 000	n = 169	1.91 ^a (0.61)	3.23 ^a (0.52)	2.06 ^b (0.68)	2.44 ^a (0.75)	1.70 ^a (0.72)
p-value = ≤0.05		0.0630	0.6020	0.0149	0.7127	0.7748
R²		0.15	0.02	0.08	0.04	0.05
p-Value		<.0001	0.6147	0.0002	0.0638	0.0307
* SDM: Standard deviation of the mean Means with different super scripts in a particular category differ statistically significantly (p ≤ 0.05)						

As indicated by the R-square, the selected demographic characteristics explained the personal identity factor (15%) significantly more so than the quality factor (2%), family traditions factor (8%), values factor (4%) and the national traditions factor (5%). The overall p-values for the five factors indicate that there are significant differences within the demographic groups for factor 1 (p = <.0001), factor 3 (p = 0.0002) and factor 5 (p = 0.0307), but not for factor 2 (p = 0.6147) and factor 4 (p = 0.0638). The demographic groups were further scrutinised for all five factors using a post hoc Sheffe test, which detected significant differences within the gender and population categories for factor 1 and factor 5 and significant differences within the age and income categories of factor 3.

A discussion of the demographic characteristics in terms of the five factors subsequently follows.

Factor 1: Personal identity

Based on the means presented in Table 5.9, one could argue that consumers seldom use brand names as a reflection or signal of personal identity ($M_{\text{Factor1}} = 1.97$; $M_{\text{Max}} = 4$). The p-value ($p = <.0001$) indicated that there are significant differences within the demographic groups. A post hoc Sheffe test was then used to further scrutinise the demographic groups. Statistical significant differences came to the fore for gender (t-test: $p = 0.0084$) and the population groups (t-test: $p = <.0001$). Interior merchandise, such as major household appliances are visible to others in the home which enables consumers to express their personal identity to others (Erasmus *et al.*, 2011). The t-test showed that males ($M_{\text{Males}} = 2.08$) use brand names significantly more so than females ($M_{\text{Females}} = 1.93$) as a reflection of their personal identity. This may be explained with the belief that males are competitive and strive for independence (Schiffman & Kanuk, 2010:417). The t-test also showed that the Black and other population groups ($M_{\text{Black \& other}} = 2.28$) use brand names significantly more so than White consumers ($M_{\text{White}} = 1.83$) as a reflection of their personal identity. This might be explained by the findings of Sub-objective 1.3 (Table 5.13), which suggest that the Black and other population groups ($M_{\text{Black \& other}} = 2.62$) use brand names to a greater extent than White consumers ($M_{\text{White}} = 2.15$) as an indication of status-related implications. Seeing that this factor measured brands as a reflection of self identity, a means to establish group identity and a signal of social status (Bearden *et al.*, 2011:350), the signal of social status might have come more to the fore for the Black and other population groups, just as with the findings of Sub-objective 1.3 (Table 5.13).

Factor 2: Quality

As specified in Table 5.9, the means indicate that consumers mostly use brand names as a quality indicator ($M_{\text{Factor2}} = 3.19$; $M_{\text{Max}} = 4$) and the p-value ($p = 0.6147$) indicates that there are no significant differences within the demographic groups, i.e. irrespective of consumers' demographic characteristics, all use brand names as a signifier of quality. The demographic groups were nevertheless scrutinised using a post hoc Scheffe test, which could also not confirm statistical significant differences within the demographic categories for this factor. The findings therefore indicate that demographic characteristics are not a significant predictor of the importance of brand names as a quality indicator. Rather all consumers irrespective of gender, age, education, population group or income use brands almost always as heuristic of quality.

Factor 3: Family traditions

As specified in Table 5.9, the means indicate that consumers seldom use brand names as a reflection or signal of their family traditions ($M_{\text{Factor3}} = 2.13$; $M_{\text{Max}} = 4$). The p-value ($p = 0.0002$) indicated that there are significant differences within the demographic groups. A post hoc Sheffe test was then used to further scrutinise the demographic groups. Statistical significant differences came to the fore for the age (Anova: $p = 0.0194$) and income groups (Anova: $p = 0.0149$). In terms of the age and income influences, the propensity is that younger consumers (≤ 40 years) can be compared to the older consumers (> 50 years), while the lower incomes ($< R10\ 000$) can be compared to the higher incomes ($\geq R15\ 000$). This is consistent with literature which suggests that consumers of different ages are in different life stages and have different values (Giraldi & Ikeda, 2009). The equivalent is also suggested for income, because consumers within similar income brackets may belong to the same social class (Schiffman & Kanuk, 2010:80) and may have certain shared beliefs and behaviours (Du Plessis & Rousseau, 2007:344). The Anova test showed that younger ($M_{\geq 25-30} = 2.25$) and middle aged ($M_{>30-\leq 40}$ years = 2.15) consumers use brand names significantly more so than older consumers ($M_{>50}$ years = 1.89) as an indication of family traditions. This may be explained in terms of the emerging consumer market context of this study. Older consumers may not have developed family traditions regarding certain brands, because they have only been exposed to these brands for a small portion of their lives. Younger consumers may however have been exposed to a wider variety of brands, which they may attach to family traditions, because their parents may have bought the same brands. The Anova test also showed that the lower income group ($M_{\geq 5000-<10\ 000} = 2.32$) use brand names significantly more so than the middle upper ($M_{\geq 15\ 000-<25\ 000} = 2.03$) and high income ($M_{\geq 25\ 000} = 2.06$) groups to indicate family traditions. This may be explained in terms of consumers' budget constraints, because consumers with a limited budget are restricted in their purchasing choices (Hamilton, 2009), which might motivate them to only consider the brand names they were socialised to trust. They may therefore attach family traditions to the brand names to also reduce their risk perception.

Factor 4: Values

As specified in Table 5.9, the means indicate that consumers seldom attach brand names to the companies' values ($M_{\text{Factor4}} = 2.47$; $M_{\text{Max}} = 4$). The p-value ($p = 0.0638$) however indicates that there are no significant differences within the demographic groups. The demographic groups were nevertheless scrutinised using a post hoc Scheffe test, which could also not confirm statistical significant differences within the demographic categories for this factor. The findings therefore indicate that demographic categories are not a significant predictor of the importance consumers attach to brand names to reflect the personal values of the company.

Factor 5: National traditions

As specified in Table 5.9, the means indicate that consumers very seldom use brand names as a reflection or signal of their national traditions ($M_{\text{Factor5}} = 1.74$; $M_{\text{Max}} = 4$). The p-value ($p = 0.0307$) indicated that there are significant differences within the demographic groups. A post hoc Sheffe test was then used to further scrutinise the demographic groups. Statistical significant differences came to the fore for gender (t-test: $p = 0.0140$) and the population groups (t-test: $p = 0.0056$). The t-test showed that males ($M_{\text{M}} = 1.87$) use brand names significantly more so than females ($M_{\text{F}} = 1.69$) as a reflection of their national traditions. The t-test also showed that the Black and other population groups ($M_{\text{Black \& other}} = 1.92$) use brand names significantly more so than White consumers ($M_{\text{White}} = 1.67$) as a reflection of their national traditions. Limited literature regarding consumers' use of brand names as a reflection of their national traditions are available within a South African context (emerging market), because consumers have only recently been exposed to different brands and have not yet had the chance to develop an understanding of national traditions with regard to certain brand names (Strizhakova *et al.*, 2008). Nevertheless, these findings indicate the possibility that gender and population groups could be mediating factors which could be investigated further.

Figure 5.4 visually indicates the importance of brand names as an indicator of quality relative to other factors, i.e. findings are presented for the various demographic categories whenever significant differences were evident, i.e. for factor 1, 3 and 5.

Explanation of means:

- M^{F1} - 1.97 (Personal identity)
- M^{F2} - 3.19 (Quality)
- M^{F3} - 2.13 (Family traditions)
- M^{F4} - 2.47 (Values)
- M^{F5} - 1.74 (National traditions)

- M^M - Male
- M^F - Female
- M^Y - Young ($\geq 25 - \leq 30$)
- M^{MA} - Middle aged ($>30 - 40$)
- M^E - Established ($>40 - 50$)
- M^O - Older (>50)

- M^B - Black
- M^W - White
- M^L - Lower income ($\geq R5000 - < R10\ 000$)
- M^{ML} - Middle lower income ($\geq R10\ 000 - < R15\ 000$)
- M^{MU} - Middle upper income ($\geq R15\ 000 - < R25\ 000$)
- M^H - High income ($\geq R25\ 000$)

Factors	Hardly Ever	Scale	Seldom	Scale	Mostly	Scale	Almost Always	Scale
Factor 1		1	M^F M^W M^B	2	M^M M^B	3		4
Factor 2		1		2		3	M^{F2}	4
Factor 3		1	M^O	2	M^{F3} M^Y M^M M^A M^L M^E M^L	3		4
Factor 4		1		2	M^{F4}	3		4
Factor 5		1	M^{F5} M^F M^M M^W M^B	2		3		4

FIGURE 5.4: IMPORTANCE OF BRAND NAMES AS QUALITY INDICATOR ACROSS DEMOGRAPHIC CATEGORIES

As shown visually in Figure 5.4, significant differences were evident within the gender and population group category for Factor 1, personal identity. Irrespective of the demographic characteristics, all consumers use brand names as a signifier of quality and compared to the other denominators, brand names are almost always used to deduce quality. For Factor 3, family traditions, significant differences were evident within the age and income groups, suggesting that younger consumers and lower income consumers use brand names significantly more so based on what their parents/families did/do. In terms of Factor 4, values, the behaviour of consumers did not differ significantly across or within the different demographic categories. The lowest mean was evident for Factor 5, national traditions. Although the means for the Black and other population group were significantly higher than for Whites, and males were significantly more persistent to use brand names as a signifier of national heritage, the means were low. Therefore, brand names are seldom used to signify one's national traditions.

5.3.4 Consumers' associations of brand names with specific product characteristics (Sub-objective 1.3)

Consumers' association of major household appliance brand names with specific product characteristics was investigated with an established 12-item, four-point Likert-type scale, previously successfully used in a Masters study (Diedericks, 2013) in the South African context. The scale was first developed for the clothing industry in South Africa. Some of the items were therefore rephrased for this study and two additional questions relating to

environmental issues were added for this investigation as recommended in the former study. The items relating to the product characteristics namely; eco-friendliness; status-related attributes and functional/ performance-related attributes were listed randomly. By choosing between four options where 1 indicated 'hardly ever' and 4 indicated 'almost always', respondents could indicate how often they use brand names as an indication of certain product qualities (Diedericks, 2013). To simplify the analysis and explanations, 'hardly ever' and 'seldom' were combined and is hereafter referred to as 'seldom', whereas 'mostly' and 'almost always' are jointly referred to as 'frequently'. Table 5.11 presents the findings in descending order according to the 'frequently' responses.

TABLE 5.11: RESPONDENTS' BRAND ASSOCIATIONS (N = 450; Missing: n = 7)

Question 8: When evaluating major household appliances, do you use brand names as an indication of...	Seldom		Frequently	
	n	%	n	%
The quality of the appliance.	30	6.67	420	93.33
Price (Affordability).	32	7.11	418	92.89
The durability of the appliance.	33	7.34	416	92.44
How easy it would be to use the appliance.	51	11.33	399	88.67
The suitability of the appliance to your lifestyle.	106	23.56	343	76.22
The responsible energy consumption of the appliance.	116	25.78	334	74.22
Eco-friendliness of the appliance.	126	28.00	324	72.00
Whether the manufacturer cares about the environment.	157	34.89	291	64.67
The prestige of the appliance.	197	43.78	252	56.00
Manufacturers' regard for human dignity during manufacture.	199	44.22	250	55.56
The fashionability of the appliance.	217	48.22	233	51.78
What your friends' admiration of the appliance could be.	363	80.67	86	19.11

More than 88% of the respondents indicated that they frequently associate a product's brand name with the quality, price, durability and ease of use of the appliance. This supports existing literature which indicates that consumers readily use brand names as a surrogate of quality (Rahman *et al.*, 2012; Lamb *et al.*, 2008:214) and that certain brand names are associated with higher prices (Schiffman & Kanuk, 2010:198). More than 70% of the respondents associated brand names with the suitability of the appliance to their lifestyle as well as environmental related characteristics such as to deduce the energy consumption and eco-friendliness of major household appliances. More than 60% of the respondents indicated that they associate the brand name with the manufacturers' care about the environment. More than 50% also indicated that brand names signal manufacturers' care about human dignity. These findings suggest that at least one out of two people refer to the appliance's brand name to deduce its eco-friendliness and if consumers therefore perceive a brand is not eco-friendly or ethically oriented, it may be detrimental to the brand and difficult and costly to resolve. However, indications are that brands that are environmentally friendly and ethically

oriented are perceived to be more expensive (Sonnenberg *et al.*, 2011), which may be a negative influence during a purchase decision. Respondents differed in terms of whether appliances' brand names can be associated with their fashionability and prestige, as more or less equal perceived it as seldom and frequently true. A small minority (19.11%) of respondents indicated that their friends' admiration of an appliance relates to the brand name. This may indicate that respondents think more rationally and do not take their friends' admiration too seriously or that they do not see major household appliances as social commodities (Sonnenberg *et al.*, 2011).

The 12-item scale was further subjected to exploratory factor analysis to differentiate coherent factors and to determine the components of each factor. SPSS was used to perform the exploratory factor analysis, specifically Principal Axis Factoring, using an Oblimin rotation with Kaiser Normalization to identify coherent factors with components which are logical in terms of their meaning.

The subsequent outcome of the exploratory factor analysis procedure yielded three factors presented in Table 5.12, which were labelled:

Factor 1:	Eco-friendliness	(4 components/items)
Factor 2:	Status-related attributes	(3 components/items)
Factor 3:	Functional/ performance-related attributes	(5 components/items)

The items within the three factors were coherent in terms of the literature, with their respective Cronbach Alphas (0.84, 0.76, 0.70) indicating acceptable internal consistency within the factors (Field & Miles, 2010:583). All the items of this question were retained, because no cross loadings occurred. The original scale also contains three factors, namely; Eco-friendliness, Status-related attributes and Functional/ performance-related attributes. The items of the respective factors were similar to the findings in this study, although the quality construct was contained together with the status-related attributes in the original scale. In this study however it forms part of the functional/ performance-related attributes factor. The eco-friendliness factor of the original scale which referred to clothing products only contained two items. In this study it comprises of the original two plus two additional ones (Diedericks, 2013). Findings of the factor analysis procedure are presented in Table 5.12.

TABLE 5.12: FACTORS EXPLAINING PRODUCT DIMENSIONS IDENTIFIED THROUGH FACTOR ANALYSIS

Question 8: When evaluating major household appliances, do you use brand names as an indication of...	Factor 1: Eco-friendliness	Factor 2: Status-related attributes	Factor 3: Functional/ performance – related attributes
Manufacturers' care about the environment	0.93	0.02	-0.06
Eco-friendliness	0.77	-0.01	0.03
Manufacturers' regards for human dignity during manufacture	0.76	0.14	-0.05
Responsible energy consumption	0.47	0.08	0.28
Prestige of the appliance	0.04	0.74	0.14
Fashionability of the appliance	-0.03	0.74	0.19
What your friends' admiration of the appliance could be	0.14	0.63	-0.10
Durability of the appliance	0.000	-0.06	0.81
Suitability of the appliance to your lifestyle	-0.08	0.16	0.58
Quality of the appliance	-0.01	0.19	0.55
Ease of use of the appliance	0.25	-0.06	0.50
Price	0.19	-0.18	0.29
Mean	2.86	2.29	3.33
Standard deviation	0.74	0.74	0.50
% Variance explained	34.01	16.07	11.84
Cronbach Alpha	0.84	0.76	0.70

Three factors emerged, to explain primary dimension used to evaluate major household appliances, namely factor 1: Eco-friendliness; factor 2: Status-related attributes; factor 3: Functional/ performance-related attributes. The means for the three factors varied between 2.29 and 3.33. The % variance explained is 61.92, which is acceptable in terms of explaining variance in the data. Standard deviations were acceptable (0.50 – 0.74). The means indicate pertinent differences in terms of consumers' consideration of brand names as an indication of specific properties of appliances (see Figure 5.5). The means for the three factors suggest that consumers more frequently use brand names as an indication of functional/ performance-related attributes ($M_{\text{Factor3}} = 3.33$) and to deduce a product's eco-friendliness ($M_{\text{Factor1}} = 2.86$), compared to making status-related inferences ($M_{\text{Factor2}} = 2.29$). This is consistent with the findings of the original scale in a clothing context which investigated female South African consumers' perceptions (Diedericks, 2013).

A discussion of the three factors subsequently follows.

