

Chapter One

An introduction to the study of single female consumer behaviour

1.1 Introduction and background

The South African financial sector constitutes twenty percent of the Gross Domestic Product (GDP) and is the most advanced in Sub-Saharan Africa. The size of the South African financial market is larger than all the other Sub-Saharan markets put together (The Economist Intelligence Unit Limited, 2001:41). The GDP refers to the market value of all goods and services, which are produced during one year in a country. A country's economic performance is measured against its ability to provide goods and services on a continuous basis. The achievement of the highest level in production is, therefore, the primary goal of a country (Griesel, Greyling, Heyns, Loots & Schoeman, 1997:82). The financial sector constitutes one fifth of the GDP in South Africa. The banking and insurance components of the financial sector will form an integral part of this study. Thus, the proposed study will be conducted in an industry, which constitutes one fifth of the GDP in South Africa.

According to the Economist Intelligence Unit Country Profile (2001) there are four major banks in South Africa, namely ABSA, Standard Bank Investment Corporation (Stanbic), Nedcor and First Rand. These banks have links with large insurance companies, namely ABSA with Sanlam, Nedcor with Old Mutual, Stanbic with Liberty and First Rand with other members of the First Rand group. Most of the financial institutions have offshore investments. Foreign banks, such as Citibank and JP MorganChase, are the international competition in South Africa. The South African Reserve Bank (SARB) and the Financial Services Board (FSB) regulate these financial companies (The Economist Intelligence Unit Limited, 2001:41).

During 2002 the banking situation in South Africa underwent tremendous change. In the course of six months more than twenty banks collapsed, merged, were taken over or gave back their licenses. Saambou, the sixth largest bank, was taken over by First Rand; BOE, the seventh largest bank, by Nedcor. Micro lending was identified as one of the main reasons for this particular phenomenon (Evans, 2002:270).

The four major South African banks are all involved in the micro lending business: Standard Bank through the African Bank; ABSA through Unifer; Nedcor through Peoples Bank and First Rand through First National. ABSA made a bad investment with Unifer, which damaged their credibility. ABSA had a fifty-one percent stake in Unifer, but, as a result of bad management and fraud, ABSA suffered a loss of R1,5 billion (Evans, 2002:270). Micro lending is therefore a risky business.

Although the mergers, which took place between the banks due to unsuccessful micro lending, strengthened them, they still had to deal with high interest rates. High interest rates were established to lower the inflation rate in the turbulent economy. An increase in professional people leaving South Africa resulted in a lack of sufficiently qualified people to effectively manage the situation with which banks are

now confronted. South Africa's strict exchange control policy restricted the South African banks from being true international companies. The forty percent decline in the value of the rand also had a negative effect on consumer confidence (Evans, 2002:270). Thus, economic turbulence had an influence on the banking side of the financial industry.

Economic turbulence also had an influence on the insurance side of the financial industry. Statistics in the South African life insurance industry for the year 31 December 2001 indicated a sixteen point four percent fall in pension premiums to R36 767 million. Premiums in total fell almost four percent to R107 552 million (Benetton, 2002:34). The September 11 attacks on the World Trade Centre in America greatly influenced the insurance industry. The attacks made the measurement of terrorism loss difficult and also made it increasingly difficult to provide insurance cover. Prior to the attacks, insurance companies could manage the potential terrorism loss of other kinds of terrorist attacks. Terrorism was, therefore, greatly covered. Insurance companies reviewed their definitions of legitimate claims after the terrorist attacks on the World Trade Centre, because of the difficult measurement and the extent of coverage that now arose (Weissleder, 2002:42).

Micro lending, high interest rates, a depreciation of the rand, a lack in consumer confidence and terrorist attacks are problems which confront the financial industry in South Africa and which affect one fifth of the country's GDP.

Evans (2002:270) declared that, if the banks want to continue growing, they will have to move into new areas.

A possible new area for growth may be the women market. The women market in the international insurance industry has evolved over the past few decades. There are more women-headed households which need life insurance for their dependants. The fact that women live, on average, seven years longer than men, emphasises the need for adequate post-retirement financial resources. More women are employed in professional occupations, resulting in an increase in earnings (LIMRA International, 1996:6). Statistics regarding women and their finances, revealed in the United States of America (USA), emphasise that women do have the finances to afford insurance products. Women own almost eight million businesses (one third of the total) in the USA. More than forty percent of households with assets of \$600 000 or more are headed by women. Women also compose almost two thirds of the investment clubs (Marsh, 1998:94). Women control more than half of the private wealth in the USA. (McGuinn, 2000:45). The US Department of Labour states that women constitute forty-six percent of the US workforce. According to the Direct Marketing Association, the females' personal expenditure exceeds an annual amount of \$2 trillion (Ronay, 1999:10).

The women market abroad represents a viable market in the insurance industry, a fact which could be substantiated by the following statement regarding insurance products: "Women constitute a viable market. They have the need for our products, they recognize that need, and they have the finances to afford those products. The insurance industry needs to make sure that this market is more actively pursued." (LIMRA International, 1996:6.)

This statement can be applied, not only to the banking side of the financial industry, but also to the insurance side. Both banks and insurance companies should explore new areas to ensure growth. The women market may provide such a new area, which could lead to potential profit-gaining.

However, the statement also highlighted the fact that, although the women market presents a viable market, it should be more actively pursued. Various factors may influence a woman's decision to purchase a financial product. Knowledge about these factors may help financial companies to more actively pursue the women market. Consequently, this study will investigate the factors, which will influence women's decisions to purchase financial products or services. The aim of the investigation is to gain a deeper understanding of the women market, to enable financial services to explore the new area for growth, which has been identified as adequate.

To gain deeper insight into these factors a literature review will be given on:

- The perception of the women market regarding the relationships women have with their financial advisers;
- the view of the women market regarding the advertising of financial products or services directed towards women;
- the opinion of the women market regarding relationship marketing strategies which financial companies direct toward them;
- the evaluation of the existing women market pertaining to women's values and their needs for financial products and services directed towards them.

The literature discussion will serve as a background, leading to the clarification of the research problem. Section 1.3 will provide insight into the research problem, followed by a discussion of the research objectives in Section 1.4 and research methodology in Section 1.5. Section 1.6 will provide an outline of Chapters 2-7, followed by a summary of Chapter 1 in section 1.7. The client in the study will be referred to as "she," because the focus of the study is on the women market.

1.2 Literature review

The background discussion (in Section 1.1) revealed that the women market, although viable, has not been adequately pursued. Financial companies' marketing communication methods directed towards women may be a possible explanation for this inadequate pursuing of the women market.

Arens (1999:17) refers to marketing communications as the planned messages which companies and organisations create to support their marketing objectives and strategies. This includes advertising and personal selling.

Personal selling is one of the means by which the market for financial products can be pursued. Personal selling strategies, as one of the components of marketing communication utilised by foreign companies, thus, warrant further investigation. Possible problem areas, pertaining to the inadequate pursuing of the women market,

may occur in the personal selling strategies of financial companies and the intention is to highlight these areas, if they exist.

Personal selling is, therefore, the first factor, which could influence a woman's decision to purchase a financial service or product.

1.2.1 Personal selling and women's perceptions of relationships with their financial advisers

Arens (1999:17) argues that, through personal selling, the salesperson deals directly with the client, by face-to-face interaction. Consequently, the discussion about how personal selling activities are performed will refer to the financial adviser's face-to-face interaction with the client.

Deloitte & Touche (Ronay, 1999:10) conducted a study to determine the needs of affluent women with personal annual incomes of \$100 000 or more. One-on-one interviews were conducted with four hundred and nine women between the ages of twenty-five and sixty-five years. The study revealed that no financial producer was assisting women to make better decisions regarding investments. Women wanted more guidance and education regarding investments. Fifty-four percent of women who make investments do not have an objective when making an investment. Women are, however, hesitant to ask questions, for fear of being perceived as ignorant (Marsh, 1998:94). This is one of the reasons why financial advisers should establish a relationship with the female consumer. Brokers must be willing to spend time with their clients and they should also educate their clients regarding financial products. The vision at one brokerage firm in America is not to treat clients as prospects, but rather to treat women as physical, social and financial beings (Marsh, 1998:94). Both broker and client should exchange information to improve the making of correct decisions and to create and maintain a relationship.

The study by Deloitte & Touche (Ronay, 1999:10) concluded that women did not have significant purchase behaviour, as opposed to their male counterparts, but that companies should be aware of what these women prefer and should cater to their needs. A company, which, for example, spends the majority of its budget on male-dominated events, will not be considered as communicating effective strategies with which women can identify.

A male-dominated budget, for example, is a golf day, where financial advisers discuss financial products during a golf match. Those women who have no interest in golf would not be able to identify with these strategies.

Women should be treated as individuals and their unique needs recognised. It is also imperative for a financial adviser to establish trust with the female client. Half the women questioned said that they discuss financial matters with friends and sixty percent said that they would purchase a product recommended by a friend, rather than one recommended by a financial adviser. A personal relationship with the adviser will lead to long-term loyalty (Ronay, 1999:10).

Trust can be viewed as another component of value in customers' relationships with their financial advisers. Companies' personal selling strategies do not successfully

adhere to the trust component and need to be addressed in order to establish better relationships.

The survey concluded that women require four types of characteristics in a financial service provider, namely (Ronay, 1999:10):

- The provision of quality advice and education to women;
- A personal relationship with their financial advisers;
- A competent financial adviser, who wants to get the best value for the client's money;
- Easy-to-read financial statements.

The study by Deloitte & Touche revealed that financial advisers are ineffective in their strategies directed towards affluent women and that appropriate measures should be implemented to improve and ultimately remedy the situation. Maddox and Sobieski (1999:10) also made recommendations, to various financial service providers, on the implementation of more effective strategies, e.g.

- Awareness of the needs and requirements of women.
- Talking to, rather than at, women.
- Considering giving the product away and charging only for problem resolution services, rather than attempting to sell the product to women.
- Under-promising and over-delivering on their financial services.

The discussion about personal selling strategies, implemented in the USA, revealed that women are not being provided with sufficient education about financial products and that they do not trust financial advisers with their financial decisions. Women's perception of their relationship with their financial advisers is not very positive. There is no mutual trust, interests or information-sharing. These may be the reasons why women decide not to purchase a financial product and why a viable women market is not sufficiently pursued. Information, trust and mutual interests should, therefore, be shared, in order to establish positive relationships between the financial adviser and the client and to create loyalty and better market penetration. With mutual trust and information-sharing, personal selling and women's perception of their relationship with their financial advisers may be factors which can influence women to purchase a financial product or service.

1.2.2 Women's perceptions regarding the advertising of financial products or services directed towards them.

Advertising activities were identified as the second component of marketing communication strategies and present another method which may be used to pursue the women market.

Advertising strategies utilised by foreign companies will be further explored in order to highlight possible problem-areas pertaining to the inadequate pursuing of the women market.

Advertising strategies are, therefore, the second factor, which could influence a woman's decision to purchase a financial service or product.

American women complained that financial companies failed to accurately reflect their home-life in their advertising strategies and that women portrayed in advertisement are stereotyped (Shannon, 1996:22).

A modern positioning of women in financial advertisements will enhance customer response. The argument is that the modern woman could be more trusted to make the correct financial purchase decision (Jaffe, 1991:57). Jaffe and Berger (1994:32) point out that, when a woman earns a higher income, she prefers to have an egalitarian positioning (equal to men), rather than a super-woman portrayal, in a financial advertisement. A super-woman refers to a woman who is responsible for all the home and work activities. A woman who has more contemporary gender ideologies will also be perceived to favour the egalitarian positioning.

Jaffe (1991:57) may have identified the root of the problem regarding the role-portrayal, when she stated that a paradigm shift (a model change) is taking place. She revealed that the increase in the number of working women and the change in the view of women's role in society have emphasised the importance of knowledge of how women think about and buy products. She investigated the response of the financial service industry to these changing developments. The traditional role of a woman, before the 1970s, was described as a family role, where the woman's main function was to be a mother and to look after her family. Since the 1970s, more women have joined the work force. Their perception about themselves and their role has also changed. Many women now want to be independent and successful in the workplace, in addition to caring for their families. This new role is called a modern woman role.

Advertising strategies attempted to acknowledge the change in the role of women. The focus shifted from the traditional, care-giving approach to the modern approach, where women are portrayed as successful and capable, in and out of their homes. There was no clear indication how effective these strategies were in the different target markets, i.e. whether traditional women would relate more to a traditional advertisement and modern women to a modern advertisement (Jaffe, 1991:57).

After the completion of Jaffe's study (1991:57), it was found that modern positioning in the advertising of financial service products was more effective, with a greater response. Traditional women, however, were indifferent to the positioning. They had no preference for traditional or for modern positioning. Financial marketers could, therefore, use a modern approach to advertise their products and to more effectively capture both market segments. A modern woman's higher credibility, when making a financial purchase decision, was given as the reason why both traditional and modern women preferred the modern approach.

The discussion about advertising strategies, implemented in the USA, revealed that women are stereotyped in advertising. The woman's perception is that a role, with which she cannot identify, is displayed to her in advertisements. Inadequate role-portrayal may be the reason why women decide not to purchase a financial product or service and why a viable women market is not sufficiently pursued. A modern

woman's role-positioning should be used, because the modern woman has more credibility regarding financial purchase decisions. With the correct role-portrayal in financial advertisements directed towards women, advertising strategies and the woman's positive perception of them may be a factor which will influence the woman's decision to purchase a financial product or service and may, therefore, enhance the pursuing of a viable market.

1.2.3 Women's perceptions regarding the relationship marketing strategies directed towards them by financial companies

Relationship marketing can be described as follows: "Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises." (Grönroos, 1994:4.)

Relationship marketing strategies may be another method to pursue the women market. Financial companies may not effectively implement relationship marketing strategies and, as a result, contribute, with incorrect personal selling (in Section 1.2.1) and advertising strategies (in Section 1.2.2), to inadequately pursuing of the women market. Relationship marketing strategies are the third factor, which could influence a woman's decision to purchase a financial service or product. The following discussion will evaluate the relationship marketing strategies implemented by financial companies.

Abratt and Russell (1999:5) state the following about relationship marketing in private banking in South Africa. The shift from transactional to relationship marketing reveals that companies should get to know their customers better. They should know what their needs are. Banks in South Africa do not know what their individual customers want and do not effectively apply relationship marketing.

Abratt and Russell (1999:5) continued that bank employees do not remain in one position very long, and, as a result, negatively influence the service quality. They recommended that transactional marketing and relationship marketing should be implemented together, to benefit from both worlds. For example, a customer may want a relationship with the bank, as well as competitive pricing. Customers of South African banks believed that they could not trust their banks to act correctly. There may be a perception that banks are unethical.

Banks in South Africa, which are not trustworthy and do not know what their clients want, may cause clients to decide not to purchase a financial service or product. The correct relationship marketing strategies are important to ensure that clients purchase financial services or products, resulting in market growth and a more adequate pursuing of the women market.

Retention marketing is closely related to relationship marketing and incorporates the following components of retention marketing which were identified by Dawes and Swailes (1999:36):

- **Profitability**

The cost of acquiring new clients is five times that of retaining existing clients.

- **Loyalty**
In the financial service sector, loyalty refers to the concept of how many years a customer will make use of a certain service provider and the number of products, which she holds. Customer loyalty is a central aspect of successful retention marketing.
- **Value**
If the benefits a customer receives from one company are more valuable than those received from a competitor, the customer will remain loyal.
- **Relationships**
The aim of retention marketing should be to draw customers into progressively more satisfying relationships, which are durable, dynamic and adaptable.
- **Information**
Effective databases will help to more accurately monitor clients.
- **Infrastructure**
Marketing operations, human resource management and internal marketing should effectively work together.

Building satisfying relationships was identified as one of the components of customer retention. Shirkey (2001:31) explains that retention marketing will save a company money. It will cost less to retain existing customers than to acquire new customers. Thus, relationship marketing will help to produce loyal customers, who are more cost-effective.

In section 1.2 Arens (1999:17) referred to marketing communications as the planned messages which companies and organisations create to support their marketing objectives and strategies and which include advertising and personal selling. If marketing communications focus on *relationship marketing* (within the personal selling component) and retention of customers, the marketing communication strategies should be *adapted* accordingly to make provision for the focus of retention. Effective relationship marketing will shift the focus of marketing communications from acquiring new customers to rather retaining existing customers, which will be more cost-effective. To retain a customer, marketing communications should also focus on what the customer values in a company to remain with the company and not on what she would expect in order to be initially persuaded to join the company. Companies should, therefore, consider marketing communications, relationship marketing and retention marketing together, when they create their marketing strategies, in order to achieve the best results for the company. By using such an integrated approach, marketers can influence customers' decisions to purchase financial services or products, thus creating customer loyalty. This can also aid marketers in more adequately pursuing the women market.

1.2.4 The values and needs of the existing women market regarding financial services and products directed towards women

Retaining existing customers is less expensive than acquiring new customers and the marketing communication strategies should focus on the values and needs of existing customers, to retain them as discussed in section 1.2.3. To identify with the values of the women market and to satisfy women's needs is another method which financial companies can use to pursue this market. The effectiveness of marketing communication strategies, regarding the needs and values of existing clients, will determine whether clients will remain loyal to the company and whether the market is adequately pursued. Women's needs and values differ from those of their male counterparts and will be further explored in this section.

According to Bajtelsmit and Bernasek (discussed by Graham, Stendardi, Myers & Graham, 2002:17), after age and income, gender is the third most powerful determinant of investing. Women use a different approach to men when making investments. Women are more aware of the potential risks involved when investing their money. Women are also not as confident as men when making financial decisions. Forty-eight percent of women abroad, versus twenty-four percent of men, view making investments as intimidating. The disadvantage of this investment approach, practised by the majority of women, is that women may not have sufficient funds for their retirement. The life expectancy of women is longer than that of men. Women, therefore, need to have sufficient funds for a life-long income. Another disadvantage of a woman's approach to finances is that the postponement of making investments may prove that such investments were made too late. Women may only decide to make investments after a death, divorce or job loss has occurred.

The advantage of women's approach to investments is, however, that women are more detail-orientated and inquisitive. Women are less impulsive than men and, consequently, the risk of money-loss is reduced. Women who are aware of the potential risks involved, may be inclined to trade less often, which could possibly lead to higher returns. Single men trade at sixty-seven percent more than single women do (Graham *et al.*, 2002:17).

The reason for the apparent differences between men and women in their investment behaviour has been argued from the point of view that men and women take different cues from the environment into consideration when making a decision. Men are more selective in their information-processing, whereas women consider all available cues before making an investment (Graham *et al.*, 2002:17). Financial companies should not only consider this fact in their direct personal selling methods, but also in their various other communication methods.

Graham *et al.* (2002:17) recommended that advertising methods directed towards women should communicate a variety of product benefits, as opposed to only one benefit directed towards men. Financial advisers should also communicate to women that it is more appropriate and advisable to take more risk when investing for a long-term goal. Women should also be taught to prioritise the information in order to identify the importance and relevance of the information gathered. Prioritisation may help women not to place too much importance on negative information and to

recognise investment opportunities. The woman's confidence may be enhanced and could lead to an increase in investments.

In summary: women have different approaches to men when making investments. Women are more aware of the potential risks involved and study the available information in great detail before they feel sufficiently prepared to make the appropriate investment.

There are various differences between men and women in their consumer patterns. Financial companies, which recognise the needs of the female market when developing their marketing communication strategies, may be able to more effectively relate to the female market. This may help to more adequately pursue the potential in the female market.

Stated differently, the potential in the female market will be more adequately pursued if the needs of the existing female clients are addressed and the female consumers respond by remaining loyal to the company.

In order to adequately address women's needs, a better understanding of consumer behaviour is also needed. Consumer behaviour can be defined as: "... the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." (Hawkins, Best & Coney, 2001:7.) This definition highlights the importance of need-satisfaction.

The definition also stresses the importance of the processes consumers use to satisfy needs. Possible consumer behaviour models will be discussed in Chapters Two to Three, to identify a suitable model to use as a basis for understanding the processes which, women consumers use to satisfy their needs.

To summarise: the needs of the women market abroad differ from those of the men's market regarding financial purchasing, but still represent a viable market for the financial industry. The women market, however, is not adequately pursued. Possible factors, which may influence women's decisions to purchase products were discussed. Financial companies need to address these factors.

1.3 The problem statement

The discussion identified certain factors, which may hinder organisations in utilising the potential of the women market. These factors are as follows:

- *The perception of the women market regarding women's relationships with their financial advisers.* Women abroad experience no trust, mutual interest or information-sharing between the financial adviser and themselves, regarding financial services or products. The inadequate relationship between the broker and client may prevent the client from making a financial purchase.
- *The perception of the women market regarding advertising of financial products or services directed towards women.* Women's perception is that a role in advertisements is being portrayed to them, with which they cannot

identify. Inadequate role-portrayal may be the reason why women decide not to purchase a financial product or service and why a viable women market is not being adequately pursued. A modern woman role-positioning should be used, because the modern woman has more credibility regarding financial purchase decisions.

- ***The perception of the women market regarding the relationship marketing strategies, which financial companies direct towards women.*** Banks which are not trustworthy and do not know what their clients want, may cause clients to decide not to purchase a financial service or product. The correct relationship marketing strategies are important to ensure that clients purchase financial services or products, resulting in market growth and a more adequate pursuing of the women market.

Effective relationship marketing will shift the focus of marketing communications from acquiring new customers to rather retaining existing customers, which will be more cost-effective. Companies should consider marketing communications, relationship marketing and retention marketing together, when they create their marketing strategies, in order to achieve the best results.

- ***The evaluation of the existing women market pertaining to women's values and needs regarding financial products and services directed towards them.*** There are various differences between men and women in their consumer patterns. Financial companies, which recognise the needs of the women market when they develop their marketing communication strategies, may be able to more effectively relate to the women market and this, in turn, may help them to more adequately pursue the potential in the women market.

To date, no research, addressing the factors, which will influence women's decisions to buy financial services or products, has been formally conducted and published in South Africa. Thus, this research is aimed at investigating the scenario in the South African market.

Although no research has been formally conducted, statistics on single women in South Africa suggest that the potential to purchase financial products does exist. The statistics are depicted in Table 1.1. However, time and money constraints prevent the researcher from including the total female population of South Africa in this study. The focus will, therefore, be on single women in Gauteng, as a small niche-segment, to determine their investment potential. The statistics on single women in Gauteng are depicted in Table 1.1.

The inclusion of the statistics of single women in South Africa and Gauteng provides a comparison between the proportion of single women in Gauteng and single women in South Africa.

Table 1.1: Statistics on single women in South Africa and Gauteng

	South Africa	Gauteng
Number of single women	6 680 000	1 065 000
Number of single working women	1 502 000	347 000
Number who have a university degree	62 000	14 000
Number who earn an income between:		
R5 000 – R 5 999	32 000	8 000
R6 000 – R6 999	28 000	10 000
R7 000 – R7 999	17 000	10 000
R8 000 – R8 999	10 000	4 000
R9 000 – R9 999	3 000	1 000
Number who have cheque accounts	105 000	36 000
Number who have a savings account	1 452 000	388 000
Number who have credit cards	61 000	19 000
Number who have life insurance	192 000	63 000
Number who have a pension policy	106 000	27 000
Number who have other types of insurance	4 000	0

Source: AMPS 2002 B (Jan 02-Dec 02).

The statistics in Table 1.1 reveal that, of the 6 680 000 single women in South Africa, 1 502 000 are resident in Gauteng. Thirty-six thousand single women in Gauteng have cheque accounts, 388 000 have savings accounts, 19 000 have credit cards, 63 000 have life insurance and 27 000 have a pension policy. Thirty-three thousand single women in Gauteng earn an income of between R 5 000 and R 9 999 per month. The income generated by these women suggests that there is enough potential in the single women market in Gauteng to purchase financial products, (because they can afford a financial product). It should, however, be kept in mind that the income generated by a portion of single women may be as a result of a divorce settlement or interest earned through a money market. Poor performances of money markets may result in those women who invested in money markets losing their money and, consequently, reducing their investment potential. The focus will, therefore, only be on the 347 000 single working women in Gauteng.

The 347 000 single working women in Gauteng constitute a viable market for financial companies in South Africa. However, the question arises whether companies in South Africa are adequately pursuing the single working women market.

The research problem can be summarised as follows: The single working women in Gauteng can be a viable market as are their international counterparts. This market in South Africa may, however, not be adequately pursued, due to the fact that South African companies do not address various influencing factors. The aim of this study is to investigate the factors influencing the buyer behaviour of single working women in Gauteng when purchasing financial products or services. The factors identified in Section 1.2 will be further investigated to determine whether financial companies in South Africa need to address them in order to more adequately pursue the women market. If South African companies need to address these factors, recommendations based on the findings will be made.

Resulting from the problem, which was identified, the research objectives will now be stipulated, to assist in addressing the problem and achieving the aim of the study.

1.4 The objectives of the study

1.4.1 Primary objective

- The main purpose of this study is:

To investigate the factors influencing buyer behaviour of single working women in Gauteng when purchasing financial products or services.

1.4.2 Secondary objectives

- More specifically to this study:
 - To determine the perception of single working women in Gauteng regarding their relationships with their financial advisers.
 - To determine the perception of single working women in Gauteng regarding the advertising of financial products and services.
 - To determine the perception of single working women in Gauteng regarding the relationship marketing strategies directed towards them by financial companies.
 - To evaluate the values and needs of the existing women market pertaining to financial products and services directed towards women.

1.5 The method of the study

To achieve the objectives which were stated in Section 1.4, the following method of study will be used:

The study will consist of a literature study to gain more insight into the topic, as well as an empirical study to investigate the problem.

The *literature study* will provide insight into the research problem and the necessary background to support the empirical part of the study. During this phase, a comprehensive study of related literature will be conducted.

The sample for *the empirical part of the study* will be drawn from the list of single working women clients of four financial companies in South Africa. The names of these financial companies in South Africa will not be disclosed, in order to maintain confidentiality. The findings will form part of a process of developing hypotheses, to be tested in further research.

Self-administered, structural questionnaires will be distributed to the single working women on the databases and they will use the enclosed self-addressed postage-paid envelope to return the questionnaire. The questionnaires will be coded, the data captured into a statistical software package and statistically analysed.

The research design regarding the methods, techniques and measurement instruments, which will be used will be discussed in greater detail in Chapter Five.

1.6 Outline of the chapters

Chapters Two and Three will focus on an investigation of various consumer behaviour models. The goal will be to identify a suitable model to use as a basis in the empirical part of the study, to understand the processes, which women consumers use to satisfy their needs. The various factors, which may influence these processes will also be discussed.

Chapter Four will further investigate research done abroad pertaining to the factors of personal selling, advertising and relationship marketing strategies, which were identified in Section 1.1. The perception of the women market regarding these strategies will be investigated. A discussion about the needs of the women market, regarding financial products and services, will also be entertained and this will incorporate the last factor, which was identified in Section 1.1. The goal of the discussion will be to broaden the view and to obtain a better understanding of the women market's needs and perceptions.

Chapter Five will describe in more detail the research method to be followed. The specific techniques, which will be used to gather the empirical information will be discussed.

Chapter Six will report on the findings of the empirical research and the conclusions and recommendations will be discussed in *Chapter Seven*.

1.7 Summary

In Chapter One the background discussions were used to formulate the problem statement. It is clear that certain factors could play a role in women's decisions to purchase financial products or services. These factors include women's perceptions regarding the relationships they have with their financial advisers, opinions about advertising strategies, perceptions regarding relationship marketing strategies, as well as their needs and values pertaining to financial products and services directed towards them. The aim of this study is to investigate the role these factors will play in the purchase behaviour of single working women in Gauteng regarding the purchase of financial products or services.

Chapter One provided a total overview of the research in order to get a holistic view of the study's scope. Chapter Two will provide a more detailed discussion of existing consumer behaviour models to identify a suitable model to use as a basis for the empirical part of the study.

Chapter Two

Consumer behaviour

2.1 Introduction

Consumer behaviour can be defined as: "... the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." (Hawkins *et al.*, 2001:7.)

From the above definition, it is clear that consumer behaviour is a sequential process, which involves different activities and that the outcome of the process will influence the consumer in a certain way.

In Chapter Two, consumer behaviour will be explored in more depth, by first addressing the origin of consumer behaviour. Thereafter, consumer models will be discussed in terms of what they entail, why they are important and the contributions they can make to better understand and predict possible future consumer behaviour. After investigating these models, the model on which this research study will be based will be identified.

2.2 The origin of consumer behaviour

The origin of consumer behaviour was greatly influenced by the elements, which played a role in shaping the economy from production-driven to market-driven.

The development of consumer behaviour can be divided into two time frames: the Pre-World War II Era and the Post-World War II Era, with the emphasis on the contrast and development in the second time frame. In the *Pre-World War II Era*, production was greater than the demand for the product. However, companies realised that they needed more information to enable them to gain a competitive advantage. They had to know what the consumer wanted and which medium was the most effective to make the consumer aware of the product. Some marketers even referred to the world of psychology to get to know the consumer better.

In the 1960's (*the Post-World War II Era*), certain guidelines set the direction for creating a marketing strategy. The belief was to create new products to gain a competitive advantage and advertising was the way to convince the buyer to purchase the product (Engel, Blackwell & Miniard, 1995:16).

The concept of motivational research was also developed during the Post-World War II Era. This discipline argued that the consumer's reason for purchasing the product was sometimes unknown to herself. These assumptions led to serious turmoil in the advertising world. The belief was that a message could then be subliminally communicated to the consumer and that the consumer would respond as a result of this motivation. After investigation, the assumptions were proven to be wrong. These activities, despite the uproar they caused, set the foundation for research into

consumer behaviour (Engel *et al.*, 1995:19). In their research, several analysts developed consumer models, in an attempt to capture consumer behaviour. These models will be evaluated in Section 2.3.

It is important, however, to note that, with the development of the consumer model theories, borrowing took place from other consumer fields. Engel *et al.* (quoted in Du Plessis, Rousseau & Blem, 1990:8) used the fields from Cox's persuasion theory, King's psychological theory on fashion and Robertson's diffusion of innovations.

After 1970, research on consumer behaviour followed a new direction. The emphasis was no longer on borrowing from different theories, but rather on the process, which the consumer used when she wanted to buy the product. The focus was on how consumers worked through information and on the variables which might have influenced these decision processes. The research on consumer behaviour and the models which were developed as a result of this research, contributed to human behaviour theories. The human behaviour theories, in turn, contributed to the development of consumer models, which could predict future consumer behaviour. The advantage of these models was that it assisted marketers in the formulation of marketing strategies. The outcomes of these models resulted in more effective marketing (Du Plessis *et al.*, 1990:9).

The various models, which were developed in the Post-World War II Era, will be discussed next. They will be evaluated in terms of their applicability and practicality in the research on single working women.

2.3 Theory on consumer behaviour models

2.3.1 Definition of consumer behaviour models

"A model is nothing more than a replica of the phenomena it is designed to present." (Engel *et al.*, 1995:143.) A model indicates the various factors and how they are connected. Three benefits may result from the occurrence (Engel *et al.*, 1995:143):

- Certain behaviour may be better understood;
- The model may indicate opportunities for future research, by showing gaps in knowledge and understanding;
- The model may set the groundwork for information systems to develop marketing strategies.

Du Plessis *et al.* (1990:17) argue that the value of models of purchase behaviour is that they establish a conceptual framework within which components of purchasing behaviour can be visually illustrated. They continued that a model would assist in understanding certain behaviour and that results could be predicted, given that certain circumstances occur.

Erasmus, Boshoff and Rousseau (2001:82) postulate that consumer behaviour models usually refer to five elements of the consumption process, namely, the recognition stage, pre-search stage, alternative evaluation stage, choice stage and outcome evaluation stage. They state that the classification in terms of various stages of

consumer decision-making is typical of the rational method of consumer decision-making.

However, the generalisation of consumer behaviour may result in the creation of a biased view. The decision-making process will become more complex when the importance of the product increases, for example when higher social, personal and financial risk is implicated. Erasmus *et al.* (2001:85) further indicated that consumers would apply more cognitive effort to the purchase of a product, which they considered important.

These considerations may be very valuable in the study of the consumer behaviour of single working women. The five-stage decision process alone may not be suitable to use in this study on the purchasing of financial products. The importance of the financial product to be purchased may increase the complexity of the model. An overview of the theory on various consumer models will, therefore, now be entertained, with the aim of finding a suitable model, which can be applied to the study.

2.3.2 An overview of consumer models

a) Nicosia's Model

Dunn and Wharton (2003) revealed that the Nicosia Model was developed in 1966. The aim of the model was to demonstrate how the company influences the consumer through its promotional and advertising activities.

In the Nicosia Model, consumer behaviour is represented as a series of decisions, which follow each other. The model is divided into four fields. The first field ranges from the source of a message to the consumer's attitude. The second field ranges from the search for to the evaluation of means-end(s). The third field is the act of purchase and the fourth field entails the feedback (Walters, 1974:51). Oriavwote (2000:25) referred to this method as a computer flow-chart technique, in which the output from each field became the input for the next field.

Walters (1974:51) provided the following description of the four fields: in *field one*, the firm promotes an unfamiliar product to the consumer. The consumer develops an attitude towards the product, after she has evaluated the product against her predispositions. In the *second field*, the consumer develops a motivation, after she has evaluated the product and searched for more information. Du Plessis *et al.* (1990:19) argue that some aspects, which may influence the consumer's motivations in the second field, are the consumer's previous experience when purchasing a product, the current product's attributes and the situation in which the purchase may occur. Walters (1974:51) further maintained that the consumer would purchase the product in *field three*. Du Plessis *et al.* (1990:19), however, stated that the availability could limit the purchase of the product in the third field. Walters (1974:51) concluded by saying that the result will be memorised for future reference or referred back to the company in *field four*.

Although this model is useful when a company launches a new product, some limitations occur, which may question the effectiveness of the use of the model.

- Oriavwote (2000:25) argued that the model only predicts the consumer's purchase behaviour of a new product. Some single working women might already have purchased an investment product. Their behaviour will not be accurately predicted by using this model.
- Oriavwote (2000:25) also posits that the model tends to reflect all buyer behaviour as rational, that many of the variables are not adequately defined and that the mathematical testing of the model was premature. The inadequate definition of the variables in this model may limit the use of the Nicosia Model in this study.
- The model does not give a clear indication of the interaction between the variables (Du Plessis *et al.*, 1990:21). Should the variables in this study be based on the interaction of the variables in the Nicosia Model, measurement would be difficult.
- Attitudes, motivation and experience might not have occurred in the same sequence (Walters, 1974:52). The single working women might have been motivated to purchase a life policy, but, because of a bad service experience, might have decided to no longer purchase the product and that might have resulted in a negative attitude.
- The model also states that the company has to take the first step and tell the client about its product. The client may, however, recognise her need first and as a result, search for information.
- The model only describes the psychological factors involved in the decision-making. There is no indication of the impact of reference groups on the client's decision-making process.
- Dubois (quoted in Dunn & Wharton, 2003) criticised the model in terms of its descriptive content, its brevity, the fact that the model had never been fully tested and is now considered historical. No further research was done on the Nicosia Model, which considerably limits the application of the model in the modern day scenario.

Taking the above-mentioned limitations into account, it can be argued that the Nicosia Model is not suitable for use in the research into the purchase behaviour of single working women. The outdated model will not assist in a better understanding of the current purchase behaviour of single working women in Gauteng and no predictions of the sample's future purchase behaviour, based on the Nicosia Model, would be possible.

A discussion about the Andreasen Model will follow, to determine whether this Model will qualify as suitable for use in this study.

b) Andreasen's Model

The Andreasen Model was developed in 1965 (Erasmus, 2002:16). The individual variable is the focus point in this model. As in the Nicosia Model, the individual is not familiar with the product. Messages regarding the product reach the consumers through their five senses. These messages can be personal or impersonal. The

individual's perception will form a filter, with attitudes as a determining factor, through which the information will flow (Walters, 1974:53). Oriavwote (2000:26) stated that in the Andreasen Model, attitudes can be changed in a variety of ways, for example a consumer who changes group affiliation is likely to conform to the new group norms.

Walters (1974:53) continued that the new information would also have an impact on the individual's attitudes, beliefs and feelings. Cultural values, personality, experience and wants will also play a part when the individual receives the new information and has to make a decision. The Andreasen Model, therefore, more adequately explains the relationship between the variables than the Nicosia Model and the Model acknowledges the environmental influences on the consumer's decision-making process.

However, the Andreasen Model has some limitations, which also question the applicability of this Model:

- The interaction between the consumer and the company is not clearly indicated (Walters, 1974:53). In the Model, it appears only to be a one-way communication (company to consumer). This study focuses on the consumer's perception of the company and a consumer to company communication line is, therefore, necessary.
- The Model only explains the decision process with a new product. Oriavwote (2000:26) states that the Model is limited to the development of the initial decision to purchase and does not have much to say about repeat purchases. The Model cannot be used in the study of single working women who have already purchased a financial product.
- Oriavwote (2000:26) continued that the Model assigns extraordinary weight to attitudes, at the expense of other variables, which might have been included or more extensively developed and that the relationship among many of the variables are, as in the Nicosia Model, not adequately specified. Should the variables in this study be based on the interaction of the variables in the Andreasen Model, measurement would again be difficult.
- The Model also does not take into account special situations, where the normal decision process may not be followed. A single working woman may only purchase life-cover, because she has obtained a bond on her home. In this situation, her cultural values and personality will not play a role in motivating her to purchase life-cover.

The above-mentioned limitations indicate that the Andreasen Model is also not sufficient for research on the purchase behaviour of single working women in Gauteng. In addition to these limitations, no further research was done on the Andreasen Model after 1990, which makes the application of this Model to modern situations very difficult. The Andreasen Model will, therefore, not be used as a basis for research on consumer behaviour in this study.

The Howard-Sheth Model will be discussed next, to determine its suitability for this study.

c) Howard-Sheth Model

The Howard-Sheth Model was developed in 1969 (Erasmus, 2002:16). Pastrana (2003) revealed that the Model is a descriptive type of model, based on the works of John Howard and later enriched by the contributions of Jagdish Sheth. The Model was one of the first to reveal what constitutes loyalty towards a specific product.

The Howard-Sheth Model comprises four sections, namely the inputs, perceptual constructs, learning constructs and outputs. The input sections describe the business and environmental factors, including family reference groups and social class. When the stimulus reaches the individual's senses, stimulus ambiguity occurs. This results in search for further information, but will be filtered by perpetual bias as a result of attitudes, confidence, search and motives. The new information may lead to a change in motives and intentions. These factors will then influence confidence and purchase. The purchase feedback will influence attitudes and intention. The Howard-Sheth Model takes into account an extensive range of variables, which may influence the decision-making process. Factors from business psychology and sociology have all been integrated (Walters, 1974:57). Oriavwote (2000:27) states that the Howard-Sheth Model includes perception, learning, attitudes and motivation.

The Model indicates that three stages in buying behaviour exist, namely extended problem-solving, limited problem-solving and routinised response behaviour. Extended problem-solving is the result of a limited number of fixed criteria, available to the consumer for evaluating product categories. In the limited problem-solving scenario, basic criteria have already been developed and limited information search will be done. In routinised problem solving behaviour, the individual uses well-established criteria to evaluate products. Little or no search will be undertaken for additional information. The three stages of problem-solving will occur together with the four principal variables in the Model (Du Plessis *et al.*, 1990:21).

Du Plessis *et al.* (1990: 21) revealed that Howard and Sheth used the term *buying behaviour* in the Model and not *consumer behaviour*, because they felt that industrial buyers and consumers are identical in most aspects. They continued that the Howard and Sheth Model is theoretically founded on the stimulus-response theory, for example, stimuli encourage decision-making and the buyer's repeated decision-making and choice-exercising lead to increased knowledge and experience.

The Howard-Sheth Model must be acknowledged for its contribution to repeat-purchase behaviour. Unlike the two previously discussed models, the Howard-Sheth Model illustrates that not all product purchases are first-time purchases. This factor will influence the amount of information search, which will be done. The Howard-Sheth Model also explains the various environmental influences, which affect the decision-making process. The Model is more user-friendly and realistic to employ in the study of purchase behaviour. Oriavwote (2000:27) also stated that the Howard-Sheth Model is the only comprehensive theory on buyer behaviour, which has been tested in depth in the field. Pastrana (2003) argued that the Howard-Sheth Model emphasises the importance of feedback on purchasing experience and also adds the satisfaction component. The Howard-Sheth Model is, therefore, particularly useful in gaining an understanding of how the consumer processes information.

However, some limitations in the Howard-Sheth Model exist:

- In the Howard-Sheth Model, no distinction is made between low and high involvement decision-making. Thus, the Model cannot exclusively predict future financial purchase behaviour with high involvement and will, as a result, be difficult to apply in this study.
- It is also not clear whether the needs of the consumer will have any impact at all on the decision-making process. The Model does not take into account that the single working woman may first experience need recognition and, as a result, search for more information and not because she experienced stimulus ambiguity as a result of certain inputs.
- The Model does not differentiate between internal and external information search and the type of situation in which it will be used. A single working woman may purchase a pension policy for the first time, but only buy what her parents have bought for themselves. Extended problem-solving and information search will then not have taken place. This kind of behaviour is characteristic of the routinised problem-solving behaviour, as described by the Howard-Sheth Model. It is, however, not routinised behaviour, because the individual purchased the product for the first time, although no extended problem-solving took place.
- Oriavwote (2000:27) states that there is no definite definition of the relationship between some of the variables. He declared that comprehensive models of buyer behaviour should place high value on identifying important variables and their possible relationships, integrating existing knowledge and suggesting hypotheses, which could be empirically tested. Using the Howard-Sheth Model cannot, therefore, assist in the development of testable hypotheses, which will be formulated as a result of this exploratory study.

Sheth (1996:7) conducted a study on the developments in organisational buying behaviour after he published his Model. The study concluded that half of the knowledge, generated during the past twenty-five years, is declining at a very fast rate. Thus, the Howard-Sheth Model, which was developed three decades ago, is outdated. After 1990, no research was done on the Howard-Sheth Model. The application of this Model in the modern scenario is, therefore, limited.

The limitations of the Howard-Sheth Model discussed above, coupled with the historical approach of the Model, makes the Howard-Sheth Model unsuitable for use in the research on the purchase behaviour of single working women in Gauteng.

