

## **SOUTH AFRICAN FEMALES' WILLINGNESS TO PAY FOR ETHICALLY FRAMED PERSONAL CARE PRODUCTS**

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# **SOUTH AFRICAN FEMALES' WILLINGNESS TO PAY FOR ETHICALLY FRAMED PERSONAL CARE PRODUCTS**

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## ABSTRACT

The study of consumer behaviour is a dynamic and longstanding challenge to continuously understand the factors which influence consumers' buying behaviour. Though internal (for example attitude, motivation and learning) and external factors (marketing stimuli) are equally important, the focus of this study is on external influences and market trends.

Consumer markets around the world have recently seen the increase of ethical products. Those products that are differentiated by their moral or sustainable values and attributes, for example environmentally friendly products or body lotions not tested on animals. The provision of these products is a result of organisations' realisation that in order to increase their customer base, their values must be centred on doing good for the community as well as the environment and should be visible to consumers. For a number of organisations this means marketing the ethical values and attributes of the products they provide so that consumers will ultimately choose their products. However, in order to understand consumers' willingness to pay for these products, marketers need to understand the price perceptions consumers have towards these products.

The purpose of this study relates to this and aims to determine the influence that the marketing of ethically framed personal care products, as an external influence, has on consumers' willingness to pay for these products. More specifically, this study aims to determine whether South African females are willing to pay more for ethically framed personal care products than for ordinary personal care products. This will be done by specifically assessing their reference, fair and reservation price perceptions.

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## CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

### 1.1 INTRODUCTION

Consumer behaviour is a prominent topic in the marketing research field and used to assist marketers in making relevant marketing and product decisions based on concrete knowledge of consumers' buying behaviour (Hawkins & Mothersbaugh, 2013:8). The study of consumer behaviour is a continuous challenge to understand how and by what this decision and consumers' product choices are influenced.

The Hawkins and Mothersbaugh (2013:25) conceptual model of consumer behaviour forms the core of this research study's literature review and will be discussed in greater detail in Chapter 2 (Section 2.2.2.4). This model depicts that consumers' self-concept and lifestyle lie at the centre of the consumer decision-making process and serve as an internal filter for processing various internal and external factors. It is the processing of these factors which gives rise to consumers' recognition of a need or desire (Aryal, Chaudhary, Pandit & Sharma, 2009:14; Kokoi, 2011:25; Schiffman & Kanuk, 2004:253) and forms the first step of the consumer decision-making process. It thus becomes essential to consider internal and external factors as integral influences of consumers' buying behaviour as they jointly and separately impact consumers' willingness to pay for certain products.

Internal influences comprise consumers' attitudes towards products and the intention of the consumer to purchase a product. Internal influences are shaped by demographic elements such as age, income, education and ethnicity (Aryal et al., 2009:14) as well as psychological aspects which form the way in which consumers' make purchasing decisions (Kotler & Armstrong, 2010:148). An additional, very important internal influence which drives consumers' purchasing intentions is motivation (Schiffman &

Kanuk, 2004:87). Consumers' motivation towards purchasing certain products is crucial to understand as it will highlight the extent to which consumers are driven and willing to pay for a certain product. The abovementioned internal influences are known to also shape the way in which consumers respond to external influences which are referred to below.

External influences constitute that which is available to consumers in the market (marketing stimuli) in the form of product offerings and marketing communications such as advertising and product packaging (Aryal *et al.*, 2009:14). Consumers are exposed to countless forms of marketing stimuli on a daily basis and understanding which stimuli positively influence their willingness to pay will assist marketers in developing successful product and marketing strategies. A technique which marketers often use to convey a product's benefits and values to consumers is framing, which forms part of marketing stimuli. Framing refers to the way in which a product is positioned to consumers and is a very effective method of justifying a product's price in consumers' minds (Stanforth & Hauck, 2010:617). Framing a product works on the basis of portraying a product's value through the use of wording (Fagley, Coleman & Simon, 2010:264) with the aim of influencing consumer choice (Biswas & Grau, 2008:400). A specific framing technique which marketers use, and which is of particular interest to this study, is attribute framing. Attribute framing, as explained in Chapter 3 (Section 3.4.1.3), emphasises a single product attribute or feature in advertisements and other marketing communications so as to convince consumers of the value of the specific attribute and the product's quality (Ferguson & Gallagher, 2007:668). The focus of this study is to determine the extent to which such marketing stimuli, as an external factor, influence consumers' willingness to pay. More specifically, this research study is interested in determining the influence that marketing stimuli (in the form of a product which has been framed using attribute framing) has on consumers' willingness to pay for ethically framed personal care products (those personal care products which do not have any form of negative impact on the environment or society and explicitly state this on the product through framing an ethical attribute).

This chapter provides an introduction to the study through explaining how consumer behaviour, consumer decision-making, willingness to pay, ethical consumerism and ethically framed products are central in addressing the research objectives and hypotheses formulated for this study. A discussion on the delimitations and assumptions for the study (Section 1.2) is followed by a summary of the key terms used throughout this document in Section 1.3. The hypotheses formulated for the study are presented in Section 1.4 followed by the research methodology which will be used to address these hypotheses in Section 1.5. The ethical aspects pertaining to this research study are listed in Section 1.6. This chapter concludes (Section 1.7) with an outline of the subsequent chapters which form part of this document.

### **1.1.1 Background**

Though internal influences play an important role in consumers' decision-making, the focus of this research study is on the influence that marketing stimuli, as an external factor, has on consumers' willingness to pay. Therefore, an awareness of the various market trends and product offerings (marketing stimuli) which currently exist and could influence consumers' purchasing behaviour is required. One such trend which is the focus of this study is the increased provision of ethical products in the market as part of ethical consumerism.

Consumer markets around the world have seen the increase of ethical products; those products that are differentiated by their ethical values and attributes, for example environmentally friendly products or personal care products that are not tested on animals. The existence of these products is a result of the various regulations and guidelines forcing organisations to operate sustainably in terms of people and the environment (Urip, 2010:5). Organisations have come to realise that they are perceived by stakeholders, including consumers, as ethical or not based on the stance that the organisation takes on social matters (Brunk, 2010:256). Furthermore, consumers'

perceptions and attitudes towards organisations and their products (Brunk, 2010:255), along with the extent to which organisations' products promote benefits for society or the environment, have become major factors influencing consumers' buying decisions (Laroche, Bergeron & Barbaro-Forleo, 2001:503). Due to this, organisations are increasingly pressurised to emphasise the ethical attributes of their product offerings as part of the initiatives they are engaging in to ensure environmental and social sustainability. This interplay between consumers' response to organisations' continuous provision and improvement of ethical products, along with the communication thereof, have given rise to ethical consumerism. Ethical consumerism is a key market trend impacting various organisations' product and marketing strategies as behaving responsibly and sustainably and are "vital determinants of market share and sustainable growth of South African business in the future" (Tustin & De Jongh, 2008:24). However, to remain competitive, a customer-orientated approach is needed to understand, not only consumers' perceptions of ethical products, but also consumers' willingness to pay for these products (Aryal *et al.*, 2009:12).