Factor 1: Eco-friendliness

This factor consists of four items which measured consumers' use of brand names as a heuristic to deduce desirable environmental and ethical characteristics of major household appliances. These environmental and ethical concerns are of great importance in the modern

market place, as international laws have been implemented to regulate environmental and humanitarian actions of nations, as an attempt to build universal environmental consciousness (Leonidou, Katsikeas, Fotiadis & Christodoulides, 2013; Wyatt, 2010). It is presently of significant importance in the manufacturing of products, especially for major household appliances, for which a lot of resources are used in its production, application and disposal (Sonnenberg *et al.*, 2011). This is especially true if a product is not environmentally sensitive. On a four-point scale, the mean ($M = 2.86$) indicates that consumers mostly use brand names as a signal of appliances' eco-friendliness and how ethically the companies which produce these brands operate. This supports literature which indicates that consumers demand to be informed regarding companies environmental and social practices. The higher socio-economic groups in a developing country such as South Africa are more environmentally and ethically oriented than consumers from the lower socio-economic groups, nevertheless, even consumers with budget constraints, are still concerned about their own and companies' social responsibilities. It may therefore be beneficial for manufacturers to enhance the environmental and ethical image of their brand, because if the prices and quality of different products are similar, consumers in an emerging economy would rather purchase products from a socially and environmentally conscious manufacturer and may also increase brand loyalty (Du Toit, 2013:84, 90; Strizhakova *et al.*, 2008).

Factor 2: Status-related attributes

This factor consists of three items which measured consumers' use of brand names to indicate the appliances' prestige, fashionability, and admiration which can be seen as the status-related implications of purchasing a brand name. These characteristics may be highly important to status conscious consumers (Erasmus *et al.*, 2011) and be relevant during conspicuous consumption of expensive or luxury products such as major household appliances (Wang & Griskevicius, 2014; Scott, Mende & Bolton, 2013). On a four-point scale, the mean ($M = 2.29$) indicates that consumers seldom use brand names as a signal of status characteristics. This is however contradictory to the theory of conspicuous consumption, which suggests that consumers may purchase certain products or brands due to its status connotations and how it may indicate success and achievement (Erasmus *et al.*, 2011). Since the 1990's consumers have however moved away from conspicuous consumption and its inference, to live more modestly (Solomon *et al.*, 2010:459). It was also a South African sample and their core values may be different from cultures such as America, where achievement, success and social acknowledgement are important (Schiffman & Kanuk, 2010:379).

Factor 3: Functional/ performance-related attributes

This factor consists of five items which measured consumers' use of brand names as a heuristic to determine an appliance's functional and performance related characteristics, i.e. the appliance's durability, suitability to the owner's lifestyle, quality, ease of use and price. Consumers may attempt to confirm if a product is worth its price by associating its utility value (functional and performance values) with its price value (Cant *et al.*, 2006:31). Consumers therefore readily search for quality products in the modern market place which also has a suitable price (Solomon *et al.*, 2010:459). It is however noteworthy that consumers may sometimes only think they are relying on price, but in reality they are just using a well-known brand name in their purchasing choices (Schiffman & Kanuk, 2010:198), which they think signify value for money. On a four-point scale, the mean ($M = 3.33$) indicates that consumers mostly use brand names as a heuristic of functional and performance related attributes. This supports the findings of the original scale (Diedericks, 2013), as well as existing literature which indicates that consumers use brand names as a heuristic of quality (Rahman *et al.*, 2012; Lamb *et al.*, 2008:214).

5.3.4.1 A comparison of consumers' associations of brand names with specific product characteristics in terms of their demographic characteristics

The means for the three factors were calculated per subset for each of the demographic categories, to determine possible significant differences within specific demographic groups regarding their use and associations of the brand names of major household appliances with desirable product characteristics. This was done using t-test scores for the gender and population group categories and Anova for age, education level and income level. All the demographic categories were investigated simultaneously, i.e. the demographic model was developed under the condition that Mean F1; Mean F2; Mean F3 = LSMean (gender); LSMean (age); LSMean (level of education), LSMean (population group); LSMean (income level). Findings of the demographic categories per factor are presented in Table 5.13.

TABLE 5.13: COMPARISON OF THE MEANS FOR THE DIFFERENT FACTORS PER DEMOGRAPHIC CATEGORY (N = 450)

Means for the three factors per demographic category				
Category (N = 450)		FACTOR 1 Eco-friendliness Mean (*SDM)	FACTOR 2 Status-related attributes Mean (*SDM)	FACTOR 3 Functional/ performance- related attributes Mean (*SDM)
Gender:				
Female	n = 310	2.91 ^a (0.74)	2.26 ^a (0.74)	3.35 ^a (0.51)
Male	n = 140	2.73 ^b (0.72)	2.38 ^a (0.74)	3.27 ^a (0.49)
p-value = ≤0.05		0.0271	0.0784	0.0993
Age:				
≥25 - ≤30	n = 152	2.79 ^a (0.75)	2.47 ^a (0.72)	3.34 ^a (0.48)
>30 - 40	n = 110	2.91 ^a (0.70)	2.30 ^a (0.73)	3.32 ^a (0.54)
>40 - 50	n = 96	2.93 ^a (0.75)	2.31 ^a (0.71)	3.29 ^a (0.50)
>50	n = 92	2.82 ^a (0.77)	1.99 ^b (0.74)	3.35 ^a (0.51)
p-value = ≤0.05		0.3686	0.0064	0.7938
Education:				
Grade 12	n = 116	2.94 ^a (0.72)	2.25 ^a (0.78)	3.31 ^a (0.53)
Grade 12 + diploma	n = 109	2.91 ^a (0.73)	2.35 ^a (0.74)	3.38 ^a (0.49)
Grade 12 + degree	n = 81	2.76 ^a (0.78)	2.36 ^a (0.76)	3.31 ^a (0.49)
Grade 12 + postgraduate degree or diploma	n = 144	2.80 ^a (0.74)	2.25 ^a (0.71)	3.31 ^a (0.50)
p-value = ≤0.05		0.7347	0.2293	0.6592
Population group:				
Black & other	n = 142	2.90 ^a (0.80)	2.62 ^a (0.70)	3.35 ^a (0.54)
White	n = 308	2.83 ^a (0.71)	2.15 ^b (0.72)	3.32 ^a (0.49)
p-value = ≤0.05		0.5296	<.0001	0.8123
Income:				
≥R5000 - <R10 000	n = 91	2.92 ^a (0.69)	2.46 ^a (0.75)	3.39 ^a (0.51)
≥R10 000 - <R15 000	n = 88	2.95 ^a (0.79)	2.32 ^a (0.76)	3.35 ^a (0.45)
≥R15 000 - <R25 000	n = 102	2.81 ^a (0.77)	2.22 ^a (0.71)	3.37 ^a (0.51)
≥R25 000	n = 169	2.80 ^a (0.73)	2.23 ^a (0.75)	3.26 ^a (0.51)
p-value = ≤0.05		0.4188	0.4729	0.1786
R²		0.03	0.13	0.02
p-Value		0.1751	<.0001	0.4993
* SDM: Standard deviation of the mean Means with different super scripts in a particular category differ statistically significantly (p ≤ 0.05)				

As indicated by the R-square, the selected demographic characteristics explained the status-related factor (13%) significantly more so than the eco-friendliness factor (3%) and the functional/ performance related factor (2%). The overall p-values for the three factors indicate that there are significant differences within the demographic groups for factor 2 (p = <.0001), but not for factor 1 (p = 0.1751) and factor 3 (p = 0.4993). The demographic groups were however further scrutinised for all three factors using a post hoc Scheffe test, which detected significant differences within the gender category for factor 1 and significant differences for the age and population categories for factor 2.

A discussion of the demographic characteristics in terms of the three factors subsequently follows.

Factor 1: Eco-friendliness

As specified in Table 5.12, the means indicate that consumers mostly use brand names as a heuristic to deduce a products' eco-friendliness, i.e. its environmental and ethical attributes ($M_{\text{Factor1}} = 2.86$; $M_{\text{Max}} = 4$). The p-value ($p = 0.1751$), however indicates that there are no significant differences within the demographic groups. The demographic groups were nevertheless scrutinised using a post hoc Scheffe test. Statistical significant differences within the demographic categories for this factor was then detected only for the gender category (t-test: $p = 0.0271$). The t-test showed that females ($M_{\text{Females}} = 2.91$) use brand names significantly more so than males ($M_{\text{Males}} = 2.73$) as an indication of environmental and ethical concerns. Previous research indicated that South African females have a stronger interest in environmental implications of household appliances than their male counterparts (Sonnenberg *et al.*, 2011). This may explain why they use brand names to deduce these product characteristics. Furthermore females are emotionally motivated when making purchases, because they tend to value community and harmony (Creusen, 2010; Solomon *et al.*, 2010:154), which may lead them to think how their purchase decisions may affect others and the environment.

Factor 2: Status-related attributes

As specified in Table 5.12, the means indicate that consumers seldom use brand names as an indication of status-related characteristics ($M_{\text{Factor2}} = 2.29$; $M_{\text{Max}} = 4$). The p-value ($p = <.0001$) indicated that there are significant differences within the demographic groups. A post hoc Sheffe test was then used to further scrutinise the demographic groups. Statistical significant differences came to the fore for the age categories (Anova: $p = 0.0064$) and the population groups (t-test: $p = <.0001$). This was also found in the previous research study regarding the clothing industry in South Africa (Diedericks, 2013). Even though brand names are important to young and old consumers, they associate different meanings to it and use it as a heuristic for different product characteristics. The Anova test showed that older consumers (>50 years) pay significantly less attention to the status-related implications of a brand name ($M_{>50} = 1.99$) and therefore use brand names to a lesser extent as a heuristic of admiration and prestige than younger consumers ($M_{\geq 25-\leq 30} = 2.47$; $M_{>30-\leq 40} = 2.30$; $M_{>40-\leq 50} = 2.31$). This supports existing literature which suggests that older consumers are less materialistic and socially motivated when making purchase decisions, than younger consumers (Simcock *et al.*, 2006). The racial group a consumer belongs to may be seen as a subculture, which inherently influences their wants and needs (Solomon *et al.*, 2010:607). The t-test showed that Black and other population groups ($M_{\text{Black \& other}} = 2.62$) significantly

use brand names to a greater extent than White consumers ($M_{\text{White}} = 2.15$) as an indication of status-related implications. This might also be explained by the findings of another study conducted in Gauteng regarding the consumer preferences of the emerging Black middle class. They were found to prefer purchasing high status cars, clothing and cell phone brand names to display their newly found wealth and success (Seekings & Nattrass, 2002). This study is however not representative of the South African population, because the sample only consisted out of 31.56% of Black and other population groups and therefore further studies need to investigate this factor within the South African context.

Factor 3: Functional/ performance-related attributes

As specified in Table 5.12, the means indicate that consumers mostly use brand names as a heuristic to deduce the product's functional and performance related attributes ($M_{\text{Factor3}} = 3.33$; $M_{\text{Max}} = 4$). The p-value ($p = 0.4993$), however indicates that there are no significant differences within the demographic groups. The demographic groups were nevertheless scrutinised using a post hoc Scheffe test, which could also not confirm statistical significant differences within the demographic categories for this factor. The findings therefore indicate that demographic categories are not a significant predictor of consumers' reliance on brands as a heuristic to deduce the product's functional and performance related attributes. Rather all consumers irrespective of gender, age, education, population group or income use brand names almost always as an indication of functional and performance related attributes.

Figure 5.5 visually indicates consumers' use of brand names to deduce the three characteristics, i.e. eco-friendliness, status-related attributes and functional/ performance-related attributes. Findings are also specified for the various demographic categories where significant differences were evident.

Explanation of means:

M^{F1} - **2.86** (Environmental and ethical concerns)

M^{F2} - **2.29** (Social implications)

M^{F3} - **3.33** (Value for money)

M^M - Male

M^B - Black

M^Y - Young ($\geq 25 - \leq 30$)

M^F - Female

M^W - White

M^{MA} - Middle aged ($>30 - 40$)

M^E - Established ($>40 - 50$)

M^O - Older (>50)

Factors	Hardly Ever	Scale	Seldom	Scale	Mostly	Scale	Almost Always	Scale
Factor 1		1		2	M^M M^{F1}	3		4
Factor 2		1	M^W M^Y M^B	2	M^{F2}	3		4
Factor 3		1		2		3	M^{F3}	4

FIGURE 5.5: RESPONDENTS' BRAND ASSOCIATIONS ACROSS DEMOGRAPHIC CATEGORIES

As shown visually in Figure 5.5, significant differences were evident within the gender category for Factor 1, eco-friendliness. For Factor 2, status-related attributes, significant differences were evident within the age and population group categories, suggesting that younger consumers and Black and other population groups use brand names significantly more so as an indication of status-related implications. Irrespective of the demographic characteristics, consumers use brand names almost always as an indication of functional and performance related attributes.

5.3.5 The importance of COO as a quality indicator in consumers' choices/preferences of major household appliances (Objective 2)

Findings presented in Table 5.4 (Objective 1), suggest that the respondents were undecided whether local ($M_{Local} = 2.44$) or imported ($M_{Imported} = 2.41$) brands are better choices. To further explicate these findings, potential differences were investigated per selected demographic characteristics for these two items. Findings are presented in Table 5.14.

**TABLE 5.14: RESPONDENTS' REGARD FOR LOCAL AND IMPORTED BRANDS
(N = 450)**

Demographic variable	Categories	Imported Brands			Local Brands		
		n	Seldom (%)	Frequently (%)	n	Seldom (%)	Frequently (%)
Gender	Female	310	56.45	43.55	310	54.84	45.16
	Male	139	47.48	52.52	140	54.28	45.72
Age	>25 – ≤30 years	152	48.02	51.98	152	51.31	48.68
	>30 – ≤40 years	109	55.96	44.03	110	52.72	47.27
	>40 – ≤50 years	96	50.00	50.00	96	56.25	43.76
	>50 years	92	64.13	35.87	92	60.87	39.13
Level of education	Grade 12	115	60.00	40.00	116	46.55	53.45
	Grade 12 + Diploma	109	50.45	49.54	109	55.04	44.95
	Grade 12 + Degree	81	46.91	53.09	81	56.79	43.21
	Postgraduate qualification	144	54.86	45.14	144	59.72	40.28
Population group	Black & Other	141	57.45	42.55	142	47.88	52.12
	White	308	51.95	48.05	308	57.79	42.21
Income group	>5000 – <10 000	90	48.89	51.11	91	46.15	53.85
	≥10 000 – <15 000	88	51.14	48.86	88	43.18	56.82
	≥15 000 – <25 000	102	55.89	44.11	102	59.81	40.19
	≥25 000	169	56.22	43.78	169	62.13	37.87

Demographic categories do not seem to be a predictor of consumers' regard for imported versus local brands during consumer decision-making. The findings suggest that men (52.52%) have a higher regard for imported brands than women (43.55%). However, regardless of gender, respondents seemed to have a slightly lower regard for local brands, because between 54% and 55% of the respondents indicated they seldom regard local brands as good choices. It seems that consumers from all age categories are more or less equally undecided whether imported or local brands are good choices. Respondents above 50 years of age did however seem to have a lower regard for imported and local brands, because between 60% and 65% of this age category indicated they seldom perceive these brands to be good choices. In terms of education level as a predictor of the relevance of imported versus locally produced appliances, between 46.55% and 60% of all levels of education indicated they seldom regard imported or local brands as good choices. It did however come to the fore that respondents with a Grade 12 have the lowest regard for imported brands (60% seldom perceive it as good choices), while those with a postgraduate degree have the lowest regard for local brands (approximately 60% seldom perceive it as good choices). In terms of populations groups, the Black and other population group seemed to have a higher regard for local brands than imported brands, seeing that approximately 53% indicated that local brands are good choices, while only approximately 43% regarded

imported brands to be good choices. Approximately 62% of the high income group ($\geq R25\ 000$) of the sample seemed to only seldom perceive local brands as good choices. Therefore whether an appliance is imported or locally produced, its relevance during consumer decision-making cannot be predicted with a high degree of certainty in terms of consumers' demographic influences. At face value it does however seem that with the increase of age, education level and income, the regard for locally produced brands decreases.

Even though respondents did not seem to have noticeably higher or lower regards for neither imported nor local brands, they did have strong opinions regarding the difference in quality among Western, Eastern and local brands. Consumers' perceptions regarding the quality of products produced by Western, Eastern and Local brands and these companies' business practices, were investigated by using an adapted version of an established 40-item scale that measured respondents' attitudes towards marketing and consumerism. All the items in the scale were however not relevant to this study and therefore only seven of the items regarding consumers' product quality perceptions were used, while some of the wording was also changed to appeal to the South African consumer (Barksdale & Darden, 1972). A high mean ($M_{Max} = 4$) indicates respondents' positive perceptions towards the business practices and product quality of the Western, Eastern or local brands. The original and adapted versions of the scale has been used by several researchers in different contexts, which estimated the internal validity of the scale and concluded the Cronbach Alphas for the original seven categories to be between 0.53 and 0.72 (Bearden *et al.*, 2011:388). The original scale used a five-point Likert-type scale, which was adapted to a four-point Likert-type scale: 1, 'hardly ever' to 4, 'almost always'.