The Howard-Ostlund Model will be discussed next, to determine its suitability with regard to this study.

d) Howard-Ostlund Model

Howard and Ostlund refined the work of Howard and Sheth on consumer behaviour. The Howard-Ostlund Model, developed in 1973, attempted to provide a useful framework of buyer behaviour for theoreticians, researchers and practitioners. Sternthal and Craig (1982:49) point out that the Model represents three stages:

The *first stage* represents the exogenous variables. “These include the institutional and societal environment as well as the buyer’s personal characteristics.” (Sternthal & Craig, 1982:49.) The institutional environment refers to the competing information, which a consumer will receive, from various product advertisements to the non-commercial information from consumer reports. The societal environment refers to the time pressures the individual may experience, which will, as a result, limit the search for information. The buyer’s family expectations and her culture will also influence the purchase behaviour. Personality characteristics influence the individual’s confidence when she intends to purchase the product.

The *second stage* refers to information processing. Information will be gathered from various sources and filtered through perceptions, built by motives. The end result will be an attitude towards the product.

In the *third stage*, cognitive and purchase processes are addressed. Content is the first component of motives and refers to the goals the individual wants to achieve. Intensity, the second component of motives, refers to the importance of each goal. The feedback from personality and the societal environment will have an impact on motives. The motives will have an impact on the individual’s attitude. The attitude will then determine the individual’s intention to purchase the product. If the individual purchased the product, the level of satisfaction she received from it will determine the potential repurchase of the product.

Although it is a very detailed Model of consumer behaviour, some limitations exist that must be taken into account:

- The Model’s complexity makes it very difficult to use.
- Some of the Model’s elements cannot be trusted. The relationship between the individual’s confidence and purchase intention was based on only a few panels of studies (Sternthal & Craig, 1982). The application of the Howard-Ostlund Model to this research study is, therefore, too risky. Certainty regarding the module structure does not exist and it cannot be applied to this empirical study.

Due to the complexity of this Model and its questionable results, the study on the purchase behaviour of single working women cannot be based on the Howard-Ostlund Model. After 1990, no further research was done on the Howard-Ostlund Model, which confirms the fact that this historical Model is not suitable as a basis for researching the purchase behaviour of single working women in Gauteng.

2.3.3 An overall evaluation of consumer decision-making models

Among the models discussed above, the researcher could not find any suitable model to use as a basis for research on the purchase behaviour of single working women. An overall evaluation of the models will, therefore, be provided to try to establish criteria for a model, which can be used as a basis for research on the purchase behaviour of single working women.

Some of the most well known consumer models were developed in the 1960s and 1970s. Research from other disciplines was used, as little was known about the subject. Apart from the limited theoretical background within which traditional consumer decision-making models were developed and revised, the different forms of criticism can broadly be classified in terms of: an assumption of rational consumer decision-making behaviour; a generalisation of the decision-making process; concern about the detail included in consumer decision-making models and limitations as a result of a positive approach to the development of consumer decision-making models (Erasmus *et al.*, 2001:83). A discussion of these criticisms will be provided, in an attempt to establish criteria for a suitable model.

Firstly, Erasmus *et al.* (2001:83) criticised *rational consumer decision-making*, because consumers do not go through the extensive decision-making process when making a subconscious purchase. It might have proved better if the models could have differentiated between low and high involvement decision-making.

A rational approach to consumer decision-making refers to the careful weighing and evaluation of the use of financial products to obtain a satisfactory decision. Rational goals are also based on economic criteria, for instance price and size (Erasmus, 2002:17).

Erasmus *et al.* (2001:83) questioned the term “rational” in consumer decision-making, because the consumer uses a cognitive information process, which involves planning and setting goals, as well as an emotional process with more abstract behaviour. Rational consumer behaviour is too narrow to rely on.

Erasmus (2002:18) supported this argument by pointing out that consumers possess and implement a variety of consumer decision-making strategies, depending on the products, situation, context and previous experience.

Secondly, *the decision-making process cannot be generalised*. A consumer will value a product more, if the product is seen as being important. It cannot be viewed as a norm that all buying behaviour will be thought through carefully. It was also argued that models portray consumer attitudes as a result of the decision-making process and not as an element, which existed prior to the decision-making process. Erasmus (2002:19) argued that the generalisation of the decision-making process may result in a biased view from the beginning.

Thirdly, *the models also did not make provision for the fact that some stages may occur at the same time and not in a sequential manner*. Erasmus (2002:19) postulates that, if the stages occurred simultaneously, a more parallel approach (and not a sequential approach) should be used. The recommendation was also made that further research should be conducted in the development of parallel consumer decision models.

Finally, *consumers will not in all circumstances have sufficient information* to make a well-informed decision. In some situations, they have to make decisions without all the information. Erasmus (2002:22) claims that consumers may then make use of decision shortcuts. Consumers may “gamble” product alternatives, as though they were calculating statistical expectations based on probability-weighted outcomes of

gambles, thus indicating the use of a compensatory choice process. Consumers tend to select options with the smallest potential loss. Erasmus *et al.* (2001:83) argued that consumers also use different decision-making strategies in different situations. Traditional consumer decision-making models do not make provision for this.

The above-mentioned discussion identified a need for a consumer model, with the following characteristics, i.e. a model which:

- differentiates between low and high involvement decision-making;
- relies on rational and emotional processes;
- makes provision for attitudes to influence the decision-making process;
- acknowledges that some stages may occur simultaneously;
- acknowledges that consumers will use different strategies in decision-making in different situations;
- differentiates between important and less important products.

The following criteria can also be derived from the criticism of specific consumer models:

- The Nicosia Model had no clear explanation of the interaction between different variables. The Model did not clarify repeat purchase behaviour (Du Plessis *et al.*, 1990:21). It was established that a good consumer behaviour model should have a clear explanation of the interaction between different variables. The model should have a clear explanation of repeat purchase behaviour. If the single working woman wanted to purchase another savings policy, the consumer model should be able to incorporate it.
- The Howard-Sheth Model was too complex to use in everyday situations (Du Plessis *et al.*, 1990:24). In order to apply to different research situations, a model should be practical.
- The Andreasen's Model treated consumers as computers with input-output processes (Walters, 1974:53). A more realistic consumer model would be one, which acknowledged the interaction between the consumers and the companies.
- In the Howard-Sheth Model there is no relation between the factors at the beginning of the process and the activity when the consumer buys the product (Walters, 1974:57). A model should indicate the interaction between these two activities, in order to be a sufficient model and to adequately explain consumer behaviour.

The discussion on earlier consumer behaviour models has highlighted the shortcomings of the models. Due to these shortcomings, the models are inadequate in addressing the purpose of this research.

Beckett, Hewer and Howcroft (2000:15) recommended aspects, which should be taken into account in the study of consumer behaviour and model development in the financial service industry. They argued that, within the traditional structure and functions of the financial service industry, consumers had little choice in selecting financial products and distribution channels. Consumers had to accept the form and price of the financial product and distribution channel. Switching between the few

options available had no long-term benefit for the consumer and usually incurred cost. Consumers were, therefore, locked into buying patterns and had little advantage in changing. However, deregulations and new technology development have created a highly competitive market and this, in turn, has had a great impact on consumer behaviour. Today, consumers are more often able to change their buying behaviour regarding financial service products. As a result, bank providers are less certain that consumers will continue banking with them.

Becket *et al.* (2000:15) stated that banks should strategically respond to these changes. In an ideal type of consumer behaviour, it is necessary to identify the underlying constructs, which determine consumer behaviour, with a particular frame of reference. Ideal types, therefore, entail certain constructs or imperatives and individual buying behaviour is shaped to accommodate them. Earlier consumer models ignored the consumer involvement in financial purchasing and only focused on one-off purchasing. A consumer behaviour model, used with regard to financial purchasing, should take into account the considerations from Becket *et al.* (2000:15) regarding consumer behaviour in the financial service industry and should also not view the financial purchase as a one-off event.

The popularity of developing consumer behaviour models declined after 1978, especially with regard to comprehensive models. The consumer decision models still in use today portray the consumer decision process in terms of the inter-relationship of concepts and flow of activities, as understood within the limited theoretical background which led to model-building at that time (Erasmus, 2002:16).

A more recent model regarding consumer behaviour and consumer decision-making processes is the Engel, Blackwell, Miniard Model (1995). In the search for a suitable model to form the basis for research on the purchase behaviour of single working women, the researcher will in detail discuss this Model in the following chapter, to establish whether the Model will satisfy the criteria for a realistic and practical model.

2.4 Summary

The discussion of the origin of consumer behaviour addressed the shift in consumer focus prior to and after World War II. Before World War II, the emphasis was on supply, irrespective of whether demand was met or exceeded. The importance of gaining a competitive advantage shifted the focus to what the consumer wanted. Products were no longer thrust down the consumer's throat. The consumer received what she wanted and needed. These circumstances led to research on consumer behaviour.

Various marketers borrowed from other theories in the consumer science, for example from psychology. The marketers developed models of consumer behaviour in their efforts to capture the consumer purchasing process. A definition of consumer models was given and the benefits and contributions of consumer models were discussed. These models were investigated and evaluated and it was found that they had some limitations in their suitability for use as a basis for the research on the consumer behaviour of single working women. Some of the limitations were that the models only acknowledged purchase behaviour regarding new products; the consumer was

seen as a computer with an input-output process; there was no interaction between the different variables studied in the models.

An overall evaluation was then done to establish criteria for a practical model, which could be used as a basis for the research on the purchase behaviour of single working women. Some criteria established that a model should differentiate between low and high involvement decision-making and that consumers use different decision-making strategies in different situations, which should be brought into consideration.

The Engel, Blackwell, Miniard Model (1995) regarding consumer behaviour will be investigated in Chapter Three, to establish whether this Model will meet the criteria to form the basis for the research on the purchase behaviour of single working women.

Chapter Three

The Engel, Blackwell, Miniard Consumer Model

3.1 Introduction

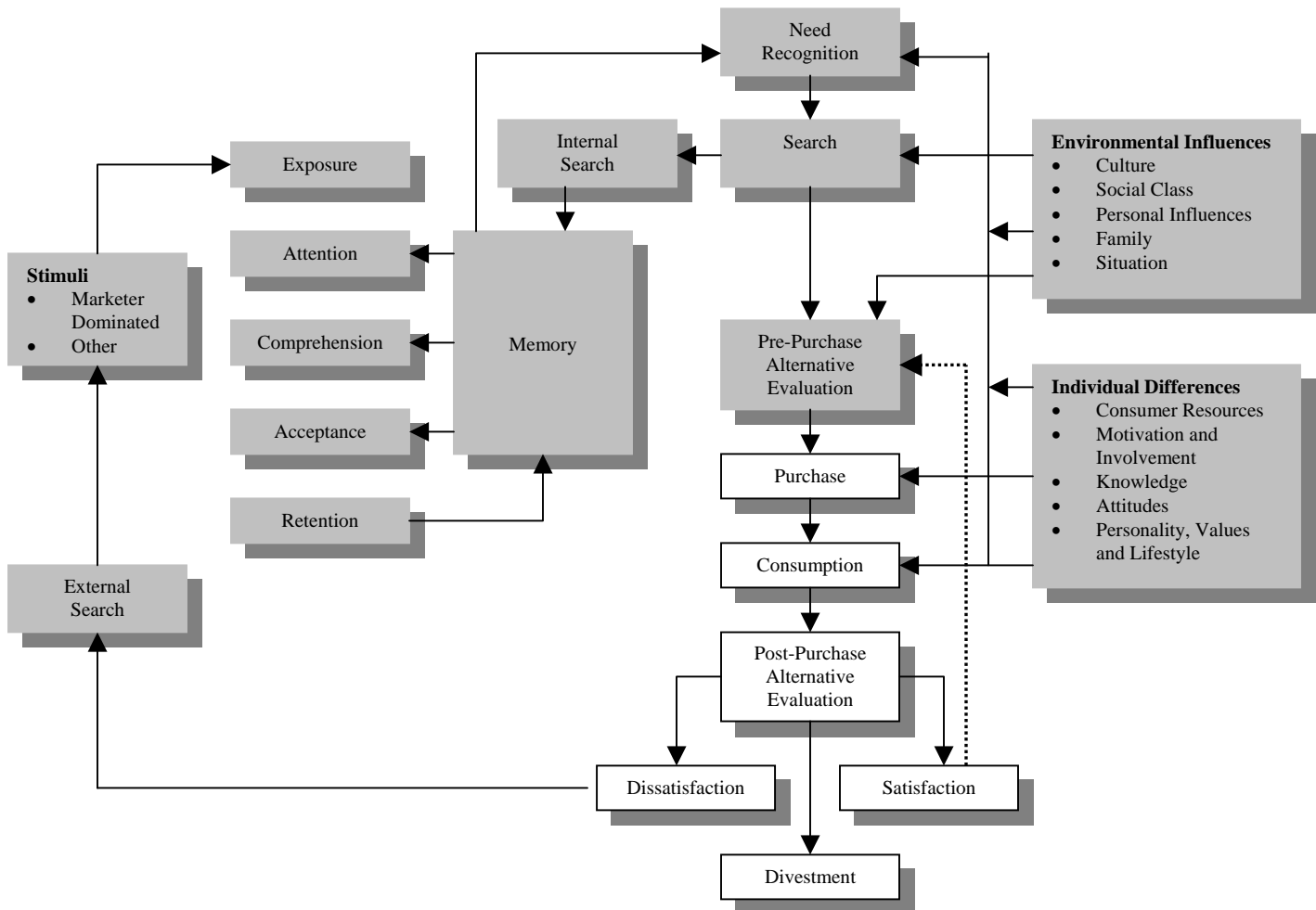
In Chapter Two consumer behaviour and its meaning was described, which led to the discussion of consumer behaviour models. An evaluation of these models was given, to determine their practicality for use as a basis for researching the purchase behaviour of single working women. Not one model qualified as a practical model. Various reasons were provided why these models could not be used. An overall evaluation was then done, to determine what a practical model should contain and certain criteria were established, which would have to be met.

One of the main criticisms of the consumer models, discussed in Chapter Two, was that the models were outdated. It was decided that the Engel, Blackwell, Miniard Model would be evaluated in Chapter Three, because the Model was periodically revised and refined with new knowledge of consumer behaviour, over a period of time (Scheepers, 2001). The 1995 version of the Engel, Blackwell, Miniard Model will be evaluated, as this particular version of the Model incorporated a detailed discussion on various variables which may influence purchase behaviour. These variables will be discussed, as they may be relevant to the purchase behaviour of single working women in Gauteng. The Engel, Blackwell, Miniard Model (1995) will be evaluated, to ascertain whether this Model will meet the criteria established in Chapter Two.

In Chapter Three, an overall discussion on the Engel, Blackwell, Miniard Model (1995) will first be given, to gain a better understanding of the consumer model. Practical examples from the financial industry will be used to test the relevancy of the various elements. The second part of the chapter will be dedicated to an evaluation of the Model, with respect to the qualifying criteria, which were established. Previous research on the female consumer behaviour in the financial market will be incorporated into this discussion, in order to make the evaluation process of the practicality more credible. A final conclusion will then be drawn, to establish whether the Engel, Blackwell, Miniard Model (1995) can be used as a basis for the research on the purchase behaviour of single working women.

3.2 An overview of the Engel, Blackwell, Miniard Consumer Decision Process Model

The Engel, Blackwell, Miniard Consumer Model (1995), which will be discussed, is portrayed in Figure 3.1.

Figure 3.1: The Engel, Blackwell, Miniard Consumer Model

Source: (Engel *et al.*, 1995: 154).

The Engel, Blackwell, Miniard Model (1995) argues that consumer decision-making is a flow of sequential activities, which involve need recognition, search for information, information processing, pre-purchase alternative evaluation, purchase, consumption, post-consumption alternative evaluation and divestment. These activities will be influenced by three different groups of factors, namely individual differences, environmental influences and psychological processes (Engel *et al.*, 1995:143). In this Section, an overview will be given of the decision-making process, as well as of the influencing factors. The purpose will be to gain a better understanding of the Engel, Blackwell, Miniard Consumer Model (1995). In Section 3.3, the Model will be analysed in detail to establish whether it will meet the criteria for a practical model, established in Chapter Two.

3.2.1 Need recognition

Need recognition is the first step in the consumer decision-making process, as portrayed in Figure 3.1. Engel *et al.* (1995:146) revealed that a need exists when the consumer experiences her current status to be different from how she would want it to be. If the ideal state is not at or above a certain level, no need recognition will take place. It is not clear where this level is, or how it will be known that the individual has reached that level. The main concern is that the difference between desired and actual state must be large enough for the individual to recognise the need. Bola (n.d.) argued that, if the individual experiences a chronic deficiency in terms of needs being satisfied, the need would motivate the individual's behaviour.

Before a consumer will know that she has a need, certain factors must be in place to trigger the need. Engel *et al.* (1995:177) identified the following factors, which will be applied to practical examples from the financial industry, to illustrate their relevancy to the research topic:

Time is the first important factor. A female, reaching retirement, age may be more aware of the need to save for retirement than a younger single female. **Changed circumstances** are the second factor, which may play a role. A divorced woman may become aware of the need to take out a life policy for the benefit of her children. **Product acquisition**, the third factor, states that, when the single woman purchases a will, her broker may point out that she needs extra life cover for tax-saving purposes.

The needs, which were triggered by the factors mentioned above, can be classified according to the Abraham Maslow (1954) hierarchy of needs. Huitt (2003) stated that Maslow (1954) attempted to combine a great deal of research related to human motivation. Prior to Maslow, researchers focused separately on aspects, such as biology, achievement or power, to explain what encourages, directs and sustains human behaviour.

Huitt (2003) continued by pointing out that Maslow's hierarchy of human needs was based on two groupings, namely deficiency needs and growth needs. In the **deficiency needs**, each lower need must be met before the individual can move to the higher level. There are four deficiency needs, namely physiological (hunger, thirst, bodily comforts), safety (out of danger), belonging (affiliation with others) and esteem (achievement and the receipt of recognition).

The needs, which were triggered by the factors from Engel *et al.* (1995:177), can, therefore, be grouped into two categories of Maslow's hierarchy of needs. The first two needs, namely a need for retirement annuity and a life policy, could be classified in the safety category of Maslow's needs hierarchy, because the primary reason for taking out the policies would be to stay out of danger. The need for a life policy, resulting from a will, could be classified in the esteem category of Maslow's needs, as the primary goal of the policy would be to achieve recognition with tax deduction.

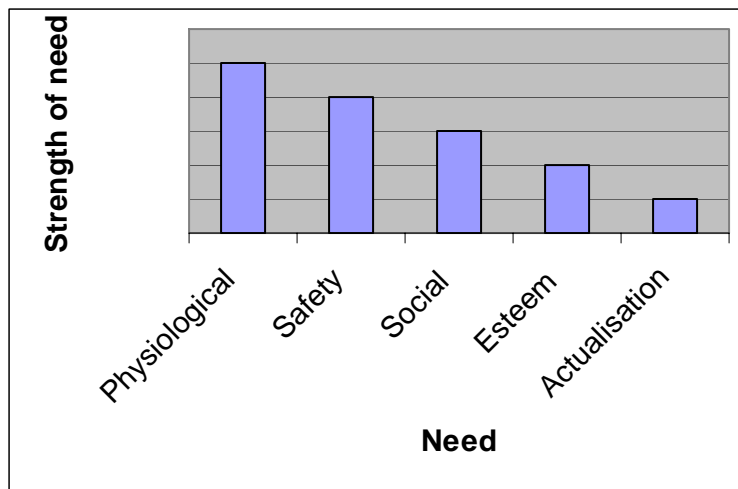
The deficiency needs, discussed above, are the first group of Maslow's needs. If the deficiency needs are met, the individual will move to the **growth needs**.

Maslow focused initially on only one growth need, namely self-actualisation. Self-actualised people can be recognised by characteristics, such as being problem-focused, having appreciation of life, being concerned about personal growth and the ability to have peak experiences. Maslow later added enhancement to the hierarchy, by establishing two lower levels of self-actualisation, namely cognitive (to understand) and aesthetic (beauty). The higher level of self-actualisation then followed, which entailed reaching one's own potential. Self-transcendence was the highest level, which could be reached and referred to the process of helping others to reach their full potential.

Maslow's basic argument was that, as an individual becomes more self-actualised, that individual also becomes wiser and will automatically know what to do in a wide variety of situations.

Accel-Team.Com (2001) revealed that the needs in Maslow's hierarchy have different levels of strength. These levels are depicted in Figure 3.2:

Figure 3.2: Levels of strength in Maslow's hierarchy



Source: (Accel-Team.Com, 2003).

In Figure 3.2 it can be seen that the physiological needs have the highest level of strength. According to Accel-Team.Com (2001), the physiological needs will have the highest strength, to the point of being satisfied. Until these physiological needs are met, the other needs will provide little motivation. When the physiological needs have been satisfied, other needs will become more important and movement in the hierarchy will continue.

Bola (n.d.) pointed out that Maslow's hierarchy is on an ordinal scale. The schema cannot be quantified and Figure 3.2, therefore, did not illustrate values regarding the strength of the different needs. The purpose of Figure 3.2 is only to illustrate the strength levels of the needs proportionate to each other.

After the individual's needs have been recognised, the search for information is the second step in the consumer decision-making process and will be discussed next, in Section 3.2.2.

3.2.2 Search for information

According to Figure 3.1, after the individual has recognised the need, she will search for information from memory. Scheepers (2001) reveals that the reason why the individual will seek information, will be to satisfy the unmet need. If the information in memory is not enough, the individual will turn to external sources. Individual and environmental influences may affect the external search. These influences will be discussed later, in Section 3.2.8. The amount of external information search will be greater in the extended problem-solving process (Engel *et al.*, 1995:186).

Solomon (1994:219) refers to extended problem solving as the activities where the individual will attempt to collect as much information as possible. Table 3.1 further illustrates differences between limited and extended problem solving:

Table 3.1: Differences between limited and extended problem solving

Limited problem solving	Extended problem solving
Little search	Extensive search
Information processed passively	Information processed actively
In-store decision making	Multiple sources consulted

Source: (Solomon, 1994: 219).

However, the amount of external search, related to a certain product, will differ from person to person. In order to make a decision, some individuals may require more information.

Engel *et al.* (1995:186) pointed out that the level of search undertaken by individuals could identify market segments and this, in turn, could lead to the identification of valuable target markets. The concept can be explained by the following example: consumers who engage in extensive information search before they buy a policy, may prove to be serious investors. Consequently, through research, a company can determine whether this is a market segment which needs further investigation and which may possibly result in a valuable segment, in terms of investments. The consumers who engage in extensive information search, may have certain investment needs, which have to be fulfilled.

Huitt (2003) notes that the need hierarchy of Maslow (1954) could also be utilised to describe the different kinds of information, which individuals will seek at different need levels. In Section 3.2.1, it was described that need recognition is the first step in the consumer decision process and a discussion of Maslow's need hierarchy was given. Information search, the second step in the consumer decision-making process, can, therefore, also benefit from Maslow's hierarchy of needs. Individuals at the lowest level

of the Maslow hierarchy may seek coping information, in order to meet their basic needs. At that stage, information, which would not help the individual to immediately meet her needs would be disregarded.

Individuals at the safety level would need helping information, as they seek assistance in understanding how they can be safe and secure. Individuals, seeking to meet their belongingness needs, acquire enlightening information and individuals at the esteem level seek empowering information. People seeking empowerment are looking for information on how their ego can be developed. Finally, people at the cognitive, aesthetic and self-actualisation need levels will seek edifying information, to improve themselves intellectually. People in different need categories, therefore, expose themselves to different kinds of information. This kind of behaviour can be classified as selective exposure.

Peter and Olson (1993:750) describe the concept of selective exposure as a process by which people selectively come into contact with information in their surroundings.

Single working women can, therefore, make use of selective exposure, by selectively acquiring information which will assist in the satisfaction of their needs, in the Maslow category to which they belong at that time.

After the information has been acquired for the needs of the individual, the information has to be processed. A discussion of information processing will follow next, in Section 3.2.3.

3.2.3 Information processing

Information processing is the third step in the consumer decision-making process, identified in Figure 3.1. When an individual receives the information, a five-step process is followed to process the information. The 2001 version of the Engel, Blackwell, Miniard Consumer Model provides an updated description of the process and will, therefore, be discussed. The process described by Engel *et al.* (2001:76) includes the following:

- Exposure - The individual receives the communication directed at her.
- Attention - The consumer will pay attention to the message, if she finds the message useful.
- Comprehension - "... the message is further analysed against categories of meaning stored in memory" (Engel *et al.*, 2001:76).
- Acceptance - At this stage, the individual may have changed her opinion about a product, in favour of the new product.
- Retention - The message will be remembered by the

individual in such a way that it will be available if she needs it in the future.

Each of the above elements, described according to the 2001 Engel, Blackwell, Miniard Consumer Model, will be elaborated upon next, by having a complementary discussion, using the more detailed 1995 version of the Model, as discussed by Engel *et al.* (1995:474):

“Given **exposure** to a stimulus of sufficient strength, a person’s sensory receptors are activated and the encoded information is transmitted along nerve fibers to the brain” (Engel *et al.*, 1995:474). Three kinds of thresholds may influence this behaviour. The *lower or absolute threshold* refers to the minimum amount of energy, which must occur before the phenomenon can take place. The *terminal threshold* reveals that any further increase in energy will not make a difference. The *difference threshold* refers to the smallest amount of energy necessary for the individual to notice.

There are two groups of factors, which will influence the **attention** an individual will give to the message. *Personal determinants of attention*, the first group, refer to the individual’s attributes. The need-motivation attribute reveals that an individual will focus her attention on messages consistent with her need.

A single working woman, for example, will pay more attention to financial advertisements which sell retirement annuities, once she has identified that need.

The second group is called the *stimulus determinants of attention*. They refer to the attributes of the stimulus itself and can be managed to increase attention. An increase in size and colour advertisements will increase the likelihood of attention allocated to the message.

Comprehension refers to the meaning, which will be attached to the stimulus. The meaning will be influenced by how the stimulus is categorised. Stimulus categorisation refers to the meaning, which an individual will give to a stimulus, based on previous associations with a similar concept.

A female, for example, might have read a book with a happy ending, titled *Horizons*, which she greatly enjoyed. Should she now be introduced to the savings product from Old Mutual, called Investment Horizons, she may have a positive association with the product.

In the **acceptance** stage, the individual needs to be convinced to purchase the product. If the *positive arguments outweigh the negative arguments*, which an individual may have, the likelihood for acceptance could increase. *Positive feelings, enhanced by the message*, is the second factor which is necessary to increase the likelihood for acceptance.

In **retention**, the last stage, the message will be stored in the short-term memory. A great deal of repetition will increase the likelihood of the message being transferred to the long-term memory and to be remembered forever.

From the above discussion, it is clear that the first few steps of the information processing stage depend mainly on the individual, her needs and her willingness to process the information. The focus shifts in the last stage, the retention stage. The individual has already accepted the product; she only needs to be reminded of the product. The marketer can play a very important role, by constantly communicating with the consumer and, therefore, reminding the consumer of the excellent product, of which she is already convinced.

The steps on information processing described above, followed a sequential process. Peter and Olson (1993:57) criticise this type of information processing model, by stating that these models describe the decision process as too rational and mechanical. In addition, they argue that the models do not make provision for any external influences on the decision-making process. In Figure 3.1, it can be seen that the Engel, Blackwell Consumer Model (1995), however, does make provision for these external influences, which will be discussed in Section 3.2.8. Peter and Olson (1993:58) also reveal that, despite these limitations, the approach used for information processing still remains the best way for cognition.

The Engel, Blackwell, Miniard Consumer Model (1995), therefore, seems promising for use as a basis for research in this study, as the Model incorporates external influences in the decision-making process and also enhances cognition. Further evaluation regarding the rest of the decision-making process, however, needs to be made.

According to Figure 3.1, after the information has been processed, the next step in the consumer decision-making process is to evaluate the different alternatives which were provided and which will be discussed in Section 3.2.4.

3.2.4 Pre-purchase alternative evaluation

The consumer will evaluate the product against her own expectations and requirements for the product. "...evaluative criteria become a product-specific manifestation of an individual's needs, values, lifestyles and so on." (Engel *et al.*, 2001:76.)

According to Hawkins *et al.* (2001:569), a consumer may choose between attribute and attitude choice processes. These two processes will be described next, with examples from the insurance industry, to test their relevancy.

If the single working woman would compare insurance policies, based on premium, guaranteed term and fund choice, she would use the attribute choice process. If, however, she would choose, for example, a Sanlam policy, because Sanlam is a well-known brand, she would exercise the attitude choice process.

Hawkins *et al.* (2001:569) argue that, before an effective strategy can be developed to influence the individual's choices, three aspects of evaluative criteria must be addressed. Firstly, it must be determined **which evaluative criteria** the individual will use. These can be obtained from consumer research.

Scheepers (2001) provided insight into the different evaluative criteria, which consumers may use, to evaluate the different options. When buying a product, consumers compare what they know about different products to what they consider important. Consumers will select new and pre-existing evaluations from memory and will also monitor attributes of the product or service (for example brand and price), as well as aspects pertaining to the outlet itself (for example consumer traffic and personal attention received).

The different alternatives available will also vary in the way in which they are compared, according to the individual's level of involvement. Mowen (1993:415) reveals that, when high-involvement decision-making is concerned, alternative evaluation will flow from belief formation to affect formation to behavioural intentions. High-involvement conditions result, therefore, in the potential of developing a positive overall attitude towards each of the acquisition options. With low involvement, alternative evaluations only concern a few beliefs about the options being evaluated. Strong affective reactions (for example attitudes) are more likely to occur after the behaviour has occurred. Table 3.2 provides a summary of this discussion regarding involvement:

Table 3.2: Alternative evaluation and the level of involvement

Level of involvement	How alternatives compared
High-involvement	Beliefs about attributes and affective reactions are compared.
Low-involvement	Limited number of beliefs about attributes will be compared with strong affectives only after behaviour.

Source: (Mowen, 1993: 417).

According to Hawkins *et al.* (2001:569), the second aspect of evaluative criteria, which must be taken into account, is that the **consumer's opinion** must be measured on the performance of certain attributes of the product. Attribute scales can be used to obtain this. Thirdly, the **importance of each evaluative criterion** must then be measured. The constant sum scale can aid as a tool to achieve this.

After these aspects have been taken into account and the consumer has evaluated the alternatives in either a high- or low-involvement frame of mind, the next step, according to Figure 3.1, will be the purchase of the product or service. Purchasing will be discussed next, in Section 3.2.5.

3.2.5 Purchase

This process involves the consumer in buying the product (Engel *et al.*, 2001:79). According to Scheepers (2001), the purchase process contains two sub-stages. In the first sub-stage, the consumer finalises her choice of retailer from the alternatives, which were investigated. In the second sub-stage, a specific person with whom to deal in the store, is selected and other aspects, such as mode of payment, are chosen. Mowen (1993:427) states that, at this stage, a choice also sometimes needs to be made between no comparable alternatives. This means that the alternatives cannot be compared to each other with regard to a set of criteria. An example would be if the single working woman in Gauteng had to select the investment vehicle while purchasing and had to choose between purchasing an endowment policy or increasing the repayment of her home-loan. Sheth, Mittal and Newman (1999:544) refer to other types of sub-stages, which the individual may follow when purchasing a product. These are further considerations, which will have to be taken into account with regard to the purchasing activities of single working women in Gauteng and can be explained as follows:

Firstly, the consumer will identify the most preferred option, based on the alternative evaluation process, which she has just undertaken. The second sub-stage will be to form a purchase intent, thus forming a determination to purchase the product. The final sub-stage will be to implement the purchase.

Several factors may hinder the implementation of the purchase. According to Sheth *et al.* (1999:546), consumers may delay the purchase, because of time pressure, the need for more information, the product being too expensive, or the need for the consent of others. A deviation from the identified choice may also occur, because the brand may be out of stock, new information may re-open the evaluation process, or finances may only allow for the purchase of a cheaper product.

The individual who initiates the purchase with need recognition, information search and alternative evaluation, however, is not always the person who will be responsible for the purchase itself. Mowen (1993:592) indicates that different members of the family may play various purchase roles. The different purchase roles which may occur, can be described as follows:

- **Influencers:** Family members giving advice, in an attempt to influence the purchase choice.
- **Gatekeepers:** Family members who are able to control the information available to the decision maker.
- **Deciders:** Family members who make the decision when and what to buy.
- **Buyers:** Family members who make the actual purchase.
- **Preparers:** Family members who transform the product to be used by others.
- **Users:** Family members who use the product.
- **Maintainers:** Family members who maintain the product, if possible.
- **Disposers:** Family members who decide when to discontinue the product and what to do with it.

It will depend on the single working woman's situation, which role will be performed by whom. This step of the consumer decision-making process, and in particular who the different roles players are, will be incorporated into the empirical part of the research study.

Figure 3.1 states that consumption and post-consumption alternative evaluation will be the next step in the consumer decision-making process. The post-consumption alternative evaluation will either lead to a satisfied or dissatisfied customer, after which divestment will take place. These aspects will, therefore, be discussed next, in Section 3.2.6.

3.2.6 Consumption, post-consumption alternative evaluation and divestment

After the consumer has made her product choice and consumed it, it will be important to determine whether the consumer's standards have been met. If this is the case, satisfaction will be the outcome (Engel *et al.*, 2001:80). Mowen (1993:457) defines customer satisfaction as the attitude, which is formed towards products or services, as a result of their purchase. In addition to this definition, Hom (2000) also highlighted three aspects of customer satisfaction, namely that customer satisfaction is about user satisfaction and not buyer satisfaction, that satisfaction is a short-term attitude which can change easily and that satisfaction has thresholds on an upper and lower level. The lower level refers to inadequate fulfilment of expectations and the upper level refers to over-fulfilment of expectations. The over-fulfilment of expectations is not recommended, because the consumer's satisfaction level may drop, should she receive too much of a good thing.

Mowen (1993:457) discusses an expectancy disconfirmation model, which can be used to further explain what determines a customer's level of satisfaction. The model illustrates that consumers will form two different beliefs when a product is being consumed. They will form expectations of how the brand should perform and beliefs of how the brand actually performed. Consumers will then compare actual product performance with what they expected the performance should be. If the actual performance is lower than they expected it to be, emotional dissatisfaction will result. Emotional satisfaction will occur, if actual performance is higher than was expected. If the performance is equal to what was expected, the result would be expectancy confirmation. Strong feelings about the product, however, will only occur if emotional satisfaction was achieved.

It is important for consumer satisfaction to be the end result, because satisfaction may lead to repeat purchases of the product (Mowen, 1993:453). If the consumer is not satisfied with the outcome, it will result in further research about the products by the consumer (Engel *et al.*, 2001:153).

A few factors need to be taken into account with regard to the consumer's satisfaction determination process. These factors are important and may influence the level of

satisfaction perceived by the consumer. Firstly, when the consumer is unfamiliar with a product or service, her perception about the level of performance may vary from the actual level of performance. Secondly, satisfaction is a frame of mind, an attitude. Thirdly, comparison standards may vary (Hom, 2000).

Although comparison standards may vary, according to Mowen (1993:461), consumers will use five dimensions when evaluating a service:

- **Tangibles**-The physical facilities and the appearance of the personnel.
- **Reliability**-The ability of the personnel to perform accurately and to deliver on promises.
- **Assurance**-The knowledge of the employees and their ability to initiate trust and confidence.
- **Empathy**-The ability of the employees to care and to provide attention according to each customer's needs.

Based on these criteria, consumers may either be satisfied or dissatisfied with the service they have received from their service providers. Mowen (1993:467) suggests that consumers may engage in one of three different types of actions, when they are not satisfied with the service they have received. These actions can be viewed in Table 3.3:

Table 3.3: Types of complaint actions

<ul style="list-style-type: none">• Do nothing or deal with the retailer:<ul style="list-style-type: none">a) Forget about incident and do nothing.b) Complain to store manager.c) Ask manager to take care of the problem. • Avoid using the retailer again and persuade friends to do the same:<ul style="list-style-type: none">a) Decide not to use retailer again.b) Speak to friends and relatives about bad experience.c) Convince friends and relatives not to use retailer. • Take over action with third parties:<ul style="list-style-type: none">a) Complain to a consumer agency.b) Write letter to a local newspaper.c) Take legal action against retailer.

Source: (Mowen, 1993: 468).

With the correct strategy in place, companies can prevent the type of consumer complaint actions, which were mentioned in Table 3.3. Kashyap (2001) recommended aspects of service guarantees, which companies may consider to assist in obtaining consumer satisfaction as an end result. The concept of service guarantees refers to the kind of

service, which customers may expect, as well as to what companies will do in return, if the service standard is not met.

There are three major constructs to service guarantees, which must be taken into account, namely the type of guarantee (specific or unconditional), the psychological effects on the customer (affective or cognitive) and the economic outcomes (monetary or non-monetary) resulting from the guarantee, which was used. Each of these constructs will now be further discussed:

There are two **types of service guarantees**, namely specific and unconditional. A specific guarantee refers to a commitment with regard to specific attributes, for example, delivery on time. An unconditional guarantee refers to a commitment to performance on all aspects of services provided.

Psychological effects may be affective, when service guarantees reduce anxiety, resolve dissonance and increase trust. In addition, the psychological effect may be cognitive, if it reduces risk and uncertainty.

Economic outcomes refer to the financial compensation, which a consumer will receive, if there is a service failure. The financial compensation may be either monetary (reduced price for service, for example), or non-monetary (reduced complaint cost if customer can complain at the branch where service disruption took place, for example). Service guarantees can reduce or eliminate the potential for financial compensation.

Service guarantees may, therefore, prevent consumer dissatisfaction. However, service guarantees may also assist in repairing the damage resulting from a bad service experience. Kashyap (2001) reveals that the social justice theory suggests that, for evaluation of complaint resolution processes, unconditional and specific guarantees may lead to desired affective psychological affects (lower anxiety and uncertainty) and non-monetary outcomes (lower complaining costs), when the guarantees include specific complaint procedures.

Kashyap (2001) summarised the concept of service guarantees by stating that service guarantees are helping tools in the consumer decision-making process, which reduce the potential risk for customers and assist them in choosing among various competitors.

After the product has been consumed and a satisfied or dissatisfied customer has been produced, the product needs to be divested. Divestment refers to the recycling of the used product (Engel *et al.*, 2001:82). In insurance terms, this would mean the resale of a policy in the financial market. The focus of this research study, however, is on the perception of single working women in Gauteng, regarding the services, which they receive from their financial companies. No attitudes will be measured with regard to independent companies, which may buy and sell second-hand policies. The literature review will, therefore, only support a definition of the concept of divestment in the Engel, Blackwell, Miniard Consumer Model (1995).

This section provided a detailed discussion on the consumer decision-making process, which customers would follow when purchasing a product. Throughout the discussion, however, it can be observed that consumers use their own evaluative criteria and that their expectations must be met, for a product to qualify for purchasing. A company, which wants to succeed, will have to be aware of what these expectations are. If the expectations can be met, the result will be the purchase of the product. Figure 3.1 illustrated the various influencing factors, which may influence the consumer decision-making process, according to the Engel, Blackwell, Miniard Model (1995). In Section 3.2.7, these influencing factors will be discussed in detail. The purpose will be to gain a better understanding of their role in decision-making and to highlight their importance, relative to this study.

3.2.7 The influencing factors

The decision-making of an individual will be influenced by three different groups of variables, namely individual differences, environmental influences and psychological processes. Each of these groups will be discussed in detail below.

a) Individual differences

- **Consumer resources** are the first individual difference and entail time, money and information reception and processing capabilities. These capabilities and how they influence consumer decision-making, as described by Engel *et al.* (1995:295), can be explained as follows:

Consumption was one of the first variables investigated in consumer behaviour, in 1672. Ernest Engel published the first statistical study in 1857. The relationship between income and expenditure was then known as Engel's Laws of Consumption. The relationship between income and food and clothing expenditure was tested. When the income changed, the expenditure pattern also changed. Today, money elements, such as income, assets and credit facilities, can be used as economic resources for measurement of expenditure.

In the early stages of studying time resources, the resources were considered to be work and leisure. Today, time resources are more advanced and are considered as paid time, obligated time and discretionary time. Paid time refers to work, obligated time is non-discretionary time and discretionary time refers to leisure. The time-price concept entails different methods used to save time. In this study, for example, a female may leave the research on different competitor's policies to a broker. This action would require that the female completely trusts her broker.

“Cognitive resources represent the mental capacity available for undertaking various information-processing activities.” (Engel *et al.*, 1995:323.) When a sentence contains more than seven words, the likelihood that an individual will learn something will decline. Attention, in this context, refers to the use of the cognitive capacity. The direction dimension of attention refers to the fact that the individual is

allocating her attention to the message. The intensity dimension of attention refers to how much attention will be given. Relative to this study, the female may just look at a financial advertisement, acknowledge that it is selling an insurance policy and then move on, or the female may study the financial advertisement in depth. The actions, which will finally be taken, will determine the amount of attention, which was given.

- **Knowledge** is the second individual difference, which may influence consumer behaviour. Knowledge can be defined as follows: "... the information stored in memory, and it encompasses a vast array such as the availability and characteristics of products and services, where, and when to buy; and how to use products." (Engel *et al.*, 1995:144.) The part of the information, which deals with consumer activities, is called consumer knowledge. According to Engel *et al.* (1995:344), consumer knowledge must be studied with regard to three different aspects. It must be determined how much a consumer knows about a product category, what her purchase knowledge is and whether she knows how to use the product.

Peter and Olson (1993:87) state that consumers can have product knowledge at different levels of abstraction. The concrete level refers to the physical attributes of the product, for example, in insurance terms relative to this study, it would be knowledge of the policy quotation drawn. The abstract level refers to the power of the product. In insurance terms, the consumer in this study could be tested to indicate whether she is aware that her endowment money could be tax-free after five years. The very abstract level refers to the feelings of accomplishment, which the product provides. A single working female in this study may, for example, indicate that the purchase of a policy made her feel strong and independent.

Peter and Olson (1993:90) report that, in addition to the levels of product knowledge, consumers could also have three different types of product knowledge. The first type of knowledge refers to the product attributes. The concern, however, should be which product attributes are more important to the consumer and on which she should focus.

Consumers may also sometimes think about products in terms of the benefits they may provide and not in terms of their attributes. Product benefits are, therefore, the second product knowledge, which a consumer may have. "Benefits represent the desirable consequences consumers seek when buying and using products and brands..." (Peter & Olson, 1993:93.) Different consumers will be motivated by different benefits and this has resulted in companies making use of market segmentation to target customers with similar needs.

Knowledge of the personal values of a product is the third type of product knowledge, which a consumer may have. Values refer to the mental representation of significant life goals. Negative affective responses, such as disappointment or frustration, may result when the satisfaction of desirable values is blocked.

- **Attitudes** are the third individual difference, which will influence consumer behaviour. An attitude will be formed after a product has been examined and may range from negative to positive. Once an attitude is formed, it will be difficult to convince the consumer otherwise (Engel *et al.*, 1995:144).