Ethical consumerism has been widely researched to understand the motivations and drivers of ethical buying behaviour (Bray, Johns & Kilburn, 2011:597-608; Neale & Fullerton, 2010:476-486; Szmigin, Carrigan & McEachern, 2009:224-231; Tustin & De Jongh, 2008:24-49; Vitell & Muncy, 2005:267-275). Neale and Fullerton (2010:476) explain that consumers purchase ethical products based on the extent to which the product holds unique ethical benefits and values. However, despite these benefits and values, or the fact that consumers are becoming more morally and socially aware, they are not necessarily willing to pay a price premium for these products (Aryal *et al.*, 2009:14; Stanforth & Hauck, 2010:616). Consumers might doubt that the communicated ethical attributes are false claims and are only mentioned to make profit. These perceptions, along with the perception that ethical products are only designed to gain a certain status by organisations, impact the willingness of consumers to pay for these products (McGoldrick & Freestone, 2008:187). Tustin and De Jongh (2008:33) confirm this in a South African context and argue that despite South Africans becoming more

ethically aware, they do not necessarily act ethically or purchase these products. In order to address this gap, it is suggested that consumers' willingness to pay for ethical products be studied. This particular gap identified by the authors, motivated and provided the foundation for the purpose of this study which aims to investigate consumers' price perceptions towards ethically framed products by determining their willingness to pay for such products.

Studying consumers' willingness to pay involves investigating and understanding three levels of price perceptions which consumers form while shopping (Stanforth & Hauck, 2010:617). These levels include:

- Reference price perceptions: this refers to consumers' expectations of what a product should cost and is related to what consumers previously paid for that, or a similar, product (Schindler, 2012:149; Stanforth & Hauck, 2010:617). In the context of this study, consumers might perceive that more investment has been made in ethical products to prevent them from being harmful to society or the environment. Consumers could therefore expect that it would cost more than ordinary products and as such their reference price perceptions could be higher for ethical products.
- Fair price perceptions: this refers to consumers' perceptions of a fair price which is beneficial to the business making profit and to the consumer's wallet (Stanforth & Hauck, 2010:617). Furthermore, consumers will have a fair price perception of a product if the product's price is less than what the consumer expects to pay, thus less than the reference price (Monroe, 1990:76). In the context of this study, consumers might feel that it is fair to pay more for ethical products given the extra attributes and the increased investment organisations have made to ensure the product is environmentally or socially sustainable.
- Reservation price perceptions: this refers to the maximum that a consumer is willing to pay for a product (Stanforth & Hauck, 2010:617; Vohra & Krishnamurth, 2012:13). In the context of this study, consumers who do not believe in the ethical value of products might feel that these products are not worthy of a price

premium and as such the maximum they are willing to pay for these products is closely related to their reference price perceptions (relating to ordinary products they purchased previously).

Investigating the above price perceptions, specifically with regards to ethical products, will assist in understanding consumers' willingness to pay for these products (Stanforth & Hauck, 2010:617). Each of these price perceptions are elaborated on in Chapter 4 (Section 4.5.4), as key components of this study. The problem and research objectives are also centred on these three price perceptions and specifically apply to personal care products which have not been tested on animals and marketed through attribute framing. For the purpose of this study, these products are referred to as ethically framed personal care products.

### **1.1.2 Purpose and research objectives**

Following the background provided in the previous section, the purpose of this study is to determine whether consumers are willing to pay more for ethically framed products. This study focuses specifically on South African females' willingness to pay for ethically framed personal care products. As such, the primary research objective of this study is to determine whether South African females are willing to pay for ethically framed personal care products. In addition, the following secondary objectives are formulated:

- To determine whether South African females' price perceptions are higher for ethically framed personal care products compared to ordinary personal care products. Three price perceptions will specifically be investigated to address this objective:
  - Reference price perceptions;
  - Fair price perceptions; and
  - Reservation price perceptions.

- To determine respondents' attitudes towards animal testing.
- To investigate whether respondents' age, ethnical, education and budget categories play a role with regards to their willingness to pay for ethically framed personal care products.

### **1.1.3 Academic value and contribution of the study**

Various studies have been conducted to determine how ethical product attributes shape consumers' buying behaviour (Bray *et al.*, 2011:597-608; Neale & Fullerton, 2010:476-486; Szmigin *et al.*, 2009:224-231; Tustin & De Jongh, 2008:24-49; Vitell & Muncy, 2005:267-275). No consensus, however, has been reached on the actual price that consumers are willing to pay for these products. Furthermore, very little research has been done in South Africa to understand whether South African consumers are willing to pay more for these products following an expression of their ethical motives and intentions (Tustin & De Jongh, 2008:33). The results of this study will provide information on whether South African females are firstly willing to pay for ethically framed products and secondly whether their price perceptions are higher for these products than for ordinary products. Determining this will provide insight into whether consumers feel that these products justify a higher price and will as a result provide marketers with an indication of the price that could be set for these products.

McGoldrick and Freestone (2008:192) in their study found that some consumers are willing to pay a small price premium for ethically framed products. However, given the wide range of these products in the market (for example fair trade coffee, products sold in recyclable packaging and sustainably farmed vegetables), as well as the large audience which is exposed to these products, it is necessary to investigate this topic in different contexts. Applying similar research in different contexts serves as the academic building blocks to gaining an appreciation of a certain scenario. This study focuses on personal care products and will thus provide insight into consumers' price

perceptions of ethically framed personal care products compared to ordinary personal care products.

South African consumers, as with consumers in any country, have their own unique set of values and norms. Studying South African consumers' buying behaviour through an understanding of their willingness to pay for ethically framed products could contribute to existing bodies of knowledge in an attempt to better recognise how these products should be marketed. Furthermore, this will provide insight into how South African females actually perceive ethically framed personal care products and whether they are willing to pay more for such products. This understanding will facilitate marketing professionals in developing appropriate pricing strategies as well as marketing communications for these and similar products aimed specifically at females.

## **1.2 DELIMITATIONS AND ASSUMPTIONS**

### **1.2.1 Delimitations**

This study has a number of delimitations relating to the context, relationship of constructs and the target population. Firstly, it aims to determine the willingness of South African females to pay for ethically framed personal care products. No other countries will be addressed.

Secondly, there is a limitation related to the type of products on which perceptions will be measured. Research will specifically be done on personal care products and not on cosmetics. Personal care products can be defined as products that are required for hygienic living, such as soap, shampoo, toothpaste and body lotion. In contrast to

personal care products, cosmetics are used to ‘beautify’ oneself, such as mascara and lipstick.

Thirdly, the study does not aim to determine specific prices which South African females are willing to pay for ethically framed personal care products, but rather an acceptable price range (a willing buying price between a low and high value). The research instrument supports this through providing scale options which reflect price ranges and not specific prices.

Lastly, only female perceptions towards ethically framed personal care products will be studied. In order to ensure perceptions are gained from an appropriate sample, only females who purchase their own personal care products will be researched. Females have to be the primary decision-makers who engage in their own assessment of the value of products before making a purchasing decision. This study will not draw any conclusions on males’ perceptions as they are not included in the sample.

### **1.2.2 Assumptions**

Assumptions can be defined as the “bedrock” on which a study is based and constitute the factors which the researcher believes to be true with regards to a specific research study (Leedy & Ormond, 2005:5). In order to address the objectives of this study, the following assumptions are made:

- All females who participate make their own purchasing decisions about the personal care products they purchase;
- All females who participate have been exposed to both ordinary and ethically framed products and are aware of the differences between the products;

- All females who participate are willing and able to correctly and truthfully complete the survey;
- Non-probability, purposive sampling followed by snowball sampling are appropriate sampling methods to obtain the required number of respondents for this study;
- A quantitative research design in the form of an online, self-administered survey is an appropriate method to collect data required to address the research objectives and hypotheses; and
- The data collected through the self-administered survey will be accurately captured and analysed to effectively address the objectives and hypotheses.

The following sections summarise the key terms and literature on which this research study is based. The research methodology that will be followed and the statistical analyses that will be conducted to address the research objectives and test the hypotheses are also discussed.

### 1.3 DEFINITION OF KEY TERMS

Chapters' 2 to 4 provide the literature review for this study. In doing so, these chapters make use of a number of key terms to elaborate on consumer behaviour, ethical consumerism and willingness to pay. The key terms which are prominent in each of these three chapters are briefly explained below in alphabetical order.