Table 5.15 indicates the percentages of respondents' agreement with the statements. To ease analysis and explanations, 'hardly ever' and 'seldom' were combined and are hereafter referred to as 'seldom', whereas 'mostly' and 'almost always' are jointly referred to as 'frequently'. The last four items for the Western, Eastern and local sections in the questionnaire were reverse coded (V13.1.4 to V13.1.7; V13.2.4 to V13.2.7; V13.3.4 to V13.3.7), because the items indicated a negative perception (highlighted red in Table 5.15). Findings in Table 5.15 are arranged in descending order based on the mean scores of the Western brands' section.

TABLE 5.15: COUNTRY OF ORIGIN BRAND PERCEPTIONS (N = 450; Missing: n = 14)

Question 13: In your opinion, when evaluating brands, to what extent...	Western brands (e.g. USA, Europe)				Eastern brands (e.g. China, Taiwan),				South African brands (Local)			
	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation
Do manufacturers seem to make an effort to design products to fit the needs of consumers?	8.00	92.00	3.19	0.62	20.89	78.89	2.95	0.75	26.44	73.56	2.81	0.69
Is it apparent that the quality of most products have improved over the past several years?	10.89	89.11	3.16	0.65	28.45	71.34	2.86	0.73	33.33	66.66	2.74	0.72
Are style changes less important than improvements in product quality?	39.11	60.67	2.72	0.76	46.45	53.34	2.57	0.77	43.33	56.67	2.61	0.71
Do manufacturers deliberately design products which will wear out as quickly as possible?	59.56	40.00	2.63	0.84	45.34	54.67	2.38	0.83	60.45	39.56	2.63	0.80
Do manufacturers withhold important product improvements from the market in order to protect their own interest? For example: induction hobs are not widely available, because they involve complex technology.	48.89	50.89	2.45	0.75	47.56	52.22	2.43	0.80	52.67	47.34	2.52	0.79
Are the differences among competing brands in most product categories insignificant?	44.67	55.11	2.41	0.74	44.89	54.89	2.44	0.74	50.00	50.00	2.52	0.73
Do the wide variety of competing products make intelligent buying decisions more difficult?	31.55	68.00	2.21	0.77	39.11	60.44	2.35	0.79	57.11	42.89	2.64	0.79
Mean	2.68				2.57				2.64			
Standard deviation	0.33				0.34				0.34			

Interpreting the overall means for Western- and Eastern countries and South Africa (local), it is evident that consumers' perception of Western countries' brands is the most favourable ($M = 2.68$; $M_{\text{Max}} = 4$) South African brands less favourable ($M = 2.64$) and Eastern brands the least favourable ($M = 2.57$). Means were interpreted as follows: $M \geq 3$: positive; $M \geq 2.5$ to $M < 3$: fairly positive; $M \geq 2$ to $M < 2.5$: fairly negative; $M < 2$: negative.

Although Western brands were more positively perceived ($M > 3$) in terms of producing need satisfying and superior quality product, Eastern ($M = 2.86$ to $M = 2.95$) and South African ($M = 2.74$ to $M = 2.81$) brands were also fairly positively perceived in this regard. Therefore, there seemed to be consensus between respondents perceiving manufacturers' efforts to design products that fit the needs of consumers and that the quality of products have generally improved, for Western ($M_{\text{Need satisfying}} = 3.19$; $M_{\text{Quality}} = 3.16$), Eastern ($M_{\text{Need satisfying}} = 2.95$; $M_{\text{Quality}} = 2.86$) and local ($M_{\text{Need satisfying}} = 2.81$; $M_{\text{Quality}} = 2.74$) brands. One of the multiple reasons for this finding, might be due to Section 55(3)(a) and 56(1) of the Consumer Protection Act of South Africa, which state that companies must supply consumers with quality and save products. Foreign companies who sell their brands to South Africa must comply with this prerequisite. Another reason might be due to companies employing modern marketing philosophies and may employ strategies such as 'Quality Function Deployment' (QFD), where they try to meet the needs of consumers and their quality requirements and therefore try to be more consumer oriented (Malhotra, Lee & Uslay, 2012; Lamb *et al.*, 2008:10; Zairi & Ginn, 2003). This is similar to the results of Objective 2.2 (Table 5.17), which also indicates that respondents hold stereotypes that Western countries ($M_{\text{West}} = 3.18$) are perceived to produce superior quality products than Eastern countries ($M_{\text{East}} = 2.54$) and South Africa ($M_{\text{Local}} = 2.53$), which is also supported in literature (Strizhakova *et al.*, 2008). This may therefore lead to consumers preferring Western brands over Eastern and local brands, especially if they are not willing to compromise on the quality and need satisfaction, even if the price is higher, as it will provide them with value for money. In terms of Western-, Eastern- and South African brands respondents seemed to be fairly positive and agree that regardless of the brand's COO, style changes are less important than improvements in quality ($M_{\text{West}} = 2.72$; $M_{\text{East}} = 2.57$; $M_{\text{Local}} = 2.61$), which might also be explained by the suggestion that consumers desire high quality and reliable products that will satisfy their needs (Schiffman & Kanuk, 2010:481; Roth & Diamantopoulos, 2009; Vence, 2007). Consumers are quality and value oriented, which is also reinforcing in the sense that consumer perceptions are positively influenced by the initiatives and changes by government and companies as stated above. In terms of Western and South African brands, respondents seemed to be fairly positive ($M = 2.63$) regarding these brands in the belief that they will not design products which will wear out as quickly as possible, whereas they perceived this item fairly negatively in terms of Eastern brands ($M = 2.38$). This item was reverse coded and

therefore on a four-point scale a mean of $M = 2.38$ ($M_{Max} = 4$), indicates that the respondents perceived Eastern brands to wear out quicker than Western and South African brands, which is in line with the general stereotypes consumers have regarding Chinese products. Chinese companies establish their competitive advantage on their cheap prices, which compromises on quality. This leads to consumers avoiding the purchase of products with a label stating “Made in China”, because of the health, safety and quality concerns they have about these products (Haller, 2008; Banham, 2007). Consumers may have had a personal or heard of a negative experience with a Chinese brand and therefore assume all Chinese brands are of poor quality (Khan *et al.*, 2012). They may subsequently categorise all Eastern brands as similar and therefore transfer the negative stereotype of the Chinese brands onto other Eastern brands, which might explain this negative perception.

In terms of Western- ($M = 2.21$ to $M = 2.45$) and Eastern brands ($M = 2.35$ to $M = 2.44$), respondents seemed to be fairly negative regarding the final three items (namely the belief that manufacturers withhold important product improvements from the market; the differences among competing brands are insignificant; the wide variety of competing products make intelligent buying decisions more difficult), whereas with South African brands ($M = 2.52$ to $M = 2.64$) they seemed to be fairly positive regarding these items. These items were also reverse coded, a higher mean therefore indicates the respondents perceive manufacturers do not withhold important product improvements, that the differences among competing brands are significant and that the wide variety of competing products do not make buying decisions more difficult. Findings are also presented in Figure 5.6 more visually.

To further elaborate on the means discussed before, responses to this question were also interpreted in terms of the percentages of the sample who almost always/ mostly/ seldom/ hardly ever agreed with the statements. The percentages are indicated in Table 5.15, but to ease the analysis and explanations, ‘hardly ever’ and ‘seldom’ were combined and are hereafter referred to as ‘seldom’, whereas ‘mostly’ and ‘almost always’ are jointly referred to as ‘frequently’.

The South African market has seen an increase in foreign investment, which has led to consumers being confronted with a wide variety of foreign brands (Tran & Fabrice, 2013; Khan *et al.*, 2012; Parsons *et al.*, 2012; Chung *et al.*, 2009). There was reasonable consensus that the differences among these competing brands are insignificant for Western (55.11%), Eastern (54.89%) and local brands (50%). Between 60% and 70% of respondents also agreed that the wide variety of Western and Eastern brands increases the difficulty of a purchase decision, while only approximately 40% indicated the same for local brands, which makes sense, seeing that there is only one local brand (Defy) on the market. Although

studies have concluded that the availability of imported brands have a positive attraction for consumers (Batra *et al.*, 2002; Burke, 1996), a cluttered market place with too many brands to choose from might agitate consumers, because their purchasing decisions become more complex and time consuming. This indicates that consumers might be negatively influenced by this characteristic of Western (M = 2.21) and Eastern (M = 2.35) brands, because they might experience more cognitive strain, compelling them to make a purchase decision on limited information (Tran & Fabrizze, 2013; Schiffman & Kanuk, 2010:481) by utilising their existing schemas (Fiske & Taylor, 2013:346, 358), which may return them to the purchase of the more well-known or famous brands, as a solution to the problem, also found in Objective 1 (Table 5.4).

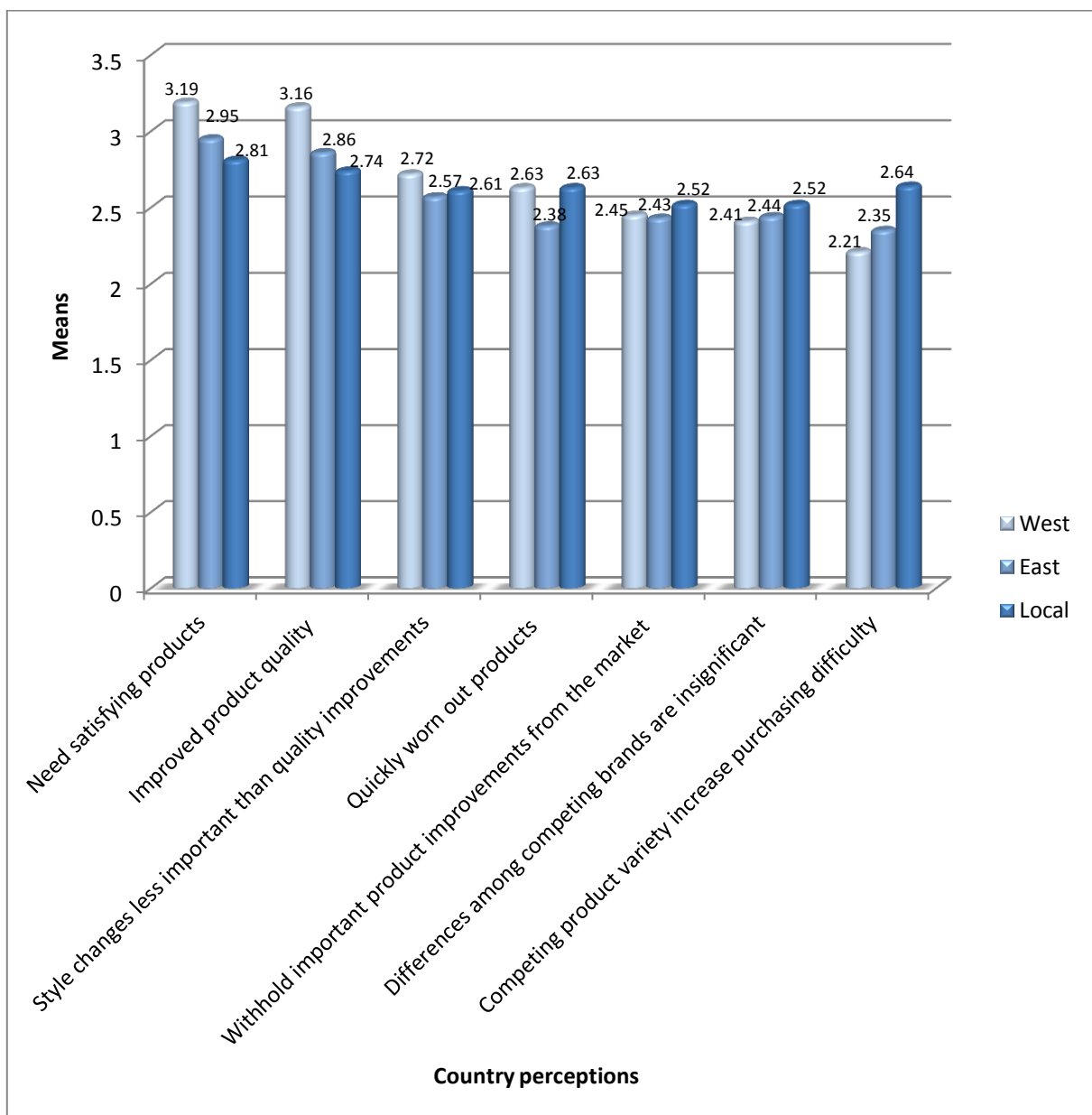


FIGURE 5.6: COUNTRY OF ORIGIN BRAND PERCEPTIONS

As shown visually in Figure 5.6, for the first four items, Western brands were more favourably assessed in terms of designing need satisfying products and improvement in quality, means >3 suggest highly favourable perceptions. Western and local brands were fairly positively perceived in terms of not designing products which will wear out quickly, whereas Eastern brands were fairly negatively perceived for this item. Local brands were more favourably assessed than Western and Eastern brands in terms of the competing product variety increasing purchasing difficulty, which suggest that the small variety of local brands facilitate consumer decision-making in terms of decreasing cognitive strain.

5.3.6 Consumers' explicit knowledge of the COO of prominent major household appliance brands (Sub-objective 2.1)

Consumers' brand knowledge was measured with a 15-item nominal scale in which fifteen brand names of different product categories were presented. Respondents were asked to indicate the COO of these different brands. A similar scale was successfully used in a Masters study in the South African clothing context (Diedericks, 2013) and was slightly adapted for this study. Six of the brands were not part of the major household appliance product category, but were included to determine respondents' ability to discriminate the relevant brands. Of the brands included, Defy was the only local (South African) brand, while Whirlpool, Russell Hobbs, Miele, Breville, KIC, Bosch, De Longhi and Hisense were Western brands and Samsung as well as Hisense were Eastern brands. Respondents could choose between 'West', 'East', 'Local' or 'Don't know'. Only the percentages for the 'Correct' and 'Don't know' answers are presented in Tabel 5.16 in descending order for the correct responses.

TABLE 5.16: RESPONDENTS' BRAND KNOWLEDGE (N = 450; Missing: n = 7)

Question 10: Please indicate which of the following brands are associated with MAJOR household appliances (e.g. washing machines) and where you think they originate from (Country of Origin).	Country of Origin	
	Correct	Don't Know
	%	%
Samsung	53.05	24.15
Russell Hobbs	49.43	32.35
Bosch	46.31	32.95
Whirlpool	41.97	36.70
Hisense	38.94	38.48
Miele	36.72	48.27
De Longhi	31.26	55.17
Electrolux	26.62	41.90
Defy	26.09	29.29
Breville	17.87	70.30
KIC	13.16	43.42
* Shaded brands – Minor household appliances * Non shaded brands – Major household appliances * Brand familiarity was presented in Table 5.6		

At face value it seems that consumers are not well acquainted with the COO of brands. Approximately 50% correctly identified Samsung's COO, which indicates that almost an equal percentage of the sample did not know its real COO, even though more than 90% of the respondents were familiar with it as a major household appliance brand (Objective 1.1: Table 5.6). This supports the suggestion that there is often a discrepancy between consumers' subjective knowledge (what they think they know) and their objective knowledge (what they truly know) (Guo & Meng, 2008).

Respondents were not familiar with the COO of Miele (48.27%), probably because it is a more expensive brand which is not as widely available as the more affordable brands. If consumers are unfamiliar with a brand, they generally regard extrinsic cues as more important and would for example refer to their brand knowledge, including the COO (Koschate-Fischer *et al.*, 2012). It is therefore concerning that less than 30% were familiar with the COO of Defy, KIC and Electrolux, as these brands are widely available and more affordable. This suggests that consumers are probably poorly informed about the COO of brands in general.

5.3.7 Stereotypes that consumers hold regarding Western-, Eastern- and local brands in terms of the different quality dimensions (Sub-objective 2.2)

The stereotypes that consumers have of Western and Eastern countries as well as of South African (local) were measured using an adapted global country image scale from Martin and Eroglu (1993) as previously used for Hamzaoui and Merunka (2006). A high mean ($M_{Max} = 4$) indicates that the respondents believe that the country is economically developed, industrialised and produces technologically advanced and high quality products, which confirms a positive stereotype. The scale measures consumers' perceptions regarding the economic and retail environment of the various countries. The scale was originally a five-point differential semantic scale, with six items, but was adjusted to seven items of which some of the wording was also tailored to appeal to the South African consumer, while also using a four-point Likert-type scale (Hamzaoui & Merunka, 2006).

