

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND AND CONTEXT

Product attributes play an important role in marketing from the perspective of the consumer and the marketer. Consumers value attributes since they are used as the basis for evaluating a product and attributes provide benefits consumers seek when purchasing a product. Consumers also use attributes to make comparisons between competitive brands and perceive attributes important in the decision-making process more positively or negatively. The importance of studying attributes goes beyond the physical features of a product since consumers link attributes to consequences of purchasing and consuming products. Some consequences often lead to certain end states or values that consumers wish to achieve. (Belch & Belch, 1995; Wilkie, 1994; Peter & Olson, 1994; Mowen, 1993; Aaker, Batra & Myers, 1992 and Kotler, 1991)

The marketer therefore needs to recognise and acknowledge consumer perceptions of product attributes since the consumer has valued end-states towards which he strives and chooses between alternative means of reaching those goals. Products and services are valued because they are means to valued ends. The following example may emphasise the difficulty in understanding consumer perceptions of attributes: A consumer wishes to purchase a packet of chips. The chips she chooses are characterised by their flavour (concrete attribute) and strong taste (abstract attribute). She can therefore eat less (a functional consequence) which will ensure that she does not gain weight (psychological consequence). By still looking as attractive as she wishes to be, the consumer accomplishes a higher level of self-esteem (terminal value). As is eminent from the example, consumers attach great value to product attributes.

The importance of attributes to the marketer is that product attributes are used to set the marketer's brand apart from that of the competitors based on a specific attribute or often several attributes or product benefits (Belch et al, 1995).

Attributes are furthermore used by the marketer as the basis for developing new products and the drafting of specific positioning strategies based on the differentiating attributes his product has. Stokmans (1991) adds that a product can be viewed as a bundle of intrinsic and extrinsic attributes or as a bundle of perceived attributes. The description of a product in terms of its intrinsic and extrinsic attributes is usually based on the marketer's perspective. The consumer, on the other hand, uses perceived attributes in the decision-making process.

Peter & Donnelly (1995) emphasise the importance of product positioning strategies based on attributes by stating that these strategies are useful for giving marketers a clearer idea of consumer perceptions of market offerings and for selecting appropriate attributes for positioning products.

In advertising, marketers make use of attributes to state that a product has a certain attribute or that its attributes provide certain benefits to the consumer. Marketers therefore use attributes in advertising to influence the consumer's evaluation of alternatives by featuring the product's salient attributes. The objective is to influence the consumer in such a way that the brand name is associated with the most important attribute. This is done through repetitive advertising.

Although the focus of this study is product attributes and their function in advertising, it is important to note that it is the consumer's perception of product attributes that is of crucial importance to the marketer. Attributes and their function can therefore not be discussed in isolation. Analysis of the perception and the consumer decision-making processes are therefore extremely important to assist the marketer to understand consumer behaviour, draft better positioning strategies and develop more effective advertising campaigns based on product attributes.

The perception process has long been recognised as the most significant barrier to effective communication. It is at this point that the sender does or does not get through to the receiver (Aaker & Myers, 1987), since correct decoding of marketing information hinges on the consumer's perception of the communication content (Van der Walt, in Koekemoer, 1991).

Consumers act and react on the basis of their perceptions, not on the basis of objective reality. With this in mind (Schiffman & Kanuk, 1991), it is important that marketers understand the whole notion of perception and its related concepts so that they can determine more readily what influences consumers to buy.

A problem with perception studies (Schiffman *et al.*, 1991) is that two individuals may be subject to the same stimuli under apparently the same conditions, but how they recognise, select, organise and interpret them is a highly individual process based on each person's own needs, values, expectations and the like. To add to the difficulties in understanding perception is that perception is largely a study of what we subconsciously add to or subtract from raw sensory inputs to produce a private picture of the world.

The comprehension of the perception process is further complicated by phenomena such as thresholds (a point at which an effect begins to occur, Wilkie, 1986), the possible existence of subliminal perception, perceptual defence and the entire selective perception process.

Eminent from the discussion above, is that the perception process is a difficult obstacle in the communication process. If marketers do not know how the perception process influences consumer attitude and behaviour, they cannot try to create a positive perception and attitude towards their products.

The consumer decision-making process is a very difficult field of study. A question that may arise is that if a decision is merely the selection of an action from two or more alternative choices, why is the decision-making process such a difficult topic in the consumer behaviour? Closer examination on the topic of the decision-making process may shed more light on the topic.

For a consumer to make a decision, two or more alternatives have to be available with the exception if only one alternative was available. Important to note is that this does not support the view of early theories on consumer decision-making (stating that a decision-making process does not exist) since the consumer can still decide whether or not to choose the available option.

All decision-making processes begin with need or problem recognition, defined by Engel, Warshaw & Kinnear (1994, p. 118) as : "perception of a difference between the desired state of affairs and the actual situation sufficient to arouse and activate the decision process." Important to note is that "problem" does not always imply a negative state. Belch *et al* (1995) augment that a goal exists for the consumer, and this goal may be the attainment of a more positive situation. Examples of the sources of need recognition is an out-of-stock situation, dissatisfaction with the current situation, new products and new needs.

The decision-making process is complicated due to the fact that the process is influenced at any, and every, stage of the decision-making process. Factors influencing the process are among others the fact that three specific levels of decision-making can be distinguished. The levels are determined by the effort, ranging from very high to very low, that consumers exert in the decision-making process.

The search for information influences the process since internal search, compiled from existing knowledge and the ability to retrieve information, may not be sufficient for a specific purchasing decision. External search for information is often necessitated if internal search proves inadequate.