**Attribute framing:** Various framing techniques exist in marketing which are used to portray product information, such as attributes and values, in different ways through the use of wording (Fagley *et al.*, 2010:264) with the aim of influencing consumer choice (Biswas & Grau, 2008:400). A specific technique which this study focuses on is attribute framing. This technique is used to emphasise a specific product attribute to consumers

(Hannah & Cafferty, 2006:2994; Levin, Schneider & Gaeth, 1998:150) so as to portray the quality of a product (Ferguson & Gallagher, 2007:668). A product which is marketed in this way is considered to be framed. In the context of this study the personal care product presented to respondents in the survey is ethically framed as the ethical nature of the product is emphasised through explicitly stating that no animal testing is used during the production of the product.

**Consumer behaviour:** Consumer behaviour entails the “study of individuals, groups, or organizations and the process 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 & Mothersbaugh, 2013:6).

**Consumer decision-making process:** Hawkins, Mothersbaugh and Best (2007:3) describe a consumer’s decision-making process as a five-step process starting with problem recognition and followed by information search, alternative evaluation and search, outlet selection and purchase and post-purchase processes.

**Ethical buying behaviour:** Consumers’ ethical buying behaviour constitutes the extent to which consumers not only support responsible organisations, but also purchase ethical products. Furthermore, consumers show differing degrees of ethical buying behaviour due to the intensity of their ethical motives and purchasing intentions. Consumers can thus be classified into groups based on these motives and intentions as well as their feelings and attitudes towards certain social or environmental issues and products. These groups range from consumers who express no ethical buying intentions and motives to consumers who only purchase the ethical versions of products (Szmigin *et al.*, 2009:225; Tustin & De Jongh, 2008:35).

**Ethical consumerism:** Ethical consumerism constitutes the interplay between the pressures on organisations to behave responsibly in terms of people, profit and planet (Urip, 2010:5; The Economist, 2009) and consumers' response to organisations' initiatives in addressing these pressures. This includes consumers' response to organisations' Corporate Social Responsibility initiatives through purchasing the organisation's ethical product offerings as well as consumers' pressure on organisations to behave more responsibly.

**Ethical consumers:** Ethical consumers are those consumers who express their support for the environment or society through not purchasing products or making use of services that have any form of negative impact on the environment or society (Carrington, Neville & Whitwell, 2010:140; De Pelsmacker, Driesen & Rayp, 2005:363, Elkington & Hailes in Wheale & Hinton, 2007:303; Tustin & De Jongh, 2008:34; Wheale & Hinton, 2007:303).

**Ethical motives:** Ethical motives consist of the way in which a consumer's personal and/or social values tie in with the ethical attributes of a product and also form the basis of the advantages and disadvantages that a consumer sees in a product (McGoldrick & Freestone, 2008:188). These ethical motives are known to influence how consumers perceive key ethical issues, such as personal care products that are not tested on animals, and drives consumers' purchasing decisions (Schiffman & Kanuk, 2004:87).

**Ethical products:** This entails products which do not have any form of negative impact on the environment or society, for example products sold in recyclable packaging or body lotions that are not tested on animals. Ethical products are found in various industries, namely "ethical food and drink", "green home", "ethical personal products" and "ethical finance" (The Institute of Grocery Distribution and IGD Services Limited, 2007).

**Ethically framed products:** These products are the same as ethical products but are marketed in a specific way by focusing on the ethical aspects of the product. Ethically framed products are marketed and positioned in consumers' minds through the use of attribute framing. A product thus moves from a mere ethical product to an ethically framed product when the distinctive product attributes are emphasised in marketing communication messages to accentuate the product's uniqueness, more specifically its ethical properties (Stanforth & Hauck, 2010:616).

**Fair price perceptions:** This refers to consumers' perceptions of a fair price for a specific product. The price must be both beneficial to the business making profit and the consumer's wallet (Stanforth & Hauck, 2010:617). Furthermore, consumers tend to compare the reference price (what they expect to pay for a product) to the actual price of the product to determine the merits and fairness of the purchase. If the actual price is below the reference price perception, the consumer will have a fair price perception towards the product (Monroe, 1990:76).

**Reference price perceptions:** Reference price perceptions refer to consumers' expectations of what a product should cost and is related to what the consumer previously paid for that, or a similar, product (Stanforth & Hauck, 2010:617). It is constructed in a consumer's mind and forms the basis for evaluating alternative products' prices (Schindler, 2012:149). It is an important aspect of understanding a consumer's willingness to pay as it forms part of the most a consumer is willing to pay for a product (Nagle & Hogan, 2006:28), or the reservation price perception defined below.

**Reservation price perceptions:** Reservation price perceptions refer to the maximum that a consumer is willing to pay for a product (Stanforth & Hauck, 2010:616; Vohra & Krishnamurth, 2012:13) and to consumers' total economic value, that of reference price

perceptions plus the value of all differentiating factors (Nagle & Hogan, 2006:28). In addition, it refers to the point at which a consumer starts ignoring the differences between the reference price and the new product's price (Monroe, 1990:97) as a ceiling has been reached on the maximum a consumer will pay for a product. Reservation price is also regarded as the difference between a consumer's willingness to pay for a product with an additional attribute and consumers' willingness to pay for an identical product without the attribute (Olesen, Alfnes, Rora & Kolstad, 2010:219).

**Willingness to pay:** Consumers' willingness to pay for a particular product serves as a good indication of the demand for that product (Ahmad & Juhdi, n.d.:4; Aryal *et al.*, 2009:13). It ultimately demonstrates that the consumer feels that the price attached to a product is reasonable in relation to the value that the product offers the consumer. Willingness to pay for a product can be influenced by the product's attributes, the product's quality, convenience of obtaining the product and ultimately the value that the consumer perceives the product to have (McGoldrick & Freestone, 2008:188).

## 1.4 RESEARCH HYPOTHESES

The literature review encompassed in Chapters' 2 to 4, as well as the purpose and research objectives of this study provide the context for the research hypotheses. Chapter 4 (Section 4.5.4) and Chapter 5 (Section 5.3.2) summarise how these hypotheses have been formulated for this study and embedded in the body of literature that has been written on consumers' price perceptions. The research hypotheses are listed below by firstly referring to the null hypothesis and then to the alternative hypothesis.

**H<sub>10</sub>:** There is no difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>1</sub>:** There is a difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>20</sub>:** There is no difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>2</sub>:** There is a difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>30</sub>:** There is no difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>3</sub>:** There is a difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

The remainder of this document provides a brief overview of the research methodology and approach that will be followed for this study as well as the statistical analyses that will be conducted. The chapter outline of this document is also provided referring to the detail which is discussed in each chapter.

## 1.5 RESEARCH METHODOLOGY

The sections which follow provide information on the experimental nature of this research study, supported by the distribution of an online self-administered survey. Detail on the sample, questionnaire design and data analysis will also be briefly explained, including how reliability and validity of the research instrument will be ensured. More detailed explanations on the concepts explained in the following sections are provided in Chapter 5.

### 1.5.1 Description of enquiry strategy and broad research design

In order to determine if framing a specific product attribute affects respondents' price perceptions towards the product, experimental research will be used as the core approach of this study, supported by a cross-over design.

The experimental nature of this study requires the inclusion of a control and experiment section in the final survey. The purpose of these sections is to provide the researcher with a constant variable (control section) with which the manipulated variable (experiment section) can be compared. This will enable the researcher to determine the influence that the manipulated variable has on respondents' price perceptions and willingness to pay. The experiment will be executed via a cross-over design.