Table 5.17 presents respondents' agreement with the statements. To simplify the analysis and explanations, 'hardly ever' and 'seldom' were combined and will hereafter be referred to as 'seldom', whereas 'mostly' and 'almost always' will jointly be referred to as 'frequently'. The statement regarding the relative expensiveness of the products was reverse coded for the Western, Eastern and South African sections, because it is a negative stereotype (highlighted red in Table 5.17). Findings are arranged in descending order based on the mean scores.

TABLE 5.17: COUNTRY STEREOTYPES (N = 450; Missing: n = 15)

Question 12: To what extent do you perceive countries that manufacture household technology to...	Western countries (e.g. USA, Europe)				Eastern countries (e.g. China, Taiwan),				South Africa (Local)			
	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation
Produce products that are technologically advanced.	11.11	88.89	3.23	0.72	22.22	77.33	3.01	0.78	61.11	38.66	2.32	0.72
Produce high quality products.	9.11	90.89	3.18	0.66	47.11	52.89	2.54	0.78	43.33	56.44	2.53	0.73
Have a high standard of living.	12.44	87.33	3.15	0.74	64.22	35.78	2.29	0.77	60.00	39.78	2.37	0.73
Have a stable economic environment.	15.78	84.00	3.02	0.69	38.44	61.56	2.68	0.75	64.66	35.11	2.25	0.74
Be economically developed.	20.00	80.00	3.02	0.81	26.67	73.33	2.85	0.79	49.56	50.23	2.48	0.72
Be predominantly industrialised.	19.33	80.22	3.01	0.73	29.56	70.44	2.87	0.77	59.56	40.00	2.36	0.69
Produce products that are relatively expensive.	12.67	87.11	1.82	0.74	64.22	35.78	2.69	0.77	47.56	52.22	2.46	0.73
Mean	2.92				2.70				2.40			
Standard deviation	0.45				0.45				0.43			
Cronbach Alpha	0.90				0.86				0.85			

The Cronbach Alphas for the three categories (Western, Eastern and Local) (0.85 to 0.90) indicate internal consistency of the responses to these various questions (Field & Miles, 2010:583). Interpreting the overall means for Western-, Eastern countries and South Africa (local), it is evident that consumers' perceptions of Western countries as a stereotype is the most favourable (M = 2.92; M_{Max} = 4) and South Africa is the least favourable (M = 2.40). Means were interpreted as follows: M ≥3: positive; M ≥2.5 to M <3: fairly positive; M ≥2 to M <2.5: fairly negative; M <2: negative. In terms of Western countries, all the items were responded to positively (M >3), except for the price of products (M = 1.82). In terms of Eastern countries the one item that was perceived fairly negatively is "standard of living" (M = 2.29); all the other items were perceived fairly positively (M = 2.54 to M = 3.01). Interestingly, products from Eastern countries are perceived to be technically advanced (M = 3.01), while South African (local) products are less advanced (M = 2.32). In terms of South Africa (local), all the items were responded to fairly negatively (M = 2.32 to M = 2.53). The quality of products were the only item which was fairly positively (M = 2.53) perceived. Findings are also presented in Figure 5.7 more visually.

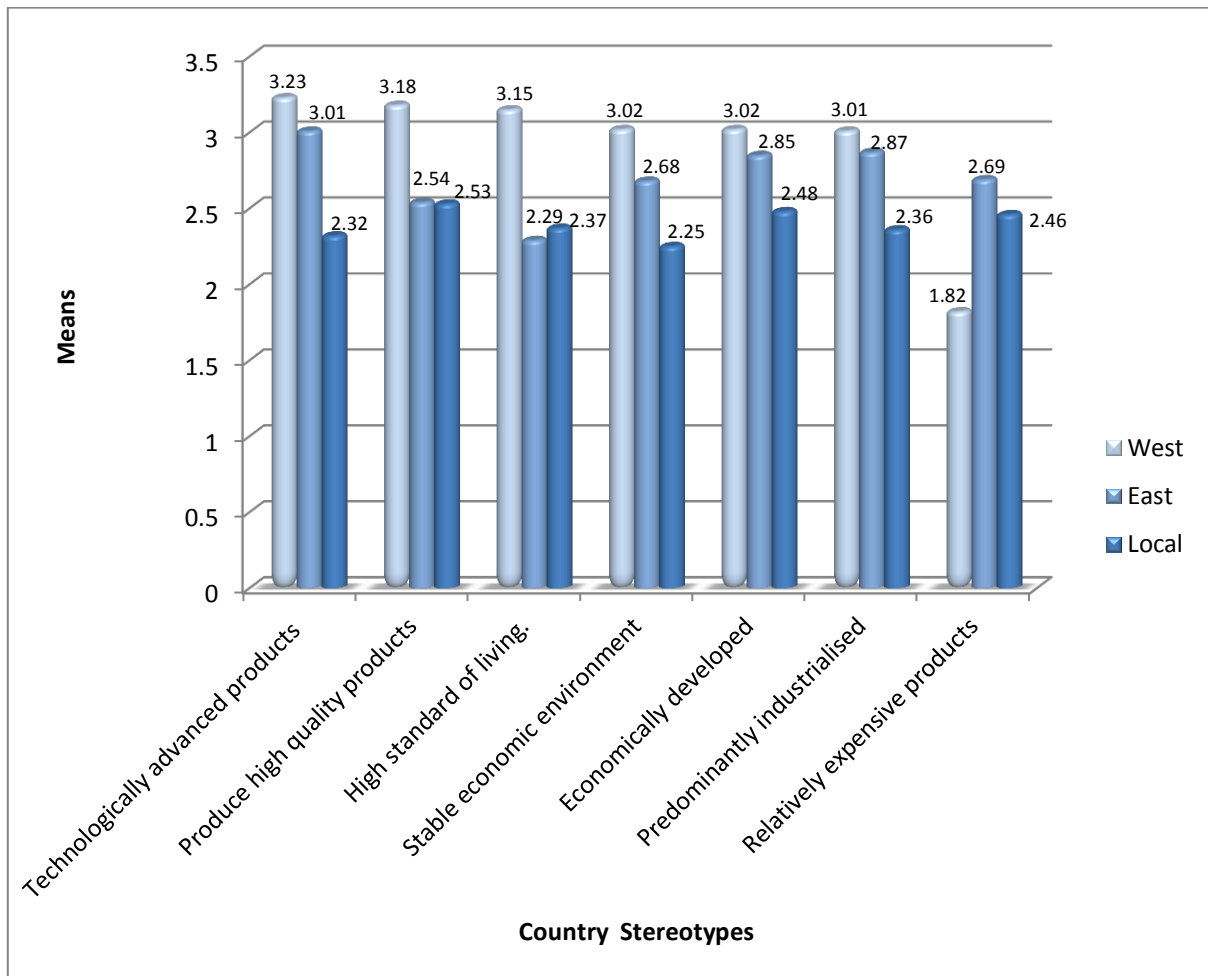


FIGURE 5.7: COUNTRY STEREOTYPES

As shown visually in Figure 5.7, for six of the seven items Western brands were the most favourably assessed, except for respondents associating high prices with these brands. Eastern brands were the most favourably assessed in terms of producing the least expensive products. For five of the seven items (namely, producing technologically advanced products; having a stable economic environment; having a high standard of living, being economically developed and industrialised) local brands were the most negatively assessed.

To further elaborate on the means discussed before, responses to this question were also interpreted in terms of the percentages of the sample who almost always/ mostly/ seldom/ hardly ever agreed with the statements. The percentages are indicated in Table 5.17, but to ease the analysis and explanations, 'hardly ever' and 'seldom' were combined and are hereafter referred to as 'seldom', whereas 'mostly' and 'almost always' are jointly referred to as 'frequently'.

Respondents had predominantly positive stereotypes regarding Western countries ($M > 3$; $M_{\text{Max}} = 4$). They perceive these countries to produce the highest quality products (90.89%), that are technologically advanced (88.89%). More than 80% of the respondents perceived that people living in Western countries have high standards of living, that the economic environment are stable, the country is predominantly industrialised and economically developed. This is supported by literature that indicates consumers perceive that the more economically developed a country is, the better the quality of their products (Chu *et al.*, 2010). The only negative stereotypes respondents had about Western countries are that they perceive these countries to produce expensive products (87.11%).

Respondents had predominantly fairly positive stereotypes regarding Eastern countries ($M = 2.54$ to $M = 3.01$). Eastern countries were perceived to stereotypically produce the least expensive products, as only 35.78% of the respondents perceived their products to be expensive while more than 50% perceived South Africa and more than 85% perceived Western countries as producing expensive products. More than 70% of the respondents perceived Eastern countries as producing technologically advanced products and being economically developed and industrialised. Japan holds some of the world's leading electronic companies, with other Eastern countries catching up. These companies based in the East are not only successfully competing with Western companies, but are leading in certain technological advancements (Wong & Mathews, 1998). The respondents seemed undecided regarding the quality of Eastern products (52.89%), although the standard of living of Eastern people seems to be a negative stereotype (35.78%). This negative stereotype is relatively consistent with reality, because with population growth and more industrialisation, some parts of the Middle East are looking to improve the standard of living of their nations,

however major parts of their populations have no access to sanitation services, while the minimum wastewater is reused (Fox & James, 2011).

Respondents had predominantly fairly negative stereotypes regarding South Africa, because all but one of the means were lower than 2.50. Between 50% and 57% of the respondents indicated that the country produce high quality products and that the local economy are developed. Between 35% and 40% of the respondents perceived South Africa as industrialised, their residents enjoying a high standard of living, the country producing technologically advanced products and having a stable economic environment. These fairly negative stereotypes are understandable in terms of literature which suggest that consumers' perceptions of a country are mainly based on its economic development, therefore the general perception of low economic development, contributes to the other negatively perceived stereotypes (Chu *et al.*, 2010).

In conclusion, the findings support literature which suggests that goods produced in Western countries are perceived to be superior to those produced in Eastern countries (Batra *et al.*, 2000). Both Western and Eastern countries were however perceived as producing more technologically advanced products, be more economically developed and industrialised than South Africa. Consumers associate America and other developed countries with progress, which may be the reason for them perceiving Western brands as technically advanced and of high quality (Chu *et al.*, 2010; Solomon *et al.*, 2010:283; Chung *et al.*, 2009). It is also noticeable that the respondents perceived South African products as more expensive than Eastern products. This may be due to the inability of South African manufacturers to compete with the low labour and production costs of Eastern countries such as China. This is problematic for South African companies who have to convince consumers that their products are good value for money in order to improve the economic growth and stability of the country, especially in a market place that is saturated with more affordable Eastern brands, as well as Western brands which are perceived to be of superior quality.

5.3.7.1 A comparison of the stereotypes that consumers hold regarding Western-, Eastern- and local brands in terms of their demographic characteristics

For the purpose of making deductions regarding the significant differences within the demographic groups with regard to their stereotypes for the different countries, the means were also calculated per subset for each of the demographic categories. This was done using t-tests for the gender and population group categories and Anova for age, education level and income level. Table 5.18 presents the means per subset of each demographic variable for Western and Eastern countries, as well as South Africa.

TABLE 5.18: COUNTRY STEREOTYPES PER DEMOGRAPHIC CATEGORY (N = 450)

Demographic variable	Categories	Western Countries				Eastern Countries				South Africa			
		n	Mean	Standard deviation	p-value	n	Mean	Standard deviation	p-value	n	Mean	Standard deviation	p-value
Gender	Female	310	2.89 ^a	0.46	0.0503	310	2.69 ^a	0.46	0.3245	308	2.41 ^a	0.40	0.2018
	Male	140	2.98 ^a	0.42		140	2.74 ^a	0.43		139	2.35 ^a	0.47	
Age	>25 – ≤30 years	152	2.92 ^a	0.45	0.4133	152	2.71 ^a	0.41	0.6562	152	2.33 ^a	0.41	0.0063
	>30 – ≤40 years	110	2.92 ^a	0.47		110	2.68 ^a	0.48		109	2.44 ^a	0.48	
	>40 – ≤50 years	96	2.87 ^a	0.40		96	2.69 ^a	0.45		95	2.43 ^a	0.41	
	>50 years	92	2.97 ^a	0.45		92	2.74 ^a	0.49		91	2.39 ^a	0.39	
Level of education	Grade 12	116	2.84 ^a	0.51	0.0649	116	2.65 ^a	0.52	0.8816	115	2.45 ^a	0.50	0.9129
	Grade 12 + Diploma	109	2.93 ^a	0.46		109	2.69 ^a	0.42		108	2.38 ^a	0.42	
	Grade 12 + Degree	81	2.95 ^a	0.41		81	2.73 ^a	0.42		81	2.33 ^a	0.40	
	Postgraduate qualification	144	2.96 ^a	0.40		144	2.74 ^a	0.43		143	2.38 ^a	0.36	
Population group	Black & Other	142	2.94 ^a	0.49	0.3715	142	2.73 ^a	0.47	0.0998	140	2.49 ^a	0.45	0.0028
	White	308	2.91 ^a	0.42		308	2.69 ^a	0.44		307	2.34 ^b	0.41	
Income group	>5000 – <10 000	91	2.94 ^a	0.57	0.5643	91	2.61 ^a	0.46	0.2131	90	2.52 ^a	0.44	0.0125
	≥10 000 – <15 000	88	2.91 ^a	0.40		88	2.72 ^a	0.46		88	2.40 ^{ab}	0.48	
	≥15 000 – <25 000	102	2.92 ^a	0.44		102	2.71 ^a	0.50		100	2.32 ^b	0.40	
	≥25 000	169	2.92 ^a	0.40		169	2.74 ^a	0.40		169	2.36 ^b	0.38	
R²		0.03				0.03				0.08			
p-Value		0.2210				0.3881				0.0003			
Means with different super scripts in a particular category differ statistically significantly (p = ≤0.05)													

As indicated by the R-square, the selected demographic characteristics explained the negative stereotypes consumers hold of South Africa (8%) significantly more so than the positive stereotypes regarding Western- (3%) and fairly positive stereotypes for Eastern countries (3%). The overall p-values for Western- ($p = 0.2210$) and Eastern countries ($p = 0.3881$) indicate a weak relationship of the stereotypes with the demographic characteristics, whereas a significant relationship of the demographic characteristics with the stereotypes of South Africa exist ($p = 0.0003$). The demographic groups were further scrutinised using a post hoc Sheffe test, with the omission of outliers, for the South African category. This detected significant differences within the age, population and income categories in terms of the stereotypes consumers hold of South Africa. However, with the means predominantly below 2.5 ($M_{\text{Max}} = 4$) this study concludes less favourable stereotyping of South Africa as a manufacturer.

Anova indicated significant differences within the age categories ($p = 0.0063$), which resulted in a follow-up post hoc test. The Sheffe's test could however not identify where statistically significant differences between the age groups were. From the means however it can be deduced that the age category 31 to 40 years ($M_{>30-40} = 2.44$) hold higher positive stereotypes than the 25 to 30 year old category ($M_{\geq 25-30} = 2.33$). Nothing firm could be concluded about the two older categories. Although the youngest consumers' perceptions are significantly more negative than older consumers, even the older consumers' perceptions are negative ($M = 2.39$ to $M = 2.44$). The t-test indicated significantly ($p = 0.0028$) more positive stereotypes about South Africa for the Black and other population groups ($M_{\text{Black \& other}} = 2.49$) compared to the White respondents ($M_{\text{White}} = 2.34$). Even though extensive research was done, no literature could be found to substantiate this finding, which might be due to the South African context of this study. As previously mentioned, this study is not representative of the South African population, because only of 31.56% of the sample consisted of the Black and other population groups. It nevertheless indicates the possibility that population groups could be a mediating factor which could be investigated further. In terms of the influence of monthly household income, the propensity is that the lower income groups ($<R10\ 000$) can be compared to the higher income groups ($\geq R15\ 000$). This supports literature which suggests that consumers who fall into similar income brackets may belong to the same social class (Schiffman & Kanuk, 2010:80) and may therefore have certain shared beliefs and behaviours (Du Plessis & Rousseau, 2007:344). Anova indicated significant differences between the four income categories ($p = 0.0125$), which resulted in a follow-up post hoc test. The Sheffe's test indicated that the lower income group ($M_{\geq 5000-10\ 000} = 2.52$) hold significantly more positive stereotypes about South Africa compared to the middle upper ($M_{\geq 15\ 000-25\ 000} = 2.32$) and high income ($M_{\geq 25\ 000} = 2.36$) groups. Limited information regarding the influence of income on the perception of COO is available to support these findings and explain the

difference in stereotypes (Khan *et al.*, 2012), which suggests further investigation regarding this mediating factor is needed. It is also noteworthy that although the lower income group are significantly more positive than the higher income groups, even the middle lower income group seem to hold negative stereotypes of South Africa ($M = 2.40$).