It may be possible to change an attitude, when making use of the three components of attitudes, namely cognitions, affects and conation. According to Sheth *et al.* (1999:390), cognition refers to the thoughts relating to brands or products. Beliefs (as part of cognition), in particular, refer to expectations regarding a product's performance. Affect refers to the emotional feeling which an individual may have regarding a product and conation refers to the action which a person may take in relation to the product. The three components of attitude may appear in different sequences and form different hierarchies.

The learning hierarchy refers to the sequence in which cognition comes first, affect appears second and action is taken last. The learning hierarchy, therefore, assumes that beliefs about the brands will determine an individual's feelings regarding those brands. In the emotional hierarchy, feelings will appear first, action will be taken next and beliefs about the product will be formed last. In this hierarchy the consumer, therefore, acts on her feelings and, through experience, will learn more about a product. In the low involvement hierarchy, the individual will first act, then experience feelings about the product and lastly form a belief about the product. This kind of behaviour is typical of the purchasing of low involvement products.

As a result of the hierarchy of attitude components, changing one component can change attitudes. A change in one component will also lead to a change in the other components.

Particular to this study, an attempt may be made to change the single working woman's beliefs about the financial product. For example, an insurance company could try to persuade the client that investing in unit trusts is not risky. An insurance company may also try to change the attribute importance by, for example, telling consumers that it would not be a good idea to purchase guarantees and that it is just the right time to invest aggressively, and, therefore, to invest in unit trusts.

In addition to the strategy of changing attitude components, Mowen (1993:320) also recommended other strategies, which could be followed, to change consumer attitudes, for example:

Integration tactics are used to increase the attractiveness of the seller and, as a result, persuade the buyer to purchase the product. An example would be to offer compliments or gifts. The foot-in-the-door technique refers to persuading the customer to agree to a small request. After the customer has agreed to the small request, the bigger request will follow. The door-in-the-face technique refers to when the seller makes a very big request to the buyer, which she finds impossible to perform. The seller will then make the smaller request, indicating that he has given

up something. In return, the buyer should then give a little as well and take up the smaller request.

- **Motivation** is the fourth individual difference, which may influence consumer behaviour (Engel *et al.*, 1995:144). “A motive is a construct representing an unobservable inner force that stimulates and couples a behavioral response and provide specific direction to that response.” (Hawkins *et al.*, 2001:362.)

Sheth *et al.* (1999:343) report that consumers go through a motivation process when they purchase products. The motivational process will begin when the stimulus initiates arousal. The arousal will lead a person to act. The outcome will be a new state, where satisfaction is possibly perceived. It will, however, depend on the individual's goals whether the arousal will lead to approach or avoidance motivation. Approach motivation refers to the desire to attain the goal-object. Avoidance motivation will appear when the individual wants to protect herself from the object. Sometimes these motivations may be in conflict with each other. Solomon (1994:91) describes three motivation conflicts, which may occur:

Approach-approach conflict refers to when the consumer has to choose between two desired alternatives; approach-avoidance conflict refers to when the consumer feels guilty when purchasing a desirable product and avoidance-avoidance conflict refers to when the consumer has to choose between two alternatives, which are both undesirable. Marketers may overcome these obstacles by stressing the benefits, which will be acquired, if a certain alternative is chosen.

- **Personality, values and lifestyle** are the last individual factors, which may influence consumer behaviour. In consumer research, **personality** can be described as the same response by an individual, at all times, to certain stimuli. There are various personality theories in consumer behaviour. The Socio-Psychological theory can be described as a focus on the interdependence of the individual and society. “The individual strives to meet the needs of society, whereas society helps the individual to attain her goals.” (Engel *et al.*, 1995:434.) In this study, the Social-Psychological theory will be used to evaluate the interdependence of the individual and her society.

Personality alone cannot be a predictor of future consumer behaviour. Factors, such as consumer intention, must also be considered. However, personality can help to explain why consumers behave in certain ways, in certain stages of the consumer process: An individual who does not like to process a great deal of information, will need more rehearsal, before she will be able to fully understand the impact of an advertisement. A consumer who is afraid of risks may not as easily respond to new products as consumers who thrive on risks. With respect to the personality component, it can be concluded that consumers will buy products, with which they very strongly identify, or which will help to improve on their weaknesses (Hawkins *et al.*, 2001:378).

In addition to this, Mowen (1993:219) identified several characteristics of personality, which can be described as follows: personality is a set of stable characteristics, which will not vary over the longer term. Secondly, personality is distinctive and not shared by others. Thirdly, personality cannot be expected to predict future behaviour from one single situation measurement.

Value refers to the kind of activities, which an individual will view as acceptable. Values can be personal or social. “Social values determine ‘normal’ behavior for a society or group whereas personal values define ‘normal’ behavior for an individual.” (Engel *et al.*, 1995:443) A woman’s values will influence the kind of decisions she will make.

Sheth *et al.* (1999:63) are of the opinion that a consumer may have two different kinds of personal values, namely social value and emotional value. Social value refers to the acquirement of products, which conform to the norms of friends in the same group. Emotional value refers to the purchase of a product, mainly because of the emotional satisfaction, which will be achieved. For marketers, the implications of this phenomenon are that consumers will seek products, which are want-driven for their social or emotional values, whereas they will seek products, which are need-driven for their performance value.

Lifestyle refers to the way people live and use their money. A lifestyle is more likely to change quickly, than values. A lifestyle may influence purchase decisions. One assumption may be that an individual who likes to participate in risky activities may also purchase risky investments. This concept, however, will have to be further investigated. Marketers use lifestyle as a tool to connect a product with the everyday events of people’s lives (Engel *et al.*, 1995:449).

Hawkins *et al.* (1998:433) explain that lifestyle refers to the way an individual lives. It is determined by the individual’s past experience, characteristics and current situation. The individual’s lifestyle is also shaped by social interaction, as she moves along the lifecycle. Therefore culture, values, demographics and social class influence lifestyle.

Hawkins *et al.* (1998:434) continue that the individual will share in her household’s lifestyle, in addition to her own. She will influence the household’s lifestyle and vice versa. Her desired lifestyle will also influence her needs and desires and, therefore, her purchase and use behaviour. It will determine her consumption decision, which, in turn, will reinforce and change her lifestyle.

Solomon (1994:439) claims that consumers will choose certain products or activities, because they associate them with certain lifestyles. Marketers need to take this factor into account, when making marketing decisions. When they market their products, marketers should also make use of complementary products, which suit the consumer’s lifestyle.

According to Figure 3.1, in addition to these individual differences, environmental differences may also influence the consumer's decision-making process and will, therefore, be discussed next.

b) Environmental differences

- **Culture** is the first environmental difference, which can affect consumer behaviour. "Culture refers to a set of values, ideas, artifacts, and other meaningful symbols that help individuals communicate, interpret, and evaluate as members of society." (Engel *et al.*, 2001:314.)

Mowen (1993:617) refers to culture as a set of socially acquired behaviour patterns, which are transmitted through symbols, such as language. A specific culture may be characterised by its values, the attitudes of the people, the lifestyle of the people and their degree of tolerance of other cultures.

However, culture is learned and is not present in an individual's genes. The process of learning a culture is called enculturation. Culture can also be adaptive and will change, as it faces new problems.

Peter and Olson (1993:414) identified several issues, which must be taken into account, when culture is analysed. These issues include the fact that sub-cultures of small groups can be analysed, that a shared meaning among the group being analysed is critical and that social groups differ in the amount of freedom they have to adapt to various cultures.

From the above discussion, it can be observed that the culture of single working women must be comprehensively understood, in order to effectively market to them.

- **Social class** is the second environmental variable, which may affect consumer behaviour. "Social class is defined as relatively permanent and homogeneous divisions in a society into which individuals or families sharing similar values, lifestyles, interests, wealth, status, education, economic positions, and behavior can be categorized." (Engel *et al.*, 2001:346.)

Various factors will determine an individual's social class. These can be divided into three groups, namely economic variables (occupation, income and wealth), interaction variables (personal prestige, association and socialisation) and political variables (power, class and mobility). The likelihood of an individual changing her social class is very small (Engel *et al.*, 1995:682).

Solomon (1994:407) posits that social class will affect the access to resources. The argument was made that the people who have the resources (for example money) can be grouped into one class and that the people who lack the resources will be grouped into another class. The people who have little money will serve the people with more

money, to help them remain in their position. People of the same social class will also have the same tastes and preferences.

People of the same social class will work in the same kinds of occupations and will socialise with each other. These people will have the same lifestyles and earn the same incomes. Marketers need to take this fact into account, when they market to consumers.

- **Personal influence** is the third environmental factor, which has the potential to influence consumer behaviour. It refers to the impact, which other people have on the individual's life and how this may influence their behaviour. The individual may behave in a way she perceives as being expected of her. There are three types of reference group influence. The first type involves **normative compliance**. When an individual is forced to perform a certain activity, to enable her to belong to the group, normative compliance is experienced. The need to conform will be the strongest, when the benefit gained by the compliance will outweigh the cost involved. The **value-expressive influence** is the second type of reference group influence. In this type of influence, the individual needs to be psychologically associated with the group. This requires that the individual must have the same value system as the rest of the group. The reward will be an improvement in image and respect (Engel *et al.*, 1995:716).

Particular to the financial industry, the single working woman may have a credit card facility. The extra points she can earn by using it, may result in receiving paid airfares to exotic destinations. This could suit the image of an independent world explorer, which she may wish to create.

The third type of reference group influence is called **informational influence**.

An example, with regard to this study, would be if the single working woman does what her financial adviser recommends, due to her lack of knowledge of the subject. The danger exists that an individual may also, because of a lack of knowledge, adhere to word-of-mouth influence. Whether an individual would listen to a trusted friend's advice, by word-of-mouth, rather than to a financial adviser who practices informational influence, will have to be investigated in the future.

- **Family** is the next environmental influence, which may affect consumer behaviour. Family can be defined as a group of two or more persons related by blood, marriage, or adoption who reside together. Certain aspects will affect the consumer behaviour of a family. These include the age of the head of the house, whether a couple is married, whether they have children and whether they work. If a family has children, there would be, for example, a need to purchase clothing and medicines (Engel *et al.*, 1995:743).

There are also three factors, which may explain the behaviour of families. Cohesion refers to the emotional relationship among family members. Family members can be

very close to each other on an emotional level. This constitutes a high level of cohesion. Adaptability refers to the extent to which a family can change, when different demands are created in the family. This involves a change in the role structure and authority in the family. Communication is the third factor in this process. If the members of the family are able to communicate effectively with each other, the result will be an increase in cohesion and adaptability (Engel *et al.*, 2001:362).

Members of a family can play different roles in the purchasing process. Instrumental roles refer to the money an individual has to pay when purchasing the product. A family member who helps the buyer to make the decision performs the expressive role. The role involves giving emotional assistance when needed.

It can be observed that families are important social systems for two consumer-related reasons, as defined by Du Plessis *et al.* (1990:173):

- A huge amount of product consumption is generated by families together and,
- Certain product purchases, which are considered as activities performed by one individual, can become family matters, when the family performs the roles described above

The single working woman may be influenced by her uncle's or brother's advice on which kind of investment to make. Knowledge of the single working woman and her purchase behaviour is important, but knowledge of the family members who play a role in her life is also important, to enable the development of an effective marketing strategy. These factors will be taken into account in the empirical part of this study.

- **Situation** is the last environmental influence, which may have an impact on the purchase behaviour and decision-making process of the individual. "Situational influence can be viewed as the influence arising from factors that are particular to a specific time and place that are independent of consumer and object characteristics." (Engel *et al.*, 1995:794.) According to Engel *et al.* (1995:794), a consumer can experience three different types of situations:

The first one involves the **communication situation**. Particular to this study, should the female, for example, while in a hairdressing salon, hear an advertisement about a certain policy broadcast over the radio, she would not pay much attention to the advertisement, because of the noise present. If, however, she should listen to the same advertisement on the radio in her car, she may pay more attention to the advertisement of the product.

The second type of situation involves the **purchase situation**. Particular to this study, it would involve a company asking higher prices for their products in a special situation. Cold drink bought at the movies versus at the grocery store, would be a good example. In the financial world, the broker can be so friendly and care-giving

that it may result in the female purchasing the product which he recommends, although it is not her first choice.

The last situation refers to **where the product is used** and how that will influence the purchase behaviour. Due to the lack of practicality of this situation in financial terms (a female will consume her life policy when she dies), this situation will not be further discussed.

c) Psychological processes

Psychological processes are the third and last group of variables, which will have the potential to influence the decision-making process. They involve information processing, learning and attitude and behaviour change. Each of these elements will be discussed, for a better understanding of their impact on the decision-making process.

- **Information on processing** refers to the divestment of marketing messages, which the consumer received. An important concept relating to this matter, is consumer sovereignty, which involves that the consumer will only see and hear what she wants to see and hear (Engel *et al.*, 1995:146). Information processing was extensively discussed when the decision process was evaluated in the previous section. The researcher will, therefore, only give a definition of information on processing in this section.
- **Learning** is the second psychological process, which may influence consumer behaviour in decision-making. Learning can be defined as the process by which experience leads to changes in knowledge and behaviour. Cognitive learning refers to a change in knowledge by certain events experienced by the consumer. There are two factors, which will have an influence on learning, namely rehearsal and elaboration. Rehearsal involves the repetition of the messages and will help to establish the messages in the long-term memory. Elaboration refers to the process where the individual will connect the new message with an old message, thus enhancing learning (Engel *et al.*, 1995:514).

Motivation, in relation to the above-mentioned factors, will also play a role in the learning process. A motivated individual will be more likely to remember certain events (Engel *et al.*, 1995:516). It is important to note that motivation will only occur in a high-involvement learning situation. There will be no motivation in a low-involvement learning situation (Hawkins *et al.*, 2001:325).

Engel *et al.* (1995:518) suggest that companies can use different strategies to enhance retention. Concrete, rather than abstract words, which would be easier to remember, should be used. The clients should also be told about the products several times.

In addition to the previous methods, two types of conditioning methods can be used to enhance learning. Classical conditioning involves presenting a stimulus to the consumer to which she will respond positively. Operant conditioning refers to the

process where the individual will consume the product and, because of the satisfactory results, will purchase the product again (Engel *et al.*, 1995:531).

Solomon (1994:123) states that consumers have learned experiences, which are either intentional or unintentional. Marketers rely on these learned experiences to surface in the minds of the consumers, when they intend to buy products. Several factors, however, may influence the information retrieval. State-dependant retrieval refers to the fact that consumers will be more able to retrieve the information, if their internal state is identical to that which existed when the information was learned. Familiarity with an item will also enhance retrieval. The salience factor refers to the prominence of a stimulus in the environment. If the consumer can easily observe the stimuli, her chance of recalling the relevant information will be enhanced.

- **Attitude and behaviour change** is the last psychological process, which can influence the consumer decision-making process. “An attitude is an enduring organization of motivational, emotional, perceptual and cognitive processes with respect to some aspect of our environment. It is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object.” (Hawkins *et al.*, 2001:394.)

Attitudes were already discussed in Section 3.2.8 (a) as one of the individual differences, which may affect the consumer decision-making process. The discussion about attitudes in this section will, therefore, only refer to the definition.

The above discussion provided an in-depth analysis of the Engel, Blackwell, Miniard Consumer Model (1995). The intention was to get a better understanding of the Model and to give practical examples to illustrate the relevancy of these aspects, particular to this study. In the following section, Section 3.3, detailed analyses will be done to determine whether the Engel, Blackwell, Miniard Model will meet the criteria established for a practical model to use as a basis for research on the purchase behaviour of single working women in Gauteng.

3.3 An evaluation to determine the practicality of the Engel, Blackwell, Miniard Consumer Model

In the following discussion, an attempt will be made to establish the practicality of the Engel, Blackwell, Miniard Consumer Model as a basis for the research on the purchase behaviour of single working women. Practical examples of research already done on women in the financial market will be presented. The consumer behaviour of these women, regarding financial products will be applied to the Model, to test its applicability. The results will also be measured against the criteria for a good model, which were established in Chapter Two. A final conclusion will then be drawn regarding the practicality of the Engel, Blackwell, Miniard Model.

The purpose of the research on the consumer behaviour of single working women is to obtain a general understanding of their purchase behaviour. The goal is to establish a

basis and set the direction for future research on the South African female in the financial market. The researcher will only discuss the need recognition and information search phase of the Engel, Blackwell, Miniard Model. These first two steps of the decision-making process will form the groundwork for future research on the Engel, Blackwell, Miniard Consumer Model and the female market. The emphasis of the research on consumer behaviour is on the attitudes, personality and values of these women and how these factors affect their decision-making. The influence of family and friends will also be investigated. The researcher will, therefore, only evaluate the individual difference variables and also the social class and family variables, in terms of their practicality. If the variables, tested in the Engel, Blackwell, Miniard Model, prove to be practical to use, they will serve as the basis for this study.

3.3.1 An evaluation of the need recognition phase

Need was defined, in Section 3.2.1, as an experience by the consumer who realised that situations were different to how she would like them to be. It was also discussed that certain factors must be in place to trigger the need recognition. These involved the time frame, in which the situation occurred, changed circumstances which played a role and the product acquisition itself, which may trigger another need.

“Women’s attitudes about themselves, their needs, their interest in managing money and investing have changed dramatically over the past 20 years.” (McGuinn, 2000:45.) In a study, done in America, McGuin identified several factors which were responsible for triggering the need process. These involve the following:

Women live approximately seven years longer than men. Women also marry men who are older than they are. The divorce rate and the number of women who never marry have increased. Women earn a higher income than previously. In America, the affluent women market has increased by 68%. Fifty percent of the women in America are responsible for making the investment decisions in their households. All these factors led to a change in women’s needs and their interest in investing and managing money.

In the current financial market, women have certain needs and expectations, which the financial industry should satisfy. A woman wants to be treated as a person with her own needs. A woman wants to be informed regarding solutions for her financial problems, but not forced to choose a certain option. A woman wants to be able to trust her financial adviser. These women are very busy and are willing to leave certain decisions to their financial advisers, provided that the advisers can be trusted. It can be observed that affluent women require four desirable characteristics of their financial service providers: quality of advice and information, development of personal relationships, strong financial performance and simple product and service delivery (Maddox, Sobieski & Cynthia, 1999:10).

Motivation was defined, in Section 3.2.7 (a), as a construct representing an unobservable inner force, which stimulates and couples with a behavioural response and provides

specific direction to that response. The observation can be made that certain factors will trigger a need, but motivation will be necessary for an individual to take action.

An individual may be motivated to purchase a product and to take action to support or extend her self-concept. According to Engel *et al.* (1995:411), different kinds of self-concepts may exist:

- Ideal self (the self I aspire to be);
- Real self (the way I actually am);
- Self in context (the way I see myself in different social settings) and
- Extended self (the self as incorporated into objects and artifacts which assume importance).

According to Engel *et al.* (1995:411), an individual may purchase a product, because she believes that people's possessions are a reflection of who they are. A second outcome may be when an individual purchases a certain product to obtain the approval of others. The fantasy outcomes refer to an individual's attempt to connect the real self with the ideal self. Self-rewarding is the last outcome and reveals that an individual will treat herself with a product, by arguing that it is a reward for a certain accomplishment. The observation can be made that the main reason why people purchase these products is to enhance themselves and their confidence.

Overseas banks have begun a program which may help to boost the confidence of the female market when purchasing a product and which may also assist women in making better-informed financial decisions (Holliday, 1995:46). The first lack of confidence evolves, when the female does not trust her counsellor. Women consult bank counsellors only as a last resort. They trust the media, rather than seek professional help. The highest level of trust is placed in accountants and lawyers.

Financial services should be aware of the fact that females may have negative expectations regarding the relationship from the start, due to negative encounters with their previous financial advisers. Financial advisers should be trained to be aware of and sensitive to these circumstances. Many women are also not educated regarding the financial market. However, The National City Bank's private bank in Cleveland presented a series of seminars on financial services to these women. The results revealed more informed and confident women who were able to talk to their financial advisers about their personal finances (Holliday, 1995:46).

One of the criteria, which were established in Chapter Two as a prerequisite for a practical model, was that the model should make provision for rational, as well as emotional processes. The steps, which must be followed to process information (discussed in Section 3.2), represent the rational process.

The need recognition (Section 3.2.1) and motivational components (discussed in Section 3.2.8 (a) as an influencing factor for the need recognition) are classified under the emotional processes. They represent the female's feelings, for example, whether the

female would purchase a product to obtain the approval of others or to enhance her self-concept (because she is what she purchases). The Model will, therefore, qualify as a practical model to use as a basis for research on female consumer behaviour, based on the need recognition and motivational variable. These two variables represent the emotional processes of the Engel, Blackwell, Miniard Consumer Model (1995) and were prerequisites for a qualifying model. However, a few more variables will have to be investigated in order to reach a final conclusion. Need recognition and how it is influenced by personality, values and lifestyle will be discussed next, with practical examples from the financial industry, to determine whether they will qualify, according to the criteria established in Chapter Two.

Values were defined, in Section 3.2.7 (a), as the kind of activities, which an individual will view as acceptable. According to Ronay (1999:10), female consumers expect their financial service providers to have the following characteristics:

- Provision of quality and trustworthy advice.
- Personal relationships with their clients.
- A history of strong financial achievements.
- Provision of financial statements, which are easily understood.

Lifestyle was defined, in Section 3.2.7 (a), as the way people live and use their money. A study was done in America to determine whether women are less willing to take risk, when investing their money (Jianakoples & Bernasek, 1998:620). The results were as follows: single women were not as willing to take risks as single men were. As household wealth increased, however, people became more willing to take risks. The increase in risk-taking will be less in the case of single women than in that of single men. If all other factors remained constant, the single woman increased her amount of risk-taking, as the number of children in her household increased. Single black women were also more willing to take risks than single white women were. The comment was made that women's tendency not to take risks may be the reason why they are less wealthy than men are. The observation can be made that single females have a more risk adverse lifestyle. Consequently, they are very careful when investing their money and financial companies should take note of this.

Personality was defined in, Section 3.2.7 (a), as consistently revealing the same behaviour when exposed to stimuli. FemaleThink is a concept established by Faith Popcorn (1997) and reveals that men and women do not buy products or services for the same reasons. Women do not only want a product to be sold to them. They want to establish a relationship at the same time. Faith Popcorn made a distinction between old and new behaviour, which companies should adhere to and which involves aspects, such as resisting change versus seeking change; being destination orientated versus being journey orientated. It was also found that women are more emotional, more observant and more sympathetic (Popcorn & Marigold, 1997:159).

It can be observed that, based on Popcorn and Marigold's (1997:159) research, women portray different kinds of personalities than men do, because they are more emotional,

better listeners and want to establish relationships. A concept which needs further investigation, in this study, is whether female financial advisers would be preferable to male financial advisers, because they would be able to better understand what the single working woman wants and would adhere to it.

A model, practical to apply to different research situations, was a prerequisite for a model to be used in this study. By acknowledging different forms of lifestyles (risk-taking versus risk adverse clients), different types of personality (females who are more emotional) and different values (what the female expects from her financial adviser), the Model makes provision for different kinds of situations, which can affect consumer behaviour. It can, therefore, be viewed that, according to the need recognition, personality values and lifestyle variables, the Engel, Blackwell, Miniard Consumer Model can be used as a practical model for research on consumer behaviour, for the purpose of this study.

The influencing variables, namely social class and family, will be discussed together, because both refer to the individual's conformance to group norms. In the previous section, Section 3.2.1, it was mentioned that a need occurs when the actual state differs from the consumer's ideal state. Family was defined as a group of two or more persons related by blood, marriage or adoption, who reside together. There are certain factors, which will determine which family member will play a certain role. The culture of the family will indicate who makes the decisions. It must also be taken into account that the family member, who is most specialised for a particular role, will fulfil that role. The more involved a family member will be with a purchase, the more she will try to influence the others with her ideas. Some personal characteristics may also play a role. The individual with the most money in the household may have the most power (Hawkins *et al.*, 2001:198).

Social class was defined, in Section 3.2.7 (b), as divisions within society, composed of individuals sharing similar values, interests and behaviours. These kinds of groups can influence the individual's consumer behaviour. Certain factors will determine the extent to which a reference group will influence the individual. These involve the following: the influence will be the strongest, when the product is visible to the group, or if the item is not a necessity. The higher the commitment to the group, the higher the influence will be. If the individual lacks the necessary confidence in the purchase decision-making, she will be more open to group influencing (Hawkins *et al.*, 2001:219).

It can be observed that, in view of the first factors, for example visibility, insurance products will not be dependent on group influence and affiliation. The last factor, namely confidence in the purchasing process, stipulates that group influence is, in fact, important when purchasing a financial product. An unsure single working woman will turn to the group for advice, when she wants to purchase a financial product. One option may be to educate these groups of consumers, to enable them to make their own financial decisions and thus limit possible negative group influence.

Popcorn and Marigold (2001:17) did research on marketing to women. The findings led to the establishment of eight truths, which must be considered when marketing to women. The first truth refers to connecting the female consumers to each other, and that, in effect, will connect them to the brand. The influence which social class and reference groups will have on the purchasing process was, therefore, acknowledged. It was also revealed that women have excellent skills, when it comes to making new friendships and getting to know people better.

An insurance company may promote its brand name by holding a company fun day. At the event, some self-defence classes may be taught, which women would be welcome to attend. An insurance policy, which will pay out when women have been the victims of certain crises, may also be sold. The women attending the function will interact and perhaps form friendships. They may influence each other to purchase the policy. The likelihood of a female not purchasing the policy, will be very low, due to the need for group affiliation which may then exist. Thus, the social group variable can influence the female purchase behaviour.

An important criterion for a practical model was established in Chapter Two, namely a consumer model would be one, which acknowledges the interaction between consumers and companies. An interaction between consumers and companies could be established by holding the branding days, which were described in the above example. On these days, group influences may take place, which may influence the consumer behaviour. The Engel, Blackwell, Miniard Model makes provision for the influence of reference groups on consumer behaviour. By applying the example of the branding day, interaction of companies and consumers will also influence consumer behaviour through reference groups. The Engel, Blackwell, Miniard Model can, therefore, be practically applied in female purchase situations and, based on this criterion, qualifies again as a practical model to be used in this study.

The discussion of the need recognition phase, together with the different influencing variables in this section, reveals that the Engel, Blackwell, Miniard Consumer Model (1995) may be a practical model to use as a basis for research in this study. However, an evaluation of the search for information phase still needs to be done, to determine the overall practicality of the Model. A discussion of the search for information will now follow, in Section 3.3.2, to measure the phase against the criteria for a practical model established in Chapter Two.

3.3.2 An evaluation of the search for information phase

According to Figure 3.1, the search for information was identified as the second step in the consumer decision-making process. After an individual has recognised that she has a need for a certain product, she will proceed to search for information, to find the best suitable product to fulfil the need. In the search step, the individual will first seek information from internal memory. If the information is not sufficient, she will turn to external resources, to seek the best knowledge.

The consumer's knowledge was described, in Section 3.2.7 (a), as the information stored in memory, and it encompasses a vast array, such as the availability and characteristics of products and services; where and when to buy; and how to use products. From this description, it can be seen that knowledge is an influencing variable, which will affect the search component of the consumer decision-making process. A consumer's knowledge, as was described above, will determine the amount of external search to be done. A consumer will undergo various thought processes, in order to structure the knowledge in her memory. The consumer may also have had various experiences with a product or company. These memories will be linked to each other. The link between two memories (nodes) will form a proposition: for example, purchasing life insurance is expensive. The strengths of the different beliefs will vary and if all the beliefs are combined, will form a schema (Engel *et al.*, 1995:350).

Consumer resources are another influencing variable, which has already been defined. One of the consumer resources was described as an individual's capability of receiving and processing information. The extent of information processing which takes place, depends on where the individual focused her attention, as well as on how much attention was allocated to the given object. If the information processing were successful, the consumer would have adequate knowledge of the product. The observation can be made that a highly detailed and productive schema will be the result.

Time and money were described as the other two consumer resources, which may influence the decision-making process. The researcher will now analyse practical examples of female purchase behaviour in the financial industry. An evaluation will be given of their knowledge, how they process the information and what role time and money play in the search process. The objective will be to establish whether, based on these variables, the Engel, Blackwell, Miniard Model can be used as a practical model for research on the purchase behaviour of single working women.

American women have become financially independent. They have a long-term vision, when it comes to investing their money. They want to invest their money wisely and, as a result, have developed the need to be more educated. In America, sessions were held to educate these women. The sessions ranged from one-hour sessions to three-day conferences. The goal was to develop women into more aggressive investors. The Bank of America has also developed a "Women's Financial Initiative Program," to educate women on financial planning. It can be noted that the argument was also made that women should do better with financial investment than men, because they outlive their spouses. Another reason why women should perform better than men, is the fact that they still earn less than men do (Blank, 1997:22).

The statement was also made that women are, in fact, better investors than men, because they study the market in detail, before they decide to invest and take risks. Women are also more willing to acknowledge that they do not have all the necessary knowledge, when it comes to investing their money. In a survey, which was done by New York City based Oppenheimer Funds in 1995, it was found that 95% of female investors wanted to be educated on financial investments, while only 76% of the men did (Blank, 1997:22).

The comment can thus be made that, within the knowledge variable of the Engel, Blackwell, Miniard Model, the female acknowledges that she does not know everything about financial products, but that she is willing to learn. Companies in America have already reacted, by holding investment seminars. The objective could be to help the females with the search process, by giving them adequate knowledge. Financial advisers could assist the females' search process. The researcher makes the assumption that companies, educating the females on their investments, may win these females over and produce loyal customers.

Female consumers in America have had a large increase in their financial income. In a study, which was done by Deloitte & Touche, it was found that they would prefer known brands in their search process. The argument was that women would pay a higher fee, if it could result in better service. In a study, which was done in America, it was found that the income of Generation X women increased rapidly. The Generation X women were paid more than the generation before them. They also earned 82% as much as men did in 2000, in contrast to only 68% in 1979 (Cheng, 2002:[2]). It can be noted that, while women are still earning less than men, the gap between their incomes has decreased. Nonetheless, women have more money, which they may possibly use to make investments.

Time was the last consumer resource, which was identified in the Engel, Blackwell, Miniard Model discussion. It is important to note that, while females have had an increase in investment money, they do not make hasty investment decisions. They tend to gather a great deal of information, before they make an investment decision. In a study, which was done in America, it was found that affluent women spend 8,5 hours per month handling financial concerns, excluding payments of accounts (Ronay, 1999:10). The influence of time is also important, when a female is looking to the future, before making a financial purchase decision. Before a female consumer makes an investment, she should think about what she wants from her investments: whether it is a short-term savings objective, or whether she wants to save for retirement. The objective and time frame should help in assessing how much risk she can take (Boneverto, 2002:12).

The observation can thus be made that females take longer before they invest their money. The future as a time frame helps them to make the best financial search and purchase, which will best meet their financial objectives. Time, as an influencing factor, helps the females in their decision processes and indicates that the Engel, Blackwell, Miniard Model can be practically applied to these females' decision-making.

The objective of the discussion on female behaviour in the financial industry was to determine whether the Engel, Blackwell, Miniard Model would be a practical model to use, based on how purchase behaviour in the female market already takes place. It was found that a consumer's knowledge would determine the extent of internal and external search, which will take place. Female consumers in America, acknowledged that they do not know everything about investment products, but they were willing to learn, in order to help them with their search. Financial companies in America responded and, by

educating these women, helped to make the search process easier. The principles of the Engel, Blackwell, Miniard Model regarding the knowledge and search process, were applicable in this situation and, therefore, meet the criteria set out before.

There are more women in America today who earn a higher income, which, in a positive way, influences their purchasing of investments. The widowed Americans, however, suffer from being inexperienced in making their own investment decisions. Companies can help these women in their difficult task and assist in simplifying the search process, thus creating loyal customers. The Engel, Blackwell, Miniard Model can be practically applied here, as well, because of the money variable, which played a role in influencing the search process and investments of the females. Money was identified, in Section 3.2.8 (a), as one of the individual differences, which could influence the consumer decision-making process. Time was the last consumer resource, which was discussed. It was found that female consumers do not make hasty decisions and that the future as a time frame helps them to make the best financial searches and purchases. Time was, therefore, an influencing factor in the females' decision-making process and thus qualifies the Engel, Blackwell, Miniard Model, again, as a practical model to use.

In Chapter Two, one of the criteria for a practical model was that some stages may occur simultaneously and a model should acknowledge this. It has already been discussed that females do not have adequate knowledge to make financial investments. When financial companies present the seminars to educate them, the females may, for the first time, recognise their lack of knowledge and need for information. They will listen to the presentation and, at the same time, do external information search. The need recognition and information search stage happened simultaneously and, therefore, qualifies the Engel, Blackwell, Miniard Model as a practical model, based on the criteria which were established.

The Engel, Blackwell, Miniard Model acknowledged that the consumer will choose between internal and external thought processes, depending on her existing knowledge of the product. If the researcher assumes that the female's internal memory of the product would be the result of a previous purchase experience of the same product, it can then be observed that the Engel, Blackwell, Miniard Model does make provision for repeat purchases. Acknowledgement of repeat purchases behaviour was a qualifying factor for a practical model, as established in Chapter Two, and the researcher, therefore, views the Engel, Blackwell, Miniard Model as practical, based on the internal memory which may be the result of repeat purchase behaviour.

In Chapter Two, it was also established that there should be a relation between the factors at the beginning of the process and the activity when the consumer buys the product. In the example of the money education seminars, which were held for the females, it was discussed that the women may, at that point, recognise their need for information on financial products. The women may start to search for more information and then, later, decide to purchase the product, as a result of the information, which they received. All the steps followed a logical process and interacted with each other. The need recognition at the beginning had a connection with the purchase at the end. This attribute, therefore,

qualifies the Engel, Blackwell, Miniard Model, again, as a practical model to use as a basis for the research on the purchase behaviour of single working women. Attitudes are the final influencing variable, which will have to be investigated.

In the previous section of this chapter, Section 3.2.7 (a), it was mentioned that attitudes would be formed after a product had been examined and could range from negative to positive. Once an attitude is formed, it will be difficult to convince the consumer otherwise. There are, however, ways in which companies can try to change a negative consumer attitude. Source characteristics refer to the features of the sender of the message. To change the source credibility, or to use a celebrity as a source, could change attitudes. Appeal characteristics can also be used in order to change attitudes. Telling her that, if she does not take out a life insurance policy, her children will not have food when she dies, could scare a female. This tactic would be making use of the fear appeal. A humorous appeal, product compassion or emotional appeal could also be used (Hawkins *et al.*, 2001:406).

A discussion of the female's attitudes in the financial market, together with an evaluation of the practicality of the Model, based on the last qualifying criteria, which were established in Chapter Two, will now be given. The following facts on banking products were established in a study, which was done among women under and over the age of 25. Under the age of 25, chequebooks were only used to withdraw cash or to purchase clothing. The reason was the fear of losing control. Over the age of 25, chequebooks were viewed as a necessity. Respondents under the age of 25 did not want a credit card, due to the fear of overspending and they preferred to save for what they wanted. Over the age of 25, respondents did not have a problem with using a credit card to purchase articles (Yorke & Hayes, 2001:83).

In another study, which was done on women's orientation towards risk, it was found that they tend to be more risk averse than men. If the household wealth should increase, women would be less risk averse. Single women would still be more risk averse than single men (Jianakoplos & Bernasek, 1998:620). It was previously discussed that the Engel, Blackwell, Miniard Model makes provision for the re-purchase of a product. If a female would purchase a second savings account at a different financial company, for example, she would not go through all the thought processes to the same extent as when she bought her first savings account. However, if the second bank, for example, had an advertising campaign, where a celebrity would recommend the savings account, which benefited her so much, the situation may change slightly. The female may like the celebrity and make sure that she understands everything about the savings account, in order to get the same benefits, which the celebrity enjoyed.

A low involvement decision-making process may, therefore, change into a high involvement decision-making process through attitudes. A model, which differentiates between low and high involvement decision-making, was one of the qualifying criteria, which were established in Chapter Two. Through attitudes, this particular qualifying criterion can be met in the Engel, Blackwell, Miniard Model.

The Model, therefore, also differentiates between important and non-important products and the thought processes regarding these products. To invest in a savings account, which is also held by a celebrity, would be viewed as a more important product and more high involvement thought processes would take place. By making provision for this through attitudes, the Engel, Blackwell, Miniard Model qualifies to be used, in this study.

The last qualifying criterion for a practical model, in Chapter Two, described that a model should make provision for attitudes to influence the decision-making process. It was previously discussed how various methods could be used to change the consumer's attitudes. A negative attitude would have influenced the search process by not having the individual search for a certain company's information. By changing the attitude, the individual would be more willing to consider the information given by a certain company. The attitude has, therefore, influenced the decision-making process. Based on these last criteria, the Engel, Blackwell, Miniard Model qualifies as a practical model for use as a basis for the research on the purchase behaviour of single working women.

3.4 Summary

In Chapter Three, an overall evaluation of the Engel, Blackwell, Miniard Model (1995) was given. The first section of the chapter was dedicated to a brief description of the elements of the consumer model, in order to gain a better understanding of the consumer model. Practical examples from the insurance industry were given, to test the relevancy of the concepts. The observation can be made that all the elements of the Engel, Blackwell, Miniard Model can be practically applied to the female insurance market and are, therefore, relevant.

Three factors led to a decision to evaluate only the need recognition and search process. These factors involved the comprehensiveness of the Model, the purpose of the research, which is only to gain a general understanding of female purchase behaviour and the objective of the research, which is to set a direction for future research on the South African female in the financial market. The first two steps in the decision-making process will form the groundwork for future research on the Engel, Blackwell, Miniard Consumer Model and the female market. It was also decided that only the consumer resources, motivation, knowledge, attitudes, personality, value and lifestyle, social class and family variables would be investigated, because the emphasis of the research on female consumer behaviour concerns these variables. A discussion of the relevant steps in the decision process and the relevant variables, which influenced them, were given. Practical discussions of research done in the female market on the particular subject were described. The particular step and its variables were then tested against the criteria, established in Chapter Two, to determine whether they would qualify as a practical model. The analysis revealed the following:

- The need recognition and motivational component could be classified under the emotional processes. These represent the feelings of the female. The criteria required that a good model should also include emotional processes and the Engel, Blackwell, Miniard Consumer Model, therefore, qualified.

- A model, which is practical to apply to different research situations was another prerequisite. By acknowledging different forms of lifestyles, different types of personalities and different values, the Model makes provision for different kinds of situations, which may affect consumer behaviour. It can, therefore, be observed that, according to the need recognition and personality, values and lifestyle variable, the Engel, Blackwell, Miniard Model will qualify as a practical model.
- In Chapter Two it was decided that a model should acknowledge that some stages may occur simultaneously. In the example of the financial education seminars, it was discussed that need recognition and information search by the female could take place at the same time, in that particular function.
- The Engel, Blackwell, Miniard Model makes provision for repeat purchase situations, by acknowledging that consumers will make use of internal and external information search. Internal information may be the result of the memories of a previous purchase of the same product. Therefore, repeat purchase behaviour, another qualifying factor for a practical model, could be applied to the Engel, Blackwell, Miniard Model.
- It was also established that there should be a relation between the factors at the beginning of the process and the activity when the consumer buys the product. The Engel, Blackwell, Miniard Model qualified again, by allowing all the decision steps to follow a logical process and interact with each other.
- A model, which differentiates between low and high involvement decision-making, was another qualifying criterion. It was discovered that, through the change of attitudes, low involvement decision-making could change to high involvement decision-making. The Engel, Blackwell, Miniard Model thus makes provision for both circumstances and qualifies, again, as a practical model.
- The Model also differentiates between important and non-important products, which were another qualifying factor.
- The last qualifying criterion for a practical model, described in Chapter Two, was that a model should make provision for attitudes influencing the decision-making process. By changing the female's attitude about a company and, therefore, her search process, the Engel, Blackwell, Miniard Model, by means of the attitude variables, again helped to influence the purchase process.

Based on the discussion, it was found that the Engel, Blackwell, Miniard Model is a practical model for use as a basis for the research on the purchase behaviour of single working women. The Model met the entire spectrum of relevant criteria, which were established in Chapter Two. The Engel, Blackwell, Miniard Model will, therefore, be used as a basis for the research on single working women's purchase behaviour. The Engel, Blackwell, Miniard Model has set the groundwork to develop a questionnaire to investigate the purchase behaviour of single working women.

Needs were described by the Engel, Blackwell, Miniard Consumer Model as a variable which may influence potential purchase behaviour. Chapter Four will investigate whether marketing communications, directed to females by the financial industry, adhere to their needs. The researcher will attempt to establish what the general situation in the

market is and whether the females can identify with marketing communication methods directed to them, in relation to their needs. Retention marketing strategies and relationship marketing strategies may also affect need satisfaction. An investigation of retention marketing strategies and relationship marketing strategies will, therefore, also be done, to determine their relationship with marketing communication strategies and need satisfaction.

Chapter Four

The role of retention marketing and relationship marketing on marketing communication strategies

4.1 Introduction

In Chapter Three the Engel, Blackwell, Miniard Consumer Model (1995) identified influencing variables, namely needs, values, lifestyles and motives, which could influence purchase behaviour. It was also established in Chapter Three that financial companies should acknowledge the needs, values and lifestyles of the female market, in order to develop effective consumer behaviour strategies.

In Chapter Four, an evaluation will be done regarding certain aspects of the objectives established in Chapter One. One of the secondary objectives was to evaluate the values and needs of the existing women market, pertaining to financial products and services directed towards women. An evaluation will be done in this chapter, to establish whether companies recognise the needs, values and lifestyles of the female market, when applying marketing communication strategies towards them. To determine the perception of women regarding the relationship marketing and advertising strategies of financial products and services directed towards them, were also secondary objectives, which were established in Chapter One. The evaluation, which will be conducted, will, therefore, also determine, based on research already done, whether financial companies actually know what the needs of the females are and whether the female market can identify with the kind of marketing and lifestyle, which has been portrayed to them.

An investigation will also be done on how financial companies advertise to women and what the general attitude of financial companies is towards women. A comparison between women in various cultures will also be done and activities, performed by sales personnel towards women, will be investigated. (If problems are identified, recommendations based on the literature research, will be made on how to market more effectively.) The impact of the correct marketing communication methods will then be discussed. A positive result may be a persuaded customer who wants to purchase the product. An investigation will then be done to determine how the financial company can retain the new customer.

A description of retention marketing will be given, after which Reichheld's (1996) theory on retention marketing will be evaluated. Procedures on how to keep employees and customers at a bank, will also be discussed, after which the application in retail banks will be scrutinised. The benefits of retention marketing will be given and whether retention marketing can be practically applied.