A cross-over design entails the distribution of two questionnaires to two different samples. Each questionnaire contains the exact same sections, however the sequence in which these sections are presented to respondents differs (Ryan, 2007:429). A control, experiment and animal testing section are included in each of this study's questionnaires. The control section constitutes providing respondents with a magazine advertisement for an ordinary personal care product, whereas in the experiment section respondents are provided with an advertisement for an ethically framed personal care product. The product, a body lotion for the purpose of this study, as portrayed in the two advertisements is thus the core variable which is manipulated in the experiment section. The way in which the product is advertised, specifically the wording of the advertisement, is manipulated from an ordinary body lotion in the control section to an ethically framed body lotion which emphasises that no animal testing is used during the production of the body lotion in the experiment section.

The two questionnaires of the cross-over design differ based on the sequence in which the control and experiment sections are presented to respondents. One sample of respondents will receive a questionnaire in which the control section is presented first followed by the experiment section, thus an advertisement for an ordinary body lotion is shown first followed by a section on animal testing and then the experiment section. The other sample will receive a questionnaire in which the experiment section appears first which contains an advertisement for an ethically framed body lotion followed by a section on animal testing and then the control section. The animal testing section will remain in between the control and experiment sections in both questionnaires. A more detailed explanation of this approach and how it will be executed is included in Chapter 5 (Section 5.4.1).

## 1.5.2 Sampling

The sampling method, target population and sample size of this study will now be discussed.

### 1.5.2.1 *Sampling method*

A nonprobability, purposive sampling method as well as snowball sampling will be used to realise the required sample for this research study. An initial sample will be created using the e-mail address of individuals within the researchers' personal and professional networks. The sample will be split into two groups to which both questionnaires will be distributed respectively. Using snowball sampling, the initial sample will be used to obtain referrals for creating a subsequent sample. Upon collecting referrals from the initial sample, subsequent surveys will then be sent to these additional individuals, equally split for distributing the two questionnaires respectively. Chapter 5 (Section

5.4.2) elaborates on the sampling method through explaining the reasoning of selecting these sampling methods and how it will be executed.

### **1.5.2.2 Target population**

The target population is female South Africans aged 21 and older with access to the Internet and an e-mail account and who make their own decisions about the products they purchase.

### **1.5.2.3 Sample size**

The study aims to reach a sample size of 200 to ensure that the desired statistical analyses can be conducted.

## **1.5.3 Data collection**

An online self-administered survey will be used to collect primary data. The survey will be developed and administered on the Qualtrics programme, an online survey tool. Chapter 5 (Section 5.4.3) elaborates on the selection of a primary data collection instrument by explaining how Qualtrics will be used to execute the survey research.

### **1.5.3.1 Questionnaire design**

This research study follows the study conducted by Stanforth and Hauck (2010). The original questionnaire was obtained from Professor Hauck from Kent State University in

Ohio, USA, and will be adapted to collect primary data for this study. However, in order to ensure that the questionnaire is relevant in a South African context, a number of changes need to be made. These changes include adapting the scale options (price ranges) in the question relating to respondents' price perceptions from US Dollars to South African Rand. To successfully make this change, South African retailer stores will be visited to determine the actual prices of body lotions in these stores. This is necessary to ensure that the prices are realistic and that respondents can relate to these prices. In addition, an initial survey will be conducted to determine which ethical issue female South Africans are most familiar with so that respondents are in a position to answer questions related to this issue in the final survey. The detailed approach on how these changes will be made is provided in Section 5.5.1 of Chapter 5.

### **1.5.3.2 Pretesting**

The questionnaire will be pretested in paper and online formats. The paper version will be piloted to identify any misinterpretations or confusions which will be corrected when developing the online version. The online version will then be piloted to ensure that the instructions are clear and that there are no technical difficulties in the actual survey.

### **1.5.4 Data analysis**

Once data is collected, analyses will be conducted to determine the influence that the experiment has on responses, that is the effect that the manipulated variable has on respondents' price perceptions and willingness to pay. The analyses which will be used in this study are all non-parametric tests as the variables of the questions to be used do not follow continuous or normal distributions (Pallant, 2010:213; Zikmund & Babin, 2010:548).

Frequency distributions will be used to provide the descriptive data for this study. Furthermore, the McNemar-Bowker Test will be used to test the hypotheses of this study. This test enables identifying whether significant differences exist between respondents' price perceptions toward ethically framed and ordinary personal care products. In addition, the Kruskal-Wallis Test will be used to address the secondary objective of this study relating to whether demographic variables play a role in South African females' willingness to pay for ethically framed personal care products.

### **1.5.5 Reliability and validity**

The reliability of the research instrument, specifically the questions included in the control and experiment sections will be tested. The Cronbach's Alpha will be calculated for these questions and reported on in Chapter 6 (Section 6.3.1). The validity of the research instrument is ensured through face and internal validity and will be explained in more detail in Chapter 6 (Sections 6.3.2 and 6.3.3). The Fischer's Exact Test will be used in ensuring internal validity.

The following sections discuss the research ethics of this study and provide an outline of the remainder of this document.

## **1.6 RESEARCH ETHICS**

To ensure that this proposed study adheres to the ethical requirements set out by the University of Pretoria, an ethical consent form will appear on the first screen (page) of the online survey. Issues relating to respondents' anonymity and confidentiality, duration and purpose of the survey and contact details of the researcher will be provided (Saunders, Lewis & Thornhill, 2007:181-193). In addition, ethical consent was obtained

from the Ethical Committee of the Faculty of Economic and Management Sciences at the University of Pretoria to continue with this study. The letter of ethical consent is attached in Annexure F. Ethical consent will also be received from two organisations for distributing the final survey of this study to their employees.

## 1.7 CHAPTER OUTLINE

The remainder of this document consists of six chapters addressing the literature review, research methodology, the results and the interpretation thereof and possible areas for future research. Table 1 details the structure of this research dissertation.

**Table 1: Structure of this dissertation**

Chapter	Content
Chapter 2	Chapter 2 provides an overview of consumer behaviour by discussing the various models of consumer behaviour which exist in literature. Aligned to these models, the steps of the decision-making process are discussed and the various internal and external factors which influence this process and consumers' willingness to pay are expanded on. The chapter also highlights the various types of purchasing decisions consumers engage in and emphasises that these decisions differ based on gender. The chapter concludes by referring to the importance of studying consumer behaviour from a perspective of gender differences, especially supporting the rationale for selecting the sample of this study.
Chapter 3	This chapter focuses on the emergence of ethical consumerism and the existence of ethical products in the market as the central topic of this research study. The pressures on organisations to behave responsibly are discussed as well as how consumers respond to organisations' initiatives in response to these pressures. Using the consumer decision-making models discussed in Chapter 2 as a basis, Chapter 3 draws on the similarities and differences between the decision process for ordinary and ethical products. Furthermore, the classifications of consumers based on ethical buying intentions as well as the barriers which prevent consumers from behaving ethically are deliberated. The chapter closes with a discussion on framing techniques used in marketing and stresses attribute framing as a key technique used to increase consumers' willingness to pay for ethical products.

<b>Chapter</b>	<b>Content</b>
<b>Chapter 4</b>	Willingness to pay is a main concept of this study which is evident in both Chapters 2 and 3. Chapter 4 discusses how consumers' willingness to pay can be influenced by various pricing strategies and techniques. Value communication is argued as an essential technique used for influencing consumers' willingness to pay for ethical products. Various research techniques and analyses to measure willingness to pay are discussed, as well as the one which will be used for this study.
<b>Chapter 5</b>	This chapter provides the research design and methodology followed for this study. More specifically, this chapter focuses on explaining why experimental research, in particular cross-over design, is selected. The sample plan, design and distribution of the data collection instrument and statistical analyses are also discussed in detail.
<b>Chapter 6</b>	Chapter 6 presents the results of this research study by reporting on the realised sample, descriptive data on respondents' demographic profiles and the results of each question in the questionnaire. The approach to testing reliability and validity are also explained. The results of the hypothesis testing are provided as well as the results addressing each of the research objectives.
<b>Chapter 7</b>	Chapter 7 interprets the results reported in Chapter 6 and provides the implications and limitations of the study along with recommendations for future research.