5.3.8 Consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible differences in quality perceptions (Objective 2.3)

As previously mentioned, this study is based on consumers' perceptions of quality, which is based on the total product quality concept (Toivonen, 2012; Sun & Paswan, 2011). Their quality perceptions are therefore based on different product dimensions of which the following were chosen for this study; durability, performance, serviceability, aesthetics and prestige (brand- and technical prestige). The importance of each dimension may vary over different product categories (Toivonen, 2012), while the influence of the COO effect may also vary over these dimensions, of which performance and technical prestige were found to be the most influenced (Chung *et al.*, 2009).

In order to discuss consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible difference in quality perceptions, a 16-item, four-point Likert-type scale, adapted from two separate studies were used, i.e. Hamzaoui and Merunka (2006) and Chung *et al.*, (2009). To ensure a sufficient representation of all the dimensions, additional items were added for the environmental, durability, serviceability, aesthetical and prestige dimensions. Respondents could indicate their agreement with the sixteen randomly listed statements, by choosing between the four incremental options where 1 indicated 'hardly ever' and 4 indicated 'almost always'. To simplify the explanations, the percentages for 'hardly ever' and 'seldom' were combined and will hereafter be referred to as 'seldom', whereas 'mostly' and 'almost always' will jointly be referred to as 'frequently'. Findings presented in Table 5.19 include the percentages for each statement as well as the respective means, which are presented in descending order according to the means of the 'Western countries' section and will be discussed accordingly. A mean ($M = \geq 3$; $M_{Max} = 4$) indicates predominantly positive quality perceptions in terms of the various quality dimensions.

TABLE 5.19: BRAND QUALITY PERCEPTIONS OF WESTERN, EASTERN AND LOCAL BRANDS (N = 450; Missing: n = 59)

Question 14: When choosing from different MAJOR household appliance brands from various countries, do you believe that...	Western countries (e.g. USA, Europe)				Eastern countries (e.g. China, Taiwan),				South Africa (Local)			
	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation
The products are reliable.	6.00	94.00	3.20	0.56	42.89	56.89	2.56	0.71	34.00	66.00	2.67	0.67
The workmanship of the products are high.	6.88	93.11	3.22	0.57	42.00	57.55	2.62	0.72	40.45	59.55	2.62	0.69
The products have brand names that indicate quality.	6.67	93.11	3.24	0.60	47.11	52.67	2.53	0.78	43.11	56.88	2.58	0.75
The products are of high quality.	7.55	92.22	3.19	0.56	49.11	50.45	2.50	0.76	35.55	64.00	2.67	0.69
The products are durable.	8.66	91.12	3.18	0.59	49.78	50.00	2.51	0.71	35.11	64.67	2.66	0.69
The products are high-tech.	8.89	91.11	3.18	0.62	29.78	69.78	2.85	0.77	46.22	53.56	2.55	0.73
The products have fashionable designs.	9.11	90.66	3.22	0.61	30.22	69.55	2.81	0.76	40.00	59.78	2.62	0.72
The products have prestigious brand names.	9.33	90.45	3.23	0.62	46.44	52.89	2.57	0.76	51.33	48.44	2.47	0.73
The products are aesthetically appealing.	10.67	88.89	3.13	0.61	35.56	64.00	2.72	0.74	36.22	63.33	2.65	0.67
The products are innovative.	13.33	86.23	3.11	0.64	30.23	69.55	2.82	0.73	45.34	54.00	2.54	0.74
The products are designed to be energy efficient.	18.00	82.00	3.02	0.65	43.56	56.00	2.59	0.73	42.23	57.78	2.57	0.71
The products have long life spans.	18.45	81.55	3.03	0.68	61.56	38.23	2.30	0.75	42.45	57.34	2.57	0.74
The products are environmentally friendly.	21.34	78.22	2.96	0.71	53.11	46.22	2.43	0.75	45.11	54.67	2.53	0.74

TABLE 5.19 *continued*: BRAND QUALITY PERCEPTIONS OF WESTERN, EASTERN AND LOCAL BRANDS

Question 14: When choosing from different MAJOR household appliance brands from various countries, do you believe that...	Western countries (e.g. USA, Europe)				Eastern countries (e.g. China, Taiwan),				South Africa			
	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation	Seldom (%)	Frequently (%)	Mean	Standard deviation
There are easily accessible and authorised service centres.	26.45	73.56	2.87	0.75	46.22	53.33	2.57	0.79	33.34	66.00	2.71	0.75
The products are designed to reduce the waste of natural resources.	27.56	72.22	2.88	0.72	52.89	46.89	2.45	0.73	45.33	54.22	2.53	0.74
The products can easily be repaired.	31.34	68.67	2.80	0.70	50.89	48.44	2.47	0.74	32.00	67.33	2.72	0.75
Mean	3.09				2.58				2.60			
Standard deviation	0.44				0.53				0.54			
Cronbach Alpha	0.93				0.94				0.95			

The Cronbach Alphas for the three categories (West, East and Local) (0.93 to 0.95) indicate a high internal consistency of the responses to these various items (Field & Miles, 2010:583). Modern consumers try to live modestly and spend wisely (Solomon *et al.*, 2010:459) and therefore it is a plausible assumption that durability is seen as an important quality dimension and even performance, seeing that a product should satisfy consumers' wants and needs in order to be seen as a quality product (Garvin, 1984). This is especially important in terms of major household appliances, seeing that it is an expensive purchase which only occurs between every ten to fifteen years and should therefore have a long service life (Erasmus *et al.*, 2011; Jooste, 2010:4-7; Lamb *et al.*, 2008:73; NAHB, 2007). Interpreting the overall means for Western, Eastern and South African (local) brands, it is evident that consumers' quality perceptions of Western brands is the most favourable ($M = 3.09$; $M_{Max} = 4$), while South African ($M = 2.60$) and Eastern brands ($M = 2.58$) are less favourable. Means were interpreted as follows: $M \geq 3$: positive; $M \geq 2.5$ to $M < 3$: fairly positive; $M \geq 2$ to $M < 2.5$: fairly negative; $M < 2$: negative. In terms of Western brands, twelve items were responded to positively ($M > 3$), while four were responded to fairly positively ($M = 2.80$ to $M = 2.96$). In terms of Eastern brands, the majority of the items were fairly positively perceived ($M = 2.50$ to $M = 2.85$), except for two of the environmental items, as well as one durability and one serviceability item which were fairly negatively perceived ($M = 2.30$ to $M = 2.47$). In terms of South African (local) brands, the one item that was fairly negatively perceived is "prestigious brand names" ($M = 2.47$); all the other items were perceived fairly positively ($M = 2.53$ to $M = 2.72$).

To further elaborate on the means discussed before, responses to this question were also interpreted in terms of the percentages of the sample who almost always/ mostly/ seldom/ hardly ever agreed with the statements.

The overall mean ($M = 3.09$; $M_{Max} = 4$) indicates that respondents were mostly positive about the quality dimensions of Western brands. Between 81% and 94% of the respondents agreed that Western brands are of good quality, especially within the performance and durability quality dimensions. Between 86% and 91% also indicated that Western brands are technically superior and possess brand prestige, as well as good aesthetical features. Western brands were also perceived to care about the waste of natural resources, being environmentally friendly and energy efficient (72% to 82% of respondents). Between 68% and 75% of respondents agreed that these brands have easily accessible service stations (73.56%) and can easily be repaired (68.67%).

The overall mean ($M = 2.58$; $M_{Max} = 4$) indicates that respondents had predominantly fairly positive perceptions regarding the quality dimensions of Eastern brands. More than 60% of

respondents perceived Eastern brands positively, although these positive perceptions were about aesthetics (64% to 69.55%) and technical prestige (approximately 70%) quality dimensions of the products. Approximately 57% of respondents perceived these brands as reliable with good workmanship (performance dimension). Between 46% and 56% of respondents perceived these brands to be environmentally friendly, while between 38% and 50% of the respondents perceived Eastern brands to be durable and have long life spans. Less than 53% agreed these brands have high quality, good serviceability and brand prestige.

The overall mean ($M = 2.60$; $M_{\text{Max}} = 4$) indicates that respondents were predominantly fairly positive about the quality dimensions of South African (local) brands. Between 57% and 68% of respondents perceived South African brands as having good serviceability, performance, quality, durability and aesthetics. South African brands were perceived the most positively in terms of serviceability (between 66% and 68%), which makes sense because consumers might perceive these brands to have a widespread of local service stations and the acquisition of spare parts might be easy, as it is locally produced. Respondents were less positive about the environmental and prestige dimensions of these brands. Between 54% and 58% of the respondents perceived these brands to be environmentally friendly, while between 48% and 54% perceived them to be prestigious brand names. This may be explained in terms of consumers from a developing country such as South Africa, perceiving global brands, especially Western brands, to be prestigious as they are globally desired (Akram *et al.*, 2011). Figures however indicate that almost as many consumers do not agree (percentages are near 50%).

Findings in terms of the percentages are also presented in Figure 5.8 more visually.

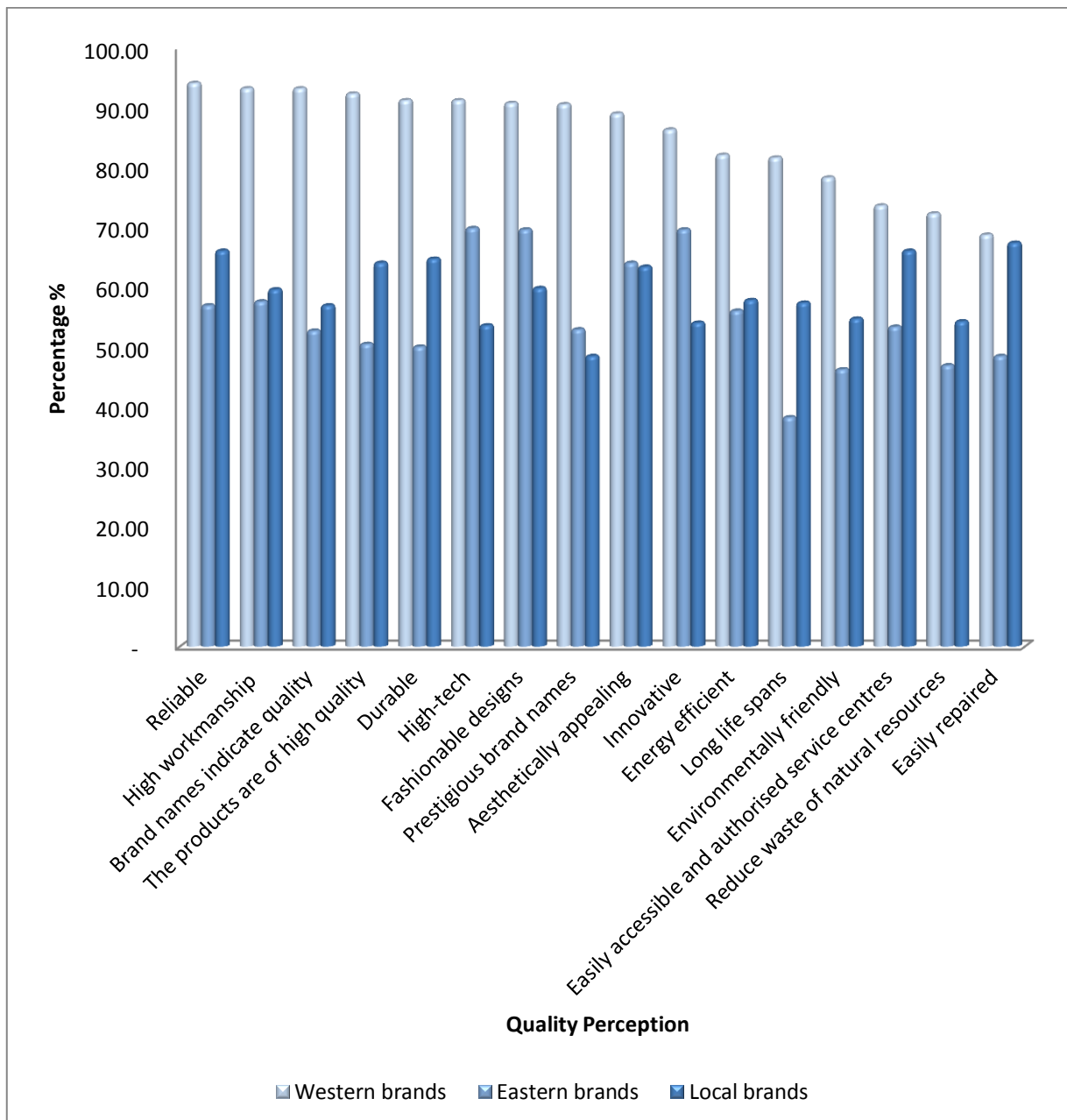


FIGURE 5.8: COUNTRY OF ORIGIN QUALITY PERCEPTIONS

As shown visually in Figure 5.8, Western brands were more favourably assessed in terms of all the items, especially in terms of having superior quality, performance and durability (81% to 94%). These brands are also perceived as being technically superior, possessing brand prestige and good aesthetical features. Eastern brands were more favourably assessed than local brands in terms of being high-tech and innovative (approximately 70%). Local brands were however more favourably assessed in terms of being reliable (66%) and more durable (64.67%) than Eastern brands. Local brands (64%) also seem to be superior to Eastern brands (50.45%) in terms of having overall better quality than Eastern brands.

In conclusion, Objective 2.2 (Table 5.17) indicates that respondents perceived Western countries to be more economically developed, industrialised and technologically advanced

than Eastern countries and South Africa. The findings of Objective 2.3 (Table 5.19) indicates respondents were more positive regarding all the quality dimensions of Western brands than Eastern and South African brands. The findings of this study therefore supports literature which indicate that Western countries are perceived to produce superior products compared to Eastern countries (Batra *et al.*, 2000) and that developed countries' products are considered as superior to a developing country's products (Khan *et al.*, 2012; Chu *et al.*, 2010; Chung *et al.*, 2009). In terms of expensive and durable products such as major household appliances, quality dimensions such as durability and performance take president over aesthetical and prestige dimensions. A previous study conducted in South Africa also found that South African consumers are more concerned with the functional aspects of an appliance, than it's aesthetics (Sonnenberg *et al.*, 2011), which was supported by the findings of Objective 2 (Table 5.15), which suggests that consumers regard style changes less important than improvements in quality. Therefore, even though respondents perceived Eastern brands to be technically prestigious ($M_{\text{Technical prestige}} = 2.85$) and innovative ($M_{\text{Innovative}} = 2.82$) and aesthetically pleasing ($M_{\text{Aesthetic}} = 2.72$), they are less positive about these brands' reliability ($M_{\text{Reliable}} = 2.56$), durability ($M_{\text{Durable}} = 2.51$), life span ($M_{\text{Life span}} = 2.30$) and overall quality ($M_{\text{Quality}} = 2.50$), which are the important dimensions in terms of the quality perception of major household appliances. It is encouraging to see that the findings of this study suggests that consumers perceive local brands to be more reliable ($M_{\text{Reliable}} = 2.67$), durable ($M_{\text{Durable}} = 2.66$), having longer life spans ($M_{\text{Life span}} = 2.57$) and overall superior quality ($M_{\text{Quality}} = 2.67$). This is especially good in terms of competing with the more affordable Eastern brands.

5.4 SUMMARY

By using convenient sampling, the data was collected in the Tshwane region of South Africa using a structured self-completed questionnaire. The obtained data was then analysed using descriptive and inferential statistics. The sample included 450 respondents and consisted of both sexes, with 68.89% females and 31.11% males. These respondents were further grouped into four age categories where 33.78% were young (≥ 25 to ≤ 30), 24.44% middle aged (> 30 to ≤ 40), 21.34% established (> 40 to ≤ 50) and 20.44% older (> 50). Respondents had to have an education level of Grade 12 or higher, which lead to 25.78% of the respondents having a Grade 12, 24.22% a diploma, 18% a degree and 32% a postgraduate degree or diploma. There was no prerequisite in terms of population groups, but for the purpose of analysis; the respondents were divided into a Black and other category (31.56%) and a White category (68.44%). In an attempt to only gather information from individuals who have the purchasing ability to buy major household appliance, respondents had to have a monthly household income of R5 000 or more. The lower income group ($\geq R5000$ to

<R10 000) consisted out of 20.22% of the sample, the middle lower income group (\geq R10 000 to <R15 000) out of 19.56% and the middle upper income group (\geq R15 000 to <R25 000) out of 22.66%, while the most respondents (37.56%) belonged to the higher income group (\geq R25 000). The respondents were grouped into the six regions of Tshwane according to their area of residence. The sample is therefore distributed over the entire Tshwane with 6.22% in the North Western region, 6.44% in the North Eastern region, 35.56% in the Central Western region, 11.56% in the Southern region, 0.89% in the Far Eastern region and 38% in the Eastern region. In order to answer the objectives of the study, adapted versions of existing and tested scales were used throughout the questionnaire.