An important concept in marketing to women is relationship marketing. The benefits of relationship marketing will be discussed and the effect of these benefits on retention marketing will also be determined. The researcher will conclude with the implications of the relationship marketing strategy and how it affects the overall marketing strategy of companies.

The discussion will begin with an evaluation of research done regarding women's perception of need satisfaction in the financial market.

4.2 The application of marketing communication methods in the female market, with respect to the Engel, Blackwell, Miniard Model

In Chapter Three, it was described that the Engel, Blackwell, Miniard Model (1995) identified different variables, which would influence purchase behaviour. The variables included a consumer's needs, motives, values and lifestyles. The purpose of this discussion will be to evaluate the research, which was done with respect to marketing communication methods to females in the financial industry. The discussion will attempt to establish whether the marketing activities in the financial industry acknowledge the female's values, needs, motives and lifestyles. The discussion will also attempt to establish whether there is a problem when communicating to these women and whether females in the financial industry can identify with what has been communicated to them. The main focus of the marketing communication methods will be on advertising activities and interpersonal communication methods, due to their primary use in the financial industry.

Leyes (2001:96) revealed that, although women write 80 percent of all cheques (corporate and personal) and make 81 percent of all purchase decisions about products and services, they are still underserved by the financial services and insurance industries. She proclaimed that there are two reasons to explain the problem. Companies have not really identified the true potential of the female market and, therefore, have not allocated the necessary resources to explore it. Secondly, women are being sold to as if they were men. Financial advisers should keep in mind that women do not only want a financial transaction to take place, but also want to build a relationship and seek advice and education. A longer sales process can, therefore, be expected. Financial companies should also focus on their advertising strategies directed towards these women.

Companies are demolishing the true potential, by not advertising correctly to the female consumers. "Financial advertising still portrays women largely as impulsive, incapable and indecisive despite the fact that more than 8 million women own their own businesses ..." (Ostermiller, 1999:80.) American women complained that financial advertising does not portray the situation at home accurately and that women are being stereotyped (Shannon, 1996:22).

In a study of gender-role portrayals in Chinese and US advertising, it was found that, in both countries, men were more often portrayed in roles at work while women were portrayed in roles not at work (Cheng, 1997:295).

According to Dallmann (2000:1320) in another study concerning German and Japanese women in magazine advertising, it was found that both these countries portrayed women in a passive, feminine role, with the emphasis on their physical attractiveness. Standardisation may be the advantage gained, but is overshadowed by the negative implications. Competitive advantages by means of differentiation are difficult to create. Not all the dimensions of the female can be addressed. The result may be that the working females may not be able to identify with the passive role.

When differentiation was applied, the different countries used the following approaches: Japanese women were mainly portrayed in the traditional role. Other roles used were family or decorative roles, but not extensively in work-related roles. German women, however, were portrayed in work-related roles, to identify with the female market. The study identified two trends with regard to female advertising and global markets. In the first place, non-traditional approaches are shaped around specific cultural values. In the second place, the male role portrayal plays a vital role in non-traditional advertising in Japanese women's magazines. The study concluded that, if a company advertised its product in many countries, the problem would be to have a specific message, but to also accommodate all the different cultural identities. "Global marketers are in need of a method that allows them to disentangle the three dimensions that influence target group advertising in each country: the transnational conventions of addressing the target group, the national conventions of advertising design and the culture-specific conventions of addressing the target group." (Dallmann, 2000:1320.) A better insight into the problem may be gained by an evaluation of women's role in society.

4.2.1 Women's role in society

Jaffe (1991:57) may have identified the root of the problem, when she identified that a paradigm shift is taking place. She revealed that the increase in the number of working women and the change in view of women's role in society, have emphasised the importance of knowledge regarding how women think about and buy products. She investigated what the response of the financial service industry was to these changing developments. The traditional role, which women played before the 1970s, was described as a family role, where a woman's main function was to be a mother and to look after her family. Since the 1970s, more women have begun to join the work force. Their perception about themselves and what role they should play, also changed. Many women, besides caring for their families, began striving for independence, equality and success in the workplace. These activities could be referred to as modern roles.

Advertising strategies have attempted to acknowledge the change in the role of women. The focus has shifted from the traditional, care-giving approach to the modern approach, where women are portrayed as successful and capable in and out of the home. There was no clear indication of how effective these strategies were to the different target markets;

whether traditional women related more to a traditional advertisement and modern women to a modern advertisement. After Jaffe's study (1991:57) was completed, it was found that modern positioning in advertising was better when financial service products were advertised and the response was higher. Traditional women, however, were indifferent to the positioning: they had no preference for traditional or for modern positioning. Financial marketers could, therefore, use a modern approach to advertise their products, to capture both market segments more effectively. The reason why both traditional and modern women preferred the modern approach, was that a modern woman's credibility is higher, when she has to make a financial purchase decision.

The opinion was also held, across many different segments of women, that, although a traditional approach acknowledged their family values, the modern women could be trusted more. Jaffe, however, clearly advised financial companies, that to be more successful, they should use a modern approach, when advertising to both traditional and modern women.

A modern approach to advertising may become a problem, when advertisers push this approach too far. Women, who are portrayed as successful at home and at work, can be viewed as superwomen. Modern women may feel that they cannot keep up with the pressures at work and at home and, therefore, cannot identify with the image of a superwoman. They may expect help from their husbands and, therefore, prefer an egalitarian positioning. It was also found that, when the woman's income increases and the more contemporary her gender ideologies are, the more she prefers an egalitarian positioning (Jaffe & Berger, 1994:32).

When advertising to women, financial companies must consider this important aspect. According to Burton (1995:21), in the past, financial companies focused primarily on males between the ages of 30 and 50 years. They were viewed as the income producers and decision makers of their households. The focus will have to shift, because, today, more women earn an income. When advertising to working women, it is important to acknowledge what their values and needs are. Some companies in America even employed feminine workers to pass judgment on advertising campaigns to be launched and whether they would be offensive to women. Females prefer a modern positioning to a traditional role positioning, with regard to financial products advertisements.

A further observation, which can be made, is that financial companies must be cautious not to convert modern women into superwomen, but rather to portray egalitarian women, who are well balanced. If financial companies comply with this, they will be able to acknowledge the needs, values and motives of the female consumer, according to the Engel, Blackwell, Miniard Consumer Model (1995). The female will be able to identify with the advertisement and a positive outcome (purchasing) could be the result. It was mentioned that a financial adviser should keep in mind that women do not only want a financial transaction to take place. They also want to build a relationship and to be educated regarding financial products. Financial advisers who do not adhere to these requirements, will not acknowledge the needs, motives and values of the female consumer in the Engel, Blackwell, Miniard Consumer Model (1995).

To be an effective marketer, financial companies need to adhere to these influencing variables of the Engel, Blackwell, Miniard Consumer Model. In the following discussion, the researcher will, therefore, evaluate what females really want and what every marketer should know with regard to women and money.

4.2.2 Evaluation of needs

In the evaluation of women and money, the concern may be raised, assuming money is gender neutral, whether women would deal with it differently to men. Krebsbach (2001:10) reveals that, at the high-net-worth level, women will invest more conservatively than men. Women's behaviour only differentiates in terms of the level of service they expect. Women will remain loyal, once they trust their advisers, and women are more relationship-oriented, while men are transaction-oriented. Women also ask more questions and will seek information about an investment from more than one source, while men focus on getting the correct answers. Women will not make a decision as quickly as men do, but they will stay more loyal, once the decision has been made. Women do planning with a long-term vision in mind and the financial goals of women and men also differ. A male's main concern is to save for tax purposes, while females want to make sure that they are financially independent.

Kerbsbach (2001:10) further revealed that, as long as they are treated well, women care most whether someone educates them, tries to build a relationship with them and gives them a long-term problem-solving approach, instead of pushing products, and provides good service after the sale.

The above discussion portrayed female's attitudes towards financial products and services. Financial companies need to be aware of this, to enable them to market effectively to female consumers. These findings on research, done abroad, on female purchase behaviour in the financial industry, will be used as a basis, together with the Engel, Blackwell, Miniard Model (1995), to develop the questionnaire about the purchase behaviour of single, working women.

A discussion of the influencing variables of the Engel, Blackwell, Miniard Consumer Model was given and how financial companies do not adhere to it, with regard to the way they advertise and sell to women through financial advisers. Recommendations provided by the literature review were also given on how to improve on these strategies, for effective marketing. For example, a modern woman approach should be used, when financial products are advertised. If financial companies are aware of the needs and values of the female consumers and if they have succeeded in persuading the female consumers to purchase a policy, the concern would now be in what way they would retain these consumers. If the impact of the correct marketing communication methods were to persuade the client to purchase a policy, the concern then would be what the role of retention marketing in marketing communications would entail.

The next section will further explore the role of retention marketing.

4.3 The role of retention marketing on the impact of marketing communications

In Section 4.2, marketing communications referred to interpersonal communication methods and advertising activities, because of their primary use in the financial industry. If the marketing communication methods were implemented successfully, the impact of the marketing communication methods could be the acquisition of a new client for the financial company. The next discussion will, therefore, focus on the role that retention marketing could play in retaining a new client. The role of retention marketing as a follow-up of effective marketing (a new client) will also be highlighted.

Customer retention consists of the following components (Dawes & Swailes, 1999:36):

- **Profitability**
Gaining new clients is five times the cost of retaining existing clients.
- **Loyalty**
In the financial service sector, loyalty refers to the concept of how many years a customer will make use of a certain service provider and the number of products, which, she holds. Customer loyalty is a central aspect of successful retention.
- **Value**
If the benefits a customer receives from one company are more valuable than those from a competitor company, the customer will remain loyal.
- **Relationships**
The aim of retention should be to draw customers into progressively more satisfying relationships, which are durable, dynamic and adaptable.
- **Information**
Effective databases will help to more accurately monitor clients.
- **Infrastructure**
Marketing operations, human resource management and internal marketing must be able to effectively work together.

A number of strategies were developed about retention marketing. The focus evolved around three main areas, namely service marketing, industrial marketing and general management. From a service-marketing point of view, the argument was that, to retain customers, improved service quality and customer satisfaction was necessary. From an industrial marketing point of view, the emphasis was on networking and forming bonds. The general management point of view declared that customer retention should be managed on a pro-active basis. Former customers should be interviewed and measures

should be taken to prevent the repetition of mistakes, which could result in the future loss of customers (Ahmed & Buttle, 2002:149).

Ahmed and Buttle (2002:149) portrayed that Reichheld's (1996) theory on retention marketing argued that loyal employees and loyal investors have the potential to build loyal customers. Customers will only stay, if the benefit they gain from one company is greater than that of a competitor. Customers that are won easily over by a company may also very quickly leave the company. Certain procedures have to be followed to retain customers over a longer period. These involve the definition and measurement of retention, looking for loyalty in the right places, with a focus of getting the "right" customers, rewarding the sales force for retaining the customers and designing special programs to attract and retain the most valuable customers. The argument was made that loyal workers at a company will help to produce loyal clientele. Benefits of a loyal worker involved the reduced cost of getting new employees, serving as a positive reference for the company and, therefore, helping to increase value and also to enhance the loyal customer database. Companies can ensure loyal employees by choosing their staff carefully and developing partnerships with them. Employees will then experience that they share a mutual benefit with the company and that they have the same values and goals as the company has.

Workers at service companies will have a close relationship with the customer, because they will perform many activities together, when services are performed. Services cannot be seen or touched and customers may, therefore, rely on the performance of the employee to create a perception of quality (Clark, 1997:293).

Clark (1997:293) continued by stating that, in the 1980s, the customer databases of UK banks flourished. Customers remained with one bank and were eager to lend money. However, the situation changed in the 1990s. Customers wanted to save, rather than to borrow money. The likelihood of a customer changing her bank is 50%. It is, therefore, very important that a bank should try to understand what makes customers happy. In a study (Clark, 1997:293) on two branches of a UK retail bank, it was found that the first branch accepted the bank's new rules for improving customer service. The second branch felt that the bank only overloaded them with work and they developed methods to "beat" the system. The result was a negative experience by customers at that branch, which led to customer dissatisfaction. Thus companies had to keep two implications in mind, when they had to manage customer-employee relationships: employees carry a major mental database of what customers really want and employees interact on a daily basis with customers and have learned what their needs are. To consult employees on their perceptions will help to increase customer and employee satisfaction. In the second place, management must develop a customer-orientated climate, where the company's workers will be able to deliver services, which will satisfy the customer's needs effectively. Customer retention will help to create a major competitive advantage.

Customer-employee relations are, therefore, very important to a financial company. An effective relationship will lead to a satisfied and loyal customer, who will create a

competitive advantage, and companies must use the methods, described above, to effectively manage customer-employee relationships.

Customer relationships are only one of the factors, which ensure a satisfied customer. Certain other criteria should also be met, to ensure customer satisfaction and will be discussed next.

4.3.1 Criteria to ensure customer satisfaction

Certain criteria must be met to ensure customer satisfaction. Customer satisfaction has great potential to materialise, when service quality has been met, when service aspects, such as convenience and competitiveness, exist, and when the problems about which the customers complain, are being adequately resolved. A study by Levesque and McDougall (1996:12) regarding customer satisfaction in retail banking, provided useful results. The goal of the study was to determine what initiates customer satisfaction. It was found that core and relational performance determined customer satisfaction. If the retail bank could not solve the problem adequately, the impact on customer satisfaction would be negative. It was also found that, if a problem were very critical, it would not matter what the service provider's response was. The likelihood of a customer switching to another bank increased. Borrowers have a less favourable attitude towards a bank than customers who only save at the bank. A possible reason may be that customers do not like the rules and regulations, which they have to follow in the bank. Because borrowing is more costly, borrowers may be more important than non-borrowers. Levesque and McDougall (1996:12) concluded that, with regard to customer satisfaction, banks should focus primarily on the core and relational function, in their attempt to satisfy customers.

In a study, which was done on customer satisfaction in commercial banks in Canada and Mexico, Paulin, Perrien, Ferguson, Salazar and Seruya (1998:24) revealed that different criteria satisfied the two different cultures. Flexibility and communication were the most important in Canada and integrity of the account manager was more important in Mexico. Differences in the cultural characteristics between the two companies were given as a possible reason for the contrasting results. Mexico was defined as a high context country, where non-verbal behaviour, the situation and the external environment conveyed meaning. Canada was described as a low context country, with emphasis on open communication and the need for the client to perceive that the account manager and the bank are flexible and able to adapt to changing conditions.

A concern arises whether the various cultural differences in South Africa will impact on retail banks in South Africa. If they do, retail banks will have to focus primarily on one specific target market (culture) and mainly satisfy their needs. Researching this concept will be too extensive to implement in this study. The concept does, however, emphasise a potential future research area for financial companies.

South Africa is still an emerging economy. A study by Yavas, Bilgin and Schemwell (1997:217) was done in Turkey, concerning the effect of service quality on customer satisfaction in the banking industry. Turkey is also an emerging economy and the

researcher will, therefore, evaluate the outcomes of the study to determine criteria, which can be evaluated in the South African context.

Tangible elements, such as lighting, temperature and furnishing, were important elements in customer satisfaction. Sufficient seating, for example, should be provided for clients who want to see the consultant. Employees should be willing to help the customers and provide solutions to their problems. It was recommended that employees at the banks should have empathy with the customer's problems. Effective solutions should also be provided, to retain the customer. Customers wanted to be able to talk privately to the consultant about their banking problems. In their customer contact, banks should make provision for this need (Yavas *et al.*, 1997:217).

The above-mentioned criteria should be addressed, to improve customer satisfaction in Turkey. It was also described, earlier in this chapter, that different cultures may experience different requirements for satisfaction. It can, therefore, not be observed that, because South Africa and Turkey are both emerging economies, they have the same criteria for need satisfaction. Extensive research in South Africa may indicate a potential resemblance. The purpose of the discussion was merely to indicate the various factors, which may influence customer satisfaction in an emerging economy and that these may be a possible focus points in the South African market.

Various methods whereby a financial company could retain its customers were described. It was argued that effective communication strategies would win the customer over and that, the application of effective strategies, would retain the customer. The impact of customer retention on the financial company will be discussed next.

4.3.2 The impact of customer retention on the financial company

Customer retention can provide various benefits for the company and include the following (Shirkey, 2001:31):

- The company will save money. It will cost less to retain “old” customers, than to acquire “new” customers.
- Advertising costs can be lowered, by moving the focus from mass advertising to direct marketing, which may be more effective in building loyalty.
- Loyal customers will help to pay dividends in both the short and long terms.

Despite these benefits, retention marketing is not always applied. Proden (1995:15) argued that companies, where customers buy on a regular basis, do not really care about their problems. They have never volunteered to help. He also argued that companies are not prepared to wait until profits show in the long term. They are more concerned about the immediate effect. If a company is successful with its current strategy, the likelihood of changing the strategy to retention marketing will not be great.

In addition to this, companies, which show profits in the short term, may not consider changing their strategies to retention marketing. These companies' long-term goals, however, may not be achieved. Retention marketing can assist with achieving long-term goals, because retention marketing focuses on long-term goals. Retention marketing may, therefore, assist in generating profits for the company in the long term, because of loyal and committed customers.

Retention marketing primarily focuses on building relationships with customers. Relationship marketing will now be evaluated and the benefits from implementing relationship-marketing strategies will be highlighted. The researcher will also evaluate what the effect of the benefits of relationship marketing will be on retention marketing.

4.4 The role of relationship-marketing on the impact of marketing communications

Relationship marketing is an important element of retention marketing, where relationship building is the focus of retention marketing, in order to retain customers. A positive impact of effective marketing communication strategies may be a new client for the financial company. Retention marketing may help to retain the new client. The effect of the benefits of relationship marketing on retention marketing will now be discussed. An observation will then be made on how relationship marketing and retention marketing influence marketing communication strategies, with regard to financial companies' clientele.

Neil Borden developed the marketing mix principles in the 1950s. The mix consisted of product, price, promotion and place. The marketer was seen as the mixer of ingredients. The marketing mix elements were used as the basis for developing marketing strategies, but negative criticism of the marketing mix was that the focus was from an industrial viewpoint and not with the emphasis on the customer. The argument was also made that the marketing mix does not have a solid basis, with respect to classification. There are no definite parameters to use as a framework to classify marketing activities into price, place, promotion or product segments (Grönroos, 1994:4).

Grönroos (1994:4) continued that companies, which rely on the concept of the marketing mix, may isolate these activities for the marketing department and, by failing to integrate the activities into the whole company, may lose customer focus. The marketing mix relies on mass marketing and is, therefore, unable to cater to individual needs. Companies should, therefore, make use of different strategies in order to become more customer orientated. The focus has shifted from marketing to a great number of customers (whom a company does not even know), to targeting a selected group of customers and to build a relationship with them. The concept of market economies was introduced, which revealed that results would be achieved by knowledge of the customers' needs and not by using economics of scale production. The Nordic School described marketing as an interactive process, where relationship building was an important basis. The marketing mix strategy, however, was viewed as more clinical, where the customer had to play a passive role.

The concept of relationship marketing was developed with industrial marketing and service marketing as reference. Relationship marketing can be described as follows: “Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises” (Grönroos, 1994:4). A very important element in relationship marketing is that a company should keep the promises, which it makes. Making a promise draws new customers. Keeping a promise, however, retains customers for the company and will assist in establishing a long-term relationship. Another important ingredient is trust. Customers should be able to trust the resources of the company, which includes personnel, technology and systems (Grönroos, 1994:4).

To experience a higher standard of relationship quality in a customer-salesperson retail relationship, the customer must be able to trust the salesperson and believe that that person is committed. A higher level of commitment results in effort to ensure a successful relationship, benefiting both parties. Committed customers have a positive outlook on the relationship, even if they experience negative encounters. Committed customers stay with the company and, therefore, enhance retention. Trust in the relationship will enhance the relationship quality and will therefore help to protect the relationship in difficult times (Wong & Sohal, 2002:34).

A major benefit which companies may experience when they implement relationship marketing strategies, can be described as follows: when a firm differentiates itself in terms of price, it may have the advantage for a while. However, the firm loses its advantage the moment a new competitor with a lower price arrives on the scene. If a firm establishes a relationship with the customer, a lower price will no longer be the determining factor of a customer’s purchase attentions (Grönroos, 1994:4).

To practice relationship marketing will help the customer in the evaluation of service quality, customer satisfaction and purchase intentions, with a possible positive outcome. When a company fails in the delivery of excellent services, the danger of losing the customer may not be so great, if a positive relationship has been established. Customers can also experience benefits, when building relationships with companies. Customers may experience a higher standard of trust and confidence in the company. Special service offerings for long-term customers may entail lower prices and faster service. The establishment of friendships may also be a great benefit. The benefits which the customer receives, may lead to further benefits for the company, in terms of loyalty and telling other potential customers about the company (Wong & Sohal, 2002:34).

The relationship, which a company has with a customer, is a dynamic process, which continually evolves. This phenomenon can be referred to as the relationship lifecycle and will be discussed next.

4.4.1 The relationship lifecycle

There are five phases in terms of relationship development, involving the following (Jap, 2001:95):

- **Awareness** is the phase where both parties become aware of each other. They realise that the other party exists.
- In the **exploration** phase, the parties learn more about each other and weigh the benefits, which they receive from forming the relationship. Trust in each other has not yet been formed. The primary focus is to decrease uncertainty and to be more capable of explaining certain events. Both parties openly communicate with each other.
- In the **build-up** phase, the relationship will go to a deeper level. A great deal of information will be shared and both parties will together participate in events. Both parties will want a better understanding of the other's intentions. Both parties will try to build a mutually beneficial relationship.
- The **maturity** phase is the ultimate phase in the relationship, when both parties decide to interact with each other on a regular basis. The benefits gained from the relationship will be difficult to duplicate with another partner.
- In the **decline** phase, one or both parties are not satisfied with the benefits gained from the relationship. They search for another partner and wish to end the relationship. Through communication, the relationship may be re-instated. If one of the parties, however, still wishes to end the relationship, nothing can be done to save the relationship.

The researcher will attempt to incorporate the relationship lifecycle with a discussion on the application of a relationship marketing perspective in retail banking.

“Research has shown that high company performance is linked to the practice of relationship marketing.” (Dibb & Meadows, 2001:169.) Services are not the same as physical products, which can be seen in order to be evaluated. Relationship marketing in the service sector is, therefore, very important. To have a longer customer relationship will also be more profitable for the bank. These customers have higher bank balances and are more willing to use the other bank products. In a study of the application of relationship marketing in retail banks overseas, the following findings were made: retail banks are pro-active in their approach, as they first approach the customers to fulfil their needs. Any company can perform these activities, which cannot be seen as performing a high level of relationship marketing (Dibb & Meadows, 2001:169).

Abratt and Russell (1999:5) state the following regarding relationship marketing in private banking in South Africa. The shift from transactional to relationship marketing reveals that companies should get to know their customers better. They should know what their needs are. Banks in South Africa do not know what their individual customers want and do not effectively apply relationship marketing. Clients who did have relationships with their banks experienced a decrease in stress levels and enjoyed being associated with the banks.

Customers of South African banks believed that they could not trust the bank to act correctly. The perception may be that banks are unethical. It was also found that bank employees do not stay in one position very long and, therefore, negatively influence the

service quality. The recommendation was made that transactional marketing and relationship marketing should be implemented together, to benefit from both worlds. An example would be that a customer may want a relationship with the bank, as well as competitive pricing (Abratt & Russell, 1999:5).

With regard to the relationship lifecycle applied in banks overseas, the researcher will classify the relationship, which banks have with their clients in the build-up phase. Companies are pro-active in their approach to solve the problems of the customer. The build-up phase requires that both parties share a great deal of information and try to establish a relationship, which will benefit both of them. By being pro-active, the company will try to solve the customer's problem, which will benefit the customer. A loyal customer, in turn, will benefit the company.

The researcher will classify the relationship approach, followed by banks in South Africa, in the exploration phase. The banks do not know what their individual client's needs are and are, therefore, still learning more about them. A high level of trust has not yet been established.

The observation can be made that, compared to overseas banks, South African banks are a step behind in terms of relationship marketing. From the above discussion, it was argued that South African banks are still in the exploration phase, while banks overseas are in the build-up phase. However, banks in both local and overseas countries still have a great deal to learn and implement about relationship marketing. The maturity phase is the ultimate level and still needs to be achieved. Interaction should take place on a regular basis and the benefit, achieved by the relationship, should be nearly impossible to replace. Only then will relationship marketing reach its full potential.

A discussion on research, already done in the financial industry, how it relates to relationship marketing and its implications will now be entertained.

Women prefer buying financial products on a face-to-face basis. A relationship may more easily be established and women will remain loyal to a service provider with whom they have a relationship (Stevenson, 2001:18). Women are also more willing to establish relationships and are more likely to want to discuss what is important to them. Financial companies should take this into account and relate to these women's wants, needs and desires. Women want to talk about what is important to them, but they also know what they want. Women should be taken seriously and be provided with knowledge about the product, as well as time to process the information (Hanson, 2001:15).

In the research about the purchase behaviour of single working women, the researcher will not distinguish between different ages. However, the senior women market (50 plus) has great potential in terms of profits to companies. Research was done on how to develop an effective relationship marketing strategy with them (Sullivan, 1993:68). The researcher will provide recommendations, although it will not be specifically implemented in the study. The purpose of this discussion will be to emphasise the importance of relationship marketing and how it can be effectively implemented.

According to Sullivan (1993:68), older women want to be remembered by name and a bank must value their business. They want to do business with a bank where people are easy to reach, when they have a problem. Older women have a bigger social reference system and are, therefore, better able to ask for someone's, help when they have a problem. Financial companies should take these factors into account when they develop relationship-building strategies with older women.

On a more general note, Sullivan (1993:68) revealed that women would admit (more probably than men would), if they do not have adequate knowledge about the product. Women will seek help when they have problems with debt, earlier than men will. Women are more pro-active, but also more conservative, with regard to financial service decisions. Men want to make money in order to have the competitive edge. Women however, want to make money to achieve certain goals.

All these aspects should be taken into account, when financial companies develop their relationship marketing strategies, to enable them to most effectively implement these strategies.

A discussion on the implications, which financial companies can expect when implementing relationship-marketing strategies, will now be entertained.

4.4.2 The implications of relationship marketing strategies

According to Grönroos, (1996:5) there are several strategic issues, which should be taken into account, when planning a relationship marketing strategy. The first strategic issue reveals that a company should be defined as a service business. The company should be aware of what the customer wants over the long term and should provide extra value by fulfilling those needs. Customers do not only want a product. They also want all the extra components of which it comprises, for example, knowledge of how to best use the product and of how to maintain the product, if necessary. Customers want to be able to trust the companies, when these services are performed. Most of the time, customers are unhappy with the service they receive, rather than with the product itself. Financial companies should, therefore, not only concentrate on providing an excellent insurance policy, but also on the service which they provide, as this will be the determining factor in customer satisfaction.

The second strategic issue, which will have to be taken into account, is that companies should have a process management perspective. Customers want value added to the service and companies should ensure that all the functions in the firm work together to provide this. Any activity, which does not provide value for the customer, should be eliminated.

The last strategic issue, which should be taken into account, is partnerships and networks. Companies should form partnerships with other companies in the distribution channel. The relationship must be a win-win situation. The goal of the partnership will be to help

in providing the elements necessary to build effective relationship marketing. Mutual trust should exist between the companies.

Old Mutual has succeeded in applying this strategic issue. The Company is selling a medical scheme called Oxygen. It has contracts with various other service providers (for example, Planet Fitness), where customers may exercise at a reduced cost, provided they have an Oxygen Medical Scheme and remain healthy. Thus, the customers receive added value, through the partnership of their service provider.

In relationship marketing, there are strategic issues, which should be taken into account, as well as tactical issues, which should receive attention. Companies should endeavour to have direct contact with customers and to get to know their customers better, through various methods of direct contact, in order to develop a healthy relationship strategy. Companies should also develop a complete customer database, as a prerequisite for developing an effective customer relationship marketing strategy (Grönroos, 1996:5).

Relationship marketing provides opportunities for financial service retailers. If a financial service provider retains its customers, it will cost five times less than the costs of generating a new customer. Being knowledgeable about an existing group, will make it easier to test new products and, therefore, reduce the risk (Alexander & Colgate, 2000:938).

A financial company may want to introduce a new client analysis program to the market. They may give the program to only a few brokers with whom they have a relationship, to test their opinions. Corrections may be made, after which the program can be launched nation-wide.

From the above discussion, the effect of the benefits of relationship marketing can be summarised as follows:

- Relationship marketing establishes commitment in a relationship.
- Committed parties will remain loyal to the relationship, despite negative service encounters, which they may experience.
- Committed customers, therefore, enhance retention.
- Relationship marketing helps financial companies to differentiate themselves from their competitors.
- Customers will remain with a company, when they feel that they get the most value from that company.
- Retention has, therefore, been enhanced.
- Relationship marketing will help with the customer's evaluation of product quality, satisfaction and purchase intention, with a possible positive outcome.
- The benefits the customer will receive, will enhance customer loyalty and, therefore, retention marketing.

The benefits of relationship marketing will, therefore, enhance customer retention. In turn, companies will benefit from enhanced customer retention, because the cost of

retained customers is five times less than acquiring new customers. The role of relationship marketing on marketing communication strategies is, therefore, significant. Relationship marketing will help to produce loyal customers, who are more cost effective. The need for marketing communications to persuade potential customers to purchase the product will be less important. Effective relationship marketing will shift the focus of marketing communications from acquiring new customers to rather retaining existing customers, which will be more cost effective. It was described, earlier in this chapter, that effective marketing communication should adhere to the needs, values and lifestyle variables of the Engel, Blackwell, Miniard Model, in order to persuade the customer according to her needs to buy the product. If marketing communications focus on relationship marketing and on retaining the customers, the influencing variables of the Engel, Blackwell, Miniard Model should be adapted accordingly, to ensure that these variables comply with the needs of the customer, to effectively implement relationship marketing and retention marketing strategies. Marketing communications should, therefore, focus on what the customer values in a company to remain with a company, rather than on what she would expect in order to be persuaded to join the company in the first place. In order to achieve the best results, companies should, therefore, consider marketing communications, relationship marketing and retention marketing together, when they create their marketing strategies.

4.5 Summary

In Chapter Four, the importance of financial companies acknowledging the needs, values, lifestyles and motives of female consumers was again emphasised. It was found that financial companies do not market effectively to the female market. Despite the huge potential, which exists in the female market, companies still view women as impulsive, incapable and indecisive. Women are being stereotyped. Studies on marketing to women in women's magazine advertisements in Germany and Japan, revealed that women are portrayed in a passive role, with the emphasis on their physical attractiveness. The standardisation approach was not sufficiently competitive and two trends regarding female advertising and global markets were identified, namely, that non-traditional approaches are shaped by a specific culture's values and that male role portrayal plays a vital role in non-traditional advertising in Japanese women's magazines.

A paradigm shift has taken place: today more women are working, than forty years ago. Financial companies should reflect this in their advertisements. It was found that modern positioning in advertising was better, when financial service products were advertised. (The response was higher). The reason why both traditional and modern women preferred the modern approach, was that a modern woman's credibility was higher, when she had to make a financial purchase decision. It was also found that when a woman's income increased, her gender ideologies became more contemporary and she preferred an egalitarian positioning.

Financial companies and their sales people should be aware of what the needs of their female consumers are. A discussion of what female consumers really want, was provided.

The observation, based on the literature, can be made that the application of marketing communication methods in the female market by financial companies, with respect to the Engel, Blackwell, Miniard Model, do not adequately acknowledge the needs, motives and lifestyles of these consumers. Financial companies should make a study of what these consumers really want and should adhere to their needs through effective marketing communication methods. The last secondary objective in Chapter One, with regard to needs, values and motives, will address this issue, when conducting the empirical part of this study.

An investigation was done on what the role of retention marketing was on the impact of marketing communication methods. A definition of retention marketing was given, after which Reichheld's theory on retention marketing was discussed. The main argument of the theory was that loyal employees and loyal investors have the potential to build loyal customers. A customer will only remain with a company, if the benefit gained will be greater than that offered by a competitor. Certain procedures, to keep the customers loyal, were discussed. These involved designing special programs to attract and retain the most valuable customers. The argument was put forward that loyal workers at a company would assist to produce loyal clientele. Strategies on how to develop loyal employees were discussed. Applications of customer-employee relationships in retail banking were given and two implications for companies to keep in mind, when they have to manage customer-employee relationships, were highlighted. Firstly, employees have a major mental database of what customers really want. To consult employees on their perceptions will help to increase customer and employee satisfaction. Secondly, management should develop a customer-orientated climate, where company workers will be able to deliver services, which will effectively satisfy the customer's needs.

A study was mentioned of factors, which satisfied consumers in Turkey. Lighting, temperature and furnishing were important elements. South Africa and Turkey are both emerging economies, but, however, cultural differences exist between the two countries. It could not be concluded that what satisfies people in Turkey, would satisfy customers in South Africa.

The observation was made that retention marketing can be practically applicable and that companies should have the correct attitude regarding it. Retention marketing has a long-term effect and will help companies to realise a profit over the longer term.

A study was cited on the effect of the benefits of relationship marketing on retention marketing and on the role relationship marketing can play on the impact of marketing communications.

The origin of relationship marketing was discussed and the emphasis was placed on the fact that companies should shift their focus from mass marketing to direct marketing, in

order to address individualised needs. Companies should keep their promises and should be trusted by the consumers. Committed customers will have a positive outlook on the relationship, even if they have negative experiences.

The relationship lifecycle was discussed and the implications of the cycle in overseas banks and local banks were evaluated. It was established that overseas banks are in the build-up phase. The banks are pro-active in their approach to solve the customer's needs. South African banks are still in the exploration phase, because the banks do not know what the individual client's needs are. An observation was made that both South African banks and overseas banks have several learning experiences to be mastered, regarding relationship marketing. The banks have yet to reach the maturity phase of the relationship life cycle, where the benefits achieved by the relationship with one person are almost impossible to replace in a relationship with another person. Only then will relationship marketing reach its full potential.

A discussion on the implication of relationship marketing by financial companies, was also presented. Strategic issues, which had to be taken into account were: the company should be defined as a service business; companies should have a process management perspective; and financial companies should form partnerships and networks to enable them to provide the best value for the customer. Tactical issues, which should be considered were: companies should have direct contact with customers; have a better knowledge of their customers and employees and customers and time should be implemented to provide excellent service. Relationship marketing provides benefits to the company, such as establishing commitment and, therefore, loyal customers, enabling companies to differentiate themselves from their competitors and assisting with the customer's evaluation of product quality, satisfaction and purchase intention, with a possible positive outcome. The benefits of relationship marketing will, therefore, enhance customer retention.

The observation was made that relationship marketing will change the focus of effective marketing communication methods. Effective marketing communication methods will, therefore, have to focus on what the customer values as important to remain with the company and not just on what she would expect in order to be persuaded to join the company. Companies should, therefore, consider marketing communications, relationship marketing and retention marketing holistically, when they create their marketing strategies, to achieve the best results for the company and the customers.

Chapter Four evaluated whether marketing communication methods directed to females adhere to their needs. Based on the literature discussion, it was found that financial companies do not adhere to the females' needs and recommendations were made to financial companies. This matter will be further investigated in the single working women market in Gauteng.

Chapter Five will now continue with a research design for the empirical part of this study.

Chapter Five

The research methodology

5.1 Introduction

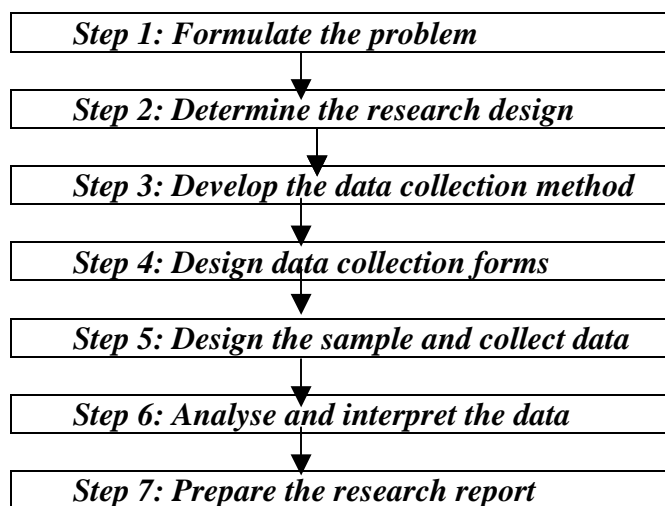
According to the Collins Dictionary (1995), the term methodology refers to “the system of methods and principles used in a particular discipline.” Crask *et al.* (1995:215) refer to the term methodology in the research concept as an indication of how the study will be conducted and include facts, such as who will be surveyed and how the survey will be conducted. Certain principles in the methodology will be used to explain how the survey will be conducted. In this study, the term methodology will refer to the system of methods and principles, which will be used to explain how the study will be conducted, to achieve the objectives, which were established in Chapter One.

Stated differently, methodology, as defined by the Oxford Dictionary (1990), refers to “a body of methods used in a particular branch of activities.” Chapter Five will provide an overview of the methodology used in constructing a body of methods, in order to prepare a research plan. The Oxford Dictionary (1990) describes a blueprint as “a detailed plan especially in the early stages of a project or idea.” The research plan comprises various methods, which will assist in building a blueprint and creating a detailed route to be followed in the early stages of the empirical research.

Firstly, the research design and methodology will be discussed. Thereafter, data processing, analysis and proposed evaluation of results will be highlighted.

Figure 5.1 displays the research process, which will be followed in the drawing-up of the blueprint, as portrayed by Gilbert and Churchill (1996:54):

Figure 5.1: The research process



Source: Gilbert & Churchill (1996:54).

5.2 The research design

According to Figure 5.1, the first step in the research process is to formulate the research problem. The research problem was discussed in Section 1.3. Step two in the research process, depicted in Figure 5.1, is to create a research design. According to Tull and Hawkins (1993:50), the research design refers to the specification of procedures for collecting and analysing the data, to assist in identifying a problem or in responding to a problem, in such a way that the cost of obtaining the various levels of accuracy and the value of the information, which will be associated with each level of accuracy, will be maximised. Stated differently, Gilbert and Churchill (1991:1045) refer to the research design as a framework for a study, which directs the collection and analysis of the data. Developing such a framework in the research design is, therefore, the first building block in establishing the blueprint of the empirical study.

According to Gilbert and Churchill (1996:53), there are three types of research designs, namely descriptive research, causal research and exploratory research. Descriptive research is used when the relationship between two variables should be measured. Causal research will be more concerned with measuring cause-and-effect relationships. If the problem can be precisely defined, descriptive or causal research can be used. They recommended, however, that when little is known about a phenomenon and the problem to be solved is vague, exploratory research should be used. Cooper and Schlinder (1998:131) argue that exploratory research make use of loose structures, with the objective of discovering future research tasks. The research problem pertaining to this study has not previously been formally researched and little is known about the subject. Exploratory research, therefore, applies to this study and will now be further discussed.

Gilbert and Churchill (1996:53) stated that exploratory research is useful to divide broad vague problems into smaller more definite sub-problems in the form of hypotheses. The hypotheses can then be arranged in order of importance and practical testability. Thus, exploratory studies will also assist in prioritising ideas, when formulating hypotheses. Cooper and Schlinder (1998:134) substantiate this by stating that, with exploratory research, concepts can be more clearly defined, priorities can be established, operational definitions can be developed and the final research design can be improved.

The advantage of using exploratory research in this study is, therefore, that hypotheses, based on the research results, will be formulated to aid in clarifying the broad vague research topic.

Gilbert and Churchill (1996:118) summarised the purposes of exploratory research as depicted in Table 5.1:

Table 5.1: The purposes of the exploratory research technique

<ul style="list-style-type: none"> • Formulating a problem for more precise investigation to develop an hypothesis; • Establishing priorities for further research; • Gathering information on the practical problems of carrying out research on particular conjectural statements; • Increasing the analyst’s familiarity with the problem; • Clarifying concepts.

Source: Gilbert & Churchill (1996:118).

The discussion on the type of research design can be concluded with the view of Gilbert and Churchill (1991:132) on exploratory research, namely that, in general, exploratory research is appropriate to any problem about which not much is known. Exploratory research will then be the foundation of a good study.

Once the research design has been established, the next step in the research process, according to Figure 5.1, is to determine the data collection method and will be discussed in Section 5.3.

5.3 The data collection method

According to Diamantopoulos and Schlegelmilch (2000:1), data refers to the topic of interest, the respondents and the responses of the respondents in relation to the topic of interest. Gilbert and Churchill (1996:54) reveal that there are two data collection methods, namely the collection of secondary and the collection of primary data. Secondary data refers to data, which has already been collected for other research purposes. They continue that there are two types of secondary resources, namely internal and external data. Internal secondary data refers to data collected within the company, for a purpose not specific to the study being researched, for example the number of products and services sold. External secondary data refers to data obtained from sources outside the company and can be divided into regular published statistics provided at no extra cost and statistics provided for a fee.

There are several advantages and disadvantages of secondary data, as depicted in Table 5.2:

Table 5.2: The advantages and disadvantages of secondary data

Advantages	Disadvantages
<ul style="list-style-type: none"> • Saves time and money. • Helps in formulating the problem. • Suggests further data to be collected. • Provides comparative data for 	<ul style="list-style-type: none"> • Does not fit problem defined. • Can be inaccurate. • Often out of date. • Different units used for

better interpretation of primary data.	measurement.
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Source: Gilbert & Churchill (1996:192).

From Table 5.2 it can be seen that secondary data, although very useful, is not always reliable. Dillon, Madden and Firtle (1990:98) recommended that a user of secondary information should ask questions, such as what the purpose of the study was, who collected the information and in what time frame, to determine the validity of the secondary information.

A literature study was done as part of the secondary data phase. Various authors' viewpoints were explored, as well as other sources. The validity of the research articles used was first established, before inclusion in the literature study. External secondary data, such as statistics of AMPS 2002B, also formed part of the secondary data, which was consulted.

Gilbert and Churchill (1996:54) state that, if data specific to a particular research topic is unavailable or unsuitable for the problem, primary data collection methods should be used. Diamantopoulos and Schlegelmilch (2000:5) substantiate this, by revealing that primary data is collected for the purpose of a specific study.

The collection of primary data is, therefore, the second data collection method. The literature study, which was conducted, provided data on different aspects of the research topic. However, no formal research was previously done in South Africa with regard to the research topic and the objectives identified. Primary data will, therefore, be collected to address these objectives.