## CHAPTER 2: CONSUMER BEHAVIOUR

### 2.1 INTRODUCTION

The study of consumer behaviour has been well documented over the past fifty years. In an attempt to answer the question “who” or “what” is a consumer, Herzog (in Britt, 1966:5) and Lafley and Charon (in Peter & Olson, 2010:6) postulate that market researchers use a variety of techniques to learn about consumers. Hawkins and Mothersbaugh (2013:8) state that all “marketing decisions and regulations are based on assumptions and knowledge about consumer behaviour”. As such, consumer behaviour has become an aspect commonly researched to understand how and why consumers make purchasing decisions and the factors which drive consumers to purchase particular products (Schiffman, Kanuk & Hansen, 2008:15). Hawkins and Mothersbaugh (2013:24) postulate that the way in which consumers live and perceive themselves are due to the influence of various internal and external factors. These factors are also known to create certain needs or desires, some of which require actual purchasing decisions to take place. Studying consumer behaviour thus encompasses a thorough understanding of the factors which influence consumers’ willingness to pay for products and ultimately how consumers make purchasing decisions. The concepts of consumer behaviour, consumer decision-making and willingness to pay are fundamental aspects of this research study and will be discussed in greater detail in the chapters to follow.

This chapter focuses on the nature and scope of consumer behaviour (Section 2.2), specifically highlighting various consumer decision-making models in Section 2.2.2. A discussion on the types of consumer decisions follows in Section 2.3. The various factors which influence consumers’ buying behaviour is discussed in Section 2.4 through elaborating on internal (Section 2.4.1) and external (Section 2.4.2) factors. A detailed explanation of the steps involved in the consumer decision-making process is provided in Section 2.5. This chapter concludes by referring to the important role that gender-specific consumption behaviour plays in understanding overall consumer

behaviour in Section 2.6. This is relevant as this study focuses specifically on female consumers.

## 2.2 THE NATURE AND SCOPE OF CONSUMER BEHAVIOUR

### 2.2.1 Defining consumer behaviour

A vast body of literature exists on consumer behaviour which resulted in a number of definitions being formulated to describe this concept. Table 2 summarises a number of these definitions.

**Table 2: Definitions of consumer behaviour**

Definition	Source
Consumer behaviour entails the “study of individuals, groups, or organizations and the process 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 and Mothersbaugh (2013:6).
Consumer behaviour consists of the activities that a consumer engages in when searching for and evaluating products. It involves the process whereby consumers invest time and money in finding the products that will satisfy the consumer’s needs.	Schiffman et al. (2008:3).
Consumer behaviour encompasses a relationship between consumers’ activities (purchasing, using and disposing) as a result of consumers’ responses (emotional, mental and behavioural).	Kardes, Cline and Cronley (2011:8).
Consumer behaviour takes into account the “totality of consumers’ decisions during the processes of acquiring need satisfying products”.	Hoyer and MacInnis (2010: 3).
Consumer behaviour encompasses the activities in which final consumers, individuals and households, engage in to obtain products for personal use.	Kotler and Armstrong (2010:147).

Definition	Source
Consumer behaviour is the “set of value-seeking activities that take place as people go about addressing identified needs. In other words, when a consumer comes to realize that something is needed, a chain reaction begins...The chain reaction involves multiple psychological processes, including thoughts, feelings, and behaviour, and the entire process culminates in value”.	Babin and Harris (2013:4).
Consumer behaviour is the “dynamic interaction” between the consumer and the environment through which an exchange for need satisfying products takes place.	Peter and Olson (2010:5-9).

In addition to the wide array of definitions listed above, Peter and Olson (2010:5-9) explain consumer behaviour as having a number of fundamental characteristics:

- Consumer behaviour is dynamic. Consumers' decision-making is susceptible to external forces, forces which are known to constantly change, such as advertisements and product packaging. Therefore, the decision process consumers embark on whilst evaluating a product based on these forces is ever-changing.
- Consumer behaviour involves interactions between consumers' thoughts, feelings, actions and the environment. These interactions require a thorough understanding of the extent to which a product or brand means something to a consumer, and ultimately what influences (thoughts, feelings, actions, environment) consumers' purchasing decisions and loyalty to a specific brand or product.
- Consumer behaviour ultimately involves a trade-off between something that the consumer needs to give up (often monetary) in exchange for something need satisfying. This trade-off provides a promising opportunity for marketers, only if a successful marketing strategy can convince consumers that the product is worth making the trade-off for and worth sacrificing something.

When considering the above definitions and characteristics, consumer behaviour for the purpose of this study can be defined as the “study of individuals, groups, or organizations and the process 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 & Mothersbaugh, 2013:6).

## 2.2.2 Models of consumer behaviour

A number of consumer behaviour models have been developed which provide a conceptual framework for studying the consumer decision-making process (Aryal *et al.*, 2009:14; East, 1977:10; Funk & Ndubisi, 2006:45; Hawkins & Mothersbaugh, 2013:25; Kotler & Armstrong, 2010:147; Schiffman & Kanuk, 2010:36). Understanding how consumers make decisions serve as pivotal input into this study in an attempt to understand how consumers make purchasing decisions for ethically framed personal care products. A common similarity amongst these models is the extent to which a consumer's decision-making is influenced by internal and external factors and takes place within various stages (input, process and output). The models all follow similar steps, that of identifying a problem, searching for products which could solve the problem, evaluating a set of alternative products, purchasing the best solution and undergoing a series of post-purchase processes. However, as the market evolves and better and more innovative products are offered to consumers, an increasing number of dynamic factors are shaping the way in which consumers select need-satisfying products (Peter & Olson, 2010:163).