The study had two main objectives with various sub-objectives. The first objective aimed to explore and describe consumers' brand consciousness as an indication of the importance they attach to brand names and their COOs' as a quality indicator in consumers' choices or preferences of major household appliances. It was found that respondents are relatively brand conscious, men more so than women. They were especially brand conscious in terms of well-known, famous and best-selling brands, but to a lesser extent in terms of local, imported, most advertised and expensive brands as well as brands which are sold in speciality stores.

Consumers' brand familiarity of major household appliance brand names were also measured, which revealed that respondents were relatively familiar with most of the mentioned brands, except Miele. Further investigation into the demographics did however reveal that more than 60% of the higher income group (target market) correctly identified Miele as a major household appliance. Exploratory factor analysis revealed that respondents perceive quality to be the most significant branded product meaning followed by values. During their evaluation of major household appliances, consumers may therefore use brand names as a quality indicator to a greater extent than an indicator of personal identity, family traditions, values and national traditions. To further validate the previous findings, consumers' associations of brands with specific product characteristics were also measured, which revealed that respondents seemed to use brand names to a greater extent to indicate functional/ performance-related attributes, i.e. value for money as well as a product's eco-friendliness as opposed to inferring its status implications.

The second objective of this study aimed to investigate the importance of the COO as a quality indicator in consumers' choices or preferences of major household appliances. This was done by investigating the respondents' explicit knowledge of the COO of brands, COO brand perceptions, country stereotypes and the overall perceptions of appliances produced by Western and Eastern countries as well as South Africa in terms of the different quality

dimensions. Respondents seemed to have little knowledge of the COO of brands and again they were the least knowledgeable about Miele. Respondents did however have strong perceptions of brands' country of origins and definite country stereotypes. There seemed to be a positive consensus among consumers' perceptions regarding manufacturers' efforts to design products that fit the needs of consumers and that the quality of products have generally improved, for Western, Eastern and local brands. They do however feel that the wide varieties of competing brands are confusing and the differences among the brands are insignificant. Respondents seemed to have more positive perceptions regarding Western brands, which is in line with their overall positive stereotypes regarding Western countries. The only negative stereotype respondents had about Western countries is that products are expensive. The positive perceptions and stereotypes therefore contributed to relative consensus among respondents that major household appliance brands of Western origin are overall of good quality, especially within the performance and durability related quality dimensions.

Respondents apparently hold positive and negative perceptions and stereotypes regarding Eastern countries and South Africa, as well as their brands. Respondents seemed undecided about the quality of the products produced in related countries, but nevertheless perceived it relatively favourable, although they perceive Eastern brands to wear out more quickly than local brands. They do however stereotype Eastern countries as more industrialised, economically developed, technological advanced as well as producing cheaper products than South Africa. These stereotypes could explain why they perceived Eastern brands to be superior in terms of technical and brand prestige as well as in the aesthetic quality dimensions than South African brands. However, the relatively important dimensions of major household appliances, i.e. durability, performance and overall quality were perceived to be better for South African brands than for Eastern brands.



Chapter 6

CONCLUSION OF THE STUDY

This chapter presents the conclusions and limitations of the study as well as recommendations for further research.

6.1 INTRODUCTION

Firstly, the findings of the study are summarised in terms of the objectives that were presented for the investigation. The research process is also reviewed to indicate that the research procedures were followed correctly and all objectives were met with high ethical standards. The limitations of the study and recommendations for further research are discussed as well as the relevance the findings may have for the industry.

6.2 THE FINDINGS

The study aimed to explore and describe consumers' reliance on brands, specifically the country of origin (COO) of brands as a heuristic, i.e. to explore how consumers' quality perceptions of major household appliance brands are influenced by the COO of the brands.

6.2.1 Consumers' brand consciousness as an indication of the importance of brand names and their COO as a quality indicator (Objective 1)

Consumers' brand consciousness was firstly investigated by using an established scale from Sproles and Kendall (1986). A four-point Likert-type scale ($M_{\text{Max}} = 4$) was used where a higher mean indicated a higher degree of brand consciousness. The overall mean ($M = 2.57$, $M_{\text{Max}} = 4$) suggests that respondents are relatively brand conscious. When investigating each item as formulated in the scale, means indicate that respondents attend to well-known, famous and best-selling brands, in which ever way they defined it. They were less attentive of local, imported, most advertised and expensive brands, as well as brands which are sold in speciality stores. This confirms highly subjective measures to evaluate brands. In order to further understand these findings, the mean scores per subset of each demographic variable were investigated to determine any significant differences within the demographic groups. It

became evident that males ($M_{\text{Males}} = 2.65$) tend to be more brand conscious than females ($M_{\text{Females}} = 2.54$) in terms of major household appliance brands, which is important to understand for marketers and retailers, because it seems that males favour well-known and famous brands, probably to simplify their purchases as extant research suggests that they are inclined to focus on limited and very specific characteristics (Workman & Cho, 2012; Bakewell & Mitchell, 2006; Nelson & McLeod, 2005).

6.2.1.1 Consumers' brand familiarity as an indication of their brand consciousness (Sub-objective 1.1)

Consumers' brand consciousness in the major household appliance category was explored in terms of their familiarity with fifteen brands which included nine major household appliances. A similar scale was successfully used in a Masters study in the South African clothing context (Diedericks, 2013). Respondents were particularly familiar with Samsung (93.32%) and Defy (92.60%), which reflects the reality of the South African home laundry appliance market, because Defy holds the majority of the market share (30%) and Samsung 28% market share (Euromonitor International, 2014b). Respondents were also familiar with Bosch (81.84%), Whirlpool (80.05%) and Russell Hobbs (79.19%) and also relatively familiar with KIC (62.70%), Hisense (61.49%) and Electrolux (57.21%). This probably means that these are the brands referred to in the previous section (see 6.2.1), as well-known, famous and best-selling brands. Respondents were less familiar with Miele (46.29%) and the small electrical appliances; Breville (33.26%) and De Longhi (27.05%). Further investigation into the income distribution of the respondents revealed that more than 60% of respondents who have a monthly household income of R25 000 or more, correctly identified Miele as a major household appliance, which is the actual target market of the brand. In other words, although the entire sample was less familiar with the brand, the relevant target market is reasonably aware of it. This may however still be problematic for Miele, seeing that approximately 36% of their target market is unaware of their products.

6.2.1.2 The importance of brand names as a quality indicator relative to other factors (Sub-objective 1.2)

In order to explore the importance consumers attach to brand names as a quality indicator relative to other factors during consumers' evaluation of major household appliances, the meaning of branded products was investigated. This was accomplished using an adapted 32-item scale developed and tested by Strizhakova *et al.* (2008). Through factor analysis five factors emerged, namely: personal identity; quality; family traditions; values and national traditions. In terms of the literature the items within the three factors were coherent, with their

respective Cronbach Alphas (0.92; 0.82; 0.84; 0.72; 0.87), indicating the consistency between the factors and the validity of the scale, as all equal or exceed 0.72. The identified factors and their respective items are similar to the dimensions indicated in the original scale and the results also concur with the findings of the original scale, indicating that the scale produced similar outcomes in the context of an emerging economy.

The overall means for the five factors suggest that consumers apparently use brand names as a quality indicator ($M_{\text{Factor2}} = 3.19$; $M_{\text{Max}} = 4$) to a greater extent than as an indicator of personal identity ($M_{\text{Factor1}} = 1.97$), family traditions ($M_{\text{Factor3}} = 2.13$), values ($M_{\text{Factor4}} = 2.47$) and national traditions ($M_{\text{Factor5}} = 1.74$). Findings confirm the relevance of a brand name as a heuristic of quality which has implications for the reputation of a brand. Brand names of major household appliances are apparently not particularly relevant to deduce any of the other attributes ($M = 1.74$ to $M = 2.47$).

It seemed that all consumers, irrespective of gender, age, education, population group or income use brands almost always as heuristic of quality. The demographic characteristics of respondents also seemed to not be a significant ($p = 0.0638$) predictor of the importance consumers attach to brand names to reflect the values of the company. Demographics did however significantly influence respondents' use of brand names as a reflection of personal identity ($p = <.0001$), family traditions ($p = 0.0002$) and national traditions ($p = 0.0307$). Gender significantly influenced the use of brand names as a reflection of personal identity: males ($M_{\text{Males}} = 2.08$) use brand names significantly more so ($p = 0.0084$) than females ($M_{\text{Females}} = 1.93$). It is not clear whether males are more status driven or strive for independence and therefore use brands as a reflection of their personal identity. This could be investigated in a follow-up study. The Black and other population groups ($M_{\text{Black \& other}} = 2.28$) use brand names significantly more so ($p = <.0001$) than White consumers ($M_{\text{White}} = 1.83$) as a reflection of their personal identity. It is not clear whether Black and other population groups are more status driven or use brands to establish a group identity and therefore use brands as a reflection of their personal identity. This could also be investigated in a follow-up study. Younger ($M_{\geq 25-30} = 2.25$) and middle aged consumers ($M_{>30-\leq 40} = 2.15$) use brand names significantly ($p = 0.0194$) more so than older consumers ($M_{>50} = 1.89$) as an indication of family traditions. The lower income group ($M_{\geq 5000-<10\ 000} = 2.32$) use brand names significantly ($p = 0.0149$) more so than the middle upper ($M_{\geq 15\ 000-<25\ 000} = 2.03$) and high income ($M_{\geq 25\ 000} = 2.06$) groups to indicate family traditions. Males ($M_{\text{Males}} = 1.87$) use brand names significantly ($p = 0.0140$) more so than females ($M_{\text{Females}} = 1.69$) as a reflection of their national traditions. Black and other population groups ($M_{\text{Black \& other}} = 1.92$) use brand names significantly ($p = 0.0056$) more so than White consumers ($M_{\text{White}} = 1.67$) as a reflection of their national traditions. Even though these significant differences within the

demographic categories exist, consumers seem not to pertinently ($M = 1.74$ to $M = 2.13$) use brand names as an indication of their family and national traditions. Limited literature regarding consumers' use of brand names as a reflection of their traditions is available within a South African (emerging market) context, to explicate these findings. Nevertheless, these findings indicate the possibility that gender, age, population groups and income levels could be mediating factors which could be investigated further.

6.2.1.3 Consumers' associations of brand names with specific product characteristics (Sub-objective 1.3)

In order to explore which product properties ultimately influence consumers' decision-making, consumers' associations of major household appliance brand names with various product characteristics was investigated with an established 12-item, four-point Likert-type scale, previously successfully used in a clothing study (Diedericks, 2013). The items which respectively represent eco-friendliness, status-related attributes and functional/performance-related attributes, consistently merged in their respective factors during factor analysis, as in the original scale. In terms of the literature the items within the three factors were coherent. Their respective Cronbach Alphas (0.84, 0.76, 0.70) indicate the consistency of the responses.

The overall means for the three factors suggest that consumers use brand names to a greater extent to deduce functional and performance related attributes ($M_{\text{Factor3}} = 3.33$; $M_{\text{Max}} = 4$) as well as a product's eco-friendliness ($M_{\text{Factor1}} = 2.86$), as opposed to making status-related inferences ($M_{\text{Factor2}} = 2.29$). These findings are consistent with the findings of the original scale, even though the original scale was developed to only investigate female South African consumers' clothing perceptions.

It seemed that all consumers irrespective of gender, age, education level, population group or income almost always use brands as an indication of functional and performance related attributes. Gender significantly influenced the use of brand names to deduce the appliances' eco-friendliness: females ($M_{\text{Females}} = 2.91$) depend on brands significantly more so ($p = 0.0271$) than males ($M_{\text{Males}} = 2.73$). It is not clear whether males are better informed and therefore do not depend on brand names, or whether females are more concerned about brand names. This could be investigated in a follow-up study. Older consumers (>50 years) pay significantly ($p = 0.0064$) less attention to the status-related implications of a brand ($M_{>50} = 1.99$), than younger consumers ($M_{\geq 25-\leq 30} = 2.47$; $M_{>30-\leq 40} = 2.30$; $M_{>40-\leq 50} = 2.31$). This was also found in the original scale and therefore confirms literature, namely that brand names are used by older consumers to a lesser extent as a heuristic of admiration and prestige than

younger consumers. The Black and other population groups ($M_{\text{Black \& other}} = 2.62$) use brand names to a significantly greater extent ($p = <.0001$) than White consumers ($M_{\text{White}} = 2.15$) as an indication of status-related attributes. This concurs with the original scale as well as another study conducted in Gauteng, which found that the emerging Black middle class prefers purchasing high status cars, clothing and cell phone brands to display their newly found wealth and success (Seekings & Natrass, 2002). If multiple studies done in South Africa in recent years confirm that Black consumers and other population groups, other than Whites, use brand names significantly more than Whites, it sends a clear message to practitioners, i.e. that these consumers largely rely on heuristics to deduce the desirable properties of products (including major household appliances). This does not necessarily reflect informed consumer decision-making. Consented effort should therefore be made to empower these consumer groups to optimise opportunity in the market place.

6.2.2 The importance of COO as a quality indicator in consumers' choices/preferences of major household appliances (Objective 2)

In order to explore the importance of the COO as a quality indicator in consumers' choices or preferences of major household appliances, respondents' perceptions regarding the quality of products produced by Western, Eastern and local (South African) brands and related business practices, were investigated by using an adapted version of an established 40-item scale that measured respondents' attitudes towards marketing and consumerism. Although respondents seemed undecided whether imported or local brands are better choices (see 6.2.1), they had more pertinent perceptions of brands produced in the West, East and locally. Overall, respondents were somewhat more positive about Western brands ($M_{\text{West}} = 2.68$; $M_{\text{Max}} = 4$) and local brands ($M_{\text{Local}} = 2.64$), than Eastern brands ($M_{\text{East}} = 2.57$). There also seemed to be consensus among respondents that manufacturers make an effort to design products that fit the needs of consumers and that the quality of products has generally improved. Findings indicate that Western brands are perceived to be more needs satisfying (West: $M = 3.19$; East: $M = 2.95$; Local: $M = 2.81$), while Western brands are also perceived to be of better quality (West: $M = 3.16$; East: $M = 2.86$; Local: $M = 2.74$). Irrespective of the COO of a brand, improvements in quality seems more important to consumers than style changes (West: $M = 2.72$; East: $M = 2.57$; Local: $M = 2.61$). This confirms previous studies that showed consumers to be value oriented and to demand high quality and reliable products which satisfy their needs (Schiffman & Kanuk, 2010:481; Roth & Diamantopoulos, 2009; Vence, 2007).

With the increase in foreign investment, South African consumers have been confronted with a wide variety of foreign and local competing products (Tran & Fabrize, 2013; Khan *et al.*,

2012; Parsons *et al.*, 2012; Chung *et al.*, 2009). This is evident in the respondents' perception that the differences among the competing Western-, Eastern- and local brands have become insignificant and that the increase of these varieties also increase the difficulty of purchase decisions due to overwhelming cognitive strain. The majority of respondents indicated that the manufacturers of Western and local brands do not design products which will wear out as quickly as possible, whereas more than half of the respondents perceived the opposite to be true for Eastern brands. This is in line with the general stereotypes consumers have of Eastern brands due to a negative experience with a brand or negative word of mouth (Khan *et al.*, 2012). Consumers may subsequently categorise all Eastern brands as similar and therefore transfer the negative stereotypes onto other Eastern brands. With an increase of imports from Eastern countries in recent years and with a shift of the country of manufacture (COM) to Eastern countries to save production costs, this may be problematic for certain brands. At the moment, for example, local products are perceived to be of fairly good quality (see 6.2.2.2: $M_{Local} = 2.53$). However, if consumers become aware that the only major household appliance brand that originates in South Africa has been sold to a Turkey company (Ersoy, 2011), the results may be detrimental to the brand.

6.2.2.1 Consumers' explicit knowledge of the COO of prominent major household appliance brands (Sub-objective 2.1)

The explicit knowledge consumers have of the chosen brands was explored in order to establish whether consumers' objective knowledge is congruent with the actual factual information. It is important to explore in order to determine whether they will be able to make an informed purchase decision when basing their decision on their knowledge of the COO. If the correct COO is not pertinently indicated on the product or if the actual COO information is incongruent with what consumers know, they may become confused or agitated. This may lead to them presuming the product will perform in a certain way and may lead to dissatisfaction, when negative disconfirmation of expectations occurs.