Crask *et al.* (1995:150) propose that a lack of information should not be the only reason why primary data should be collected. The information should also be actionable. Actionable information refers to why the information is important and how actions will vary, depending on the results which will be gathered. The primary data, which will be gathered in this study, will set the groundwork for further research on this topic. The results from the primary data will be used to formulate hypotheses, to be tested in a future study. Primary data is, therefore, an adequate method to collect the information, as it is unique and will set the groundwork for future research on this topic.

Gilbert and Churchill (1991:305) revealed that, when using primary data, several types of primary data could be selected. Primary data will be collected on demographic information, in order to compile a respondent profile, which conforms to the specific parameters of this study. Intention data will also be collected, to determine the respondent's future behaviour with regard to financial purchasing. Attitude and opinion data will be collected to determine the perceptions of single working women, in order to address the research objectives identified in Section 1.4.

According to Figure 5.1, after the data collection method has been established, the next step is to determine the data collection form, which will, therefore, be discussed in Section 5.4.

5.4 The data collection form

Various aspects will be discussed, in order to provide insight into the methodology, which will be used to acquire the primary data. The first aspect concerns the four types of exploratory studies.

5.4.1 Types of exploratory studies

According to Gilbert and Churchill (1996:119), there are four types of exploratory studies, which can be used to collect the data, namely literature search, experience survey, focus groups and analysis of selected cases. Literature search refers to research already done, which can be obtained from sources, such as conceptual literature, trade literature or published statistics. It was argued, in Section 5.3, that secondary resources alone are not sufficient in providing data to meet the objectives of this study. The literature study for this research formed part of the secondary data collection phase and will only be regarded as supportive of the primary data collection phase.

Focus groups are the second exploratory study method, which can be used to obtain primary data. In a focus group a small number of respondents gather in a room to discuss a topic with the focus group moderator. The respondents, as a group discuss various ideas relating to the topic. The advantage of a focus group is that a hypothesis can be generated, which can be further tested, and that information, which will be helpful to construct a questionnaire, can be generated. However, the disadvantage of a focus group is that the moderator may lead the discussion in a certain direction, which may result in biased responses. The research results cannot be projected and the unstructured nature of the responses will make coding, tabulation and the analysis of the results difficult. Focus groups are also more adept at generating ideas than at examining them. The research, particular to this study, concerns the examination of four factors, which may influence purchase behaviour. Focus groups will, therefore, not be an adequate method for use in obtaining the primary data.

Analysis of selected cases is the third exploratory study method, which can be used to obtain primary data. The method can be characterised by the following features: the investigator will study selected cases of a phenomenon and will rather seek, than test explanations. Changes in direction can be made, when new information emerges. The purpose of this study, however, is to specifically test four factors, which may influence purchase behaviour. These factors will be compared with results gained overseas and the direction of the research can thus not be changed, as new information emerges. Analysis of selected cases will, therefore, not be used to obtain the primary data, in this research study.

Experience survey is the final exploratory study method and entails the gathering of knowledge and experience from those familiar with the subject being investigated. Gilbert and Churchill (1996:119) further argue that research economy dictates that the respondents in an experience survey should be selected discretely. The objective of the experience survey is to obtain insight into the relationships between variables, rather than to get an accurate view of current practices. There must be a focus on provocative ideas and useful insights, not on the statistics of the profession. The knowledge and experience of existing customers of financial companies will be used to measure perceptions. Thus, experience survey research is conducted, to obtain insight into these experiences, which will aid in the formulation of the hypotheses. Experience survey is, therefore, the most appropriate exploratory study method for this study. A specific data collection method should be used to obtain information on the experiences of the respondents and will be discussed next.

5.4.2 Methods to obtain information about experience

According to Cooper and Schindler (1998:131), there are two data collection methods, which can be used to obtain the information, namely observational studies and interrogation or communication mode. Observational studies refer to when the respondent's activities are observed by the researcher. No attempt, however, is made to elicit the responses from the respondent. Beside the visual collection of data, observation can also be by listening, reading, smelling and touching.

According to Gilbert and Churchill (1996:312), observation can be structured or unstructured. Structured observation refers to when the problem has been precisely defined and the behaviours, which should be observed, are defined before the fieldwork takes place. Unstructured observation refers to when the problem has not been precisely defined and a great deal of flexibility is allowed. Observation can also be divided into disguised and undisguised observation. Disguised observation refers to when the respondents are unaware of what the subject of research is. In undisguised observation, the respondent will know what the topic of research is.

Cooper and Schindler (1998:131) maintain that, in the interrogation or communication mode, the researcher will question the subject and then collect the responses by personal or impersonal means. The great advantage of the communication mode is the versatility, which can be obtained. Abstract information of all types can be gathered by questioning the respondents. To question respondents is also the most effective method of determining attitudes, opinions, intentions and expectations. Questioning respondents is also more economically feasible than observation, because it saves time and money. This questioning technique may, however, have some disadvantages. The quality and quantity of the information gathered will depend on the respondent's willingness to respond and the respondent may misinterpret the question, or intentionally provide false information, to mislead the researcher. The interrogation technique should, therefore, be accepted for its purpose-statements by others, which reflect varying degrees of truth.

Despite its disadvantages, the interrogation or communication mode technique appears to be the most effective method to collect the primary data regarding the experience of the respondents. The factors in this study, which need to be investigated, also concern the attitudes, opinions, intentions and expectations of the respondents, which can best be measured by the interrogation data collection method. Perception can also be more accurately determined by answers to direct questions, than by observation, where only assumptions can be made about perceptions. Certain measures will also be taken, to assure a more accurate version of the truth, when the respondents complete the survey, thus eliminating the disadvantages of the interrogation method. These measures will be discussed in Section 5.4.5 (b).

There are several methods for interrogating the respondents, including personal interviewing, telephone interviewing and self-administered surveys. Each of these methods will now be evaluated, in order to obtain the most appropriate method for this study.

5.4.3 Methods of interrogation

Personal interviewing is the first method of interrogation, which will be discussed and involves conducting interviews in a face-to-face setting. A trained interviewer will ask the questions and then write down the responses. The advantage of a personal interview is that the response is relatively high (Crask *et al.*, 1995:156). Cooper and Schindler (1998:291) are of the opinion that personal interviews can capture in-depth and detailed information. The interviewer can also pre-screen the respondents, to ensure that the correct respondents are participating. Despite these advantages, several disadvantages make the use of this method questionable. Personal interviews are expensive and time-consuming. Respondents may be reluctant to talk to strangers and interviewers may bias the results. Consequently, personal interviews will not be used as a method to interrogate the respondents.

Telephone interviewing is the second method, which can be used to interrogate the respondents and involves phoning the respondents and asking them questions. Telephone surveys are quickly completed and are less expensive than personal interviewing. A number of telephone lines and interviewers in the same interview facility may result in more than one interview taking place simultaneously (Crask *et al.*, 1995:156). Cooper and Schindler (1998:300) point out that a computer-assisted telephone interview method (CATI) can be used, which is a computer software programme, which will enhance the quality of telephone interviewing. However, there are disadvantages to telephone interviewing, which also makes the use of this interviewing method questionable. The respondent to be interviewed, must be available when phoned. The length of the interview is restricted to ten minutes, which is the decent length of a telephone interview. Illustrations or other visual aids cannot be used. Usage rates are less successful with single adults, less educated and poor respondents. The sample in the empirical part of this study will be single working women in Gauteng and not all of them will be educated or affluent. The suggested length of ten minutes per interview may also not be sufficient

for gathering the information needed to address the objectives. Telephone interviews are, therefore, not an appropriate method and will not be used, with regard to this study.

Self-administered surveys are the last method, which can be used to interrogate the respondents. The focus of this discussion will be on the mailing of questionnaires delivered by the Postal Services. Crask *et al.* (1995:160) refer to this method as direct cold mail surveys, when the group of respondents have not agreed in advance to complete the questionnaire. According to Cooper and Schindler (1998:303), mail questionnaires are less expensive than personal interviews, but in line with telephone interviews. Mail questionnaires have the advantage that more time is allocated to obtaining the responses from the respondents. The respondent is able to answer the question in her own environment and may provide a more lengthy response to the question. The impersonal way in which the survey can be conducted may increase the response rate of the respondents, as they may be more willing to answer personal questions.

Webb (1992:80) argued in favour of mail questionnaires, because the low involvement of field staff will reduce the effects of an interviewer as a source of error. Crask *et al.* (1995:160) substantiate this argument, by revealing that, with mail questionnaires, responses may be more accurate, because no interviewer is present to potentially bias the responses.

Three methods were discussed, which can be used to interrogate the respondents. After careful consideration of the advantages and disadvantages, it was decided that mail questionnaires would be used. Mail questionnaires are inexpensive and limited resources favour the use of this method. The respondents will have more time to answer the questions and more detail can be obtained regarding the four factors being researched. The respondents may perceive certain questions in the questionnaires as very personal and the impersonal characteristic of mail questionnaires may enhance their response.

When making use of mail questionnaires, qualitative or quantitative interview techniques may be used to gather the information by means of the questionnaire and will now be further discussed.

5.4.4 Qualitative and quantitative interview techniques

Dillon *et al.* (1990:152) maintain that the qualitative research method refers to the gathering of descriptive information from a small number of respondents. In addition to Dillon's definition, Crask *et al.* (1995:34) also refer to qualitative research as research in which the results cannot be statistically analysed, due to the amount of data being too small. The second interviewing method, namely quantitative research is described by Van der Walt, Strydom, Marx and Jooste (1997:156) as a technique, which involves structured and quantifiable responses. The results are usually depicted in numbers, figures and statistics. Webb (1992:112) posits that qualitative interviewing techniques should be used for answering the how, why and what type of questions. The quantitative interview technique should be used when asking the how many type of questions. The

results of the study will be depicted by using tables, formulas, percentages and statistics. The focus, therefore, favours the quantitative interview technique.

The argument regarding which interview method to use, is summarised in Table 5.3, by comparing the characteristics of qualitative and quantitative research techniques, identified by Webb (1992:113):

Table 5.3: The characteristics of qualitative and quantitative research techniques

<u>Qualitative</u>	<u>Quantitative</u>
<ul style="list-style-type: none"> • Open-ended, dynamic flexible; • Depth of understanding; • Penetrates rationalised or superficial responses. 	<ul style="list-style-type: none"> • Statistical and numerical measurement; • Sub-group sampling or comparisons; • Less dependant on research executive skills or orientation.

Source: Webb (1992:113).

The last aspect with regard to data collection forms, which needs attention, is the design of the questionnaire, which will be used with the quantitative research technique and will now be further discussed.

5.4.5 The questionnaire design

When using quantitative interview methods to collect the primary data, a decision must be made between the degree of structure and disguise, which will be used in the questionnaire (Gilbert & Churchill, 1991:315). Structure refers to the degree of standardisation used in the questionnaire. The questions asked and the responses are predetermined. Disguise refers to the degree of openness about the purpose of the study. The questionnaire in the study will mainly make use of predetermined answers. The aim of this study is to determine the factors influencing buyer behaviour of single working women, when purchasing financial products or services. The predetermined answers will, therefore, reflect potential factors, which could influence the respondent's buyer behaviour. These potential factors were derived from the secondary objectives established in Section 1.4.2 and were discussed in detail in the literature review. A structured questionnaire will also provide the benefit of simplified analysis of the data. The topic being researched will also be undisguised, as the respondents' perception of certain issues will be asked directly.

A questionnaire comprises various measurement scales. An insight into available measurement scales will, therefore, first be given, before further highlighting the questionnaire design.

a) Measurement and measurement scales

Webb (1992:139) points out that measurement refers to the assignment of numbers to objects, to represent quantities of a property possessed by all of the objects. The definition by Dillon *et al.* (1990:332) provides more clarity, by stating that measurement refers to steps, which must be followed, in order to allocate numbers to the characteristics being measured. In turn, the measurement will then provide a correspondence between the concept and the real world.

The definition of measurement, therefore, focuses on three important components, namely that measurement is a process, measurements translate characteristics into numbers and measurement is governed by formal rules (Webb, 1992:139). The three components together provide four different levels of measurement, namely:

- **Nominal scales** refer to the lowest level of measurement and the most limited scope for mathematical manoeuvre. Numbers are assigned to objects, to indicate their belonging to certain categories. The different categories should not overlap. The numbers will also have no mathematical value.
- **Ordinal scales** refer to the placement of the characteristics in order of importance. Dillon *et al.* (1990:333) describe an ordinal scale as the placement of a characteristic to the same, less or more amount of an attribute relative to other objects.
- **Interval scales** refer to the characteristics of order and distance. There is, however, no definite zero point.
- **Ratio scales** refer to the characteristics of order and distance and the number zero refers to a definite, fixed point.

Dillon *et al.* (1990:333) discussed a further characteristic of the levels of measurement, namely that the levels can be distinguished in terms of order, distance and origin:

- **Order** describes the numbers allocated to produce an ordering with respect to a characteristic (for example the ordinal scale, which places characteristics in order of importance);
- **Distance** describes the difference between the numbers (for example the interval and ratio scale, where the distance between the characteristics can be defined);
- **Origin** describes the true absence of a characteristic (for example the interval scale, where there is no definite zero point).

The scale types used in a survey will determine the various summary measures, which can be used to analyse the data. The summary measures, which are applicable to each different scale identified by Dillon *et al.* (1990:334), are listed in Table 5.4:

Table 5.4: Measures applicable to different scales

<u>Scale</u>	<u>Permissible measure</u>
<ul style="list-style-type: none"> • Nominal 	<ul style="list-style-type: none"> • Number of cases, percentages and mode.
<ul style="list-style-type: none"> • Ordinal • Interval 	<ul style="list-style-type: none"> • Mode, median and percentages. • Arithmetic mean, standard deviation and product-moment correlation.
<ul style="list-style-type: none"> • Ratio 	<ul style="list-style-type: none"> • Coefficient of variation

Source: Dillon *et al.* (1990:334).

A description of the meaning of the various measures, which will be used, will be entertained in Section 5.6.2, in the data analysis discussion.

The rating scales, which will be used in the questionnaire, will now be discussed:

- **Single item format scales** will be used in the form of multiple-choice questions.
- **Single item measures** involve asking the respondent to make a judgement about the item in question (Dillon *et al.*, 1990:362). The primary alternatives will be given to the respondent and the category “other” will be added to complete the respondent’s list. The data, which will be provided, will only be assigned numbers to indicate their belonging to certain categories. *Nominal data* will, therefore, be produced.
- **The Likert scale** will be used to determine the respondents’ perceptions about certain statements. A Likert scale refers to the scaling technique, where a large number of items, which are statements of beliefs, are revealed. Each item will then be judged, to determine whether the respondent will have a favourable or unfavourable attitude (Dillon *et al.*, 1990:363). The scale will reveal order and distance, but no definite zero point. *Interval data* will, therefore, be produced.
- **Open-ended questions** will also be used, to obtain further information about certain aspects. An open-ended question refers to a question, which does not provide the answers to the question (Crask *et al.*, 1995:G9). The responses will be classified into categories. *Nominal data* will, therefore, also be produced in this category.

b) Considerations about the questionnaire design

Section 5.4.5 (a) provided insight into the various rating scales, which will be used in the design of the questionnaire. Section 5.4.5 (b) will discuss various other considerations, which will also have to be taken into account, when the questionnaire is designed. The considerations are listed below and will be discussed in detail.

- ***The question content***

The function of the question content is to make sure that the demands of the research objective for the particular data are met. A few aspects should be kept in mind, when the question content is designed. A question should only be used if the answer will contribute to the objectives of the study (Webb, 1992:93). Dillon *et al.* (1990:379) suggested that the question should only be formulated after the research question has been thought through. For each question, which is designed, an explanation should be given of how the information, which will be obtained from the respondents, will help to answer the research question. The language of the question should be at the respondent's level. The respondent should have the relevant data to provide and should be willing to provide the data (Webb, 1992:93). The researcher will, therefore, provide the answers to personal questions in a range, for example income between R5 000 and R6 999, to increase the willingness of the respondents to answer the personal questions. However, the researcher will ensure that the response choices do not overlap. Question phrasing is, therefore, important.

- ***The question phrasing***

The question phrasing refers to the transmission of the question content into a useable form. Regarding this, a few considerations have to be taken into account. Clear and simple words should be used and the question should not be more than twenty words long. The question should not be designed in an ambiguous format. There are various criteria, which can be used to evaluate the question and to prevent ambiguous mistakes. The first criterion entails testing whether the question has another meaning. The second criterion entails finding a simpler word or phrase available. Thirdly, two questions should not be asked in one sentence (Webb, 1992:97). The correct phrasing of the question can be designed, while using different types of response format.

- ***Types of response format***

Two types of response format can be used, namely open-ended questions and closed-ended questions. Open-ended questions and closed-ended questions were already discussed in Section 5.4.5 (a). This discussion on the types of response formats will only serve as additional aspects, which can be taken into account. An open-ended question refers to a question where the respondent can choose words freely to answer the question. A closed-ended question refers to a question where the respondent is provided with options, from which a selection must be made (Webb, 1992:102). The researcher will mainly make use of closed-ended questions, because they may save the respondent time, when completing the questionnaire and could, therefore, increase the response rate. Open-ended questions are also more difficult to analyse, because individual responses should be classified according to similarity and mistakes could occur, when classifying similar responses. The use of closed-ended questions is, therefore, favoured more (Crask *et al.*, 1995:199). However, a limitation of closed-ended questions is their inability to capture the information, when the respondent's answer is not an absolute yes or no (Webb, 1992:103). The researcher will provide the respondent with an opportunity to

explain her answer by asking the question “why”, after certain questions have been asked. In addition to the types of response format, the question sequence also needs attention.

- ***The question sequence***

Webb (1992:106) suggested that the questions should initially be general questions, followed by more specific questions. All questions, particular to one topic, should be asked before the following topic is addressed. The first set of questions should be designed to capture the interest of the respondent and the difficult questions should be asked later. Crask *et al.* (1995:197) argued that there are two considerations to be taken into account, when the question sequence is designed, namely: the responding to the questionnaire should be made as simple as possible and the questions should, therefore, follow a logical flow, to reduce interview error and respondent frustration; secondly, the consideration suggests that questions, which are asked first, should not bias the response to later questions. The researcher will consider all these suggestions, when the questionnaire is designed. The last consideration in the design of the questionnaire refers to the questionnaire layout.

- ***The questionnaire layout***

Webb (1992:107) suggested that the questionnaire should be designed with enough space between the wordings. The instructions should also be clearly given. At the beginning of the questionnaire, the researcher will give clear instructions on how to complete the questionnaire and will provide adequate space between the questions, to ease the use of the questionnaire.

- ***Pretest, revision and the final questionnaire***

Webb (1992:108) states that the pre-test of a questionnaire is a method to discover mistakes before it is too late to correct them. He suggested that the debriefing method should be used to pre-test the questionnaire. The method entails that respondents, a small sub-sample of the intended sample group, should complete the questionnaire and provide their opinions on the questions being asked. The debriefing method will be used in this study and the questionnaire will be revised and corrections made, according to the feedback, which will be given.

The final questionnaire was divided into four sections (refer to Appendix 1):

Section A: General demographic information.

Section B: The woman’s relationship with her financial adviser.

Section C: The woman’s perception of advertising activities.

Section D: The role of primary influencers in the woman’s decision-making regarding a financial purchase.

a) Section A

Questions one to eighteen were included, to obtain the respondents’ demographic information. Question two and three, in particular, will serve as screening questions, to determine whether the respondents are, in fact, single, as stated by the company database and whether they made their last financial purchase decision, while they were single. If the respondent did not make her last financial purchase decision while she was single, the questionnaire will be disregarded, as only the perceptions of single working women apply to this study.

b) Section B

Questions nineteen to thirty-seven relate to information regarding a woman’s perception of her relationship with her financial adviser.

c) Section C

Questions thirty-eight to forty-two focus on obtaining information about perceptions of advertising activities, utilised by financial companies. Preference on advertising messages will be identified, as well as the impact that the strategies may have on her purchase intentions.

d) Section D

Questions forty-three to fifty-one measure the role, which primary influencers will play in the woman’s decision-making regarding financial purchases.

The covering letter, which will accompany the questionnaire, can be viewed in Annexure B.

The different types of questions, in the various sections of the questionnaire, relate to the objectives, which were established in Section 1.4. The data to be obtained in each question are designed to gather information, which, when analysed will fulfil the objectives of this study. Table 5.5 provides a summary of the linkage between the questions and the objectives:

Table 5.5: The linkage between the research objectives and the research questions

Objectives	Questions
Secondary objectives:	
<ul style="list-style-type: none"> • To determine the perception of single working women in Gauteng regarding the advertising of financial products and services. 	38-42

<ul style="list-style-type: none"> To determine the perception of single working women in Gauteng regarding their relationships with their financial advisers. 	5, 9, 12, 19-26, 32-35
<ul style="list-style-type: none"> To determine the perception of single working women in Gauteng regarding the relationship marketing strategies directed towards them by financial companies. 	10, 30, 31, 36, 37
<ul style="list-style-type: none"> To evaluate the values and needs of the existing women market pertaining to financial products and services directed towards women. 	6-8, 15-18, 23, 27-29, 43-51
Background to the respondents	2, 4, 11, 13-16

The results of these questions and how they fulfil the objectives will be discussed in Chapters Six and Seven.

According to Figure 5.1, the next step in the research process is to design the sample, to which the questionnaires will be distributed.

5.5 The sample method

A sample is a part of a population, which is the totality of entities in which there is an interest (Diamantopoulos & Schlegelmilch, 2000:10). Webb (1992:45) identified six steps to design a sample, namely:

- Step 1: Define the population.
- Step 2: Define a frame for the population.
- Step 3: Select the sample unit.
- Step 4: Select the sample selection method.
- Step 5: Determine the sample size.
- Step 6: Define the sample plan.

Using these steps, single working women in Gauteng will be selected to complete the questionnaire. The six steps will now be further discussed.

Step 1: Define the population

Dillon, Madden and Firtle (1993:215) describe a population as a set of people, products, firms and markets, which is of concern to the reader. Once a population has been defined, it should be referred to as the target population. The elements, which will make

up the population, will then be called the sampling units. A population must be defined in terms of elements, units and time.

A definition of the population of this study can be provided by using the terms, which were identified by Webb (1992:50):

-Element: The body, from which information will be obtained. Single working women will, therefore, be viewed as the element and also the sampling units.

-Extent: The geographical boundaries, where the research must take place. The boundaries of the Gauteng Region will be the boundaries for this study.

-The sample unit: The method, by which access will be gained to the element. Insurance companies and banking companies in South Africa will provide the names of existing clients, to whom questionnaires will be mailed and these names, will, therefore, serve as the sampling units.

Step 2: Define a frame for the population

Once the population is defined, the next step will be to define a frame for the population. The sample frame refers to the list of all the population members, from which the data can be gathered (Crask *et al.*, 1995:176).

Webb (1992:51) identified five characteristics of a sampling frame, namely that: each element should be included only once; no element should be excluded; the frame should cover the entire population; the information, which is used to design the frame, should be up-to-date; the frame should be easy to use.

The databases of the four financial companies, which were approached, will serve as the population framework. These databases comply with the identified five characteristics of a sample frame and will provide the names of single working women from their databases. The names of the four companies will not be displayed, because of the confidentiality of the disclosure.

Step 3: Select a sample unit

After a frame for the population has been defined, step three in Webb's process refers to the selection of a sample unit. The sample unit refers to the frame, which holds the element of the targeted population (Webb, 1992:52). The sample frame and the sample unit are, therefore, the same in this study.

Step 4: The sample selection method

Once the sample unit has been defined, step four in Webb's process refers to the selection of the sample method. There are two sample methods, which can be used to select a

sample, namely the probability sample technique and the non-probability sample technique. The probability sample technique is used, when the entire population is known and the chance of each unit to be selected is known (Webb, 1992:53). Dillon *et al.* (1990:279) identified two characteristics of probability sample methods, namely that every possible sample of a certain size can be selected and that each sample unit must have a nonzero chance to be selected. Within the non-probability sample technique the chance of a unit to be selected is not known and generalisations about the results of the study cannot be made (Webb, 1992:53).

According to Table 1.1, there are 347 000 single working women in Gauteng. However, not all the financial institutions in Gauteng were prepared to provide the names of their single working women clients. The entire population and the chance of each unit to be selected are, therefore, not known. The probability sample method can thus not be used and no generalisations about the results will be made.

Martins, Loubser & Van Wyk (1996:253) identified three possible non-probability sample methods, which can be used, namely quota sampling, judgement sampling and convenience sampling. Quota sampling refers to the selection of the sample in proportion to each relevant group. Judgement sampling refers to an attempt to draw a representative sample of the population, by using judgemental criteria. The four companies, which provided the client names, could not also include the different age groups. No quota sampling can, therefore, be done, as the sample cannot be selected proportionate to each age group. Judgemental sampling can also not be done, because only four companies provided names and a representative sample of the population is not possible. The convenience sampling method refers to the selection of the respondents on the basis of convenience or availability. Not all the client addresses provided were complete. The researcher will only be able to use clients with complete addresses on the list. The convenience non-probability sampling method is, therefore, the correct method to be used, because respondents will be selected on the basis of availability. The size of the convenience sample, which will be selected, will be discussed next.

Step 5: The determination of the sample size

Step five requires the sample size to be determined. From the four financial companies in South Africa, the researcher will receive a list of eleven thousand names of single working women in Gauteng. The number of single working women, listed on these four companies' databases, could have been many more.

According to Martins *et al.* (1996:256), there is no statistical formula to calculate the sample size of a non-probability sample. They continued that, in this instance, determinants of a sample size would be time and funds available.

Financial constraints and limited time available are, therefore, factors, which will impact the size of the sample and will limit the amount of questionnaires to be mailed to seven hundred. Some of the names provided may be listed twice, because the female may have

a policy at more than one institution. When mailing the seven hundred questionnaires, precautions will be taken to prevent the names being used twice.

Step 6: Define the sampling plan

The last step refers to the definition of the sampling plan. The goal of the sampling plan will be to obtain the maximum amount of information from the respondents, while reducing the potential for errors to a minimum.

Webb (1992:65) stated that there are various methods to obtain information from the respondents, including telephone interviews and mail questionnaires. Mail questionnaires are relatively inexpensive and were chosen in Section 5.4.3 as the data collection method. Mail surveys will also help to obtain the maximum amount of information from the respondents, because the women will be in their own environment and will be able to complete the detailed questionnaire in their own time. The envelopes will be arranged in alphabetical order to prevent sending the questionnaire to the same respondent twice. The suburb in the addresses, which will be provided by the financial companies, will also be double checked on a road map, to ensure the location of the respondent to be in Gauteng and, therefore, further reduce to a minimum the potential for sample error.

In addition to sample errors, various non-sample errors may also occur (Crask *et al.*, 1995:162). Gilbert and Churchill (1991:608) state that non-sampling errors refer to many other kinds of errors, which occur in research, even when the survey is not based on a sample. These non-sampling errors can occur, because of errors in conception, the logic, which has been used, misinterpretation of the results and statistic or coding errors. Non-sampling errors are very important, as they can increase the standard error of estimates of particular statistics, resulting in the confidence interval being faulty. The researcher will, therefore, seriously consider the potential non-sample errors, which may occur and will implement measures to prevent them. A discussion will follow of these types of errors, which may occur, and of the measures, which will be implemented to prevent them:

- ***Sample quality error***

Sample quality error refers to the characteristics of the sample, which do not reflect the characteristics of the population (Crask *et al.*, 1995:162). Because of the qualitative nature of the research, no statistical projections of the sample towards the population will be made. It is, however, important that the sample reflects the characteristics of the population of interest, to help gain a better understanding of the population. The researcher will, therefore, use the names provided by the database of financial companies in South Africa. The females on the list are existing clients, who are the same as the target population to be tested.

- ***Nonresponse error***

Non-response error refers to a failure to obtain the information from the respondents in the sample (Webb, 1992:65). Crask *et al.* (1995:163) describe non-response error as an error, when all the members in the chosen sample are not contacted, or when a member, who has been contacted, refuses to cooperate. If a questionnaire is unopened and returned by a respondent, to notify the researcher of an address change, for example, the researcher will select a new respondent, according to the simple random sample method, to replace the previous respondent, in order to reduce the non-response error. Webb (1992:82) suggested that non-response error could be further reduced by writing the name of the respondent on the envelope and by not addressing the respondent as The Occupant. The researcher will write the name of the respondent in her own handwriting in pen on the envelope, in an attempt to increase the response from the sample.

Crask *et al.* (1995:160) offered suggestions on how to increase the response rate, namely the questionnaire should be easily read and a stamped self-addressed return envelope should be provided with the questionnaire. In addition to these recommendations, a letter from the university will also accompany the questionnaire, to explain the purpose of the study and therefore attempt to increase the response.

- ***Respondent error***

A respondent error may occur, when the respondent does not correctly understand the question asked, or when the respondent mistakenly marks the wrong option in the closed-ended questions (Crask *et al.*, 1995:163). The suggestions made in Section 5.4.5 (b), with regard to the design of the questionnaire, will be used to help create questions, which are clear and simple to answer. The questionnaire will also be pre-tested to ensure that all questions are correctly understood.

- ***Instrument error***

Instrument error is caused by the questionnaire. A question, to which the respondent does not have the answer, may be asked (Crask *et al.*, 1995:164). Questions will, therefore, be limited to the financial purchasing experience of the respondents. The “why” option was also included after certain questions, to determine whether the questions were comprehensible within the respondents reference framework. If certain questions were identified, during the pre-testing of the questionnaire, as being incomprehensible and unanswerable, they will be disregarded.

- ***Processing error***

Processing error refers to numerical values assigned to the questions typed into a computer. Errors may occur with the typing of these numbers (Crask *et al.*, 1995:164). The researcher will check the printout of the values, which were typed into the computer, to confirm that they were correctly captured.

After the sample has been determined and the data has been collected, step six in the research process, according to Figure 5.1, is to analyse and interpret the data. The different techniques, which will be used to analyse and interpret the data in Chapter Six, will be described in the next section.

5.6 Data analysis

After the data has been gathered, analysis needs to be done, to transform the data into meaningful results. Data analysis will thus be the next phase in the construction of the blueprint. According to Diamantopoulos and Schlegelmilch (2000:64), there are three basic forms of data analysis, which can be used, namely description, estimation and hypothesis testing. The descriptive analysis focuses on describing the sample in terms of the variables of interest. It was stated in Chapter One that the aim of this study is to obtain a better understanding of the purchase behaviour of single working women in Gauteng. This will be achieved by describing the sample in terms of the various factors, which may influence their purchase behaviour, as was incorporated in the research objectives stated in Chapter One. Descriptive analysis is, therefore, the correct method to be used as a description of the research results. How they meet the research objectives, will aid in describing the sample in terms of the variables of interest.

The choice of descriptive analysis can further be supported, by listing the purposes of descriptive analyses, as identified by Diamantopoulos and Schlegelmilch (2000:73):

- To provide insight into the nature of responses, which were gathered;
- To help provide a way for presenting the data in a digestible manner, through tables and graphs;
- To provide summary measures of typical behaviour, as well as the degree of variation in the responses for a given variable.

Before the descriptive data analysis method can be selected and applied, the raw data first needs to be edited and coded, to present a workable format. A discussion about editing and coding will, therefore, first be entertained in Section 5.6.1.

5.6.1 Editing and coding

Crask *et al.* (1995:228) refer to editing as the reviewing of data collected, to ensure that all the questions have appropriate answers. Typical mistakes, which can be identified with editing, are: more than one answer selected, if only one answer is allowed to a question; skipping a question.

If the respondent has marked two answers to the same closed-ended question, the researcher will ignore the answer. However, the concern is that only a few respondents may answer the question. Depending on the importance of the question, the whole question may be disregarded, or new categories may then be created, to incorporate the

responses given, which fall outside the range of options provided. After the raw data has been edited, the data will be coded.

Coding refers to the classification of responses into categories (Crask *et al.*, 1995:229). The answers to the closed-ended questions will be classified, according to their sequence of appearance, for example the first answer to the question will be coded one, the second answer two and so forth. The answers to the open-ended questions will be coded according to the types of answers given. All the similar types of answers will be classified into one category. Tables will be compiled, according to how many respondents have chosen a certain answer to the relevant question. Cross-tables will also be compiled, to compare the answers to two questions relative to each other, to assist in the conclusions, which will be drawn in Chapter Seven.

After the data has been edited and coded, analysis of the results will be made. Section 5.6.2 will describe the descriptive data analysis techniques, which will be used.

5.6.2 Descriptive data analysis techniques

The responses from the coded questionnaire will be captured, using a software package programme at the Department of Statistics at the University of Pretoria. The final analysis will then be made in Chapter Six. Various descriptive techniques will be used in the analysis.

Diamantopoulos and Schlegelmilch (2000:74) reveal that the starting point in descriptive analysis is the frequency distribution for each variable of interest. The frequency will show in absolute (simple counts) or relative terms (percentages) how often the various values of the variables are included in the researcher's sample. The frequency of distribution, therefore, proves how popular certain values of the variable are. They identified a few aspects, however, which must be taken into account with regard to frequencies.

A frequency cannot be negative, because a value cannot be encountered zero times. The sum of the absolute frequencies must be equal to the number of observations and the sum of the relative frequencies must be equal to a hundred percent. The last aspect refers to the fact that frequency tables can be drawn for any variable, irrespective of the level of measurement, which will be used.

The second aspect is that the user of frequency distributions will gain certain advantages, namely that possible errors can be detected and the location of error can also be easily determined. The probability of erroneous conclusions can, therefore, be reduced.

Due to the exploratory nature of the study, frequency distributions will, therefore, be used to describe the data resulting from the questionnaire. The frequency distributions will provide a summary picture of the sample in terms of the different variables.

The descriptive analysis discussion will also be supported by graphs. Diamantopoulos and Schlegelmilch (2000:82) recommend the use of pie charts, when nominal and ordinal variables are concerned. Section 5.4.5 (a) revealed that nominal data would be mainly collected. Pie charts will be used in the analysis discussion.

Individual responses to the questions in the questionnaire will not provide sufficient information for conclusions to be drawn. The cross-tabulations, which will be done, will assist with the drawing of conclusions, but more simplified measures will also be used to make the final analyses and conclusions (Crask *et al.*, 1995:233). The simplified measures, which will be used, entail the following:

- ***The median***

The median will be calculated to determine the value at or below which fifty percent of the respondents will occur (Crask *et al.*, 1995:133). Dillon *et al.* (1990:460) defined the median as the value that is precisely halfway between the highest and lowest value.

- ***The mean***

The mean will be calculated to determine the average value of a variable (Dillon *et al.*, 1990:462).

The mode, median and mean, which will be calculated, may have the same values, but the frequency of distributions may differ. Measures of dispersion will, therefore, be calculated to determine the variation, which might occur in the data (Crask *et al.*, 1995:234).

- ***The standard deviation***

The calculations, which will be used to determine the variation, are called the standard deviation (Crask *et al.*, 1995:234). The smaller the standard deviation, the more the observations will cluster around the mean and thus little variability among the responses will exist and vice versa (Dillon *et al.*, 1990:465).

Further analyses will be done to determine the relationship among the variables. The analyses will be done with the following measurement:

- ***The correlation coefficient***

The correlation coefficient will be calculated to determine the relationship between two variables, which were stated in the questionnaire. A positive correlation coefficient will indicate that, if one variable increases, an increase of the other variable will follow. A negative correlation coefficient will indicate a movement in the opposite direction and a correlation coefficient of zero will indicate no relationship at all (Crask *et al.*, 1995:250). Spearman's correlation coefficient will be used in this study.

The discussion about the correlation coefficient, which will be used, concludes the discussion on the research analysis. The last step in Figure 5.1 refers to the preparation of a research report. Chapter Seven in this study will be dedicated to this last step in the research process. Conclusions about the objectives, established in Chapter One, will be made, as well as recommendations for future research on this topic.

5.7 Summary

This chapter described the research methodology, which will be used. The type of research, which will be conducted, can be viewed as exploratory and will provide insight into the research problem. The purpose of the methodology description in this chapter was to construct a blueprint, which will direct the empirical part of the research to be conducted. The steps in the research process, which formed the basis of the discussion in this chapter, were illustrated in Figure 5.1.

The literature review helped to increase the understanding of certain research concepts, which will be used. The researcher will make use of primary and secondary sources. It was determined that data collection will be through the use of questionnaires, which will be mailed to the respondents. The population, which will be researched, will be single working women in Gauteng, who are existing clients of four financial companies in South Africa. Various measurement scales will be applied in the questionnaire to collect the data. Open-ended questions will also be used, with the aim of determining why the individual respondents chose certain responses. The questions, which will be used in the questionnaire were discussed.

The study will make use of descriptive statistics and frequency of distribution will, therefore, be the main technique used to analyse the data, which will be collected from the questionnaires. The frequency of distribution will provide in absolute (simple counts) or relative terms (percentages) how often the various values of the variables are included in the researcher's sample. The frequency of distribution, therefore, proves how popular certain values of a variable are. Simplified measures, such as the mean, median and correlation coefficient, will also be used, to aid in the final conclusions to be made. No hypotheses will be tested and in depth statistical analysis is, therefore, not needed.

Chapter Six will continue with a report on the research results, which were obtained from the fieldwork.

Chapter Six

Research results and interpretation

6.1 Introduction

Chapter Five entertained a detailed discussion on the research methodology, which will be used in the empirical part of this study. The results, which were obtained from the distributed questionnaires, will be presented and interpreted in this chapter.

The results of the questionnaire will be presented and interpreted on a question-by-question basis and the codes, which were allocated to the different answers, will also be explained. On some points, the results will be presented in table format and accompanied by graphs, to highlight the main findings. The discussion of each question and code will include descriptive analyses of frequencies. Statistical techniques, which were identified in Chapter Five, will also be used, where applicable. The purpose of the discussion will be to draw inferences from the data, which were obtained from the questionnaires.

The discussion on the presentation and the interpretation of the results will be concluded with a summary of the major findings of this study. However, the response rate will first be calculated, to determine the number of respondents, who participated in this study and whose data can be analysed.

6.2 Response rate

A no response error was defined in Chapter Five as a possible failure in obtaining the information from the respondents in the sample (Webb, 1992:65). Crask *et al.* (1995:163) state that a no response error refers to when all the members in the chosen sample are not contacted or when a member, who has been contacted, refuses to cooperate. The researcher applied all the strategies, which were recommended in Chapter Five, Section 5.5, to reduce the no response error. Despite the strategies, which were implemented, however, some questionnaires were still not completed by the respondents. A description of the response rate is depicted in Table 6.1:

Table 6.1: The response rate

Number of single working women in Gauteng.	347 000
Number of respondents to whom a questionnaire was mailed.	700
Number of respondents who did not return their questionnaires.	570
Number of respondents who did return their questionnaires.	130

Number of questionnaires returned, indicating wrong address used.	5
Number of uncompleted questionnaires returned.	16
Number of questionnaires, which were completed by respondents who made their last financial purchase decision while they were still married.	28
Total deduction of questionnaires returned, but not used.	49
Number of questionnaires, returned by single working women in Gauteng, which qualifies to be used and analysed.	81

Seven hundred questionnaires were mailed, as indicated in Table 6.1. The names of the respondents were drawn from the databases of four financial companies in South Africa, but financial constraints limited the mailing of questionnaires to seven hundred respondents. The fieldwork was conducted from January 2003 to May 2003. The respondents participated anonymously and follow-up of the mailed questionnaires was, therefore, impossible.

The forty-nine questionnaires, which were returned, but which could not be used, can be explained as follows: the information on the companies' databases, used to distribute the questionnaires, was not always up-to-date. Five questionnaires were returned. Due to faulty addresses, twenty-eight questionnaires were returned, indicating that the respondents made their last financial purchase decision while they were still married. Sixteen uncompleted questionnaires were returned.

The questionnaires, which were returned, but could not be used as a result of wrong addresses, marital status or failure to complete the questionnaire, can be deducted from the seven hundred questionnaires, which were sent out. A total of six hundred and fifty-one respondents could, therefore, have participated in the study. Only eighty-one respondents did, however, participate

The reason for the low response rate, depicted in Table 6.1, can be explained as follows:

- Some of the respondents may have experienced "research fatigue." Sixteen respondents returned their questionnaires uncompleted, indicating their unwillingness to participate in the study. Some of the respondents even wrote this comment on the uncompleted questionnaire.
- Five hundred and seventy respondents did not return their questionnaires. A lack of motivation may have been the reason why they did not participate. This fact should be taken into account in further studies and an incentive should in future be provided, to motivate the respondent to complete and return the questionnaire.
- Five questionnaires were returned, because of wrong addresses and twenty-eight questionnaires were returned by respondents, who had made their last financial

purchase while they were still married. The researcher acknowledges the fact that financial companies may experience difficulties in keeping the records of their clients up-to-date. A possible method to overcome this obstacle may be to only use the most recent clients, who have joined the financial company. This fact will also be taken into account in future research.

Possible reasons for the low response rate were given. The realised sample for this study is, therefore, eighty-one respondents. The exploratory nature of this study, however, justifies the relatively small sample size. Consequently, no scientific representative conclusions will be made and the results will be used only to gain a better understanding of the single working women market. The results will also be interpreted accordingly. A discussion on the validity and reliability of the results will now follow.

6.3 The validity and reliability of the results

Before the report on the data, on a question-by-question basis, the validity and reliability of the results will be discussed. The aim is to create the correct context, in which the results will be reported and interpreted.

6.3.1 Validity of the results

Tull and Hawkins (1993:316) refer to validity as a concern with consistent or systematic error. Gilbert and Churchill (1991:488) elaborate further on the term validity, by stating that validity is synonymous with precision. They continue that the validity of a measuring instrument refers to the extent to which differences in scores on the instrument reflect the true differences among individuals on the characteristics, which are being measured. Section 6.2 provided an explanation for the small sample used in the study, as a result of the low response rate. The validity of this study can, therefore, not be calculated statistically, but can, however, still be evaluated on the face value of the questionnaire.

Tull and Hawkins (1993:317) revealed that there are three basic approaches to validity assessment, namely content validation, criterion-related validation and construct validation. Content validation refers to the determining of the representativeness of the items in the measuring instrument. Gilbert and Churchill (1993:490) recommend that with content validation the focus should be on the adequacy with which the domain of the characteristic is captured by the measure.

Tull and Hawkins (1993:317) further argue that criterion-related validation, the second approach to validity assessment, can be divided between concurrent validation and predictive validation. Concurrent validation entails the determination of the extent to which the obtained score may be used to estimate an individual's present standing with respect to some other variable. Predictive validation refers to the determination of the extent to which the obtained score may be used to estimate an individual's future standing with respect to the criterion variable.

The last approach to validity assessment entails construct validation, which refers to the understanding of the meaning of the obtained measurement.