Alternatives considered also have to be evaluated. Factors influencing the evaluation of alternatives is that the evaluative criteria used by the consumer to make a specific decision vary from person to person and even from decision to decision. The same person may therefore use different evaluative criteria for the same product, but in different situations. Consumers employ decision rules to aid them in the evaluation process. These decision rules vary from very simplistic procedures that require little time and effort to very elaborated ones that involve considerably more time and processing effort on the part of the consumer.

The purchase process can be fully planned, planned or unplanned. A purchase can also be of an impulsive nature. The postpurchase evaluation is vital to the decision-making process since the acquiring of the preferred alternative can either lead to a satisfied or dissatisfied consumer. The postpurchase evaluation is stored in memory and influences future consumer decisions.

1.2 OBJECTIVES OF THE STUDY

The primary objective of this study is to determine consumer perceptions of displayed product attributes in advertising.

The following are secondary objectives that will contribute towards achieving the primary objective, namely to determine

- the relevant evaluation criteria (attributes) used to evaluate lipstick;
- the perceived importance of each attribute when evaluating lipstick;
- the underlying factors pertaining to the multiple evaluation criteria for the product category lipstick;

- the underlying factors pertaining to the multiple evaluation criteria applied to product-specific advertisements;
- change, if any, in consumer perceptions of attributes for the product category when compared with product specific advertisements; and
- change, if any, in consumer perceptions of product attributes as the explicitly mentioned attributes vary.

1.3 METHODOLOGY

To accomplish the objectives set for this study, the research project will comprise two phases, namely content analysis and a quasi-experimental design. The objective of the execution of content analysis as a research method will be to create an exhaustive list of product attributes that can be used as input variables to a multiple item Likert scale instrument, the results of which can then be subjected to factor analysis to determine underlying consumer perceptions of product attributes.

Content analysis will be used to analyse advertisements pertaining to lipstick. Berelson (in Holsti, 1969, p.3) defines content analysis as: "... a research technique for the objective, systematic, and quantitative description of the manifest content of communication." The content to be analysed in this study is the copy of lipstick advertisements. Objectivity is ensured due to the fact that the researcher is a male with no specific bias to any particular lipstick attributes or brand. Objectivity will further be ensured by adhering to the methods of content analysis prescribed by Holsti (1969) and Stempel & Westley (1981).

All advertisements pertaining to lipstick placed in three women's magazines will be selected and attributes featured in the advertisements will be identified to draft an exhaustive list of product attributes. Three lipstick advertisements, each containing a different number of attributes, will then be selected and attributes featured in the advertisements identified.

A quasi-experimental design will then be used during which a sample of lipstick users will be required to evaluate the importance of the overall product attributes for the product category and three brands of the product. A questionnaire will be designed to determine the importance ratings of each of the identified attributes when selecting a lipstick. Besides determining the importance ratings, performance ratings on each of the attributes for the three advertisements will also be determined to identify change in consumer perceptions of the exhaustive list of attributes as the explicitly mentioned attributes in the advertisements change.

A statistical technique, factor analysis, will then be used to identify underlying factors pertaining to the product category and the three brands of lipstick portrayed in the selected advertisements. The primary reason for using factor analysis is because it is useful in data analysis for identifying underlying constructs in the data and to reduce the number of variables to a more manageable set (Aaker, Kumar & Day 1995). Factor analysis allows the researcher to reduce the number of variables while still retaining as much information as possible and ensures that the remaining variables are meaningful and easy to work with.

In conducting this study, the Varimax-technique of orthogonal rotation will be used and the methods prescribed by Child (1979) for conducting factor analysis will be closely followed to ensure the greatest level of objectivity.

1.4 DEMARCATION OF THE STUDY

The research project is divided into seven chapters. **Chapter one** constituted an introduction to the study. The objectives of the study, an overview of the research methodology employed in the study and the demarcation of the study are presented.

Chapters two, three and four present the theoretical base of the study. **Chapter two** focuses on the consumer decision-making process. A generic decision-making model, consisting of five phases, is presented. Attention is also drawn to the different levels of

consumer decision-making and decision-making rules employed by consumers when deciding between alternatives. Chapter two concludes with the Engel-Blackwell-Miniard decision-making model, displaying the comprehensiveness of the decision-making process.

Chapter three provides a detailed discussion on the consumer perception process. Emphasis is placed on the consumer's frame of reference, the different thresholds associated with perception and the concept of perceptual defence. The chapter concludes with a discussion on the selective perception process.

Chapter four focuses on the essence of what is understood under the term product attribute. The importance of attributes to both the marketer and the consumer is emphasised and attention is directed to the topic of product positioning with recognition to the use of product attributes. The chapter ends with a discussion on the Means-end chain model, which suggests that meaning ascribed to attributes is given by the consequences consumers perceive attributes lead to.

The research design is outlined in **Chapter five**. The first part of Chapter five provides a theoretical overview of the first part of the research project employed - content analysis. The second part of the chapter provides the results of the content analysis study. The twenty-two product attributes for the product category lipstick identified through content analysis are provided and the attributes identified for each of the three advertisements selected for the study. The usage patterns and frequency of use for the respondents participating in the research project are presented and Chapter five concludes with the guidelines used in conducting the second part of the research project - factor analysis.

Chapter six analyses the results obtained from the factor analysis study. The underlying characteristics favoured by the respondents for the product category lipstick and the three selected advertisements are identified and labelled appropriately. The statistical results are provided in tabular form and each identified factor is examined thoroughly. An interpretation of the factors concludes the discussion on each of the four

sets of data.

The final chapter, **Chapter seven**, summarises the study and draws inferences from the findings of the research project. It concludes with recommendations and the acceptance of the objectives set for the study.