The findings revealed that respondents had little knowledge of the COO of the selected brands. As with the brand familiarity (see 6.2.1.1), respondents were most knowledgeable about Samsung, although one out of two respondents were not able to correctly identify the COO of the brand. Respondents were the least familiar (see 6.2.1.1) with Miele and as literature indicates, if consumers are unfamiliar with a brand, they will regard extrinsic cues as more important and therefore refer to their brand knowledge, such as the COO (Koschate-Fischer *et al.*, 2012). The majority of respondents did not know the COO of Miele, which might cause problems for the brand, due to incorrect inferences made about the brand. The results (see 6.2.2.2 and 6.2.2.3) revealed that consumers regard Western countries and their

brands to be superior to Eastern countries and their brands. It might therefore be beneficial for Western brands to better inform consumers of their COO.

6.2.2.2 Stereotypes that consumers hold regarding Western-, Eastern- and local brands in terms of the different quality dimensions (Sub-objective 2.2)

To further explore the influence of the COO on consumers' quality perceptions, the stereotypes consumers hold of Western and Eastern countries, as well as South Africa were measured using an adapted global country image scale from Martin and Eroglu (1993) as previously used for Hamzaoui and Merunka (2006). A four-point Likert-type scale ($M_{Max} = 4$) was used where a higher mean indicated a more positive stereotype. Respondents revealed predominantly positive stereotypes ($M_{West} > 3$) about Western countries in terms of their technological advancement, product quality, standard of living, economic environment and industrialisation. The only negative stereotype respondents disclosed about products produced in Western countries are that they are perceived to be expensive ($M = 1.82$ i.e. a negative perception). Stereotypes about Eastern countries were also predominantly fairly positive ($M_{East} \geq 2.29$ to $M < 3.01$), however less positive than Western countries. Respondents stereotyped Eastern countries as producing the least expensive products ($M = 2.69$), but relatively poor quality products ($M = 2.54$). Stereotypes about South Africa were predominantly fairly negative ($M_{Local} \geq 2.25$ to $M < 2.53$), especially the country's economic environment, living standards and technological advancement.

The demographic characteristics of respondents did not significantly influence the stereotypes of Western- ($p = 0.2210$) and Eastern countries ($p = 0.3881$). However it significantly influenced the stereotypes of South Africa ($p = 0.0003$). Age and income as well as population characteristics were revealed to be the most influential. The middle aged respondents ($M_{>30-≤40} = 2.44$) held significantly ($p = 0.0063$) higher positive stereotypes about South Africa, than the young respondents ($M_{>25-≤30} = 2.33$). The lower income group ($M_{>5\,000- <10\,000} = 2.52$) held significantly ($p = 0.0125$) more positive stereotypes about South Africa than the middle upper ($M_{≥15\,000- <25\,000} = 2.32$) and high income ($M_{≥25\,000} = 2.36$) group. The Black and other population groups ($M_{Black \& other} = 2.49$) were also significantly ($p = 0.0028$) more positive about South Africa than White respondents ($M_{White} = 2.34$). Younger consumers are therefore less positive about major household appliances produced in South Africa, which is alarming for the brand in terms of its competitiveness in the future. The same applies for higher income consumers who potentially have more money to spend on major household appliances. Fortunately the Black and other groups (which form the majority of the South African market) seems a more lucrative market based on their positive stereotyping of local major household brands.

6.2.2.3 Consumers' overall perceptions of the appliances produced locally or in Western and Eastern countries, in terms of the possible differences in quality perceptions (Objective 2.3)

To discuss how consumers' brand perceptions and COO stereotypes influence their quality perceptions, their overall perception of Western, Eastern and local appliances was explored using a 16-item adapted scale from two different studies (Hamzaoui & Merunka, 2006; Chung *et al.*, 2009). Perceptions about Western brands were more positive ($M_{\text{West}} = 3.09$; $M_{\text{Max}} = 4$), in terms of all the quality dimensions, compared to Eastern ($M_{\text{East}} = 2.58$) and local brands ($M_{\text{Local}} = 2.60$). This was expected, seeing that respondents also disclosed more positive perceptions (see 6.2.1) and stereotypes (see 6.2.2.2) regarding Western countries and their brands. These positive perceptions and stereotypes consequently contributed to respondents perceiving Western brands to be superior to Eastern and local brands in terms quality and prestige (technical and brand), which confirms results of previous studies and are important in terms of major household appliances (Strizhakova *et al.*, 2008; Batra *et al.*, 2000). Respondents only seemed relatively positive about the prestige and aesthetics of Eastern brands. Regarding local brands, respondents were the most positive about serviceability of local brands, which makes sense because local brands might have more accessible and affordable service stations than imported brands. Local brands were perceived to be the least prestigious, which is confirmed by literature which indicates that consumers from a developing country will perceive their local brands as less prestigious than global brands, especially Western brands, which are more desirable (Akram *et al.*, 2011). Local brand managers may however still see the results in a positive manner, because local brands are perceived to be superior to Eastern brands in terms of overall quality.

6.3 THE RESEARCH IN RETROSPECT

The study commenced with a thorough review of relevant and predominantly recent literature on consumer behaviour, specifically how they use their cognitive structures to make purchasing decisions, especially regarding durable products such as major household appliances. The main constructs within the research problem were therefore thoroughly operationalised which aided in formulating and structuring the research objectives, conceptual framework as well as compiling the questionnaire. The study followed a quantitative research methodology, which is exploratory and descriptive in nature. A cross-sectional survey design was utilized implementing a structured self-completed questionnaire. The questionnaire was developed with the assistance of a professional statistician using predominantly existing scales, which was adapted for the investigated product category and South African context. To ensure respondents understood the questionnaire, a pilot test was

conducted which indicated minor problems that were corrected before data collection commenced. The purpose of the research was also communicated to the respondents on the cover letter of the questionnaire, which explained that participation in the research is voluntary; the information would be anonymous and confidential and be used only for academic purposes.

The research, its specific research design and questionnaire were approved by the research committee of the Department of Consumer Science as well as the Faculty of Natural and Agricultural Science's Ethical Committee before data collection commenced. Implementing a cross-sectional survey design the data was collected during October and November 2013 in Tshwane, South Africa. Due to limited time and resources, non-probability, convenience and snowball sampling were used in order to recruit 450 adequate respondents. This means that the results of the study cannot be generalised. The questionnaires were distributed on a drop-off-collect later basis with the assistance of 44 trained field workers (third year Consumer Science students). Two schools (Queenswood primary- and Nellie Swart primary school) also agreed to assist with data gathering by distributing the questionnaire to suitable employees or parents. Respondents were motivated to partake in the study and to complete the entire questionnaire by presenting them with an incentive in the form of a prize (R500 Woolworths gift voucher).

Subsequently the completed and valid questionnaires were coded by the researcher, after which the data was entered into a data analysing tool (*Excel* spread sheet) by data capturers from the Department of Statistics. The researcher further checked and edited the captured data to prevent any errors and to ensure the reliability of the results. With the assistance of a statistician from STATOMET of the University of Pretoria and a research consultant, the data was analysed using descriptive and inferential statistics (factor analysis, ANOVA and t-tests) to translate the quantitative data into the relevant information necessary to describe the objectives in a scientific manner. Cronbach Alphas were also calculated which confirmed the internal consistency of the responses.

High ethical standards were strived to throughout the study as well as accuracy, reliability and validity as explained in Chapter 4. All participants willingly participated in the study, all responses were handled confidentially; the researcher coded and checked the data herself and took care in presenting the data in a truthful and representative manner. All the objectives of the study have been met and appropriate descriptive conclusions drawn.

6.4 LIMITATIONS OF THE STUDY

Although the researcher took care in conducting the research in a high ethical and reliable manner, certain limitations were inevitable. Resource constraints were the main limitations of the study. Even though the researcher received the NRF scarce skills bursary, the data collection was costly and time consuming. The data collection procedure therefore took place on a limited budget and had to be completed within a limited period of time. The research was conducted for a Masters' degree which had to be completed within a limited time frame set out by the University of Pretoria.

The sample size was nevertheless acceptable to draw useful inferences ($N = 450$). Although the research results provide exploratory evidence of the COO-effect, convenient non-probability sampling means that the results cannot be generalized. The sampling procedure led to an uneven representation of the population groups in Tshwane, seeing that there were significantly more White respondents than the other groups, which is not representative of South Africa.

During data gathering, the self-administered questionnaire posed some of its own limitations. Only an English printed copy of the questionnaire was available and because respondents could complete the questionnaire at their own convenience, only 467 of the 540 distributed questionnaires were retrieved of which only 450 were useful. Even though care was taken to incorporate a variety of brands in the questionnaire, a focus group could have preceded the quantitative study to ensure the incorporation of more unfamiliar major household appliance brands. The questionnaire only referred to Western and Eastern countries, which may have implications for the perceptions consumers have about these countries and their brands as well as the stereotypes they have of them. Respondents may have had more negative stereotypes regarding China, but less so regarding Japan, but the questionnaire forced them to group these countries under Eastern countries. If specific country names were used, it could have contributed to a more accurate representation of consumers' stereotypes. If a computer-based questionnaire was used, time could have been saved in terms of coding and checking the data. The statistician and research consultant are employees of the University of Pretoria and work on more than one research project at a time, which contributed to a prolonged data analysis process.

In spite of the shortcomings, the research produced useful information and laid the ground work for a more in depth study.

6.5 RECOMMENDATIONS FOR FURTHER RESEARCH

While conducting the research, the researcher identified opportunities for future research.

Firstly, by amending the non-probability sampling method to a probability sampling method, a more representative sample can be achieved and generalisations can be made. It is especially important to have a representative sample of the Black and White population groups, seeing that the research showed some differences in terms of their brand associations and the social implications of brands as well as the stereotypes they hold of South Africa. The research also indicated that males use brand names more than females as a reflection of their personal identity, as well as the Black and other population groups use brand names more than White consumers in the same regard. The reason for this is however not clear and could be investigated in a follow-up study. It was also indicated that age and income levels could be mediating factors of consumers' use of brand names as an indication of family and national traditions, which could be investigated further. In terms of consumers' use of brand names as an indication of eco-friendliness, the research indicated that females depend on brand names significantly more than males to deduce the eco-friendliness of an appliance. It is however not clear whether males are better informed and therefore do not depend on brand names or whether females are more concerned about brand names, which could be investigated in a follow-up study.

Even though literature indicated that the COO influence consumers to a greater extent than the COM (Magnusson *et al.*, 2011; Saunders, 2010), it might be beneficial to confirm this suggestion within a developing country context. Mention of the specific countries where the appliances are produced might provide more in depth information regarding the stereotypes consumers hold of these brands and how it affects their perceptions. A study which investigates durable and non-durable product categories will contribute to literature by exploring the difference in degree of importance of the COO information for these product categories.

Existing literature and the findings of this study therefore indicates that there are more opportunities for future research regarding the COO influence on consumers' perceptions and decision-making, especially in a developing country context.

6.6 IMPLICATIONS OF THE FINDINGS

The findings of the study can contribute to the academic community, retailers and marketers within the major household appliance industry, as well as other consumer industries of durable goods.

As explained in the previous section (see 6.5: Recommendations for further research), this study was exploratory in nature and therefore the findings can assist researchers in further research regarding brands and the COO-effect.

Brand managers and marketers in South Africa might find the results useful, because South African consumers seem to be brand conscious and familiar in terms of major household appliance brands. They seem to use these brand names when making purchase decisions, especially when evaluating the quality of the product in terms of functional and performance related attributes to determine its value. It is however worrisome that consumers do not seem to be well informed of the COO of prominent brands and therefore consumer facilitation needs to take place in terms of better educating consumers about the COO of brands and how this information can assist them in making an informed purchase decision. It is especially important for manufacturers to educate consumers on the actual COO of brands, seeing that they hold pertinent stereotypes regarding countries and these stereotypes influence their quality perceptions of brands.

The findings on local stereotypes and its influence on consumers' perceptions regarding local brands present positive indications to brand managers and marketers of local appliances. Even though local brands are not seen as prestigious, they are seen as of a better quality than Eastern brands and seeing that consumers are predominantly value oriented, they may regard local brands as better choices. This is a positive signal for the local economy, however greater efforts should be made in presenting consumers with the benefits of purchasing local products so that they can be emotionally and functionally motivated to do so.



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Addenda

ADDENDUM A: ETHICAL APPROVAL



ETHICS COMMITTEE

Faculty of Natural and Agricultural
Sciences

14 January 2014

Dr AC Erasmus

Department of Consumer Sciences

University of Pretoria

Pretoria

0002

Dear Dr Erasmus

EC130920-100: The influence of the country of origin on consumers' quality perception
and selection of major household appliances

Your application conforms to the requirements to the NAS Ethics Committee.

Kind regards

Prof NH Casey

Chairman: Ethics Committee

Agriculture Building 10-20
University of Pretoria
Private bag X20, Hatfield 0028
Republic of South Africa

Tel: 012 420 4107
Fax: 012 420 3290

ethics.nas@up.ac.za

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ADDENDUM B: PLAGIARISM DECLARATION

DECLARATION OF ORIGINALITY UNIVERSITY OF PRETORIA

The Department of Consumer Science places great emphasis upon integrity and ethical conduct in the preparation of all written work submitted for academic evaluation.

While academic staff teaches you about referencing techniques and how to avoid plagiarism, you too have a responsibility in this regard. If you are at any stage uncertain as to what is required, you should speak to your lecturer before any written work is submitted.

You are guilty of plagiarism if you copy something from another author's work (eg a book, an article or a website) without acknowledging the source and pass it off as your own. In effect you are stealing something that belongs to someone else. This is not only the case when you copy work word-for-word (verbatim), but also when you submit someone else's work in a slightly altered form (paraphrase) or use a line of argument without acknowledging it. You are not allowed to use work previously produced by another student. You are also not allowed to let anybody copy your work with the intention of passing it off as his/her work.

Students who commit plagiarism will not be given any credit for plagiarised work. The matter may also be referred to the Disciplinary Committee (Students) for a ruling. Plagiarism is regarded as a serious contravention of the University's rules and can lead to expulsion from the University. The declaration which follows must accompany all written work submitted while you are a student of the Department of Consumer Science. No written work will be accepted unless the declaration has been completed and attached.

Full names of student: **Bernice Gaum**

Student number: **29048436**

Topic of work: **The influence of country of origin on consumers' quality perception and selection of interior merchandise**

Declaration

1. I understand what plagiarism is and am aware of the University's policy in this regard.
2. I declare that this research proposal is my own original work. Where other people's work has been used (either from a printed source, Internet or any other source), this has been properly acknowledged and referenced in accordance with departmental requirements.
3. I have not used work previously produced by another student or any other person to hand in as my own.
4. I have not allowed, and will not allow, anyone to copy my work with the intention of passing it off as his or her own work.

SIGNATURE


.....

ADDENDUM C: QUESTIONNAIRE



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Informed Consent Form (Form for research respondent's permission)

Research regarding the influence of country of origin on consumers' quality perception and selection of major household appliances.

- 1 I hereby agree that I am voluntarily participating in the project.
- 2 The objectives, possible safety and health implications have been explained to me and I understand them.
- 3 I understand my right to choose whether to participate in the project and that the information furnished will be handled confidentially. I am aware that the results of the investigation may be used for the purposes of publication.

Signed: _____

Date: _____



**UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA**

Faculty of Natural and Agricultural Sciences
Department of Consumer Science
012 420 2531
October 2013

Dear Respondent

This questionnaire forms part of a research project for my Masters degree that focuses on consumers' quality perceptions when selecting major household appliances. Thank you for assisting me by completing this questionnaire which will take approximately 15 minutes to complete.

Please complete every question. There are no right or wrong answers. I am rather interested in your honest perceptions which will be very valuable in terms of the outcome of this study. You may refuse to participate and may withdraw at any time if you wish to do so, but please keep in mind that **all the questionnaires are completed anonymously (you need not disclose your name or any form of identification) and therefore the content will remain confidential.** To show my appreciation for your participation, a lucky draw will be done after completion of the data collection in December 2013. You may provide your cell phone number voluntarily on the tear-off slip, at the bottom of this page. Please put this slip into the sealed container when handing back your completed questionnaire if you wish to participate in the lucky draw. The winner will be notified telephonically and will receive a R500 Woolworths gift voucher.

Please read the instructions before answering to ensure that the information is useful and relevant. If you leave out a question, the whole questionnaire might have to be discarded. Please answer carefully.

PLEASE NOTE THAT ALL QUESTIONS ARE RELATED TO INTERIOR (MAJOR HOUSEHOLD APPLIANCE) BRANDS AND PRODUCTS

Your participation is much appreciated.