After the literature study was conducted and the research methodology was designed in Chapter Five, a potential questionnaire was drawn up. The questionnaire was distributed to respondents with characteristics similar to those of the intended sample of this study. The purpose of the pre-test phase was to measure the validity of the questionnaire, bearing in mind the approaches to validity assessment, which were described. It was decided that the content validity approach would be used, as the aim of the pre-testing was to determine whether the respondents interpreted the questions correctly and whether information on the factors affecting purchase behaviour could be captured adequately. Feedback from the pre-testing was obtained and corrections were made to ensure that a validated questionnaire was used in the field study.

In addition to the validity of the questionnaire, the reliability of the results was the second concern, which needed attention.

6.3.2 Reliability of the results

Gilbert and Churchill (1993:495) refer to reliability as the similarity of results, which are provided by independent, but similar, measures of the same object. The evaluation of the reliability of any measuring instrument, therefore, refers to determining the amount of the variation in scores, as a result of inconsistencies in measurement.

Tull and Hawkins (1993:314) reveal that there are four different operational approaches to estimate reliability, namely test-retest reliability, alternative-forms reliability, internal-comparison reliability and scorer reliability. Test-retest reliability refers to twice applying the same measure to the same objects. Alternative-forms reliability refers to measuring the same objects by two instruments, which are created to be as nearly alike as possible, while internal-comparison reliability refers to comparing the responses among the different items on a multiple-item index, designed to measure a homogeneous concept. Scorer-reliability, the last operational approach to estimate reliability, refers to the evaluation, by two or more judges, of the scores assigned to the same qualitative material with each other.

Gilbert and Churchill (1993:495), however, argued that, if a measure were valid, there would be little need to be concerned about reliability. The pre-testing of the questionnaire made provision for a valid questionnaire. There will, therefore, be no in-depth focus on the reliability of the questionnaire.

After the above considerations were implemented, the field study was conducted. A discussion of the results of the questionnaire on a question-by-question basis will, therefore, be entertained next.

6.4 Results of the questionnaire on a question-by-question basis

The researcher will report the results of the questionnaire by using tables, which will depict the frequency of distribution for each variable of interest. Absolute (simple counts) and relative (percentage) terms were used to display the regular occurrence of the values encountered in the sample. All eighty-one respondents did not answer every question, as was expected from them. The results on some of the questions will, therefore, be displayed, based on the number of responses received and will be accordingly interpreted. The report of the results on a question-by-question basis will begin with Section A, which was designed to gain the demographic information from the respondents.

6.4.1 Section A

Questions one to eighteen in Section A were included to obtain the general background information of the respondents with regard to their demographic profiles. The purpose of question one was only to count the number of respondents, whose questionnaires were completed, and thus qualified to be used. Questions two and three were the qualifying factor for the questionnaires to be considered. To correlate with the sample, which was used in the study, the respondents had to be single working women in Gauteng, who made their last financial purchase decision while they were single. The following tables will depict the results, which were gathered from questions two and three:

a) Question 2

Please choose the option applicable to you:

Table 6.2: The respondent's marital status

Marital status	Frequency	Percent	Cumulative frequency	Cumulative percent
Married	0	0	0	0
Divorced	14	17	14	17
Widowed	2	3	16	20
Never married	64	79	80	99
Living together	1	1	81	100

Eighty-one respondents answered this question. Table 6.2 illustrates that 79% of the respondents never married, 17% of the respondents are divorced, 3% are widowed, 1% of the respondents are living together and no questionnaires of married respondents were used.

(A1) The main finding is that the majority of women (79%) have never been married.

b) Question 3

If divorced or widowed: did you make your last financial purchase while you were still married?

Table 6.3: Marital status during last financial purchase

Married	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	0	0	0	0
No	21	100	21	100

Table 6.3 displays that twenty-one respondents did not make their last financial purchase decision while they were still married. Table 6.2, however, states that only sixteen respondents in total were divorced or widowed.

Table 6.4 will provide an explanation, by illustrating the marital status of the respondents (derived from Tables 6.2 and 6.3) when the respondents answered question three.

Table 6.4: Current marital status in relation to marital status during last financial purchase

Current marital status	Not married during last financial purchase
Divorced	14 (67%)
Widowed	2 (9%)
Never married	5 (24%)
Living together	0 (0%)
Total	21 (100%)

Table 6.4 depicts that, of the 21 women who completed this question, 76% were married before (67% divorced and 9% widowed). The remaining 24%, who answered the question, were women who have never been married. These 24% of respondents thus refer to the five respondents, who also answered question three, which they were not supposed to answer. Despite these extra inclusions in the question, it can, therefore, be viewed that all the respondents, who participated in this study, made their last financial purchasing decision while single.

(A2) The main finding is that all the questionnaires analysed reflected the perceptions of only single working women with regard to their last financial purchase decision.

c) Question 4

Are you living with a partner that you depend on financially?

Table 6.5: Financial dependence on a partner

Financial dependence	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	7	9	7	9
No	70	91	77	100

Table 6.5 provides the insight that, of the 77 respondents who answered this question, 9% of the respondents indicated that they depend on a partner financially, while 91% do not depend on a partner financially.

In addition to this fact, no provision was made to determine the seven respondents' extent of financial dependence on the partner and how it will affect their financial purchase decisions. The information, which is provided by Table 6.5 is, therefore, not sufficient to make any further relevant interpretations.

(A3) The main finding is, therefore, that the majority of respondents (90%), who answered this question, do not financially depend on a partner.

d) Question 5

What is the gender of your financial adviser?

Table 6.6: Gender of financial adviser

Gender	Frequency	Percent	Cumulative frequency	Cumulative percent
Male	44	59	44	59
Female	31	41	75	100

Table 6.6 illustrates that, of the 75 respondents who answered this question, 59% have male financial advisers and 41% have female financial advisers.

(A4) The main finding is that the majority of the respondents (59%) have male financial advisers and the survey will, therefore, to a greater extent measure the service provided by male financial advisers.

Question six was designed to determine, given the gender of the respondent's financial adviser, whether the respondent would prefer a woman financial adviser. The following discussion on question six will display the results.

e) Question 6

Would you prefer a woman to be your financial adviser on bank/insurance products?

Table 6.7: Preference for a woman financial adviser

Prefer a women adviser	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	32	40	32	40
No	41	51	73	91
Makes no difference	7	9	80	100

(A5) The main finding is that 40% of the respondents prefer a woman to be their financial adviser, while 51% do not prefer a woman.

f) Question 7

If yes (in question 6), please state the reason:

Table 6.8: Reasons for preferring a woman financial adviser

Reasons	Frequency	Percent	Cumulative frequency	Cumulative percent
For a change	1	4	1	4
Easier communication	6	24	7	28
Women provide the correct options with gains and losses	1	4	8	32
Women have better comprehension of a woman's needs	11	44	19	76
Females are more analytical	1	4	20	80
Different way of reasoning	1	4	21	84
Men let me down previously	1	4	22	88
I am gay	1	4	23	92
Men are efficient with budgets	1	4	24	96
Women work harder and are more efficient	1	4	25	100

Question seven was asked as an open-ended question to determine the reasons why the respondents would prefer a woman financial adviser. The responses were coded and similar responses were grouped together. Table 6.7 displayed that thirty-two respondents

preferred a woman financial adviser. The cumulative frequency, depicted in Table 6.8, indicates that only twenty-five respondents, however, provided a reason why they would prefer a woman financial adviser.

The main reason for preferring a woman financial adviser was that a woman would have a better comprehension of their needs (44%). The second reason, which was provided by 24% of the respondents, was that it is easier to communicate with a woman financial adviser. The remaining 32% of the respondents provided different reasons for their preferences. Each of the remaining options was only chosen once, which makes the interpretation of these options questionable. These reasons were not shared by the other respondents and can, therefore, only be considered as one individual's preference.

(A6) The main finding is that the majority of the respondents (44%), who provided a reason for preferring a woman adviser, indicated that a woman would have a better comprehension of their needs. Also, 24% of the respondents indicated that it is easier to communicate with women.

g) Question 8

Would you trust a woman financial adviser and not seek more information elsewhere?

Table 6.9: Indication of trust in a woman financial adviser

Indication of trust	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	59	75	59	75
No	18	23	77	98
Doesn't matter	1	1	78	99
Maybe	1	1	79	100

It can be observed from Table 6.9 that, of the seventy nine respondents who answered question eight, 75% indicated that they would trust a woman financial adviser and not seek information elsewhere. It can also be observed that 23% of the respondents indicated that they would not trust a woman financial adviser and would seek information elsewhere. Only 1% of the respondents declared that it would not matter, while the remaining 1% of the respondents indicated that they are not sure whether they would completely trust a woman financial adviser.

(A7) The main finding is that the majority of women who completed question eight (75%), indicated that they would completely trust a woman financial adviser and would not seek information elsewhere.

Table 6.7 revealed that thirty-two of the respondents would prefer a woman financial adviser. Table 6.10 will now provide an indication of how many of these women would completely trust a woman financial adviser (Tables 6.7 and 6.9 combined):

Table 6.10: An indication of trust if woman financial adviser is preferred

Indication	Do trust woman adviser	Do not trust women adviser	Doesn't matter	Maybe trust woman adviser	Total
Prefer a woman	23(74%)	7 (23%)	0 (0%)	1 (3%)	31 (100%)

Table 6.10 provides the following insights: of the women who prefer a woman financial adviser, 74% will completely trust the woman financial adviser. Twenty three percent will not completely trust woman advisers, 3% of the respondents were unsure about trust in woman financial advisers and the remaining respondent, who would prefer a woman financial adviser, chose not to indicate whether she would trust the woman financial adviser.

(A8) The main finding is, therefore, that 74% of the respondents, who prefer a woman financial adviser, will completely trust the woman adviser.

Table 6.9 displayed that eighteen of the respondents would not completely trust a woman financial adviser and would seek information elsewhere. Table 6.11 will provide the reasons, which were given by fifteen of the respondents for the extended information gathering.

h) Question 9

If not (in question 8), why not?

Table 6.11: Reasons for extended information gathering

Reasons	Frequency	Percent	Cumulative frequency	Cumulative percent
I want more information	7	46	7	46
Women in position should have all the answers	1	7	8	53
Gender not an issue	1	7	9	60
Depends on viability	1	7	10	67
Never trust blindly	3	19	13	86
Because of her historical disadvantage, knowledge, skills and experience	1	7	14	93

I was taken for a ride before	1	7	15	100
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Table 6.11 illustrated that, of the 15 respondents, who answered this question, 46% of the respondents indicated that they would want more information. The respondents did not indicate whether they do not trust women financial advisers or whether they wanted only to also evaluate other options. No correlation can, therefore, be made between gender preference and trust in a financial adviser. Nineteen percent of the respondents, however, did indicate that they would never trust blindly. Seven percent of the respondents also indicated that they had been taken for a ride before and another 7% indicated that more information would be sought, because of women financial advisers' historical disadvantage and lack of knowledge and experience.

These are only a few responses and are not sufficiently conclusive to provide a correlation between gender preferences and trust in a woman financial adviser. Trust in women advisers, however, is an important consideration with regard to extended information search, as several respondents raised this matter.

(A9) The main finding is that 46% of the women want more information before trusting a financial adviser.

i) Question 10

Under which other special circumstances would you seek more information elsewhere?

Table 6.12: Other special circumstances for extended information gathering

Special circumstances	Frequency	Percent	Cumulative frequency	Cumulative percent
Investing a large amount of money	8	17	8	17
If I doubt the choices presented to me	11	23	19	40
Wills and estates	1	2	20	42
Taking out a new policy	3	6	23	48
Building a house	1	2	24	50
A lack of attention or assistance needed	7	15	31	65
Need more information	10	21	41	86
Depends on what I buy	5	10	46	96
Better product	1	2	47	98

If it is not what I budgeted for	1	2	48	100
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The purpose of question ten was to probe the respondent, to obtain other reasons why she would extend her information search. Table 6.12 displays that only forty-eight of the respondents completed question ten.

Twenty three percent of the respondents indicated that they would seek more information, if they doubted the choices, which were presented to them. The trust factor was, therefore, raised again, in this question. In addition to this, 15% of the respondents indicated that they would seek more information, if a lack of attention or assistance occurred. The second reason given by most of the respondents (21%) was that they would seek information elsewhere, when more information was needed.

In addition to these reasons, 17% of the respondents indicated that they would seek more information, when investing a large amount of money, 2% of the respondents referred to a will or estate, 6% of the respondents to taking out a new policy, 2% of the respondents indicated the building of a house and the last 2% argued that if it was not what was budgeted for.

(A10) The main finding is, therefore, that the respondents would extend their information search under mainly two special circumstances, namely, if they doubted the choices presented to them (23%) and if they needed more information (21%).

j) Question 11

Which products do you use to save? (More than one can be selected)

Table 6.13: Products used to save with

Savings vehicle	Frequency
Savings type account at a bank	45 (56%)
Savings policy	36 (44%)
Unit trust	34 (42%)
Shares	21 (26%)
Stockvel	4 (5%)
Money Market	22 (27%)

Question eleven was asked, to assist in the building of a background profile of the respondents. The aim was to provide a report to financial companies about the type of investment products, in which the respondents invest. The respondents had the option of selecting more than one investment product. Table 6.13, therefore, only provides information about the most-selected options. The percentages used in Table 6.13 indicate the proportion of the sample, who selected a particular investment option. Each respondent had the option of selecting more than one investment product. The total

number of investment products selected, therefore, does not equal the number of respondents, who answered this question.

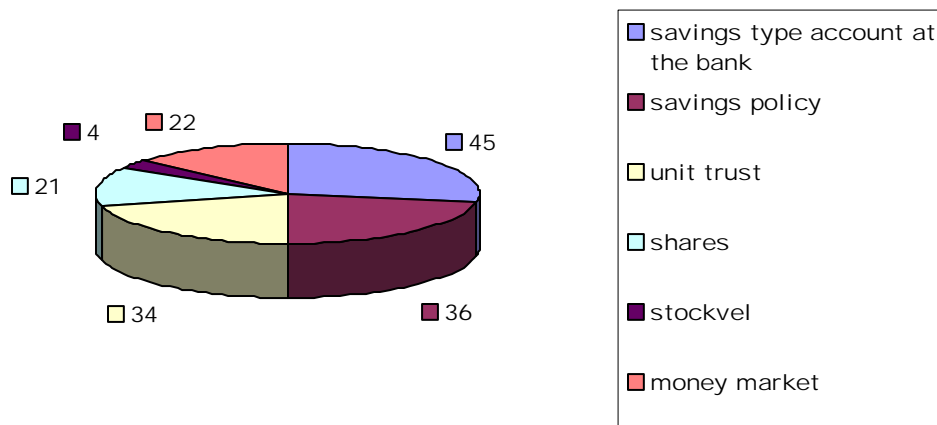
The following insights can be derived from Table 6.13:

The savings type account at a bank is the most popular savings product used by the selected sample (56%). The second most popular savings product is the savings policy and was selected by 44% of the respondents. The unit trust option was selected by 42% of the respondents and is, therefore, almost as popular as the savings policy. As savings products, shares and money markets are not as popular in the sample as the first three, as only 26% of the respondents selected shares and 27% of the respondents selected the money market. The selection of these two investment products is almost half the number of savings type accounts at a bank and of savings policies, which were selected. Only 5% of the respondents selected the stockvel option.

(A11) The main finding is, therefore, that a savings type account at a bank (56%) and a savings policy (44%) are the most popular investment products chosen by single working women. Unit trusts are also a popular choice (42%), whereas stockvel is the least popular (5%).

It was recommended in Section 5.6.2 that pie charts would be used to support the descriptive analysis discussion. The main findings (derived from Table 6.13) will, therefore, be further illustrated by means of a pie graph, depicted in Figure 6.1.

Figure 6.1: The popularity of the different investment vehicles



k) Question 12

What do you think about financial advisers in general?

Question 12 was an open-ended question, which was asked to obtain information about the respondent's perception regarding financial advisers in general. All respondents were expected to answer this question.

Table 6.14: Statements regarding financial advisers in general

Opinions	Frequency	Percent	Type of statement
Necessary	7	8%	Positive
Trustworthy	3	4%	Positive
Can be a problem	4	4%	Negative
Know what they talk about	4	4%	Positive
Knowledgeable about the product they are selling	3	4%	Positive
Cheating for their own benefit	29	33%	Negative
Sell wrong products to clients	3	4%	Negative
Push too much	5	6%	Negative
No experience with them	1	1%	Neutral
A specialist who should be trusted	3	4%	Positive
Make money for clients and themselves	3	4%	Neutral
Do not make sure a person understands	2	2%	Negative
Very impersonal	2	2%	Negative
Do not depend on them	2	2%	Neutral
They have a product to sell, own responsibility to understand product	2	2%	Neutral
Good	2	2%	Positive
Responsible service	2	2%	Positive
Only interested in their opinion	1	1%	Negative
Hard working	1	1%	Positive
Do nothing after deal is done	2	2%	Negative

Talk too much	1	1%	Negative
Bad experience with Sanlam adviser	2	2%	Negative
Poor	1	1%	Negative
Not aggressive enough to seek new clients	1	1%	Negative
Sanlam adviser is trustworthy	1	1%	Positive
Women are sympathetic and considerate	1	1%	Positive
Men are cheats and only work for commission	1	1%	Negative
Total	89	100	N/A

Table 6.14 displays eighty-nine responses, which were captured. All the statements were coded and similar responses were grouped together. Some of the respondents provided more than one opinion regarding financial advisers. All these responses were captured and are displayed in Table 6.14. The percentage displayed for each statement illustrates the proportion of the sample, which provided a particular statement.

It can be observed from Table 6.14 that the statement that financial advisers are cheats who only sell products for their own benefit, was the statement provided by most of the respondents (33%). The second opinion, provided by 8% of the respondents, was that financial advisers are necessary.

The remaining statements, which were provided, were only shared by a few other respondents. It can be observed from Table 6.14 that the statements, which were provided by the respondents, were either positive, negative or neutral statements regarding financial advisers. Thirty-one percent of the responses were positive statements, which included trustworthiness, knowledgeable about product they are selling, a specialist who should be trusted and responsible service. Sixty percent of the responses were negative and included statements, such as selling wrong products to clients, pushing too much, do not make sure a person understands and only interested in their own opinion. Nine percent of the responses were neutral, which included statements such as do not depend on them, making money for their clients and themselves and no experience with them.

(A12) The main finding is that 33% of the respondents view financial advisers as cheats, who only sell products for their own benefit. If the statements are viewed holistically, it can also be said that the majority of statements (61%) reflected a negative perception, 31% a positive perception and 9% a neutral one.

Question thirteen was included in the questionnaire to obtain a profile of the different age groups, which participated in the study. The four financial companies, which provided the information necessary for the sample selection, were not able to provide the names according to different age segments. The aim of this question, therefore, was to determine the different age groups of the respondents, in order to compare the different age groups' views on certain relevant issues. The sample realisation rate for each age group was, however, too small to produce any significant data, when drawing a comparison between the age groups on certain issues. The different age groups will, therefore, not be compared to each other. The results of the data, gathered from question thirteen, will be displayed next:

l) Question 13

Please indicate your age group:

Table 6.15: The respondent's age group

Age group	Frequency	Percent	Cumulative frequency	Cumulative percent
Younger than 20	1	1	1	1
21-30	4	5	5	6
31-40	23	29	28	35
41-50	38	47	66	82
51-60	10	12	76	94
61-70	4	5	80	99
Older than 70	1	1	81	100

Table 6.15 provides the following insights: of the eighty-one respondents, who completed this question, only 1% of the respondents is younger than twenty years. Five percent of the respondents are between twenty-one and thirty years, 29% of the respondents are between thirty-one and forty years and 47% of the respondents are between forty-one and fifty years.

The number of respondents, who participated in the study, decreased further with the increase in age. Twelve percent of the respondents between the age of fifty-one and sixty completed the questionnaire, 5% of the respondents between the age of sixty-one and seventy and only 1% of the respondents above seventy completed the questionnaire.

(A13) The main finding is that the majority of women who completed the questionnaire fall in age group thirty-one to fifty (76%).

m) Question 14

Please indicate your income group:

Table 6.16: The respondent's income group

Income group	Frequency	Percent	Cumulative frequency	Cumulative percent
Less than R5 000	9	11	9	11
R5000 –R7 999	21	26	30	37
R8 000-R11 999	19	24	49	61
R12 000-R15 999	8	10	57	71
R16 000-R29 999	11	14	68	85
R30 000 or more	12	15	80	100

The aim of question fourteen was to obtain a profile on how many respondents belonged to the different income groups, which were listed. Eighty respondents answered this question. Table 6.16 displays that 11% of the respondents earn an income of less than R5 000 per month. Twenty-six percent of the respondents earn an income between R5 000 and R7 999 per month, 24% of the respondents earn an income between R8 000 and R11 999, 10% of the respondents an income of between R12 000 and R15 999, 14% of the respondents an income of between R16 000 and R29 999 and 15% of the respondents earn an income of more than R30 000 per month.

(A14) The main finding is that 26% of the respondents earn an income between R5 000 and R7 999 per month.

To assist in the creation of a profile of the respondents, Table 6.17 will display what the respondents in different age groups earn per month (Tables 6.15 and 6.16 combined):

Table 6.17: The income earned per month in different age groups

Age group	Less than R5 000 per month (1)	R5 000-R7 999 (2)	R8 000-R11 999 (3)	R12 000-15 999 (4)	R16 000-R29 999 (5)	R30 000 or more (6)
Younger than 20 (A)	1	0	0	0	0	0
21-30 (B)	1	1	1	0	1	0
31-40 (C)	1	6	8	3	4	0
41-50 (D)	2	9	9	5	5	8
51-60 (E)	1	3	1	0	1	4
61-70 (F)	3	1	0	0	0	0
Older than 70 (G)	0	1	0	0	0	0

Table 6.17 illustrates that a total of eighty respondents answered the question. In Table 6.16 eighty responses were also captured, but in Table 6.15 eighty-one responses were captured. The discrepancy can be explained by recognising that one respondent indicated her age group, but not her income group. Table 6.17 further illustrates that the

respondent, who is younger than twenty years, earns an income of less than R 5000 per month (A1). An income of between R8 000 and R11 999 per month was the most selected by the respondents in the age group between thirty-one and forty years (C3). Respondents in the age group 41-50, equally earn between R5 000-R7 999 (9) and R8000-R11 999 (9) per month (D2 and D3). Only age group forty-one to fifty and fifty-one to sixty earn an income of R30 000 or more (D6 and E6).

(A15) The main finding from Tables 6.16 and 6.17 combined is that most of the respondents in the age group 31-60 earn more than R5 000 per month.

Question fifteen was included to further assist in compiling the respondents' profile and also to determine the childbearing status of the respondents.

n) Question 15

Do you have any children?

Table 6.18: The childbearing status of the respondent

Status	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	22	28	22	28
No	58	72	80	100

Table 6.18 depicts that, of the eighty respondents who answered this question, 28% of the respondents have children and 72% of the respondents do not have children.

(A16) The main finding is, therefore, that the majority of the respondents do not have children (72%).

The savings product, which the respondents use, may also depend on the respondent's status regarding children. Table 6.19 (Tables 6.13 and 6.18 combined) will provide more insight into this matter:

Table 6.19: Preferred savings vehicle in relation to status with regard to children

Preferred savings product	Have children (1)	Do not have children (2)
Savings account at the bank (A)	11	33
Savings policy (B)	8	28
Unit trust (C)	9	25
Shares (D)	8	13
Stockvel (E)	2	2
Money market (F)	5	17

It can be observed from Table 6.19 that the respondents, who have children, have the same most-preferred method of saving as the respondents, who do not have children. In most cases, a savings account at the bank was chosen by both groups (**A1 and A2**). The total of A1 and A2 equals one less than the total for savings account at the bank in Table 6.13. The reason is that one respondent indicated that she prefers a savings account at the bank, but did not indicate whether she has any children. The other savings options in each group were selected in almost equal numbers.

(A17) The main finding, therefore, reveals that the respondents with children have the same most-preferred method of saving as the respondents without children. Both groups prefer a savings account at the bank.

o) Question 16

Would you prefer a financial product that is specially designed for women?

Table 6.20: Preference for a financial product designed for women

Preference	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	35	45	35	45
No	42	55	77	100

Table 6.20 provides the following insights: of the 77 respondents who answered question sixteen, the majority of respondents (55%) did not want a financial product designed for women, whereas 45% preferred a financial product designed for women.

(A18) The main finding is that a marginal majority of women (55%) do not prefer a financial product, which is specially designed for them, whereas 45% of the women do prefer a financial product designed for them.

Table 6.20 indicated that some respondents would prefer a product, which is specially designed for women. Table 6.21 (Table 6.13 and Table 6.20 combined) will reveal which savings products these women currently use. The Table may provide insight into which savings products could be altered, to create a savings product for women, which they would prefer.

Table 6.21: The preferred savings vehicle for women who want a special financial product

Savings product	Do want special financial product
Savings type account at bank	20 (57%)
Savings policy	15 (43%)
Unit trust	18 (51%)
Shares	8 (23%)

Stockvel	1 (3%)
Money Market	6 (17%)

Each respondent could have selected more than one type of savings product. The total number of savings products selected, therefore, does not equal the total number of respondents, who prefer a financial product specially designed for women. The percentages next to each type of product only indicate the proportion of the sample, who selected the product.

Table 6.21 illustrates that the most preferred savings vehicle for women, who do want a special financial product, is a savings account at a bank (57%). The second most preferred savings vehicle is unit trust (51%) and the stockvel is the least preferred savings vehicle (3%).

(A19) The main finding is, therefore, that 57% of the women, who do want a special financial product designed for them, currently use a savings account at the bank as the most preferred savings vehicle.

Question seventeen was included to determine the reason why the respondent would or would not prefer a financial product designed for women. The question was an open-ended question and all respondents were expected to answer. The answers were coded and similar answers were grouped together. The following discussion on question seventeen will reveal the sample's responses in detail:

p) Question 17

Why?

Table 6.22: Reasons for the view on financial products specially designed for women

Reasons	Frequency	Percent	Cumulative frequency	Cumulative percent
Have sufficient cover already	3	4	3	4
I trust him	1	2	4	6
Why only design for men	7	11	11	17
Why stereotypes	12	19	23	36
Not really	3	4	26	40
To meet a single woman's special needs	24	39	50	79
Women more independent today	1	2	51	81
Because of financial problems	1	2	52	83
Less products to	1	2	53	85

choose from				
Based on income and needs, not gender	3	4	56	89
Too many products already	1	2	57	91
Broader spectrum will provide more benefits	1	2	58	93
To make and keep single women independent	1	2	59	95
Women more careful with finance	1	2	60	97
Just marketing, they are all the same	2	3	62	100

In Table 6.20, seventy-seven respondents indicated their preference for a financial product designed for women. It can be viewed in Table 6.22 that only sixty-two respondents provided reasons why they would or would not prefer a financial product designed for women.

Table 6.22 illustrates that the reason provided by most of the women (39%) was that a single woman's needs had to be met. The reason, which was provided second most by the respondents (19%), was that special financial products designed for women would create stereotypes.

Other responses given were that respondents felt that there should not only be products designed for men (11%) and more products will provide more benefits (2%), while other respondents felt that there are too many products already (2%) and it is just marketing, essentially they are all the same (3%).

(A20) The main finding is that most of the respondents (39%) indicated that they would want a product, which is specially designed for women, because such a product could fulfil a single woman's special needs. The second reason, which was mostly provided by the respondents (19%), was that the respondents did not want stereotypes to be created by financial products for women.

q) Question 18

Please choose the most appropriate option: After I bought my last financial product,

Table 6.23: The respondent's attitude after she had bought her last financial product

Attitude	Frequency	Percent	Cumulative frequency	Cumulative percent
I felt very satisfied	14	18	14	18
I had no strong emotional feeling	32	41	46	59
I was very proud to have made my own decision	9	12	55	71
My choice made me feel safe and secure	23	29	78	100

Table 6.23 illustrates that seventy-eight respondents answered question eighteen, to indicate what their attitude was, when they had bought their last financial product. It can be observed from Table 6.23 that 41% of the respondents did not have a strong emotional feeling, when they last bought a financial product. Twenty-nine percent of the respondents revealed that their choice made them feel safe and secure, 18% of the respondents indicated that they felt very satisfied and the remaining 12%, who answered question eighteen, indicated that they were very proud to have made their own decisions.

(A21) The main finding is that most of the women (41%) did not experience strong emotional feelings, when they last bought a financial product.

6.4.2 Section B

Questions nineteen to thirty-seven in Section B were included, to explore the women's perceptions of the relationships they have with their financial advisers. The following tables will depict the results, which were gathered from the questions in Section B.

a) Question 19

How long have you been with your financial service provider?

Table 6.24: The duration of relationship with financial adviser

Duration	Frequency	Percent	Cumulative frequency	Cumulative percent
Less than one year	8	10	8	10
One year	4	5	12	15
Two years	7	9	19	24

Three years	7	9	26	33
Four years	5	6	31	39
Five years	3	4	34	43
More than five years	44	57	78	100

The goal of question nineteen was to first establish how long the respondent has been with her financial service provider. The duration of the relationship may have an impact on the respondent's perception of her financial adviser and of her relationship with him. Seventy-eight respondents answered question nineteen.

Table 6.24 depicts that the majority (57%) of women have been with their financial service providers for more than five years. Ten percent have been in a relationship of less than a year and 29% have been with their financial provider between one and five years.

(B1) The main finding is that the majority of respondents (57%), who completed the questionnaire, have had relationships with their financial advisers for more than five years.

Table 6.24 revealed the length of time, which the respondent has been with the financial service provider. Question twenty was asked to determine overall whether the respondents are satisfied with their service providers.

b) Question 20

Are you satisfied with his or her services?

Table 6.25: Indication of her satisfaction with financial service provider

Satisfaction	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	68	87	68	87
No	9	12	77	99
Sometimes	1	1	78	100

It can be observed from Table 6.25 that, of the 78 respondents who completed this question, 87% of the respondents are satisfied with the service they receive. Only 12% of the respondents are not satisfied with the service they receive and 1% of the respondents indicated only being sometimes satisfied with the service received from financial service providers.

Gilbert & Churchill (1991:441) define the **halo effect** as the carry over of one impression of the subject to another. The effect occurs when individuals are confronted with complex issues. The individual tends to simplify the decision, by reducing the number of alternatives, which she is willing to consider. This may be the reason why one

respondent did not select the yes or no option, which was listed, but rather created a new option: sometimes.

(B2) The main finding is that the majority (87%) of respondents are satisfied with the relationships, which they have with their financial service providers.

Table 6.25 displayed the respondent's satisfaction with her financial service provider, regardless of the duration of the relationship. Table 6.26, however, will display the duration, which the respondent has been with her financial service provider, in relation to her satisfaction with the service provider. The time duration of the relationship with a service provider may be an indication of the discrepancies in the satisfaction levels of the respondents. A cross-tabulation will, therefore, be done between Table 6.24 and Table 6.25:

Table 6.26: Satisfaction level in relation to duration of relationship with financial service provider

Duration	Satisfied (1)	Dissatisfied (2)	Sometimes (3)
Less than one year (A)	7	1	0
One Year (B)	4	0	0
Two years (C)	6	1	0
Three years (D)	3	3	1
Four years (E)	5	0	0
Five years (F)	3	0	0
More than five years (G)	40	4	0

Table 6.26 provides the following insights: seven women, who have been with their financial advisers for less than one year, are satisfied (A1), while only one woman is dissatisfied (A2). Forty women, who have been with their financial service providers for more than five years, are satisfied (G1), while only four women are dissatisfied (G2).

(B3) The main finding derived from Table 6.26 is that women, who have been with their service provider for less than a year (7), as well as women, who have been with their financial service providers for more than five years (40), are mostly satisfied with their financial advisers' services.

c) Question 21

Will you trust any future recommendations he or she will make?

Table 6.27: Trust in any future recommendations from financial adviser

Trust	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	64	83	64	83
No	10	13	74	96
Not sure	2	3	76	99
Maybe with calculation	1	1	77	100

The goal of question twenty-one was to determine whether the respondent would trust any future recommendations, which her financial adviser would make. Seventy-seven respondents answered question twenty-one. Eighty-three percent of these respondents will trust future recommendations by their financial service providers. Thirteen percent of the respondents said no, 3% are not sure and 1% said maybe, with calculation.

A more useful interpretation, however, can be made if the respondent's trust is compared with the satisfaction with her financial service provider. Table 6.28 (Tables 6.25 and 6.27 combined) will, therefore, illustrate this:

Table 6.28: Trust in relation to satisfaction with financial service provider

Satisfaction	Will trust in future (1)	Will not trust in future (2)	Not sure about future trust (3)	Maybe trust with calculation (4)
Yes (A)	62	4	1	1
No (B)	2	6	0	0
Sometimes (C)	0	0	1	0

In Table 6.28 it can be observed that the total responses equal 77. In Table 6.25 the total responses to the level of satisfaction were 78. One respondent, who indicated her satisfaction level (in Table 6.25), did not indicate her level of trust with regard to future recommendations (in Table 6.27), thus explaining the total responses of 77 in Table 6.28. Table 6.28 displays that sixty-two of the respondents, who are satisfied with their financial service providers, will also trust future recommendations from them (A1). Only four of these respondents, who are satisfied, will not trust future recommendations from the financial service providers (A2). One satisfied respondent was not sure about future trust (A3) and the last satisfied respondent said that maybe she will trust future recommendation from financial service providers, but with calculation (A4).

Two of the respondents, who are not satisfied with their financial service providers, will trust future recommendations from them (B1) and six of the respondents, who are not satisfied with their financial service providers, will also not trust any future recommendations (B2). The one respondent, who is sometimes satisfied with her financial service provider, is also not sure about trusting the provider in the future (C2).

(B4) The main finding, therefore, reveals that the majority of respondents (62), who are satisfied, will trust future recommendations from their financial service providers. Also, if they are not satisfied, they will mostly (6) not trust future recommendations from service providers.

d) Question 22

Will you limit your search to his or her advise?

Table 6.29: Limitation of search with regard to financial advise given

Limit search	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	23	30	23	30
No	53	70	76	100

Table 6.29 depicts that, of the seventy six respondents who answered this question, 30% will limit their search to the advise, which was given by their financial service providers, and 70% will not.

The goal of question twenty-two was to determine that, given the level of trust the respondent has with her financial service provider, whether the respondent would limit her search to the advise, which was provided by the financial service provider. Table 6.30 (Tables 6.27 and 6.29 combined), therefore, illustrates the comparison of the level of trust with the search limit.

Table 6.30: Trust in relation to search limit of financial advise given

Trust in financial adviser	Limit search to advise given (1)	Do not limit search to advise given (2)
Yes (A)	21	43
No (B)	1	8
Not sure (C)	1	1
Maybe with calculation (D)	0	1

In Table 6.30, seventy-six responses are displayed. In Table 6.29, seventy-six responses were also captured, but in Table 6.27, seventy-seven responses were captured. One respondent, therefore, who indicated her trust in future recommendations from the financial adviser, did not indicate whether she would limit her search to the financial adviser's advise, therefore explaining why only seventy-six responses were captured in Table 6.30. It can be observed from Table 6.30 that twenty-one of the respondents will limit their search to the advise given, if they trust their financial service providers (A1). Forty-three respondents, however, will still search for additional information, despite their trust in their financial service providers (A2). Table 6.30 also reveals that eight

respondents will seek more information, if they do not trust their financial service providers (**B2**), versus one respondent, who will not extend her information search, despite her distrust of her financial service provider (**B1**). The one respondent, who was not sure about trusting her financial service provider, will not seek more information (**C1**), while the other respondent would search for more information (**C2**). The remaining respondent, who indicated that she would maybe trust her financial service provider, with calculation, revealed that she would still seek more information than that which her financial service provider provides to her (**D1**).

(B5) The main finding derived from Table 6.30 (cross tabulation of Tables 6.27 and 6.29) is that women will continue to search for more information than the advise provided by the service provider, regardless of whether the respondents trust (43) or do not trust (8) future recommendations made by their service providers.

e) Question 23

Please indicate your level of agreement with regard to the following statements:

Respondents were asked to indicate the extent to which they agreed or disagreed with statements concerning their perceptions of financial services and financial service providers. (One indicated strongly agree and four indicated strongly disagree.) This is illustrated in Table 6.31:

Table 6.31: Viewpoints on financial services and financial service providers

Viewpoints	Mean	Standard deviation	Median	Frequency	Min	Max
Besides the financial transaction, which takes place, I also want to establish a business relationship with my financial adviser.	2.14	0.84	2	73	1	4
The acquisition of a financial service is a man's activity.	3.66	0.69	4	73	1	4
Financial organisations target mainly males	2.64	0.90	3	74	1	4

My financial adviser understands my wants and needs.	2.39	0.82	2	75	1	4
My financial adviser talks at me rather than to me.	2.86	0.94	3	74	1	4

Two main findings can be derived from Table 6.31, based on the mean value:

(B6) The establishment of a business relationship, apart from the transaction, which takes place, was the statement most agreed upon, as shown by the mean value of 2.14.

(B7) The respondents least agreed with, or were undecided about the statement that the acquisition of a financial service is a man's activity, with the highest mean value of 3.66.

One main finding regarding the standard deviation (variation in responses) can be derived from Table 6.31, namely that:

(B8) The statement that the acquisition of a financial service is a man's activity is the statement, about which the respondents were most homogeneous, as indicated by the lowest standard deviation (0.69). The statement that my financial adviser talks at me had the highest standard deviation (0.94), indicating that the responses to this statement were the most heterogeneous.

The correlation coefficient can be calculated to determine the relationship between two variables (discussed in Section 5.6.2). A positive correlation coefficient will indicate that if one variable increases, it will lead to an increase in the other variable too. A negative correlation will indicate a movement of the second variable in the opposite direction. A correlation coefficient of zero will indicate no relationship between the two variables at all. Spearman's correlation coefficient was used with regard to question twenty-three and the results can be explained as follows:

To explain the various correlations, which exist between the statements, an indication of Spearman's correlation, with regard to each possible combination, will be given in Table 6.32. Each of the statements will first be numbered, to assist in explaining the illustration, which will be given in Table 6.32.

Statement 1: Besides the financial transaction, which takes place, I also want to establish a business relationship with my financial adviser.

Statement 2: The acquisition of a financial service is a man's activity.

Statement 3: Financial organisations target mainly males.

Statement 4: My financial adviser understands my wants and needs.

Statement 5: My adviser talks at me rather than to me.

Table 6.32: Spearman's correlation coefficient with regard to the various statements

	Statement 1 (1)	Statement 2 (2)	Statement 3 (3)	Statement 4 (4)	Statement 5 (5)
Statement 1 (A)	1	0.15	0.04	0.01	0.28
Statement 2 (B)	0.15	1	0.18	0.25	0.29
Statement 3 (C)	0.04	0.18	1	-0.15	0.35
Statement 4 (D)	0.01	0.25	-0.15	1	-0.03
Statement 5 (E)	0.28	0.29	0.35	-0.03	1

The following insights can be derived from Table 6.32:

- Statement one has the highest correlation with statement five (0.28), which means that, if the respondent wants to establish a business relationship with her financial adviser, besides the financial transaction, which takes place, she may also feel that currently her financial adviser talks at her, rather than to her (**A5**).

- Statement two has the highest correlation with statement five (0.29), indicating that, if the respondent felt that the acquisition of a financial service is a man's activity, the respondent may also currently experience that her financial adviser talks at her, rather than to her (**B5**).

- Statement three also has the highest correlation with statement five (0.35), which also means that a respondent, who feels that financial advisers target mainly males, may also experience that her financial adviser talks at her rather than to her (**C5**).

- Statement three has a negative correlation with statement four (-0.15), which means that respondents, who feel that financial organisations target mainly males, will probably not feel that their financial advisers understand their wants and needs (**C4**).

- Statement four has the highest correlation with statement two (0.25), which means that if the respondent should feel that her financial adviser understands her wants and needs, she may most probably also experience that the acquisition of a financial service is a man's activity (**D2**).

Statements two and four are in contrast with each other and the validity of the responses on this statement may be questioned.

- Statement four has negative correlations with statements three and five (-0.15 and -0.03) and therefore indicates that, if the respondent feels that her financial adviser understands her wants and needs, she would probably not feel that financial organisations target only males and that her financial adviser talks at her, rather than to her (**D3 and D5**).

- Statement five has the highest correlation with statement three (0.35), which reveals that, if the respondent feels that her financial adviser talks at her rather than to her, she would most probably also feel that financial organisations target mainly males (**E3**).

- Statement five also has a negative correlation with statement four (-0,03), which means that, if the respondent should feel that her financial adviser talks at her rather than to her, she would not feel that her financial adviser understands her wants and needs (**E4**).

(B9) The main finding, which can be derived from the calculation of Spearman’s correlation coefficient, is that statement three and statement five have the highest overall correlation with each other (0.35), which means that a respondent, who feels that financial advisers target mainly males, may also experience that her financial adviser talks at her rather than to her and vice versa.

Besides Spearman’s correlation coefficient in question twenty-three, a comparison can also be drawn between the respondent’s satisfaction with the service from her financial adviser and the respondent’s perception that her financial adviser understands her wants and needs. Table 6.33 (Table 6.25 and Table 6.31 combined) will display the results:

Table 6.33: Satisfaction level versus viewpoint of financial adviser

Satisfied with adviser	Strongly agree, understand needs (1)	Agree understand needs (2)	Neither agree nor disagree understand needs (3)	Strongly disagree understand needs (4)
Yes (A)	10	30	23	4
No (B)	0	1	4	2
Sometimes (C)	0	1	0	0

Seventy-five responses were captured in Table 6.33, as well as on the relevant statement in Table 6.31. Seventy-eight responses, however, were captured in Table 6.25. Three respondents, who indicated their satisfaction level, therefore, did not comment on their agreement with regard to the relevant statement in Table 6.31, therefore, explaining the discrepancy in Table 6.33.

Table 6.33 provides the insight that ten respondents are satisfied with their financial advisers and also agreed strongly that their advisers understand their needs and wants (A1). Thirty respondents indicated that they are satisfied with their financial advisers and agree that their advisers understand their needs and wants (A2). Twenty-three respondents indicated that they are satisfied with their financial advisers, but neither agree nor disagree that their financial advisers understand their needs and wants (A3). Four respondents, who are satisfied with their financial advisers, strongly disagree that their financial advisers understand their wants and needs (A4), while only two respondents, who are not satisfied with their financial advisers, strongly disagree that their advisers understand their needs and wants (B4). The majority of respondents, who indicated that they are not satisfied with their advisers, indicated that they do not strongly agree or disagree that their financial advisers understand their needs and wants (B3).