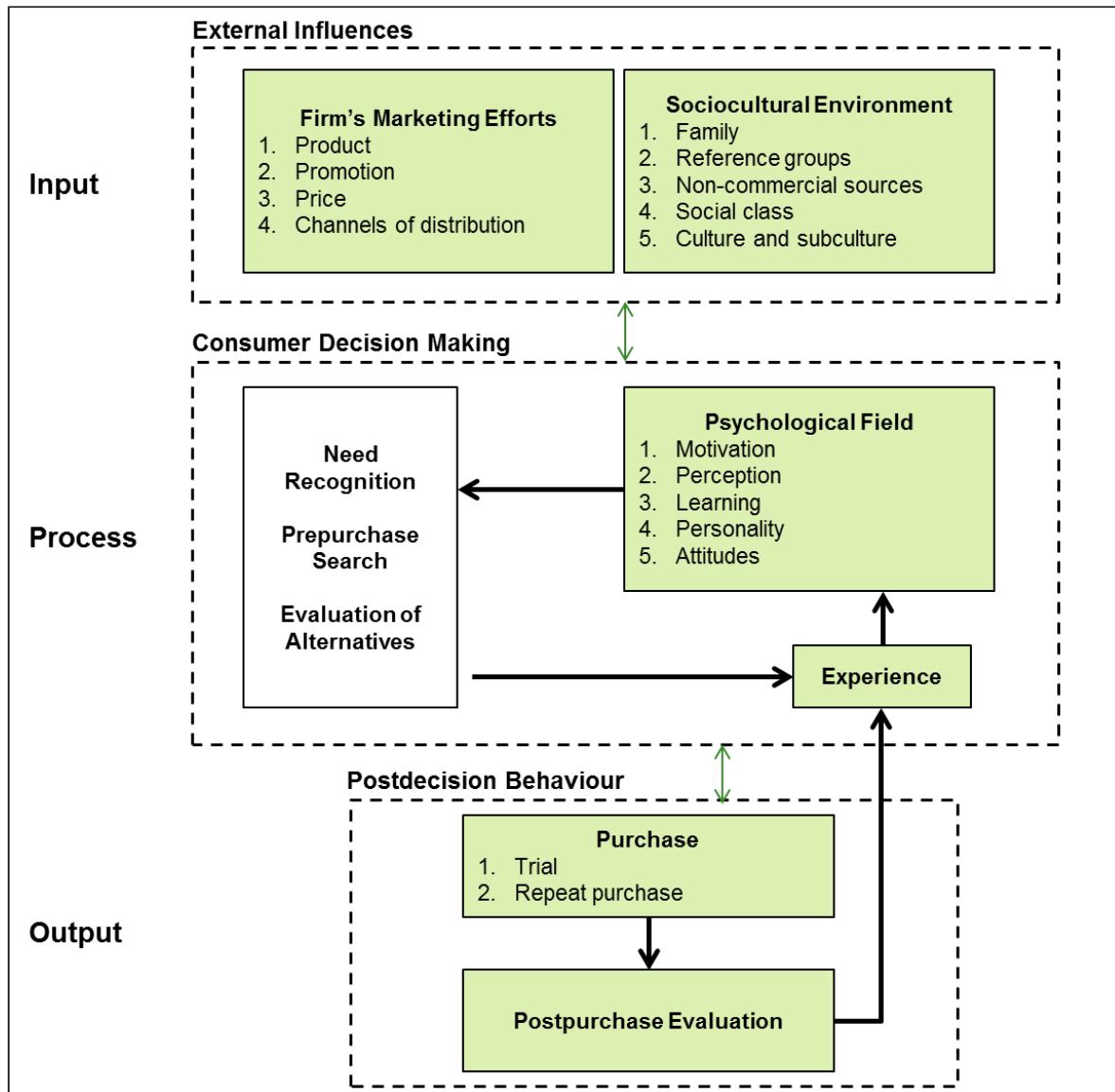
One such dynamic factor which has recently become the central topic of many research studies is the buying behaviour of ethical products (Bray *et al.*, 2011:597-608; Neale & Fullerton, 2010:476-486; Szmigin *et al.*, 2009:224-231; Tustin & De Jongh, 2008:24-49; Vitell & Muncy, 2005:267-275). This also forms the core of this research study which aims to understand how these products influence consumers' buying decisions and willingness to pay.

A number of consumer behaviour models exist in literature. However, only five of these models will now be discussed, specifically highlighting the similarities across the decision-making process.

### 2.2.2.1 The Schiffman and Kanuk model of consumer decision-making

Schiffman and Kanuk (2010:36-37) explain that consumer decision-making occurs in three separate but integrated stage, as illustrated below in Figure 1. Each of the three stages of the decision-making process will now be briefly discussed.

**Figure 1: Model of consumer decision-making**



Source: Schiffman and Kanuk (2010:36).

The input stage is characterised by the influence of various external influences, namely a firm's marketing efforts and the sociocultural environment. Companies' marketing efforts influence consumers' purchasing decisions through the products available to consumers, the price of the products, promotion thereof, as well as the distribution channels through which a product is delivered to consumers. External sociocultural influences include a consumer's family, friends, neighbours, social class, non-commercial sources as well as subcultural membership. The combined impact of these two types of external influences (marketing and sociocultural) shapes the way in which consumers make purchasing decisions and the types of products they are interested in. This is explained in the second stage, the process stage.

The process stage summarises a consumer's decision-making process. The information from the input stage is processed in accordance with a consumer's individual psychological factors, namely learning, motivation, personality, perception and attitude. These factors also influence the way in which consumers recognise a need, engage in pre-purchase information search as well as the way in which alternatives are evaluated. The experience that a consumer gains during the evaluation of alternatives in turn adds to a consumer's existing psychological field (Schiffman & Kanuk, 2010:37). For example, learning that certain products have ethical attributes which ensure that a product is not harmful to the environment or society could be added to a consumer's psychological field and will be used to compare products in future. The decision-making process as illustrated in Figure 1 also affects the last stage.

The output stage, also referred to as post-decision behaviour, consists of two activities, namely the consumer's actual purchase behaviour and post-purchase evaluation of the purchased product. A consumer's purchasing behaviour can be classified into trial purchases followed by repeat purchases if the consumer is satisfied with the product. For example, the purchase of ethical products for the first time can be defined as a trial purchase as the consumer is testing and evaluating the actual value of the product. A consumer will then, if satisfied with the ethical product and its various attributes, become a repeat purchaser and purchase only that product in future. The post-

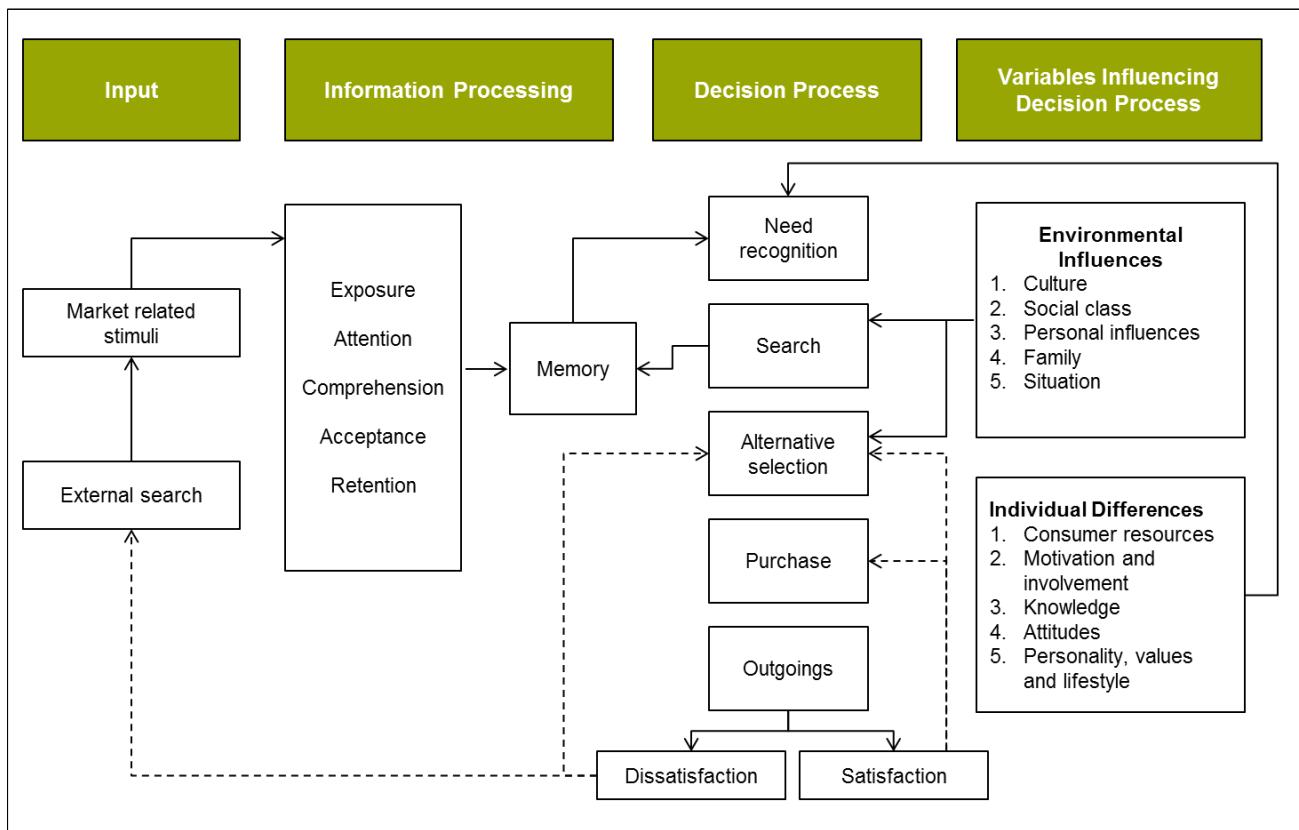
purchase evaluation of the product adds to a consumer's future decision-making processes in the form of experience which the consumer relies on to evaluate alternatives (Schiffman & Kanuk, 2010:37). For example, if a consumer purchased an ethically produced body lotion and is satisfied with the product, the consumer is likely to become a repeat purchaser. The consumer will also use this product as a reference product when comparing future body lotions. The fact that the product has not been tested on animals, or the fact that the packaging material is recyclable, could be used as crucial attributes on which other body lotions will be compared to this product. For marketers, the value lies in understanding how the decision process changes based on the product being purchased and the extent to which certain external variables influence consumers' willingness to pay.