Kind Regards,
Bernice Gaum
084 235 8595

Student: M Consumer Science Interior Retail Management

Study leader: Prof Alet C Erasmus

When you have completed the questionnaire,
please seal it in the provided envelope or fold it in half and staple the sides

INFORMATION FOR THE LUCKY DRAW

Cell phone number:

QUESTIONNAIRE

FOR OFFICE USE ONLY

FOR OFFICE USE ONLY - RESPONDENT NUMBER

V0

Please circle the relevant number of your choice

SECTION A

Please answer the following questions:

1. What is your gender	Female	1
	Male	2
2. What was your age (in completed years) at your last birthday?	_____	Years
3. What is your highest level of education?	Lower than grade 12	1
	Grade 12	2
	Grade 12 plus diploma	3
	Grade 12 plus a degree	4
	Postgraduate degree or diploma	5
4. In terms of the Employment Equity Act of South Africa, to which population group do you belong?	Black	1
	Coloured	2
	White	3
	Asian	4
	Other (Specify)	_____
5. What is your approximate total monthly HOUSEHOLD INCOME? (Joint income of partners/spouses)	Less than R5000	1
	R5 000 or more but less than R10 000	2
	R10 000 or more but less than R15 000	3
	R15 000 or more but less than R25 000	4
	R25 000 or more	5
6. Please specify your area of residence within the Tshwane Metropolitan area, for example <i>Sunnyside</i>		
Suburb:	_____	

V1

V2

V3

V4

V5

V6

Please take note that the rest of this questionnaire relates to your perceptions and selection of major household appliances such as washing machines, refrigerators, dishwashers, etc.

SECTION B

Please answer all of the questions below:

7. When considering major household appliances...	Hardly Ever	Seldom	Mostly	Almost Always
1. Do you consider a brand name as an important source of information about the durability and reliability of the product?	1	2	3	4
2. Do you focus on brands that will communicate your social status?	1	2	3	4
3. Do you choose certain brands thinking that it will indicate the kind of people you associate with?	1	2	3	4
4. Do you stick to brands that your family uses or has used?	1	2	3	4
5. Do you believe that a brand name tells one a great deal about the quality of a product?	1	2	3	4
6. Do you buy certain brands in order to continue family traditions?	1	2	3	4
7. Do you believe that by purchasing certain brands it can help you to connect with other people and social groups?	1	2	3	4
8. Do you prefer brands that are associated with your national heritage?	1	2	3	4
9. Do you believe that the brands that one uses reflect one's social status?	1	2	3	4
10. Do you believe that the brands one uses communicate important information about the type of person you are?	1	2	3	4
11. Do you believe that one's achievements can be communicated through the brands one owns and uses?	1	2	3	4
12. Do you choose certain brands because they are part of your national traditions?	1	2	3	4
13. Do you believe that the choice of brand says something about you as a person?	1	2	3	4
14. Do you buy brands that are consistent with your values?	1	2	3	4
15. Do you buy brands to be able to associate with specific people and groups?	1	2	3	4
16. Do you use specific brands that reflect your national heritage?	1	2	3	4
17. Do you use specific brand names because they signify quality?	1	2	3	4
18. Do you believe that a person's choice of a brand says something about the people the person likes to associate with?	1	2	3	4
19. Do you buy brands that your parents buy/have bought?	1	2	3	4

V7.1

V7.2

V7.3

V7.4

V7.5

V7.6

V7.7

V7.8

V7.9

V7.10

V7.11

V7.12

V7.13

V7.14

V7.15

V7.16

V7.17

V7.18

V7.19

SECTION B continued...				
Please answer all of the questions below:				
7. When considering major household appliances...	Hardly Ever	Seldom	Mostly	Almost Always
20. Do you believe that one can tell a lot about a product's quality from the brand name?	1	2	3	4
21. Do you believe that one generally chooses brands that are associated with the social class he/she belongs to?	1	2	3	4
22. Do you choose brands that help to express your identity to others?	1	2	3	4
23. Do you use different brands to express different aspects of your personality?	1	2	3	4
24. Do you buy certain brands because they are an important tradition in your household?	1	2	3	4
25. Do you choose brands because of the quality they represent?	1	2	3	4
26. Do you use brands that remind you of your family?	1	2	3	4
27. Do you choose brands because you support the values they stand for?	1	2	3	4
28. Do you avoid choosing brands that do not reflect your social status?	1	2	3	4
29. Do you feel a bond with people who use the same brands that you use?	1	2	3	4
30. Are your brand choices based on the companies' values?	1	2	3	4
31. Do you avoid brands that do not fit with your national heritage?	1	2	3	4
32. Do you choose brands that bring out your personality?	1	2	3	4

V7.20	
V7.21	
V7.22	
V7.23	
V7.24	
V7.25	
V7.26	
V7.27	
V7.28	
V7.29	
V7.30	
V7.31	
V7.32	

SECTION C				
8. When evaluating major household appliances, <u>do you use brand names as an indication of...</u>	Hardly Ever	Seldom	Mostly	Almost Always
1. The quality of the appliance.	1	2	3	4
2. The fashionability of the appliance.	1	2	3	4
3. The prestige of the appliance.	1	2	3	4
4. The responsible energy consumption of the appliance.	1	2	3	4
5. The suitability of the appliance to your lifestyle.	1	2	3	4
6. The durability of the appliance.	1	2	3	4
7. How easy it would be to use the appliance.	1	2	3	4
8. Whether the manufacturer cares about the environment.	1	2	3	4
9. Manufacturers' regard for human dignity during manufacture.	1	2	3	4
10. Price (Affordability).	1	2	3	4
11. Eco-friendliness of the appliance.	1	2	3	4
12. What your friends' admiration of the appliance could be.	1	2	3	4

V8.1	
V8.2	
V8.3	
V8.4	
V8.5	
V8.6	
V8.7	
V8.8	
V8.9	
V8.10	
V8.11	
V8.12	

9. During the purchasing process of major household appliances, do you...	Hardly Ever	Seldom	Mostly	Almost Always
1. Focus on well-known brands.	1	2	3	4
2. Choose more expensive brands.	1	2	3	4
3. Regard more famous brands as of a higher quality.	1	2	3	4
4. Assume that superior brands are sold in nice speciality stores.	1	2	3	4
5. Purchase what you believe are the best selling brands.	1	2	3	4
6. Regard the most advertised brands as good choices.	1	2	3	4
7. Regard imported brands as good choices.	1	2	3	4
8. Regard local brands as good choices.	1	2	3	4

V9.1	
V9.2	
V9.3	
V9.4	
V9.5	
V9.6	
V9.7	
V9.8	

SECTION D							
10. Please indicate which of the following brands are associated with MAJOR household appliances (e.g. washing machines) and where you think they originate from (Country of Origin).	Major Appliance			Country of Origin			
	YES	NO	Don't Know	WEST	EAST	LOCAL	Don't Know
1. Samsung	1	2	3	1	2	3	4
2. Whirlpool	1	2	3	1	2	3	4
3. Russell Hobbs	1	2	3	1	2	3	4
4. Defy	1	2	3	1	2	3	4
5. Electrolux	1	2	3	1	2	3	4
6. Polo	1	2	3	1	2	3	4
7. Miele	1	2	3	1	2	3	4
8. Breville	1	2	3	1	2	3	4
9. Jeep	1	2	3	1	2	3	4
10. KIC	1	2	3	1	2	3	4
11. Nokia	1	2	3	1	2	3	4
12. Bosch	1	2	3	1	2	3	4
13. Guess	1	2	3	1	2	3	4
14. De Longhi	1	2	3	1	2	3	4
15. Hisense	1	2	3	1	2	3	4

V10.1		
V10.3		
V10.5		
V10.7		
V10.9		
V10.11		
V10.13		
V10.15		
V10.17		
V10.19		
V10.21		
V10.23		
V10.25		
V10.27		
V10.29		

11. Which of the brands mentioned above are you NOT really familiar with? You may indicate more than one.	
Brand:	
Brand:	
Brand:	
Brand:	

V11.1	
V11.2	
V11.3	
V11.4	

12.1 To what extent do you perceive WESTERN countries (e.g. USA, European countries) that manufacture household technology to...	Hardly Ever	Seldom	Mostly	Almost Always
1. Be economically developed.	1	2	3	4
2. Produce high quality products.	1	2	3	4
3. Have a stable economic environment.	1	2	3	4
4. Be predominantly industrialised.	1	2	3	4
5. Have a high standard of living.	1	2	3	4
6. Produce products that are technologically advanced.	1	2	3	4
7. Produce products that are relatively expensive.	1	2	3	4

V12.1.1	
V12.1.2	
V12.1.3	
V12.1.4	
V12.1.5	
V12.1.6	
V12.1.7	

12.2 To what extent do you perceive EASTERN countries (e.g. China, Taiwan) that manufacture household technology to...	Hardly Ever	Seldom	Mostly	Almost Always
1. Be economically developed.	1	2	3	4
2. Produce high quality products.	1	2	3	4
3. Have a stable economic environment.	1	2	3	4
4. Be predominantly industrialised.	1	2	3	4
5. Have a high standard of living.	1	2	3	4
6. Produce products that are technologically advanced.	1	2	3	4
7. Produce products that are relatively expensive.	1	2	3	4

V12.2.1	
V12.2.2	
V12.2.3	
V12.2.4	
V12.2.5	
V12.2.6	
V12.2.7	

12.3 To what extent do you perceive SOUTH AFRICA to...	Hardly Ever	Seldom	Mostly	Almost Always
1. Be economically developed.	1	2	3	4
2. Produce high quality products.	1	2	3	4
3. Have a stable economic environment.	1	2	3	4
4. Be predominantly industrialised.	1	2	3	4
5. Have a high standard of living.	1	2	3	4
6. Produce products that are technologically advanced.	1	2	3	4
7. Produce products that are relatively expensive.	1	2	3	4

V12.3.1	
V12.3.2	
V12.3.3	
V12.3.4	
V12.3.5	
V12.3.6	
V12.3.7	

13.1 In your opinion, when evaluating WESTERN brands (e.g. brands from USA, Europe), to what extent...	Hardly Ever	Seldom	Mostly	Almost Always
1. Do manufacturers seem to make an effort to design products to fit the needs of consumers?	1	2	3	4
2. Is it apparent that the quality of most products have improved over the past several years?	1	2	3	4
3. Are style changes less important than improvements in product quality?	1	2	3	4
4. Do manufacturers deliberately design products which will wear out as quickly as possible?	1	2	3	4
5. Do manufacturers withhold important product improvements from the market in order to protect their own interest? For example: induction hobs are not widely available, because they involve complex technology.	1	2	3	4
6. Do the wide variety of competing products from Western countries, make intelligent buying decisions more difficult?	1	2	3	4
7. Are the differences among competing brands in most product categories insignificant?	1	2	3	4
13.2 In your opinion, when evaluating EASTERN brands (e.g. brands from China, Taiwan), to what extent...	Hardly Ever	Seldom	Mostly	Almost Always
1. Do manufacturers seem to make an effort to design products to fit the needs of consumers?	1	2	3	4
2. Is it apparent that the quality of most products have improved over the past several years?	1	2	3	4
3. Are style changes less important than improvements in product quality?	1	2	3	4
4. Do manufacturers deliberately design products which will wear out as quickly as possible?	1	2	3	4
5. Do manufacturers withhold important product improvements from the market in order to protect their own interest? For example: induction hobs are not widely available, because they involve complex technology.	1	2	3	4
6. Do the wide variety of competing products from Eastern countries, make intelligent buying decisions more difficult?	1	2	3	4
7. Are the differences among competing brands in most product categories insignificant?	1	2	3	4
13.3 In your opinion, when evaluating LOCAL brands, to what extent....	Hardly Ever	Seldom	Mostly	Almost Always
1. Do manufacturers seem to make an effort to design products to fit the needs of consumers?	1	2	3	4
2. Is it apparent that the quality of most products have improved over the past several years?	1	2	3	4
3. Are style changes less important than improvements in product quality?	1	2	3	4
4. Do manufacturers deliberately design products which will wear out as quickly as possible?	1	2	3	4
5. Do manufacturers withhold important product improvements from the market in order to protect their own interest? For example: induction hobs are not widely available, because they involve complex technology.	1	2	3	4
6. Do the wide variety of competing products from South Africa, make intelligent buying decisions more difficult?	1	2	3	4
7. Are the differences among competing brands in most product categories insignificant?	1	2	3	4

V13.1.1	
V13.1.2	
V13.1.3	
V13.1.4	
V13.1.5	
V13.1.6	
V13.1.7	

V13.2.1	
V13.2.2	
V13.2.3	
V13.2.4	
V13.2.5	
V13.2.6	
V13.2.7	

V13.3.1	
V13.3.2	
V13.3.3	
V13.3.4	
V13.3.5	
V13.3.6	
V13.3.7	

14.1 When choosing from different MAJOR household appliance brands from WESTERN countries (e.g. USA, Europe), do you believe that...	Hardly Ever	Seldom	Mostly	Almost Always
1. The products are reliable.	1	2	3	4
2. The workmanship of the products are high.	1	2	3	4
3. The products are durable.	1	2	3	4
4. The products are environmentally friendly.	1	2	3	4
5. The products are of high quality.	1	2	3	4
6. The products have fashionable designs.	1	2	3	4
7. The products have prestigious brand names.	1	2	3	4
8. The products are innovative.	1	2	3	4
9. The products are designed to be energy efficient.	1	2	3	4
10. There are easily accessible and authorised service centres.	1	2	3	4
11. The products are high-tech.	1	2	3	4
12. The products are designed to reduce the waste of natural resources.	1	2	3	4
13. The products are aesthetically appealing.	1	2	3	4
14. The products have long life spans.	1	2	3	4
15. The products can easily be repaired.	1	2	3	4
16. The products have brand names that indicate quality.	1	2	3	4

V14.1.1	
V14.1.2	
V14.1.3	
V14.1.4	
V14.1.5	
V14.1.6	
V14.1.7	
V14.1.8	
V14.1.9	
V14.1.10	
V14.1.11	
V14.1.12	
V14.1.13	
V14.1.14	
V14.1.15	
V14.1.16	

14.2 When choosing from different MAJOR household appliance brands from EASTERN countries (e.g. China, Taiwan), do you believe that...	Hardly Ever	Seldom	Mostly	Almost Always
1. The products are reliable.	1	2	3	4
2. The workmanship of the products are high.	1	2	3	4
3. The products are durable.	1	2	3	4
4. The products are environmentally friendly.	1	2	3	4
5. The products are of high quality.	1	2	3	4
6. The products have fashionable designs.	1	2	3	4
7. The products have prestigious brand names.	1	2	3	4
8. The products are innovative.	1	2	3	4
9. The products are designed to be energy efficient.	1	2	3	4
10. There are easily accessible and authorised service centres.	1	2	3	4
11. The products are high-tech.	1	2	3	4
12. The products are designed to reduce the waste of natural resources.	1	2	3	4
13. The products are aesthetically appealing.	1	2	3	4
14. The products have long life spans.	1	2	3	4
15. The products can easily be repaired.	1	2	3	4
16. The products have brand names that indicate quality.	1	2	3	4

V14.2.1	
V14.2.2	
V14.2.3	
V14.2.4	
V14.2.5	
V14.2.6	
V14.2.7	
V14.2.8	
V14.2.9	
V14.2.10	
V14.2.11	
V14.2.12	
V14.2.13	
V14.2.14	
V14.2.15	
V14.2.16	

14.3 When choosing from different MAJOR household appliance brands from SOUTH AFRICA, do you believe that...	Hardly Ever	Seldom	Mostly	Almost Always
1. The products are reliable.	1	2	3	4
2. The workmanship of the products are high.	1	2	3	4
3. The products are durable.	1	2	3	4
4. The products are environmentally friendly.	1	2	3	4
5. The products are of high quality.	1	2	3	4
6. The products have fashionable designs.	1	2	3	4
7. The products have prestigious brand names.	1	2	3	4
8. The products are innovative.	1	2	3	4
9. The products are designed to be energy efficient.	1	2	3	4
10. There are easily accessible and authorised service centres.	1	2	3	4
11. The products are high-tech.	1	2	3	4
12. The products are designed to reduce the waste of natural resources.	1	2	3	4
13. The products are aesthetically appealing.	1	2	3	4
14. The products have long life spans.	1	2	3	4
15. The products can easily be repaired.	1	2	3	4
16. The products have brand names that indicate quality.	1	2	3	4

V14.3.1	
V14.3.2	
V14.3.3	
V14.3.4	
V14.3.5	
V14.3.6	
V14.3.7	
V14.3.8	
V14.3.9	
V14.3.10	
V14.3.11	
V14.3.12	
V14.3.13	
V14.3.14	
V14.3.15	
V14.3.16	

Thank you for your time and co-operation