The main finding, which can be derived from Table 6.33, is as follows:

(B10) The main finding is that the majority of women, who are satisfied with their financial service providers (40), either agreed or strongly agreed that their financial adviser understands their wants and needs as opposed to the 23 who neither agreed nor disagreed (23).

The purpose of question twenty-four is to determine the strength of the respondent's relationship with her financial adviser. The respondent's ability to be influenced by bad messages from the media, regarding the product, which the adviser recommends, was measured. The results, which were obtained from question twenty-four, will be discussed next:

f) Question 24

If I have a positive business relationship with my financial adviser, I will not be influenced by bad messages from the media on the particular company he/she recommends.

Table 6.34: Influence of the media

No influence	Frequency	Percent	Cumulative frequency	Cumulative percent
Always	12	16	12	16
Sometimes	51	68	63	84
Never	12	16	75	100

From Table 6.34, the following insights can be provided: seventy-five respondents answered question twenty-four. Equal numbers of respondents indicated that they would either be always influenced (16%) or never influenced (16%). Sixty-eight percent will sometimes be influenced.

The high percentage, who selected the sometimes option, can be explained by the “halo effect,” where respondents, when confronted by complex issues, will simplify the decision by reducing the number of alternatives.

(B11) The main finding derived from Table 6.34 is that the majority of women (68%), who have a positive relationship with their financial provider, will sometimes be influenced by negative messages by the media.

g) Question 25

When purchasing a financial product, do you feel you are being treated as if you were a man?

Table 6.35: Treatment received with purchase

Experience	Frequency	Percent	Cumulative frequency	Cumulative percent
Treated as a man	9	11	9	11
Not treated as a man	70	89	79	100

Table 6.35 illustrates that, of the 79 respondents, who completed this question, 89% indicated that they do not feel that they were treated like men by their financial advisers. Only 11% indicated that they do feel that they are treated as men.

(B12) The main finding is that the majority of respondents (89%) did not feel that they were treated as men, when they purchased their financial products.

Table 6.6 illustrated the gender of the respondent’s financial advisers. A comparison can be drawn between the gender of the financial adviser and the respondent’s experience of being treated as a man. Table 6.36 (Table 6.6 and Table 6.35 combined) will illustrate the results:

Table 6.36: The gender of the financial adviser versus the respondent’s treatment experience

Gender	Treated as a man (1)	Not treated as a man (2)
Male (A)	7	37
Female (B)	2	29

Table 6.36 only reports on 75 responses. Four respondents, who indicated their perception of treatment received, did not provide the gender of their financial advisers. Table 6.36 provides the insight that 7 respondents, who felt that they were treated as men, had a male financial adviser (A1), while 37 respondents, who had male financial advisers felt that they were not treated as men (A2). Two respondents, who had female advisers, felt that they were not treated as men (B1), while 29 respondents, who had female advisers, felt that they were not treated as men (B2).

(B13) The main finding derived from cross tabulating Table 6.6 and Table 6.35 is that the majority of women, who have male financial advisers, feel that they are not treated as men by their financial advisers (37).

h) Question 26

If you were treated as if you were a man, (in question 25) would you consider any advise from the financial adviser?

Table 6:37 The consideration of advise, if being treated as a man

Consideration	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	30	49	30	49
No	30	49	60	98
Sometimes	1	2	61	100

Only 9 respondents indicated in question 25 that they felt they were treated as men. The respondents, who completed the questionnaire, however, interpreted the questionnaire incorrectly and sixty-one respondents (including those who felt that they were not treated as men) answered the question. The results will, therefore, be interpreted accordingly. The goal of question twenty-six will, therefore, be to determine whether the respondent has any concern about being treated as a man and whether the respondent would then accept any advise from the financial adviser.

Table 6.37 displays that the opinion of the sixty-one respondents, who answered question twenty-six, were equally divided. Forty- nine percent of the respondents said that they would consider the advise, while the other 49% of the respondents indicated that they would not consider the advise. Only 2% of the respondents revealed that sometimes no advise would be considered, if they were treated as men.

(B14) The main finding is that the respondents were equally divided between considering (49%) and not considering (49%) the advise, which financial advisers, who treat their clients as men, will provide.

i) Question 27

When making a financial decision, do you feel your own knowledge is sufficient to make the decision?

Table 6.38: The sufficiency of own knowledge

Sufficiency of own knowledge	Frequency	Percent	Cumulative frequency	Cumulative percent
Always	15	19	15	19
Sometimes	52	65	67	84
Never	13	16	80	100

The goal of question twenty-seven was to determine whether women consider their own knowledge as sufficient to make a financial decision. Eighty of the respondents answered question twenty-seven. The **halo effect** also had an impact on this question. The majority of respondents (65%) indicated that they sometimes have sufficient knowledge to make a financial decision. Nineteen percent of the respondents felt that their knowledge was always sufficient and sixteen percent felt that it was never sufficient.

(B15) The main finding is, therefore, that the majority of respondents (65%) felt that they sometimes have sufficient knowledge to make a financial decision.

j) Question 28

Would you rather have your financial adviser find the best solution?

Table 6.39: Preference for financial adviser to find the best solution

Preference for financial adviser	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	52	68	52	68
No	25	32	77	100

Seventy-seven of the respondents answered question twenty-eight. Table 6.39 reveals that 68% of the respondents indicated that they would rather have the financial adviser find the best solution. Thirty-two percent of the respondents indicated that they would find the best solution themselves.

(B16) The main finding derived from Table 6.39 is that the majority of the respondents (68%) would rather have their financial adviser find the best solution.

A comparison can also be drawn between the respondent's perceptions regarding the sufficiency of her own knowledge versus the respondent's preference for leaving the decision to the financial adviser. Table 6.40 (Tables 6.38 and 6.39 combined) will display the results:

Table 6.40: Sufficient knowledge and preference concerning financial decision-making

Sufficient knowledge	Financial adviser finds solution (1)	Respondent finds solution (2)
Always (A)	7	7
Sometimes (B)	35	16
Never (C)	10	2

The total responses in Table 6.40 are 77. The total responses in Table 6.38 are eighty and seventy-seven in Table 6.39. Three respondents, who commented on the sufficiency of

their own knowledge, therefore, did not indicate whether they would prefer a financial adviser to find the best solution.

Table 6.40 provides the insight that 7 respondents, who felt that they always have sufficient knowledge, also preferred their financial adviser to find the best solution (**A1**), while the other 7 respondents, who always feel that they have sufficient knowledge, prefer to find their own best solution (**A2**). Thirty-five respondents feel that they sometimes have sufficient knowledge, but still prefer their financial adviser to find the best solution (**B1**) and 10 respondents, who feel that they never have sufficient knowledge, also prefer their financial adviser to find the best solution (**C1**).

(B17) The main finding derived from cross tabulating Tables 6.38 and 6.39 is that the majority of women, who feel that they sometimes have sufficient knowledge, also prefer their financial adviser to find the best solution (35).

Question twenty-nine was designed to determine the reasons why the respondents would have their financial advisers find the best solution. Question 29 was asked as an open-ended question. The responses were coded and similar responses were grouped together. The data, which was obtained from question twenty-nine, according to the different groups of responses, will be discussed next:

k) Question 29

Why?

Table 6.41: Reasons for having the financial adviser or themselves find the best solution

Reasons	Frequency	Percent	Cumulative frequency	Cumulative percent
Financial adviser's speciality	36	55	36	55
Both of us can	4	6	40	61
I like to make my own decisions	15	22	55	83
I'm not up to date	2	3	57	86
Paid for it	2	3	59	89
Depends on problem	2	3	61	92
Knowledge for need satisfaction	1	2	62	94
Limited time	1	2	63	96
Need information from existing clients	1	2	64	98
More advice is advantageous	1	2	65	100

Table 6.41 provided the following insights: sixty-five of the respondents answered question twenty-nine. In Table 6.39, fifty-two respondents indicated that they would have their financial adviser find the best solution. Some of the respondents provided more than one reason, thus explaining the 65 responses in Table 6.41. Fifty-five percent of the respondents indicated that the reason, why they would have the financial adviser find the best solution, is because it is his speciality, whereas 22% of the respondents would like to find their own best solution. Twenty-two percent of the respondents would like to make their own decisions. The other reasons provided were only indicated by one or two respondents individually and meaningful interpretations about these responses, therefore, cannot be made.

(B18) The main finding is that the majority of respondents (55%), who wanted the financial adviser to find the best solution, provided the adviser's speciality as the reason. The majority of respondents (22%), who personally wanted to find the best financial solution, provided their preference for making their own decisions as the main reason.

l) Question 30

How important is it to you that bank personnel know/remember your name?

Table 6.42: The importance of bank personnel to know/remember the respondent's name

Importance	Frequency	Percent	Cumulative frequency	Cumulative percent
Very important	33	42	33	42
Not that important	40	51	73	93
Not important at all	6	7	79	100

Table 6.42 illustrates that of the seventy-nine respondents, who answered the question, 51% indicated that it is not that important for the bank personnel to know/remember their names. Forty-two percent indicated that it is very important to them that the bank personnel know/remember their names, while only 7% indicated that it is not at all important to them.

(B19) The main finding is, therefore, that the majority of respondents (58%) indicated that it is either not that important or not at all important that bank personnel know/remember their names.

m) Question 31

Would you be more willing to accept advise from a person that remembers you by name?

Table 6.43: Indication of acceptance of advise, if name is remembered

More willing to accept advise	Frequency	Percent	Cumulative frequency	Cumulative percent
Always	33	42	33	42
Sometimes	37	47	70	89
Never	9	11	79	100

Table 6.43 provided the following insight: of the 79 respondents, who answered question, thirty-one, 47% of the respondents indicated that they would only sometimes be more willing to accept advise, if a person remembers their name. Forty-two percent of the respondents indicated that they would be more willing to accept the advise and only 11% of the respondents indicated that they will never be more willing to accept advise, if a person remembers their name.

(B20) The main finding derived from question thirty-one is that respondents are mostly sometimes (47%) or always (42%) willing to accept advise, when bank personnel remember their names.

The goal of the next question was to determine whether the respondents experience that financial advisers sometimes misinterpret their body language. The data, which was gathered from question thirty-two, will be discussed next:

n) Question 32

Did you previously experience it that by nodding your head to indicate that you understand, the financial adviser erroneously accepted that you intended to buy the product?

Table 6.44: Financial adviser's interpretation of non-verbal language of the respondent

Nodding head indicated willingness to buy	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	26	33	26	33
No	53	67	79	100

It can be observed, from Table 6.44, that seventy-nine respondents answered the question. Thirty-three percent of the respondents indicated that, when they nodded their heads their financial advisers interpreted this as an indication that they wanted to buy the product, while 67% of the respondents revealed that it was not the case with them. The following main finding was derived from Table 6.44:

(B21) The majority of respondents (67%) revealed that financial advisers do not misinterpret nodding of the head as an indication of willingness to buy the product.

o) Question 33

If yes, (in question 32) would you have faith in him/her if he/she advised you in the future?

Table 6.45: Faith in future advise, if body language is misinterpreted

Faith in advise	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	3	12	3	12
No	23	88	26	100

Table 6.45 provides the following insight: twelve percent of the respondents indicated that they would have faith in future advise, if body language is misinterpreted, while 88% of the respondents indicated that they would not.

(B22) The main finding from Table 6.45 is that the majority of respondents (88%) indicated that they will not, in future, accept advise from the financial adviser, if he mistakenly interpreted nodding of the head as a willingness to purchase the financial product.

p) Question 34

Have you ever experienced it that your financial adviser automatically assumed that you wanted a low risk investment, just because you are a woman?

Table 6.46: Experience with financial adviser, who positions risk profile, according to gender

Low risk, because a female client	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	15	19	15	19
No	64	81	79	100

The goal of question thirty-four was to determine whether financial advisers assess a client's risk, based on gender and not on needs. Table 6.46 provides the following insight: of the 79 respondents, who answered this question, 81% of the women indicated that they do not experience this, whereas 19% of the women experienced that their financial advisers automatically assume that they want a low risk investment, just because they are women.

(B23) The main finding is, therefore, that the majority (81%) experienced that their financial advisers do not assume that they want a low risk profile, just because they are women.

q) Question 35

If yes, (in question 34) will you accept any advise from him/her, knowing that a low risk investment may not have been your need and he/she made assumptions about your needs?

Table 6.47: Willingness to accept future advise, with wrong risk assessment

Will accept future advise	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	3	20	3	20
No	12	80	15	100

Table 6.47 provides the following insight: twenty percent of the respondents indicated that they would be willing to accept future advise, with wrong risk assessment, while eighty percent of the respondents indicated that they would not.

(B24) The main finding is that the majority of respondents (80%), who answered the question, are not willing to accept any future advise, if their financial adviser wrongly assumed that they needed a low risk investment.

r) Question 36

Please choose the most correct option: When I buy a financial service product:

Table 6.48: Company preference, as a determining factor for choice of product

Preference	Frequency	Percent	Cumulative frequency	Cumulative percent
The company name will be one of the most important factors in my choice of product	35	46	35	46
It will not matter to me from which company I buy the product, as long as it is a good product	40	53	75	99
Depends on what I will buy	1	1	76	100

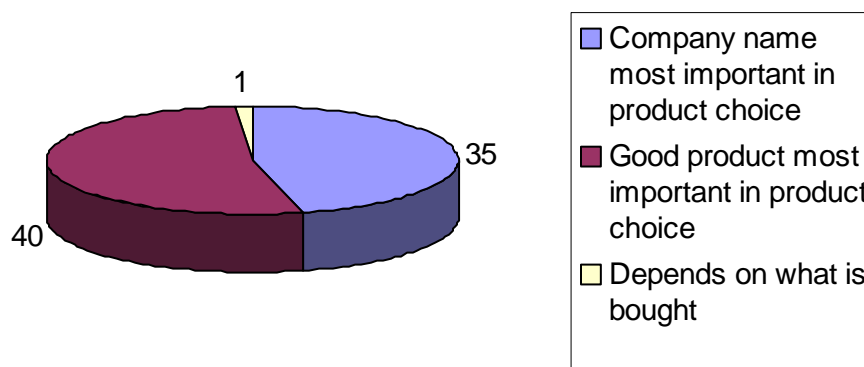
Question thirty-six was designed to determine the respondent's company preference, as a determining factor for choice of product. Seventy-six respondents answered the question and the following insights are provided by Table 6.48: forty-six percent of the

respondents indicated that the company name will be one of the most important factors, while 40% of the respondents indicated that it will not matter to them from which company they buy. Only 1% indicated that it would depend on what they buy.

(B25) The main finding is that the majority of respondents (53%) indicated that it would not matter to them from which company they buy the product, as long as it is a good product.

Figure 6.2 will highlight the main findings, derived from question 36. The graph is supportive of to the descriptive analysis discussion of Table 6.48:

Figure 6.2: Company preference, as a determining factor for choice of product



s) Question 37

Please indicate the importance of the following attributes, with regard to your relationship with your financial adviser:

Respondents were asked to indicate the importance to them of attributes of their relationships with their financial service providers. (One indicated extremely important and five indicated not at all important). The results are illustrated in Table 6.49:

Table 6.49: Viewpoints on financial services and financial service providers

Attributes	Mean	Standard deviation	Median	Frequency	Min	Max
Trust	1.18	0.45	1	76	1	3
Education	1.53	0.68	1	76	1	3
Friendship	2.76	1.14	3	74	1	5
Reliability (Delivery on promises)	1.12	0.32	1	77	1	2

It can be viewed, from Table 6.49, that seventy-seven respondents answered the question. Two main findings about the mean can be made, namely that:

(B26) The respondents regarded reliability as the most important attribute, with the lowest mean value of 1.12 and friendship was the attribute, which was not at all important to most of the respondents, with the highest mean value of 2.76.

One main finding regarding the standard deviation can be derived from Table 6.49, namely that:

(B27) The reliability attribute is the attribute, about which the respondents were most homogeneous, as indicated by the lowest standard deviation of 0.32. The friendship attribute had the highest standard deviation of 1.14, indicating that the responses to this statement were the most heterogeneous.

Spearman's correlation coefficient was also calculated with the responses from question thirty-seven. To explain the various correlations, which exist between the attributes, an indication of Spearman's correlations with regard to each possible combination will be given in Table 6.50. Each of the attributes will first be numbered, to assist in explaining the illustration, which will be given in Table 6.50.

Attribute 1: Trust.

Attribute 2: Education.

Attribute 3: Friendship.

Attribute 4: Reliability (delivery on promises).

Table 6.50 Spearman's correlation coefficient with regard to the various attributes

	Attribute 1 (1)	Attribute 2 (2)	Attribute 3 (3)	Attribute 4 (4)
Attribute 1 (A)	1	0.19	-0.06	0.42
Attribute 2 (B)	0.19	1	0.29	0.27
Attribute 3 (C)	-0.06	0.29	1	0.03
Attribute 4 (D)	0.42	0.27	0.03	1

The following insights can be derived from Table 6.50:

- Attribute one has the highest correlation with attribute four (0.42), which means that, when trust is important to the respondent, reliability may also be important to the

respondent (A4). Attribute one has a negative correlation with statement three (-0.06), which indicates that, when trust is important to the respondent, friendship will not be important (A3).

- Attribute two has the highest correlation with attribute three (0.29), indicating that, if education is important to the respondent, friendship with the financial adviser is also important (B3).

- Attribute three has the highest correlation with attribute two (0.29), which means that, when friendship is important to the respondent, education will also be important to the respondent (C2).

- Attribute three has a negative correlation with attribute one (-0.06), which means that, when friendship is important to the respondent, trust in the financial adviser will not be important (C1).

- Attribute four has the highest correlation with attribute one (0.42), which means that, when reliability is important to the respondent, trust in the financial adviser will also be important to the respondent (D1).

(B28) The main finding, which can be derived, is that attributes one and four have the highest correlation with each other (0.42), which means that, when trust is important to the respondent, reliability may also be important to the respondent and vice versa.

6.4.3 Section C

Questions thirty-eight to forty-two in Section C were included to obtain information regarding the respondent's perception of advertising activities utilised by financial companies. The following tables will depict the results, which were gathered from the questions in Section C.

a) Question 38

If you see a home executive or a modern career woman in a financial advertisement, who do you think will be able to make the best decision on financial services?

Table 6.51: Perception about role models and financial purchasing decisions

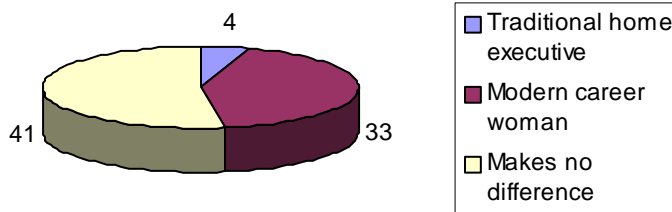
The best decision maker	Frequency	Percent	Cumulative frequency	Cumulative percent
The traditional home executive	4	5	4	5
The modern career woman	33	42	37	47
It will not make a difference	41	53	78	100

The goal of question thirty-eight was to determine the respondent’s perception about various role models in financial purchasing. Table 6.51 illustrated that, of the 78 respondents, who answered this question, 42% indicated that they thought that a modern career woman would make the most adequate decision and 5% indicated that the traditional home executive would make the most adequate decision. The majority of the respondents (53%), however, indicated that the role portrayed by a woman would not make a difference with regard to her decision-making abilities.

(C1) The main finding is, therefore, that the majority of respondents (53%) indicated that the decision-making ability of a woman would not depend on the role portrayed by the woman in a financial advertisement.

Figure 3.3 highlights the main findings from question thirty-eight, by graphically displaying the respondents’ perceptions about role models and financial purchasing decisions. The purpose of Figure 6.3 is to support the descriptive analysis of Table 6.51. The number of responses in each category are displayed in the graph:

Figure 6.3: Perceptions about role models and the most adequate financial purchasing decision maker



b) Question 39

Which role played by women in an advertisement would you prefer? (Only one answer)

Table 6.52: Preferred woman role in a financial advertisement

Preferred role portrayal	Frequency	Percent	Cumulative frequency	Cumulative percent
Super woman (housewife, mother, child, working woman)	22	30	22	30
Home executive	4	5	26	35
Family role	13	18	39	53

Working woman role	35	47	74	100
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Seventy-four of the respondents answered question thirty-nine. It can be observed, from Table 6.52, that the majority of the women (47%) prefer a working woman role in an advertisement.

(C2) The main finding is that the majority of respondents (47%) prefer a working woman role in a financial advertisement.

A comparison can also be drawn between the types of woman role, which would make the most adequate decision, versus the most preferred woman role portrayal in a financial advertisement. Table 6.53 (Tables 6.51 and 6.52 combined) will reveal the results:

Table 6.53: The most adequate woman decision maker versus the most preferred woman role in advertisements

Most adequate decision maker	Prefer super woman (1)	Prefer home executive (2)	Prefer family role (3)	Prefer working woman role (4)
Traditional home executive (A)	1	1	2	0
Modern career woman (B)	13	0	2	18
It will not make a difference (C)	8	3	9	17

Seventy-four responses were captured in Table 6.53. and Table 6.52. In Table 6.51, however, seventy-eight responses were captured. Four respondents, who indicated their perceptions about the most adequate decision makers, therefore, did not indicate the most preferred woman role in a financial advertisement, thus explaining why only seventy-four responses were captured in Table 6.53.

Table 6.53 provides the following insights: the marginal majority of women (2), who view a traditional home executive as the most adequate decision maker, also prefer a woman in the family role in a financial advertisement (**A3**). The marginal majority of women (18), who view a modern career woman as the most adequate decision maker, prefer the working woman role portrayal in a financial advertisement (**B4**).

(C3) The main finding is that the respondents view their preferred woman role as the most adequate financial purchase decision maker.

c) Question 40

Please indicate your view on women represented in financial advertisements.

Table 6.54: Views on women represented in financial advertisements

Views	Frequency Agree	Frequency Disagree
Women are under represented	47 (68%)	22 (32%)
Women are presented as sexual objects	32 (44%)	40 (56%)
Women are portrayed as seeking approval from men	32 (46%)	38 (54%)
Women are presented fairly	35 (51%)	34 (49%)
Women are illustrated as super women	32 (46%)	38 (54%)
Women are illustrated as home executives	32 (46%)	37 (54%)
Women are illustrated in a family role	52 (74%)	18 (26%)
Women are illustrated as working women	43 (62%)	26 (38%)

The following insights are derived from question forty:

Most of the women agreed with the following statements:

- Women are under represented in financial advertisements (68%).
- Women are represented fairly (51%).
- Women are illustrated in a family role (74%).
- Women are illustrated as working women in a financial advertisement (62%).

Most of the women disagreed with the following statements:

- Women are represented as sexual objects (56%).

- Women are portrayed as seeking approval from men (54%)
- Women are represented as super women (54%).
- Women are illustrated as home executives (54%).

(C4) The main finding is that the majority of the respondents (74%) agreed that women are illustrated in a family role in financial advertisements. Women also mostly disagreed (56%) with the statement that women are represented as sexual objects.

The goal of question forty-one was to determine whether a respondent would consider purchasing a financial product, if she does not identify with the role, which has been portrayed to her by the financial advertisement. The next discussion will display the results of question forty-one:

d) Question 41

Are you willing to consider a financial product, if the women in the advertisement would not fit into your way of life?

Table 6.55: The consideration of a financial product when no role identification occurs

Consider with no role identification	Frequency	Percent	Cumulative frequency	Cumulative percent
Always	7	9	7	9
Sometimes	50	67	57	76
Never	18	24	75	100

It can be observed from Table 6.55 that, of the 75 respondents, who answered this question, 67% will only sometimes consider the financial product, if they cannot identify with the role portrayal. Twenty-four percent will never consider a financial product, if they cannot identify with the role portrayal and 9% will always consider the product, if they cannot identify with the role portrayal in financial advertisements.

(C5) The main finding is that a marginal majority of respondents (67%) will only sometimes consider the purchase of a financial product, if they cannot identify with the role, which has been portrayed to them by financial advertisements.

e) Question 42

Do you feel that financial advertisements are cluttered with too many financial terms and too little information to really understand the meaning?

Table 6.56: Perception about financial advertisements

Cluttered with too many financial terms	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	48	62	48	62
No	29	38	77	100

Table 6.56 provides the following insight: seventy-seven respondents answered question forty-two. Sixty-two percent of the respondents indicated that they agree that financial advertisements are cluttered with too many financial terms and too little information to really understand the meaning, while 38% of the respondents indicated that they do not agree.

(C6) The main finding is, therefore, that the majority of respondents (62%) indicated that financial advertisements are cluttered with too many financial terms and too little information to really understand the meaning.

6.4.4 Section D

Questions forty-three to fifty-one in Section D were included, to obtain information regarding the role, which primary influencers play in the woman's decision making about financial purchases. The following tables will depict the results, which were gathered from the questions in Section D.

a) Question 43

How strongly did you relate to parental advise, when you last formed an opinion with regard to a financial service?

Table 6.57: Dependence on parental advise

Dependence level	Frequency	Percent	Cumulative frequency	Cumulative percent
Very strongly	17	22	17	22
Not very strongly	8	10	25	32
Sometimes	19	24	44	56
Not at all	19	24	63	80
Not applicable	15	19	78	100

Seventy-eight respondents answered question forty-three. Table 6.57 illustrates that respondents equally relate, sometimes (24%) and not at all (24%), to parental advise, in forming an opinion with regard to a financial service. Twenty-two percent of the respondents relate to parental advise very strongly and 19% of the respondents chose to view the question as not applicable to them.

(D1) The main finding is that the majority of respondents indicated that they only sometimes (24%) or not at all (24%) relate to parental advise, when forming an opinion with regard to a financial service.

A comparison can also be made between the respondent's perception of the sufficiency of her own knowledge and how strongly the respondent related to parental advise, when an opinion was last formed about a financial service. Table 6.58 (Table 6.38 and Table 6.57 combined) will display the results:

Table 6.58: Sufficiency of knowledge versus relation to parental advise

Sufficient knowledge	Related very strongly (1)	Related not very strongly (2)	Related sometimes (3)	Did not relate at all (4)	Relation not applicable (5)
Always (A)	1	2	2	7	2
Sometimes (B)	11	6	14	9	11
Never (C)	5	0	3	3	2

In Table 6.58 it can be viewed that seventy-eight responses were captured. Seventy-eight responses were also captured in Table 6.57. Eighty responses, however, were captured in Table 6.38, indicating that two respondents, who commented on the sufficiency of their own knowledge, did not indicate how strongly they relate to parental advise, thus explaining that only seventy-eight responses were captured in Table 6.58. Table 6.58 provides the insight that 7 respondents, who feel that they always have sufficient knowledge, did not at all relate to parental advise (A4). Fourteen respondents, who indicated that they sometimes have sufficient knowledge, only sometimes relate to parental advise (B3), while 5 respondents, who feel that they never have sufficient knowledge, relate very strongly to parental advise (C1).

(D2) The main finding is that, when the respondents felt that their own knowledge was sufficient, they mostly did not at all relate to parental advise (7 respondents). When the respondents indicated that they never feel that their own knowledge is sufficient, they mostly relate very strongly to parental advise (5 respondents).

b) Question 44

How did you obtain the financial advise?

Table 6.59: Method used to obtain financial advise

Method	Frequency	Percent	Cumulative frequency	Cumulative percent
I asked for advise	47	63	47	63
My parents volunteered the advise	7	9	54	72

Not applicable	21	28	75	100
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Seventy-five respondents answered this question. Table 6.59 provides the following insights: sixty-three percent of the respondents indicated that they asked for the advise, 9% of the respondents indicated that their parents volunteered the advise and 28% indicated that the question was not applicable to them.

(D3) The main finding is, therefore, that the majority of the women (63%) asked their parents for the financial advise.

A comparison can also be drawn between how strongly the respondent related to parental advise and the method, which was used to obtain the parental advise. Table 6.60 (Table 6.57 and Table 6.59 combined) will illustrate the results:

Table 6.60: The extent of relation to parental advise, versus the method used to gain the advise

Extent of relation	Respondent asked for advise (1)	Parents volunteered the advise (2)	Not applicable (3)
Very strongly (A)	11	2	2
Not very strongly (B)	8	0	0
Sometimes (C)	13	5	1
Not at all (D)	11	0	8
Not applicable (E)	4	0	10

Tables 6.60 and 6.59 indicate that seventy-five respondents answered the question. In Table 6.57, however, only 78 responses were indicated. Three respondents, therefore, indicated their dependence on parental advise, but did not indicate the method, which they used to obtain the financial advise, thus explaining why only 75 responses were captured in Table 6.60.

The following insights can be derived from Table 6.60:

- Women, who relate very strongly to parental advise, would mostly ask for advise (11 respondents, **A1**).
- Women, who sometimes relate to parental advise, would also mostly ask for the advise (13 respondents, **C1**).
- Women, who do not at all relate to parental advise, would also mostly ask for advise (11 respondents, **D1**).

(D4) The main finding, which can be derived from Table 6.60 is that respondents mainly asked their parents for advise, although some very strongly related to parental advise (11), some only sometimes related (13) and some did not at all relate (11).

The purpose of question forty-five was to determine who played a primary role in the financial need identification of the respondent and who gathered the information and provided the different alternatives to the respondent. The question was asked as an open-ended question. The responses were coded and grouped together, according to their similarity. The responses, which were gathered from question forty-five, will be discussed next:

c) Question 45

Please indicate the person responsible for the need identification and the information gathering.

- Who was responsible for identification of a need for any financial product, which you purchased in the past?

Table 6.61: The person, who was responsible for the need identification

Person responsible	Frequency	Percent	Cumulative frequency	Cumulative percent
I was	39	55	39	55
My broker	9	13	48	68
Media	1	1	49	69
My sister and I	1	1	50	70
My brother	2	3	52	73
My bank and I	2	3	54	76
A friend	4	6	58	82
My father	2	3	60	85
My family	2	3	62	88
Broker and I	2	3	64	91
Parent	1	1	65	92
My friends and I	1	1	66	93
Family and broker	2	3	68	96
Sanlam	1	1	69	97
My employer and I	2	3	71	100

- Who gathered the information on the different alternatives available to you?

Table 6.62: The person, who gathered the information on the different alternatives

The information gatherer	Frequency	Percent	Cumulative frequency	Cumulative percent
I did	25	35	25	35
My broker	26	37	51	72
Friend an I	1	1	52	73
Mostly my sister	1	1	53	74
My brother	1	1	54	75
A friend	3	4	57	79
Bank and I	2	3	59	82
Broker and I	5	7	64	89
Parent, financial adviser and I	1	4	65	93
Father	1	1	66	94
My nephew	2	3	68	97
Sanlam	1	1	69	98
My aunt	1	1	70	99
Employer and financial adviser	1	1	71	100

Tables 6.61 and 6.62 reveal that 71 respondents answered this question. Tables 6.61 and 6.62 provided the following insights:

- Fifty-five percent of the respondents indicated that they were personally responsible for need identification. The broker was responsible for need identification in 13% of the cases and a friend in 6%.
- Thirty-five percent of the respondents personally gathered the information, the broker in 37% of the cases and a friend in 4%.

(D5) The main finding derived from Table 6.61 and Table 6.62 is that the majority of respondents (55%) indicated that they were personally responsible for the need identification and, although the broker was mostly (37%) responsible for the information gathering, the respondents were personally responsible for gathering the information in 35% of the cases.

d) Question 46

Please indicate the person, whose opinion was most important to you, when you made your last financial purchase?

Table 6.63: The person, whose opinion was most important to the respondent

The person	Frequency	Percent	Cumulative frequency	Cumulative percent
Your parents	6	8	6	8
Your friends	6	8	12	16
Your co-worker	5	7	17	23
No one	33	45	50	68
Other	24	32	74	100

Seventy-four of the respondents answered question forty-six. Table 6.63 reveals that 45% of the respondents indicated that there was no person whose opinion was most important to them. Thirty-two percent of the respondents indicated that a person other than their parents, friends or co-workers provided the most important opinion. Seventeen percent revealed that their co-workers, 8% that their friends and the remaining 8% that their parents provided the most important opinion.

(D6) The main finding is, therefore, that the respondent's parents, friends and co-workers were, overall, not important role players in providing the respondents with the most important opinion (23%). The majority of respondents indicated that no one (45%) or someone else (32%) provided the most important opinion.

e) Question 47

If you have chosen the option other in question 46, please specify:

Question 47 was an open-ended question, with the purpose of determining which other person, not mentioned in question 46, could have a strong influence on the respondent's financial purchasing decisions. The responses were coded and all the similar responses were grouped together. Table 6.64 will display the results:

Table 6.64: A specification of the *other* person, who provided the most important opinion

Other person	Frequency	Percent	Cumulative frequency	Cumulative percent
My financial adviser	9	38	9	38
Friend and I	1	4	10	42
A family member working with the product	1	4	11	46
Mentor	2	8	13	54
I was	6	25	19	79
Sister and brother	2	8	21	87
Partner	3	13	24	100

Table 6.64 provides the following insights: thirty-eight percent of the respondents indicated that their financial advisers provided the most important opinion, 4% a friend and they personally, 4% a family member working with the product, 8% a mentor, 25% they personally, 8% a sister or brother and the remaining 13% a partner.

(D7) The main finding is that most of the respondents (38%) indicated that their financial adviser's opinion was most important to them, when they made their last financial purchase, whereas 25% of the respondents regarded their own opinion as being the most important.

f) Question 48

Please indicate which option the person you ranked most important in question 46 & 47 would prefer:

Table 6.65: The option most preferred by the respondent's role model

Option	Frequency	Percent	Cumulative frequency	Cumulative percent
A financial product with minimal risk	19	29	19	29
A financial product with moderate risk	12	18	31	47
A financial product with high risk	1	2	32	49
A financial product with both guarantee and risk	33	51	65	100

The goal of question forty-eight was to determine which investment option the respondent's role model (person with the most important opinion) would prefer and would most likely recommend to the respondent. Table 6.65 revealed the following insights:

Of the 65 responses received for question forty-eight, 51% indicated that their role model prefers a financial product with both guarantee and risk, whereas only 2% felt that their role model would choose a financial product with high risk.

(D8) The main finding is that most of the respondents (51%) indicated that the role model would prefer a financial product with both a guarantee and risk.

g) Question 49

Would that also be your opinion?

Table 6.66: Indication of accepting the role model's opinion as own

Indication of acceptance	Frequency	Percent	Cumulative frequency	Cumulative percent
Yes	62	95	62	95
No	3	5	65	100

The purpose of question forty-nine was to determine whether the respondent would accept the recommendation, which her role model is most likely to make, in question forty-eight. Table 6.66 provided the following insights:

Of the 65 respondents, who answered this question, 95% will accept the role model's opinion as their own, while 5% of the respondents will not.

(D9) The main finding is that the majority (95%) of respondents indicated that they would accept their role model's opinion as their own opinion.

h) Question 50

If you were to consider a policy in the future, which of the following would best apply to you?

Table 6.67: Indication of the extent of parental involvement in financial decision-making

Extent of involvement	Frequency	Percent	Cumulative frequency	Cumulative percent
I will <u>choose</u> the same financial institution where my parents bought their policies	6	8	6	8
I will <u>consider</u> the financial institution where my parents bought their policies	6	8	12	16
I will not buy my policy at the financial institution where my parents bought their policies	1	1	13	17
My parents would	63	82	76	99

not play any role in my choice of a financial institution				
None of the above	1	1	77	100

Seventy-seven of the respondents answered question fifty. Eighty-two percent of the respondents indicated that their parents would not play any role in their choice of a financial institution. Eight percent of the respondents indicated that they will choose the same institution where their parents bought their policies, another 8% said that they will only consider the financial institution where their parents bought their policies, while 1% indicated that they will not buy a policy at the same institution where parents have bought theirs and the remaining 1% chose not to indicate any of the options, which were provided.

(D10) The main finding derived from Table 6.67 is that the majority of respondents (82%) are not influenced by their parents, when they choose a financial institution.

i) Question 51

Please state the reason why you have chosen the option in the question above?

Question 51 was asked as an open-ended question. All the responses were coded and similar responses were grouped together. The responses from question 51 are displayed in Table 6.68:

Table 6.68: Reasons for the respondent's choice in question 50

Reasons	Frequency	Percent	Cumulative frequency	Cumulative percent
I trust a broker more than my parents	2	3	2	3
I find information myself	9	12	11	15
Parents deceased	5	6	16	21
No longer in parents' shadow	22	28	38	49
FNB conned my father	1	1	39	50
Little ethics at banks	1	1	40	51
Asked for parents' advice	3	4	43	55
Parents would prevent me	3	4	46	59

making wrong decisions				
Parents not knowledgeable	5	6	51	65
Parents would complain if unhappy with their choices	5	6	56	71
Parents never had policies	1	1	57	72
Market change	18	23	75	95
Agreement on dislike of opposing financial institutions	1	1	76	96
Parents limited their choices to South African institutions	1	1	77	97
Irrelevant	1	1	78	98
Good to obtain options from various companies	1	1	79	99
Prefer woman adviser, they know women are always taken for granted	1	1	80	100

The goal of question 51 was to obtain the reasons why the respondents have chosen the particular options in question 50. Eighty respondents answered question 51. Table 6.68 provides the following insights:

Twenty-eight percent of the respondents indicated that they do not want to live in their parents' shadow, when choosing a financial institution, whereas 23% mentioned market changes as a reason. Other reasons provided include that parents would complain if they were unhappy with their choices (6%) and that their parents would prevent them from making wrong decisions (4%).

(D11) The main finding from Table 6.68 is that respondents will not choose the same financial institution as their parents, because they do not live in their shadow (28%) and also because the market has changed (23%).

6.5 Main findings

A number of main findings can be derived from the research and were highlighted throughout this chapter. The purpose of Section 6.5 is to consolidate these main findings,

to form the main findings of this study. The findings will be used to address the primary and secondary objectives, formulated in Chapter One. The main findings from Chapter Six will, therefore, now be listed below:

- (A1) The majority of women (79%) have never been married (Section 6.4.1, p107).
- (A2) All the questionnaires analysed reflected the perceptions of only single working women with regard to their last financial purchase decision (Section 6.4.1, p108).
- (A3) The majority of respondents (90%) do not financially depend on a partner (Section 6.4.1, p109).
- (A4) The majority of the respondents (59%) have male financial advisers and the survey will, therefore, to a greater extent measure the service provided by male financial advisers (Section 6.4.1, p109).
- (A5) Forty percent of the respondents prefer a woman to be their financial adviser, while 51% do not prefer a woman (Section 6.4.1, p110).
- (A6) The majority of the respondents (44%), who provided a reason for preferring a woman adviser, indicated that a woman would have a better comprehension of their needs. Also, 24% of the respondents indicated that it is easier to communicate with women (Section 6.4.1, p111).
- (A7) The majority of women (75%) revealed that they would completely trust the woman financial adviser and will not seek information elsewhere (Section 6.4.1, p111).
- (A8) Seventy-four percent of the respondents, who prefer a woman financial adviser, will completely trust the woman adviser (Section 6.4.1, p112).
- (A9) Forty-six percent of the women want more information, before trusting a financial adviser (Section 6.4.1, p113).
- (A10) The respondents would extend their information search under mainly two special circumstances, namely, if they doubted the choices presented to them (23%) and if they needed more information (21%) (Section 6.4.1, p114).
- (A11) A savings type account at the bank (56%) and a savings policy (44%) are the most popular investment products chosen by single working women. Unit trusts are also a popular choice (42%), whereas stockvel is the least popular (5%) (Section 6.4.1, p115).
- (A12) Thirty-three percent of the respondents view financial advisers as cheats, who only sell products for their own benefit. Also, if the statements are viewed holistically, it can be said that the majority of statements (61%) reflected a

- negative perception, 31% a positive perception and 9% a neutral one (Section 6.4.1, p117).
- (A13) The majority of women, who completed the questionnaire, fall in age group thirty-one to fifty (76%) (Section 6.4.1, p118).
- (A14) Twenty six percent of the respondents earn an income between R5 000 and R7 999 per month (Section 6.4.1, p119).
- (A15) Most of the respondents in the age group 31-60 earn more than R5 000 per month (Section 6.4.1, p120).
- (A16) The majority of the respondents do not have children (72%) (Section 6.4.1, p120).
- (A17) The respondents with children have the same most preferred method of saving as the respondents without children. Both groups prefer a savings account at the bank (Section 6.4.1, p121).
- (A18) A marginal majority of women (55%) do not prefer a financial product, which is specially designed for them, whereas 45% of the women do prefer a financial product designed for them (Section 6.4.1, p121).
- (A19) Fifty-seven percent of the women, who do want a special financial product designed for them, currently use a savings account at the bank as the most preferred savings vehicle (Section 6.4.1, p122).
- (A20) Most of the respondents (39%) indicated that they would want a product, which is specially designed for women, because such a product could help a single woman's special needs. The second reason, which was mostly provided by the respondents (19%), was in contrast with the first reason and revealed that the respondents do not want stereotypes to be created by financial products for women (Section 6.4.1, p123).
- (A21) Most of the women (41%) did not experience strong emotional feelings, when they last bought a financial product (Section 6.4.1, p124).
- (B1) The majority of respondents (57%), who completed the questionnaire, have had relationships with their financial advisers for more than five years (Section 6.4.2, p125).
- (B2) The majority (87%) of respondents are satisfied with the relationships they have with their financial service providers (Section 6.4.2, p126).
- (B3) Women, who have been with their financial service providers for less than a year (7), as well as women, who have been with their financial service providers for

- more than five years (40), are mostly satisfied with their financial advisers' services (Section 6.4.2, p126).
- (B4) The majority of respondents (62), who are satisfied, will trust future recommendations from their financial service providers. Also, if they are not satisfied, they will mostly (6) not trust future recommendations from service providers (Section 6.4.2, p128).
- (B5) Women will continue to search for more information than the advice provided by the service provider, regardless of whether the respondents trust (43) or do not trust (8) future recommendations made by their service providers (Section 6.4.2, p129).
- (B6) The establishment of a business relationship, apart from the transaction which takes place, was the statement most agreed upon, as shown by the mean value of 2.14 (Section 6.4.2, p130)
- (B7) The respondents least agreed with, or were undecided about the statement that the acquisition of a financial service is a man's activity, with the highest mean value of 3.66 (Section 6.4.2, p130).
- (B8) The statement that the acquisition of a financial service is a man's activity is the statement about which the respondents were most homogeneous, as indicated by the lowest standard deviation (0.69). The statement that my financial adviser talks at me had the highest standard deviation (0.94), indicating that the responses to this statement were the most heterogeneous (Section 6.4.2, p130).
- (B9) A respondent, who feels that financial advisers target mainly males, may also experience that her financial adviser talks at her, rather than to her and vice versa. These two statements had the highest correlation with each other (0.35) (Section 6.4.2, p132).
- (B10) The majority of women, who are satisfied with their financial service providers (40), either agreed or strongly agreed that their financial adviser understands their wants and needs, as opposed to the 23, who neither agreed nor disagreed (23) (Section 6.4.2, p133).
- (B11) The majority of women (68%), who have a positive relationship with their financial providers, will sometimes be influenced by negative messages by the media (Section 6.4.2, p134).
- (B12) The majority of respondents (89%) did not feel that they were treated as men, when they purchased their financial products (Section 6.4.2, p134).
- (B13) The majority of women, who have male financial advisers, feel that they are not treated as men by their financial advisers (Section 6.4.2, p135).