The second model by East (1977:10) follows a similar logic to Schiffman and Kanuk (2010:36) and portrays consumer decision-making as a process consisting of input, information processing, decision-making, influencing variables and output in the form of satisfaction or dissatisfaction.

#### ***2.2.2.2 The East complete model of consumer behaviour showing purchase and its outcomes***

East (1977:10) explains that a consumer's need recognition is shaped by two elements, namely market-driven stimuli which are processed and stored in a consumer's memory, and the individual differences of a consumer such as attitude, knowledge and motivation depicted in Figure 2.

**Figure 2: Complete model of consumer behaviour showing purchase and its outcomes**



Source: Adapted from East (1977:10).

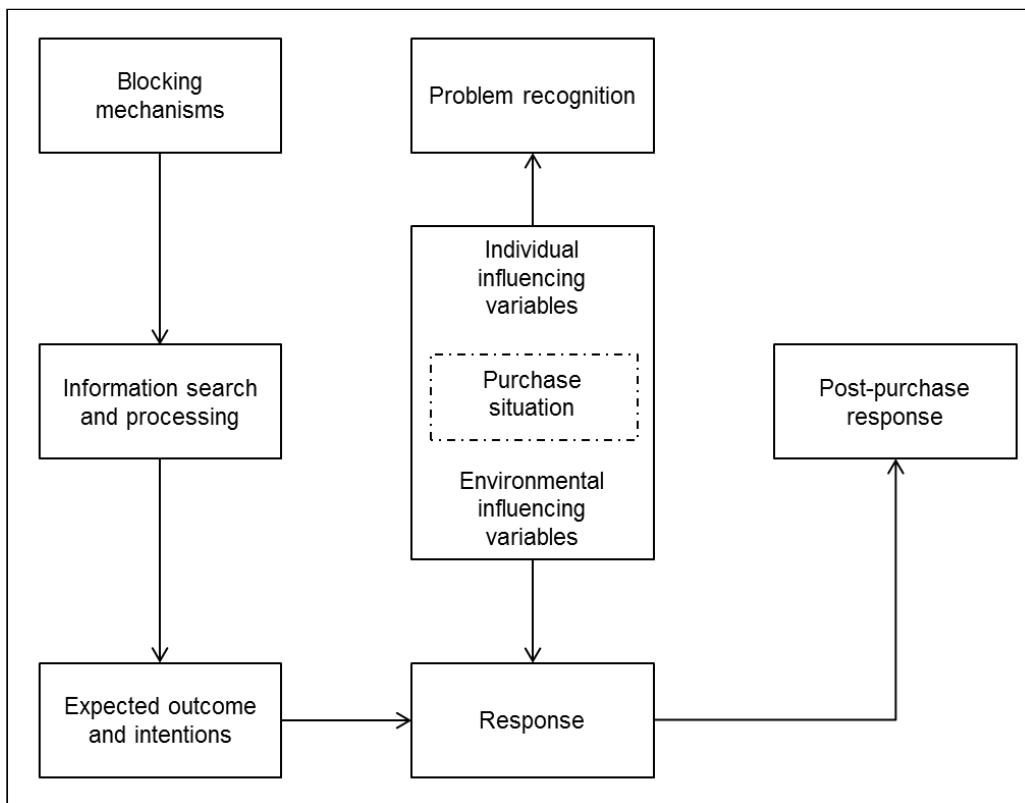
When referring to Schiffman and Kanuk (2010:37), the external influences, marketing efforts and sociocultural influences jointly impact the consumer decision-making process and ultimately the purchase decision behaviour of individuals. East (1977:10) further describes how environmental influences and individual differences impact the decision process. Environmental influences include elements such as culture, social class and family and impact consumers' search processes as well as the alternative being selected. Individual differences refer to consumers' resources, motivation and knowledge which lead to consumers' need recognition and is the beginning of the actual decision process. The decision process has two outcomes, either satisfaction or dissatisfaction. A satisfied consumer is more likely to engage in repeat purchases of the purchased alternative, whereas a dissatisfied consumer will either re-evaluate the previously investigated alternatives or embark on a new external search.

Within each of the decision-making stages there are a number of distinct steps consumers follow to select an appropriate product which will satisfy a certain need. Du Plessis and Rousseau (2007:263) highlight each of these steps in more detail.

### **2.2.2.3 Stages in the process of complex decision-making by Du Plessis and Rousseau**

In the process of obtaining ethical products, consumers engage in a complex decision-making process due to consumers' unfamiliarity with these products. Du Plessis and Rousseau (2007:263) explain that this complex decision-making process consists of six distinct steps, namely problem recognition, blocking mechanisms, information search and processing, expected outcome and intentions, response and post-purchase response.

**Figure 3: Stages in the process of complex decision-making**



Source: Du Plessis and Rousseau (2007:263).

Problem recognition occurs when a consumer identifies a need and is uncertain of how to address this need (Du Plessis & Rousseau, 2007:263). As also indicated in the previous two models, problem recognition is a result of both individual and environmental influences. The purchasing situation is another important influence of the decision-making process and is elaborated on in Section 2.5.1. A major obstacle for marketers is consumers' blocking mechanisms (Du Plessis & Rousseau, 2007:266) which relate to distorted product perceptions, negative attitudes towards a product or even external factors such as the availability of funds. Consumers' blocking mechanisms are crucial influences of how consumers evaluate products during the information search stage.

Consumers engage in both internal and external information search to evaluate products and to derive at a set of possible alternatives to address the recognised problem, also referred to as expected outcome and intentions. Once consumers have obtained sufficient information they are in a position to make an informed purchasing decision, continue searching for alternatives or even postpone the purchase. The most desirable alternative is chosen during the response stage and is characterised by either a verbal or behavioural response. A verbal response relates to consumers committing themselves to a purchase or voicing reasons for not purchasing a product, whereas a behavioural response occurs when consumers actually purchase the product, sign a contract or postpone the purchase. The last step in the decision-making process is post-purchase response and relates to a negative or positive assessment of the purchase (Du Plessis & Rousseau, 2007:267-269).