- (B14) The respondents were equally divided between considering (49%) and not considering (49%) the advice, which financial advisers, who treat their clients as men, will provide (Section 6.4.2, p135).
- (B15) The majority of respondents (65%) felt that they sometimes have sufficient knowledge to make a financial decision (Section 6.4.2, p136).
- (B16) The majority of the respondents (68%) would rather have their financial adviser find the best solution (Section 6.4.2, p136).
- (B17) The majority of women, who feel that they sometimes have sufficient knowledge, also prefer their financial adviser to find the best solution (35) (Section 6.4.2, p137).
- (B18) The majority of respondents (55%), who wanted the financial adviser to find the best solution, provided the adviser's speciality as the reason. The majority of respondents (22%), who personally wanted to find the best financial solution, provided their preference for making their own decisions as the main reason (Section 6.4.2, p138).
- (B19) The majority of respondents (58%) indicated that it is either not that important, or not at all important that bank personnel know/remember their names (Section 6.4.2, p138).
- (B20) The respondents are mostly sometimes (47%) or always (42%) willing to accept advice, when bank personnel remember their names (Section 6.4.2, p139).
- (B21) The majority of respondents (67%) revealed that financial advisers do not misinterpret nodding of the head as an indication of willingness to buy the product (Section 6.4.2, p139).
- (B22) The majority of respondents (88%) indicated that they will not in future accept advice from the financial adviser, if he mistakenly interpreted nodding of the head as a willingness to purchase the financial product (Section 6.4.2, p140).
- (B23) The majority (81%) experienced that their financial advisers do not assume that they want a low risk profile, just because they are women (Section 6.4.2, p140).
- (B24) The majority of respondents (80%), who gave an indication, are not willing to accept any future advice, if their financial adviser wrongly assumed that they needed a low risk investment (Section 6.4.2, p141).
- (B25) The majority of respondents (53%) indicated that it would not matter to them from which company they buy the product, as long as it is a good product (Section 6.4.2, p142).

- (B26) Reliability was the attribute most important to the respondents, with the lowest mean value of 1.12 and friendship was the attribute not at all important to most of the respondents, with the highest mean value of 2.76 (Section 6.4.2, p143).
- (B27) The reliability attribute is the attribute about which the respondents were most homogeneous, as indicated by the lowest standard deviation of 0.32. The friendship attribute had the highest standard deviation of 1.14, indicating that the responses to this statement were the most heterogeneous (Section 6.4.2, p143).
- (B28) When trust is important to the respondent, reliability may also be important to the respondent and vice versa. Both these statements had the highest correlation with each other (0.42) (Section 6.4.2, p144).
- (C1) The majority of respondents (53%) indicated that the decision-making ability of a woman would not depend on the role portrayed by the woman in a financial advertisement (Section 6.4.3, p145).
- (C2) The majority of respondents (47%) prefer a working woman role in a financial advertisement (Section 6.4.3, p146).
- (C3) The respondents view their preferred woman role as the most adequate financial purchase decision maker (Section 6.4.3, p146).
- (C4) The majority of the respondents (74%) agreed that women are illustrated in a family role in financial advertisements. Women also mostly disagreed (56%) with the statement that women are represented as sexual objects (Section 6.4.3, p148).
- (C5) A marginal majority of respondents (67%) will only sometimes consider the purchase of a financial product, if they cannot identify with the role, which has been portrayed to them by financial advertisements (Section 6.4.3, p148).
- (C6) The majority of respondents (62%) indicated that financial advertisements are cluttered with too many financial terms and too little information to really understand the meaning (Section 6.4.3, p149).
- (D1) The majority of respondents indicated that they only sometimes (24%) or not at all (24%) relate to parental advice, when forming an opinion with regard to a financial service (Section 6.4.4, p150).
- (D2) When the respondents felt that their own knowledge was sufficient, they mostly did not at all relate to parental advice (7 respondents). When the respondents indicated that they never feel that their own knowledge is sufficient, they mostly relate very strongly to parental advice (5 respondents) (Section 6.4.4, p150).

- (D3) The majority of the women (63%) asked their parents for the financial advice (Section 6.4.4, p151).
- (D4) The main finding, which can be derived from Table 6.60, is that respondents mainly asked their parents for advice, although some very strongly related to parental advice (11), some only sometimes related (13) and some did not at all relate (11) (Section 6.4.4, p152).
- (D5) The majority of respondents (55%) indicated that they were personally responsible for need identification and that, although the broker was mostly (37%) responsible for the information gathering, in 35% of the cases the respondents were responsible for personally gathering the information (Section 6.4.4, p153).
- (D6) The respondent's parents, friends and co-workers were, overall, not important role players in providing the respondents with the most important opinion (23%). The majority of respondents indicated that no one (45%) or someone else (32%) provided the most important opinion (Section 6.4.4, p154).
- (D7) Most of the respondents (38%) indicated that their financial adviser's opinion was most important to them, when they made their last financial purchase, whereas 25% of the respondents regarded their own opinion as being the most important (Section 6.4.4, p155).
- (D8) Most of the respondents (51%) indicated that the role model would prefer a financial product with both a guarantee and risk (Section 6.4.4, p155).
- (D9) The majority (95%) of respondents indicated that they would accept their role model's opinion as their own opinion (Section 6.4.4, p156).
- (D10) The majority of respondents (82%) are not influenced by their parents, when they choose a financial institution (Section 6.4.4, p157).
- (D11) The respondents will not choose the same financial institution as their parents, because they do not live in their shadow (28%) and also because the market has changed (23%) (Section 6.4.4, p158).

6.6 Summary

Chapter Six discussed the research results. Findings were recorded throughout the discussion, which at the end formed the main findings from the empirical research-phase of this study.

The final chapter, Chapter Seven, will conclude this research study by providing conclusions and interpretations of the findings, as well as recommendations. The recommendations will include suggestions for future research, in the form of various hypotheses about the women market, which could be tested throughout South Africa, to

better understand the single working women market in South Africa. The recommendations will be based on the literature review and the main findings recorded from the empirical research-phase of the study. In addition to providing the recommendations, the limitations of this study will also be given, to conclude the final research report.

Chapter Seven

Conclusions, implications and recommendations

7.1 Introduction

In Chapter Six the research results were presented and the main findings reported. This chapter will conclude this research study, by providing the conclusions, implications and recommendations of the findings.

The primary objective of this study, as documented in Chapter One, was to investigate the factors influencing buyer behaviour of single working women, when purchasing financial products or services. Secondary objectives were also established in Chapter One, to assist in achieving the primary objective of this study. The four secondary objectives will again be presented in Section 7.2 and will be addressed by the relevant main findings from the literature review and from the empirical part of this study. The discussion on each secondary objective will be concluded, the implications will be noted and recommendations will be made. Resulting from the recommendations, a hypothesis regarding the women market will be formulated after each secondary objective. The aim of the various hypotheses will be to set the direction for future research regarding the single working women market in South Africa.

7.2 Main findings, recommendations and hypotheses

In this study, four factors were investigated, which could possibly influence women's buyer behaviour regarding financial products and services. These four factors were the basis on which the secondary objectives in Chapter One were designed. Due to the exploratory nature, an extensive literature review regarding these four factors and secondary objectives was undertaken in Chapters One to Four. In this section, the literature relevant to each secondary objective will be briefly summarised, after which the main findings from the literature review will be drawn. These findings will assist in addressing the secondary objectives of this study.

In addition to the main findings from the literature review, the main findings from the empirical phase of this study will also be incorporated, to address the secondary objectives. As part of the empirical phase, background information was obtained from the respondents. The respondents in this study, who contributed to the main findings of the empirical phase, therefore have the following profile:

All the questionnaires analysed reflected the perceptions of only single working women regarding their last financial purchase decision. The majority of respondents, who completed the questionnaire, have never been married and also do not financially depend on a partner. Single working women chose a savings type account at the bank and a savings policy as the most popular investment products. Unit trusts were also a popular choice, whereas stockvel was the least popular. The majority of women, who completed

the questionnaire, fall into age groups thirty-one to fifty and 26% of the respondents earn an income between R5 000 and R7 999 per month. In addition, most of the respondents in the age group 31-60 earn more than R5 000 per month. The majority of respondents questioned also do not have children (Main findings A1-A3, A11, p159 and A13-A16, p 160).

The first secondary objective concerned women's perception of financial products and services advertised to them. The relevant main findings from the literature review and from the empirical phase will be discussed, in order to address the first secondary objective, whereafter the first hypothesis for possible future research on this topic will be formulated.

7.2.1 Women's perceptions regarding advertising strategies

- **Secondary objective 1**

To determine the perception of single working women in Gauteng regarding the advertising of financial products and services.

In *Chapter One*, the literature review on advertising strategies revealed that financial companies overseas used to stereotype women in financial advertisements. It was then discovered that a paradigm shift took place, because the view of women's role in society had changed. The traditional role, which women played before the 1970s, was described as a family role, where the woman's main function was to be a mother and to look after her family. Since the 1970s, more women began to join the workforce. Their perceptions about themselves and what role they should play also changed. Many women wanted to be independent and successful in the workplace, in addition to caring for their families. This last role refers to the modern woman role.

In *Chapter Four*, it was revealed that advertising strategies have attempted to acknowledge the role-change and the focus shifted from the traditional, care-giving approach to the modern approach where women are portrayed as successful and capable, in and out of the home. However, a modern approach to advertising may become a problem, when advertisers push this approach too far. Women, who are portrayed as successful at home and at work, can be viewed as superwomen. Modern women may feel that they cannot keep up with the pressures at work and at home and will, therefore, be unable to identify with the image of a superwoman.

When advertising to women, financial companies should consider this important fact. When advertising to working women, financial companies should, therefore, acknowledge the needs and values of the women. Advertising strategies should then be developed in line with the working women's needs.

The following main findings regarding advertising strategies can be derived from the literature review:

- The view of women's role in society has changed and women overseas have a different perception about themselves and what role they should play, compared to that of a few decades ago.
- Advertising strategies acknowledged this fact and the focus shifted from traditional, care-giving approach to the modern approach, where women are portrayed as successful and capable, in and out of the home.
- The modern role, however, can be pushed too far, where women will be unable to identify with the superwoman role portrayed to them.
- When advertising to working women, financial companies should, therefore, acknowledge the needs and values of the women.

In addition to the main findings from the literature review, several main findings could also be derived from the empirical research phase.

In terms of financial advertising, it is clear, from the results obtained, that financial advertisements are cluttered with too many financial terms and too little information to really relay their meaning. The respondents also experienced difficulty regarding the role portrayal financial companies use in their advertisements. The majority of respondents indicated that the decision-making ability of a woman would not depend on her role portrayed in a financial advertisement. A housewife and a working woman, for example, are both able to make financial purchase decisions. However, the respondents view their preferred woman role in financial advertisements as the most adequate financial purchase decision maker and a marginal majority of respondents will only sometimes consider the purchase of a financial product, if they cannot identify with the role, which has been portrayed to them by financial advertisements. The majority of respondents prefer a working woman role in a financial advertisement. Women are currently illustrated in a family role in financial advertisements and not represented as sexual objects (Main findings C1-C6, p 163).

The first secondary objective to be addressed was to determine the perception of single working women in Gauteng regarding advertising of financial products and/or services. To accomplish this, the main findings from the literature review and the empirical study will be integrated, a main conclusion will be drawn and recommendations will be made.

The literature review indicated that women's role in society overseas has changed and that they have a different perception about themselves and which role they should play, compared to a few decades ago. The empirical research also revealed that financial companies in South Africa cannot randomly use role portrayals and expect to effectively appeal to the target group. Each respondent in the study had a preferred woman role. The preferred woman role was a superwoman (housewife, mother, child and working woman), home executive, family role or a working woman role. In financial advertisements, one of these woman roles may be used to portray a purchase decision. When the woman making the financial purchase decision in the advertisement corresponds with the respondent's preferred woman role, she may be more inclined to buy the product, because her preferred woman role would make the most suitable financial purchase decision. A marginal majority of respondents will only sometimes

consider the purchase of a financial product, if they cannot identify with the role, which has been portrayed to them by financial advertisements. Therefore, financial companies in South Africa should acknowledge the woman respondent's changing role in society and which role they value today. Financial companies should first do research, to determine which role portrayal would most appeal to the target group and then structure their advertisements accordingly.

Based on the integration of the main findings of the literature review and of the empirical research phase, the following main conclusion, implication and recommendation can be derived:

The **main conclusion** is that, although single working women in Gauteng have the perception that the decision-making ability of a woman does not depend on her role portrayed in a financial advertisement, the roles portrayed by women in financial advertisements do affect their decision-making. A marginal majority of respondents will only sometimes consider the purchase of a financial product, if they cannot identify with the role, which has been portrayed to them by financial advertisements. Preferred role portrayals have changed over time and financial companies should take note of this, when designing their advertising strategies.

The **implication** is that financial companies in South Africa should be aware of the most preferred woman role when advertising, in order to most effectively reach the target group.

Recommendation: Financial companies in South Africa should analyse the preferences of their target groups, before they advertise to them. Financial companies cannot randomly use role portrayals and expect to effectively appeal to the target group. It is recommended that financial companies first do research to determine to which role portrayal the target group will respond and then structure their advertisements accordingly.

Based on the recommendation of secondary objective 1, the following hypothesis for future research can be derived:

Hypothesis 1: Effective role portrayal in financial advertisements will lead to an increase in the purchasing of financial products or services by single working women.

The second secondary objective concerned women's perceptions regarding their relationships with their financial advisers. The relevant main findings from the literature review and from, the empirical phase will now be discussed, in order to address the second secondary objective, whereafter the second hypothesis for possible future research on this topic will be formulated.

7.2.2 Women's perceptions of relationships with financial advisers

- **Secondary objective 2**

To determine the perception of single working women in Gauteng regarding their relationships with their financial advisers.

In *Chapter One*, it was derived from a study conducted by Deloitte & Touche that women overseas have no investment objectives and are also too afraid to ask questions. The study recommended that women should receive more education and that relationships should be established with them. It is also imperative for a financial adviser to establish trust with the female client. The study revealed that half the women questioned said that they discuss financial matters with friends and sixty percent said that they would purchase a product recommended by a friend, rather than one recommended by a financial adviser. The study emphasised the fact that a personal relationship with the adviser will lead to long-term loyalty. The study by Deloitte & Touche concluded that women require four types of characteristics in a financial service provider, namely provision of quality advice, having a personal relationship with their financial adviser, easy to read financial statements and the competency of the financial adviser in providing the best value for their money.

The Engel, Blackwell, Miniard Consumer Model (1995) identified influencing variables, namely needs, values and motives, which could influence purchase behaviour. It was also established, in *Chapter Three*, that financial companies should acknowledge the needs, values and lifestyles of the female market, in order to develop effective consumer behaviour strategies. The literature review in *Chapter Four* attempted to establish whether the marketing activities of the financial industry (including personal selling and advertising strategies) acknowledge the female's values, needs and lifestyles.

Chapter Four then revealed that financial companies underserve women. Two reasons were provided, namely that companies have not identified the true potential of the women market and, therefore, have not allocated the necessary resources to them and, secondly, that women are being sold to as if they were men.

The following main findings regarding personal selling and relationships can be made from the literature review:

- Women abroad are not sufficiently educated regarding financial purchasing.
- Women overseas do not trust their financial advisers and rather rely on their friends' knowledge.
- Financial companies overseas should establish personal relationships with their clients, to obtain long-term loyalty.
- Women overseas are being sold to as if they were men.

In addition to the main findings from the literature review, several main findings could also be derived from the empirical research phase.

The respondents, who participated in this study, were equally divided between considering and not considering advice, if their financial advisers treated them as men. The majority of respondents, who participated in this study, have male financial advisers. More specifically, the majority of women, who have male financial advisers, feel that their financial advisers do not treat them as if they were men. There is, therefore, no concern that some of the respondents are currently not considering financial advice provided, because they are treated as men (Main findings A4, p159 and B12-B14, p161).

It was revealed by the empirical research that a respondent, who feels financial advisers target mainly males, may also experience that her financial adviser talks at her, rather than to her. The statement that my financial adviser talks at me had the highest standard deviation, indicating that the responses to this statement were the most heterogeneous. The majority of respondents could, therefore, not declare that they experience their financial advisers as talking at them rather than to them. When taking these main findings into consideration, the conclusion can be made that the respondents do not experience chauvinism from their male financial advisers (Main findings B8-B9, p161).

The majority of respondents have had relationships with their financial advisers for more than five years and are satisfied with them. Respondents, who had relationships with their financial advisers for less than one year, however, were also satisfied with their financial service providers. The conclusion can, therefore, be made that the satisfaction experienced by the respondents did not depend on the number of years of their relationships with their financial service providers (Main findings B1-B3, p160).

The study further revealed that the majority of satisfied respondents would also trust future recommendations from their financial service providers. Women respondents, however, will still search for more information than the advice provided by the service provider, regardless of whether they trust or do not trust future recommendations by their service providers. The conclusion can, therefore, be made that, although the respondents are satisfied with their financial service providers, they do not completely trust them. This conclusion can be confirmed with the response by 46% of the women, who indicated that they wanted more information, before trusting a financial adviser. The study also revealed, that although 31% of the respondents had a positive perception of financial advisers, 33% of the respondents viewed financial advisers as cheats, who only sell products for their own benefits. The perception of a financial adviser as a cheat is a further indication of a lack of trust in financial service providers (Main findings A9, A12, p159 and B4-B5, p161). A lack of trust in financial service providers may have negative consequences.

The establishment of a business relationship in addition to the transaction, which takes place, was the statement most agreed upon by the respondents. Although 68% of the respondents have a positive relationship with their financial service providers, they will still sometimes be influenced by negative messages from the media (Main findings B6,

p161 and B11, p161). If the respondents completely trusted their financial service providers, they would not have been influenced by negative messages from the media.

Financial service providers can, therefore, not be content that 68% of the respondents have positive relationships with their financial service providers and that the majority of respondents perceive their relationship with their financial service providers as satisfactory. Financial service providers will need to improve the current business relationships, which they have, to establish complete trust with their clients. If the respondents could completely trust their financial service providers, negative consequences, such as doubt, which may lead to extended information search or negative media message influences, could be eliminated.

To determine the perception of single working women in Gauteng regarding the relationship with their financial advisers was the second secondary objective to be achieved. To accomplish this, the main findings of the literature review and the empirical study will be integrated, a main conclusion will be drawn and recommendations will be made.

Women overseas indicated that they are not sufficiently educated and that they need more information. Women in South Africa also need more information, but for the reason that they do not trust their financial advisers. Women overseas are being sold to as if they were men. The respondents in South Africa did not experience chauvinism by their male financial advisers. Regardless of this fact, not enough has been done regarding the building of relationships with the respondents. If relationships were established with the respondents and they completely trusted their advisers, they would not have engaged in extended information search. The literature review indicated that women overseas also do not trust their financial advisers and rather rely on their friends' knowledge. Both the literature review and the empirical results indicated that financial companies should establish personal relationships with their clients, to obtain long-term loyalty. Relationships should, therefore, be established with the respondents, to create more loyal customers, who will not be influenced by negative messages from the media.

Based on the integration of the main findings of the literature review and of the empirical research phase, the following main conclusion, implication and recommendation can be derived:

The **main conclusion** is that financial companies should focus on improving their business relationships with respondents, in order to establish complete trust.

The **implication** would be that a respondent, who completely trusts her financial adviser, will not be influenced by negative messages from the media and will not embark on an extended information search, with the possibility of changing her investment choice.

Recommendation: Financial companies should realise that, although women say that they trust their financial advisers, their additional information search indicates latent concerns leading to a lack of complete trust. Companies should, therefore, determine

women's perception of what constitutes complete trust through projective techniques. This should then be used as input to improve relationship-building and to establish complete trust.

Based on the recommendation of secondary objective 2, the following hypothesis for future research can be derived:

Hypothesis 2: The establishment of complete trust will result in a higher level of commitment by women clients.

The third secondary objective concerned women's perceptions regarding the relationship marketing strategies directed towards them by financial companies. The relevant main findings from the literature review and from the empirical phase will be discussed, in order to address the third secondary objective, whereafter the third hypothesis for possible future research on this topic will be formulated.

7.2.3 Women's perceptions regarding relationship marketing strategies

- **Secondary objective 3**

To determine the perception of single working women in Gauteng regarding the relationship marketing strategies directed towards them by financial companies.

The literature review in *Chapter One* revealed that banks in South Africa do not know what their customers want individually and do not effectively apply relationship marketing. The perception of South African bank customers is that they cannot trust the bank to do the correct thing. The finding was also derived that banks in South Africa, which are not trustworthy and do not know what their clients want, may result in clients not purchasing a financial service or product.

It was revealed in *Chapter Four* that customers will only remain loyal, if the benefit gained from one company will be greater than that gained from a competitor. Certain procedures will have to be followed to retain customers over a longer period. These involve: the definition and measurement of retention, looking for loyalty in the right places, with a focus on acquiring the "right" customers, rewarding the sales force for retaining the customers and designing special programs to attract and retain the most valuable customers.

Chapter Four identified several strategic issues, which could also be taken into account, to assist in building an effective relationship marketing strategy. The first strategic issue reveals that a company must be defined as a service business. The company must be aware of what the customer wants over the long term and must provide extra value through the fulfilment of those needs. Customers do not only want a product. They also want all the extra components, which it encompasses.

The second strategic issue, which will have to be taken into account, is that companies should have a process management perspective. Customers want added value to the service and companies should ensure that all the functions in the firm work together to provide this. Any activity, which does not provide value for the customer, should be eliminated.

The last strategic issue, which must be taken into account, is partnerships and networks. Companies should form partnerships with other companies in the distribution channel. The relationship must be a win-win situation. The goal of the partnership should be to assist in providing the elements necessary to build effective relationship marketing. Mutual trust must exist between the companies. When implemented, these strategic issues may help to establish effective relationship marketing strategies.

Relationship marketing is an important element of retention marketing, where relationship building retains customers. Relationship marketing, therefore, provides opportunities for financial service retailers. If relationship marketing strategies could be effectively implemented and financial service providers could retain their customers, they would pay five times less than the costs of generating a new customer. Relationship marketing will, therefore, help to produce loyal customers, who are more cost effective.

The following main findings regarding relationship marketing strategies can be made from the literature review:

- Banks in South Africa, which are not trustworthy and do not know what their clients want, may cause clients not to purchase a financial service or product.
- Customers will only remain loyal, if the benefit they gain from one company will be greater than that from a competitor.
- Certain procedures will have to be followed to retain customers over a longer period.
- Customers do not only want a product. They also want all the extra components, which it encompasses.
- Customers want added value to the service and companies should ensure that all the functions in the firm work together to provide this.
- If relationship marketing strategies could be effectively implemented and financial service providers could retain their customers, they will pay five times less than the costs of generating a new customer.
- Relationship marketing will, therefore, help to produce loyal customers, who are more cost effective.

In addition to the main findings from the literature review, several main findings could also be derived from the empirical research phase.

The majority of respondents indicated that it would not matter to them from which company they buy the product, provided that it is a good product (Main finding B25, p162). However, if clients were loyal to one company, they might have invested in a good product at the company to which they were loyal. It can, therefore, be concluded

that the implementation of client relationship strategies are not effective, as the majority of respondents are not loyal to one particular company. Consequently, financial companies will again have to improve on their client relationships to create loyal customers, who will select good products from the company to which they are loyal.

The empirical research results also revealed a few aspects regarding relationship marketing strategies, which were important to the respondents. Reliability was the attribute rated most important by the respondents, while friendship was the attribute rated not important at all. This was confirmed by the fact that the respondents were the most homogeneous about the reliability attribute, as indicated by the lowest standard deviation, while the attribute friendship had the highest standard deviation. The respondents were, therefore, the most heterogeneous about being friends with the financial adviser. The conclusion can be made that the respondents would rather have a reliable financial adviser than friendship with the financial adviser. Reliability is, therefore, an important aspect, when building relationships. Successful relationships, in turn, may lead to loyal customers, who completely trust their financial advisers (Main findings B26-B27, p163).

Another important aspect regarding relationship marketing revealed that the majority of respondents also indicated it is either not that important or not important at all that bank personnel know/remember their names. The respondents, however, were mostly sometimes or always willing to accept advice, when bank personnel remembered their names (Main findings B19-B20, p162). To make an effort to remember the names of some customers is, therefore, another method which financial companies could use in their relationship marketing strategies. Customers would be more willing to accept advice.

To determine the perception of single working women in Gauteng regarding the relationship marketing strategies directed towards them by financial companies, was the third secondary objective, which had to be achieved. To accomplish this, the main findings of the literature review and of the empirical study will be integrated, a main conclusion will be drawn and recommendations will be made.

The empirical results revealed that financial companies have not created loyal respondents with their relationship marketing strategies. Women are, therefore, willing to choose a financial product at any company, provided it is a good product. In support of this, the literature review indicated that banks in South Africa, which are not trustworthy and do not know what their clients want (as a lack of effective relationship building), may cause clients to decide not to purchase a financial service or product. If the banks had implemented effective relationship marketing strategies, they would have been aware of their clients' needs and the clients would have perceived them as trustworthy and might have purchased their products.

Therefore, when designing relationship marketing strategies, financial companies should make use of the aspects important to the respondents, derived from the empirical research. These relationship marketing strategies should then be effectively implemented to create loyal respondents. The literature review revealed that customers would only

remain loyal, if the benefit gained from one company will be greater than that gained from a competitor. Financial companies should, therefore, again be aware of what the customers need and want, in order to design effective relationship marketing strategies, which will provide benefits to the customers. These benefits should make the gain from one company greater than that from a competitor.

The main findings from the literature review indicated that certain procedures would have to be followed to retain customers over a longer period. Customers want added value to the service and companies should ensure that all the functions in the firm work together to provide this. Financial companies should bear in mind that customers do not only want a product. They also want all the extra components, which it encompasses. If relationship marketing strategies could be effectively implemented and financial service providers could retain their customers, the costs would be five times less than those of generating each new customer. Relationship marketing will, therefore, help to produce loyal customers, who are more cost effective.

Based on the integration of the main findings of the literature review and of the empirical research phase, the following main conclusion, implication and recommendation can be derived:

The **main conclusion** is that financial companies have not created loyal customers with their relationship marketing strategies.

The **implication** is that, because respondents are not loyal to one company, they are willing to choose a financial product at any company, provided it is a good product.

Recommendation: It is evident from the literature review and the empirical study that financial companies should be aware of what the customers need and want, in order to design effective relationship marketing strategies. Research should be done to establish this. In addition, financial companies should make use of the main findings on aspects important to the respondents, when designing relationship marketing strategies. Effective strategies in line with the customers' needs may result in one company gaining more loyal customers than a competitor does.

Based on the recommendation of secondary objective 3, the following hypothesis for future research can be derived:

Hypothesis 3: Effective relationship marketing strategies will result in trust and loyalty.

The fourth secondary objective concerned the evaluation of existing customers' values and needs of financial products and services directed towards them. The relevant main findings from the literature review and from the empirical phase will be discussed, in order to address the fourth secondary objective, whereafter the fourth hypothesis for possible future research on this topic will be formulated.

7.2.4 Women's values and needs of financial products and services

- **Secondary objective 4**

To evaluate the values and needs of the existing women market pertaining to financial products and services directed towards women.

It was revealed in *Chapter One* that women are more aware of the potential risks involved, when investing their money. Women are also not as confident as men, when making financial decisions. Forty-eight percent of women versus twenty-four percent of men view investment making as intimidating.

The disadvantage is that women do not have sufficient funds for retirement. Postponement may result in investment decisions being made too late. Women may only decide to invest after death, divorce or job loss occurred. The advantage of women's approach to investments, however, is that women are more detail orientated and inquisitive. Women who are aware of the potential risk involved, may be inclined to trade less often, which could possibly lead to higher returns. Men are also more selective in their investment processing, whereas women consider all available cues.

Chapter Four revealed that women's behaviour differentiates in terms of the level of service they expect. Women will remain loyal once they trust their advisers and women are more relationship-oriented, while men are transaction-oriented. Women also ask more questions and will seek information about an investment from more than one source, while men focus on getting the right answer. Women will not make a decision as fast as men do, but they will stay more loyal, once the decision has been made. Women do planning with a long-term vision in mind and the financial goals of women and men also differ. A male's main concern is to save for tax purposes, while females want to ensure that they are financially independent.

It was also revealed in *Chapter Four* that, provided that they are well-treated, women care most about whether someone educates them, tries to build a relationship with them, gives them a long-term problem-solving approach and provides good service after the sale, instead of merely pushing products. Certain criteria should be met, in order to satisfy the needs of the women market.

Customer satisfaction has great potential to materialise, when service quality has been met, when service aspects, such as convenience and competitiveness exist and when the problems the customers complain about, are adequately resolved. Core and relational performance determine customer satisfaction. If the retail bank cannot adequately solve the problem, the impact on customer satisfaction would be negative. It was also found that, if a problem was very critical, it would not matter what the service provider's response is. The likelihood of a customer switching to another bank increased. Borrowers have a less favourable attitude towards a bank than customers who only save at the bank. A possible reason may be that customers do not like the rules and

regulations, which they have to follow in the bank. Borrowers may be more important than non-borrowers, because it is costing them more. Banks should also focus primarily on the core and relational function in their attempt to satisfy customers.

The following main findings regarding women's needs and values can be made from the literature review. The main findings will be divided into how women's needs differ from those of men and the different investment approaches they use, as a result.

Table 7.1: Investment approaches according to women's needs

Different needs of women	Different investment approaches of women
1. Women are more risk averse regarding investments.	<ul style="list-style-type: none"> • Women are less confident when making investments.
2. Women are more detail orientated and inquisitive.	<ul style="list-style-type: none"> • Women consider all available cues.
3. Women are more relationship orientated and need to trust their advisers.	<ul style="list-style-type: none"> • Women will remain loyal, once they trust their advisers.
4. Women will not make a decision as fast as men do.	<ul style="list-style-type: none"> • Women will stay more loyal, once the decision has been made.
5. Women do financial planning with a long-term goal in mind.	<ul style="list-style-type: none"> • Women invest to make sure that they are financially independent.

In addition to these main findings, certain criteria were also given, which should be met, in order to satisfy the needs of the women market. The main findings, however, can be summarised with the statement that was made in *Chapter Four*, indicating that, provided they are well-treated, women care most about whether someone educates them, tries to build a relationship with them, gives them a long-term problem-solving approach and provides good service after the sale, instead of merely pushing products.

In addition to the main findings derived from the literature review, several main findings in support could also be derived from the empirical research phase. These findings from the empirical research will now be presented.

The empirical results revealed that 40% of the respondents prefer a woman to be their financial adviser, while 51% do not prefer a woman. Forty-four percent of the respondents, who prefer a woman adviser, indicated that a woman would have a better comprehension of their needs. Also, 24% of the respondents indicated that it is easier to communicate with women and 74% of the respondents, who prefer a woman financial adviser, will completely trust the woman adviser (Main findings A5-A6 and A8, p159).

The empirical results further revealed that a marginal majority of women do not prefer a financial product, which is specially designed for them, as they do not want stereotypes to be created by financial products. Forty-five percent of the women do prefer a financial product designed for them, as it will help a single woman's special needs. Further, the respondents least agreed with or were undecided about the statement, with the highest mean value, that the acquisition of a financial service is a man's activity (Main findings

A18, A20, p160 and B7, p 161). The conclusion can, therefore, be made that, although the respondents do not view the purchase of a financial product as a man's activity, the marginal majority of respondents also do not prefer a financial product specially designed for women.

Fifty-seven percent of the women, who do want a special financial product designed for them, currently use a savings account at the bank as the most preferred vehicle to save. The respondents with children also have the same most-preferred method of saving as the respondents without children. Both groups prefer a savings account at the bank (Main findings A17, A19, p160). The conclusion can, therefore, be made that financial companies should focus on savings accounts at the bank, or similar products, should they wish to design financial products for women.

The majority of women, who are satisfied with their financial service providers, either agreed or strongly agreed that their financial providers understand their wants and needs. The empirical results revealed that financial service providers understand the women respondents' needs and wants by not misinterpreting non-verbal communication (nodding of the head). If misinterpretation was the case, the majority of respondents would not accept future advice from the financial adviser. They also did not assume that the respondents wanted a low risk profile, just because they were women. If the wrong assumption was made, the majority of respondents would not be willing to accept any future advice from their financial service providers (Main findings B10, p161 and B21-B24, p162).

The majority of respondents only sometimes has sufficient knowledge to make a financial decision and would rather have their financial adviser find the best solution. The majority of respondents, who want their financial advisers to find the best solution, provided the adviser's specialty as a reason, while the majority of respondents, who personally wanted to find the best solution, preferred to make their own decisions (Main findings B15-B16, p162 and B18, p162). The conclusion can, therefore, be made that, overall, the majority of respondents do not have the confidence to make the best financial purchase decision and prefer to have the financial adviser in his specialty find the best solution.

The majority of respondents indicated that they only sometimes, or not at all, relate to parental advice, when forming an opinion regarding financial services. The potential to relate to parental advice was strong, when the respondents indicated that they never feel their own knowledge to be sufficient. If the respondents, however, felt their own knowledge was sufficient, they mostly did not relate to parental advice at all (Main findings D1-D2, p163).

The respondents would obtain the advice from their parents by asking for it, even though some very strongly related to parental advice, some only sometimes related and some did not relate at all (Main findings D3-D4, p164). The conclusion can, therefore, be made that, regardless of how strongly the respondents rely on parental advice, the main method,

which the respondents used to obtain the information from their parents, was to ask for it. Prior to asking for advice, need identification first had to take place.

The need identification, which took place, was mainly done by the respondents themselves and, although the broker was mostly responsible for the information gathering, which took place, in 35% of the cases, the respondents were personally responsible for gathering the information (Main finding D5, p 164). Several role players contributed to the information, which was gathered by the respondents.

The respondents' parents, friends and co-workers, overall, were not important role players in providing the most important opinion to the respondents. The majority of respondents indicated that nobody or someone else provided the most important opinion. Most of the respondents listed their financial adviser's opinion as most important to them, whereas 25% of the respondents regarded their own opinion as being most important, when they made their last financial purchase. The majority of respondents indicated that the person, whose opinion was most important to them, would prefer a financial product with both guarantee and risk and that they would accept their role model's opinion (person with most important opinion) as their own (Main findings D6-D9, p164).

The respondents were not influenced by their parents, when they chose a financial company. The reason was that the respondents do no longer live in their parents' shadow and also because the market has changed over time. Most of the women did not experience strong emotional feelings, when they last bought a financial product (Main findings A21, p160 and D10-D11, p164). The conclusion can, therefore, be made that, overall, the respondents do not make emotional decisions with regard to financial purchasing. The respondents do not very strongly relate to parental advice and also do not select a financial company, just because it was their parents' choice. The respondents have an objective approach to financial purchasing; they identify their own needs and prefer to personally search for the information.

The fourth secondary objective, which had to be achieved, was to evaluate existing customers' values and needs of financial products and services directed towards them. To accomplish this, the main findings of the literature review and of the empirical study will be integrated, a main conclusion will be drawn and recommendations will be made.

The first investment approach, in Table 7.1 of the literature review, revealed that women are less confident regarding investment decision-making. The empirical results, however, indicated that the respondents had their own role models, whose opinions they accept as their own. Financial companies will have to make use of the respondent's role models (which do not include parents), to guide them in their investment decision-making. If the role model, which will be used to guide the respondent, could establish her trust, investment approach 3 (in Table 7.1) indicated that the woman would remain loyal to the adviser. Investment approach 4 (in Table 7.1) pointed out that women would also remain loyal, once their decision had been made. The respondents' role models should, therefore, be used to guide the respondents in their uncertain financial decision-making.

The empirical research results also revealed that the respondents had a strong need for independence, as they no longer wish to live in their parents' shadow. Investment approach 5 (Table 7.1) confirmed this need, by stating that women will make investments to ensure that they are financially independent. Financial companies, therefore, need to realise that the respondents will accept the role models' opinions, but in their need for independence, will tend to search for their own information. In their search, investment approach 2 (Table 7.1 of the literature review) indicated that women would consider all available cues.

Based on the integration of the main findings of the literature review and of the empirical research phase, the following main conclusion, implication and recommendation can be derived:

The **main conclusion** is, therefore, that the respondents, who participated in this study, have an objective approach with regard to financial purchasing and no longer live in their parents' shadow.

The **implication** is that, as a result of the respondents' objective approach to financial purchasing, financial companies will have to align their relationship marketing strategies to incorporate the respondents' need for independence.

Recommendation: Financial companies will have to make use of the respondents' role models (which do not include parents) in their strategies, as the respondents will strongly relate to them and will accept the role models' opinions as their own. Financial companies, however, need to realise that the respondents will accept the role models' opinions, but in their need for independence, will tend to search for their own information and will look at all available cues. As a result, financial companies, which adhere to the values and needs of the respondents, may obtain the respondents' complete loyalty and trust.

Based on the recommendation of secondary objective 4, the following hypothesis for future research can be derived:

Hypothesis 4: Financial companies, which adhere to the values and needs of their women clients, will gain their complete loyalty and trust.

In this section, the main findings from the literature review and from the empirical research were used to address the four secondary objectives, established in Chapter One. Recommendations were made and hypotheses were designed to assist in future research on this topic. Based on the recommendations and hypotheses designed, one main conclusion resulting from this study can be derived, namely that financial companies should have a better knowledge of the respondents' values and needs.

Financial companies should, therefore, implement more effective relationship marketing strategies, which will assist in having a better knowledge of the respondents and in

establishing trust and loyalty. Marketing communication strategies should, however, focus on what the respondents value in order to remain at the company, rather than on what they value in order to be persuaded to join the company. Financial companies, which adhere to the needs and values of existing customers, will, therefore, be able to retain their customers through loyalty and trust. The single working women market in Gauteng may then be more adequately pursued (through exploring existing customers), which, in the long run, will be more cost-effective for financial companies.

Based on this main conclusion, more recommendations for future research will be made in the next section.

7.3 Recommendations for future research

The recommendations for future research are as follows:

- 7.3.1 Research can be done regarding women's expectations of what constitutes loyalty.
- 7.3.2 A study can also be conducted to determine which effective marketing communication strategies could be implemented, to retain single working women customers at a financial company.
- 7.3.3 Advertising strategies of financial companies in South Africa could be analysed in more detail. The perceptions of single working women regarding the effectiveness of the strategies could be measured, not only in terms of role portrayal, but also in terms of other relevant aspects.
- 7.3.4 Research could be done to gain insight into the marketing relationship strategies, currently implemented by financial companies in South Africa. Comparisons could be made with companies overseas, followed by recommendations for improving South African companies.
- 7.3.5 It was found in this study that single working women prefer to personally find more in-depth financial information. Research could, therefore, be done to determine which media these women use, when collecting information for financial purchasing.

7.4 Limitations

Specific limitations regarding the literature review and the empirical phase of the study should be noted.

7.4.1 Limitations based on the literature review

A number of limitations based on the literature review can be listed, namely:

- a) The literature review regarding advertising strategies directed to women by financial companies was limited mainly to women's role portrayal in financial

advertisements. A more detailed discussion regarding advertising strategies directed towards women was, therefore, not possible.

- b) Although abundant information could be found in the literature regarding relationship strategies applied by financial companies, very little literature, which focuses on South African organisations, could be found.

7.4.2 Limitations of the empirical research phase of the study

A number of limitations should be highlighted, following the empirical part of this study and the reporting of the results, namely:

- a) The final realised sample was small and interpretations and conclusions had to be made in this context. The results are, therefore, not representative of the total population.
- b) Financial companies experienced difficulties in categorising the client names provided according to different age segments. The main findings of the study, therefore, could not differentiate between the perceptions relative to various age segments, which participated.
- c) The nature of the empirical research, which was conducted, did not allow for detailed statistical analyses regarding the respondents researched.
- d) The feedback from the respondents was treated as confidential. The respondents were not required to provide their names, when giving feedback, and no control regarding the origin of the responses was, therefore, possible. Thus, dominance by one region could, therefore, have been possible.
- e) The databases of the financial companies used were outdated and several questionnaires, completed by married respondents, were returned and had to be disregarded.
- f) Some questions asked were too complex and resulted in the occurrence of the halo effect.

7.5 Linking of questions and findings to the secondary research objectives

Following the results of this research, the secondary objectives formulated for this study (listed in Chapter One) will be linked with the questions portrayed in the questionnaire and the main findings in Chapter Six. It should be noted that the primary objective was addressed by the major findings (derived from the literature in Chapters 1-4 and the main findings, which were derived in Chapter Six). Table 7.2 will display the linkage between the secondary objectives, the questions and the main findings.

Table 7.2: Linking of secondary research objectives, research questions and main findings

Objectives	Questions	Main findings
Secondary objectives:		
• To determine the perception	38-42	C1-6

of single working women in Gauteng regarding the advertising of financial products and services.		
<ul style="list-style-type: none"> To determine the perception of single working women in Gauteng regarding their relationships with their financial advisers. 	5, 9, 12, 19-26, 32-35	A4, 9,12 B1-6, 8-9, 11-14
<ul style="list-style-type: none"> To determine the perception of single working women in Gauteng regarding the relationship marketing strategies directed towards them by financial companies. 	10, 30, 31, 36, 37	B19, 20, 25-27
<ul style="list-style-type: none"> To evaluate the values and needs of the existing women market pertaining to financial products and services directed towards women. 	6-8, 15-18, 23, 27-29, 43-51	A5-6, 8, 17-21 B7, 10, 15-16, 18, 21-24 D1-11
Background to the respondents	2, 4, 11, 13-16	A1-3, 11, 13-16

It can be concluded that all the secondary objectives were addressed and satisfied by the main findings derived.

7.6 Concluding remarks

Based on the conclusions, implications, recommendations and the proposed hypotheses, it can be accepted that both the primary and secondary objectives, formulated in this study, were addressed.

It can, therefore, be concluded that the results of this study contribute to the body of knowledge on buyer behaviour theory, with specific emphasis on the theory regarding relationship marketing strategies.

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APPENDIX 1 **QUESTIONNAIRE**