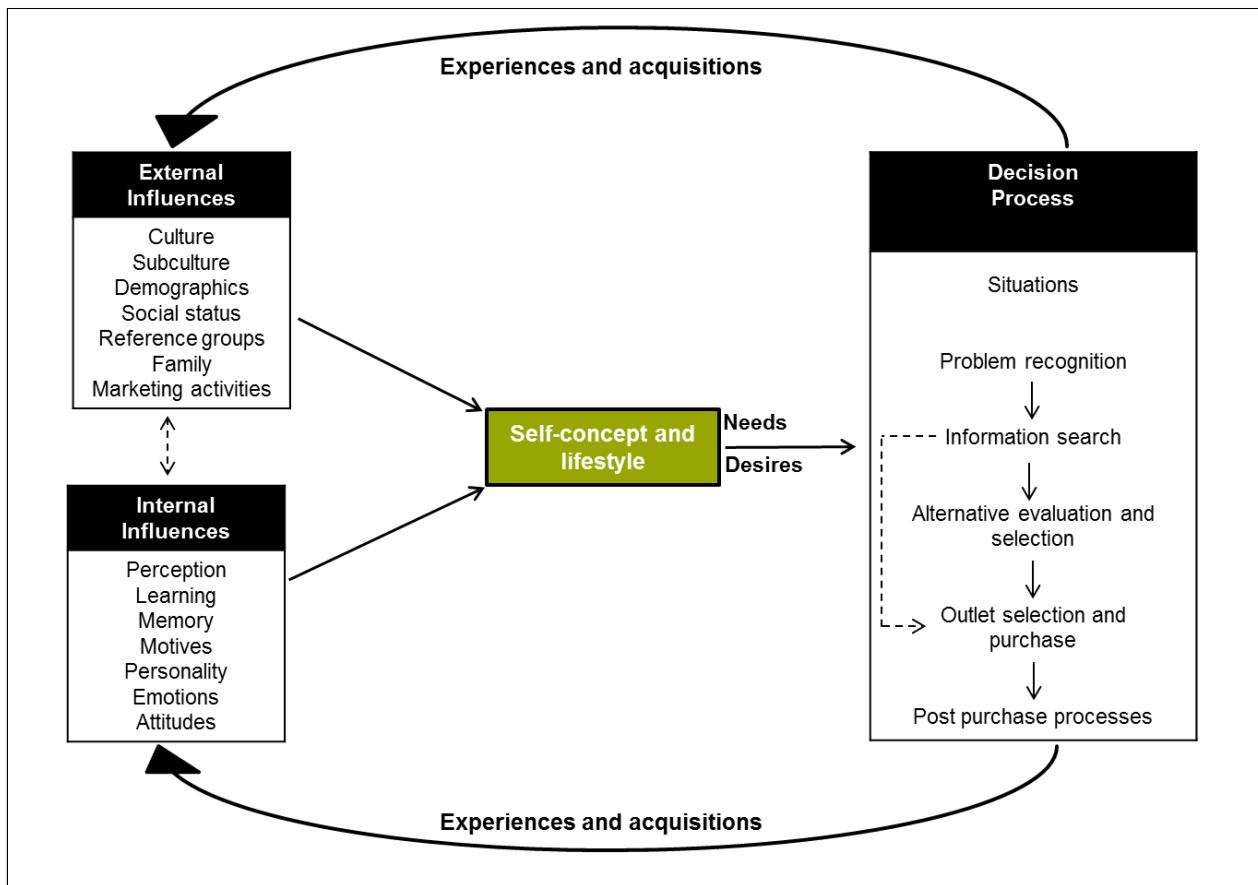
The models explained previously highlight how the consumer decision-making process has distinct steps, from need recognition, information processing, alternative evaluation, actual purchase and post-purchase behaviours. Each of these steps can be grouped into three broader stages, namely input, process and output, similar to what was previously explained by Schiffman and Kanuk (2010:36). Thus, within each of the consumer decision-making stages there are a set of distinct steps consumers go through to obtain a need satisfying product. However, there are various other ways in

which consumers' purchasing behaviour can be depicted. In addition to the models discussed in the previous sections, two models will now be discussed where the focus is more on the internal factors that influence consumers' 'decision-making process. These models include the views of Hawkins and Mothersbaugh (2013:25) who emphasise self-concept and lifestyle as a fundamental element of consumer behaviour, and the "stimulus response model" developed by Kotler and Armstrong (2010:147) which focuses on a buyer's black box.

#### **2.2.2.4 The Hawkins overall model of consumer behaviour**

The Hawkins and Mothersbaugh (2013:25) model will be used as the fundamental conceptual framework upon which this study is built. As illustrated in Figure 4, Hawkins and Mothersbaugh (2013:25) describe a conceptual model of consumer behaviour in which emphasis is placed on self-concept and lifestyle producing needs and desires, many of which require buying decisions to be made.

**Figure 4: Overall model of consumer behaviour**



Source: Hawkins and Mothersbaugh (2013:25).

A consumer's self-concept can be described as the feelings, attitudes or perceptions that a consumer holds about him/herself as an object (Hawkins & Mothersbaugh, 2013:420). Lifestyle refers to the way a person lives, such as a healthy or social lifestyle (Hawkins & Mothersbaugh, 2013:27). Together these two elements serve as an internal filter to process various internal and external influences. External influences (culture, subculture, demographics, social status, reference groups, family and marketing activities) and internal influences (perception, learning, memory, motives, personality, emotions and attitudes) are filtered through a consumer's self-concept and lifestyle to elicit a certain need or desire. Once the consumer is aware of this need or desire, the consumer engages in a decision-making process to obtain products which can satisfy this need or desire. The decision-making process is dependent on situational influences and takes on five steps, namely problem recognition, information search, alternative

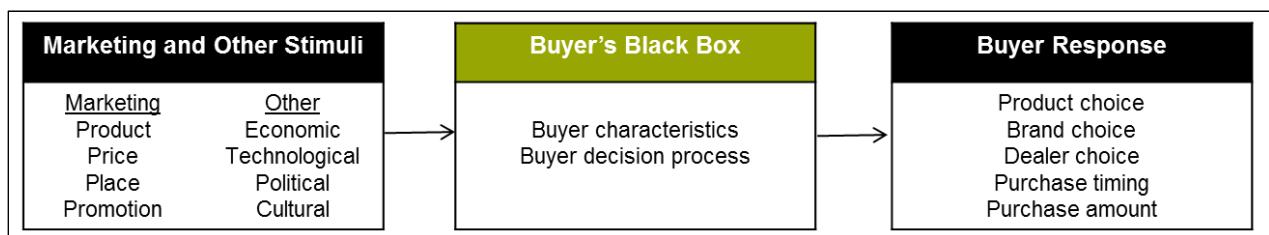
evaluation and selection, outlet selection and purchase and lastly post purchase processes, and will be discussed in more detail in Section 2.5. The process of searching for, evaluating and purchasing need satisfying products add to a consumer's experiences and acquisitions. As consumers evaluate alternatives, they become more aware of what is available in the market and which products are more aligned to their personal preferences. These experiences and acquisitions are used by consumers as fundamental learning blocks every time products are evaluated.

The focus of this study is to assess how the marketing of ethical products, as an external influence, impacts consumers' willingness to pay for these products. Furthermore, the study also aims to determine whether demographic variables play a role in influencing South African females' willingness to pay for ethical products. These demographics, or characteristics, form an important part of a consumers' black box (Kotler & Armstrong, 2010:147) and, like self-concept and lifestyle, act as an important filtering mechanism of various internal and external influences.

#### ***2.2.2.5 The Kotler and Armstrong stimulus response model of buyer behaviour***

Kotler and Armstrong (2010:147) developed a "stimulus response model" to describe consumers' decision-making process, as depicted in Figure 5. In this model, consumers respond both mentally and socially to different stimuli.

**Figure 5: Stimulus response model of buyer behaviour**



Source: Kotler and Armstrong (2010:147).

The stimuli entering a consumer's "black box" are made up of the four P's of marketing, namely product, price, place and promotion as well as other stimuli including economic, technological, political and cultural factors. The "stimulus response model" describes a two-step process whereby stimuli, such as advertisements and word-of-mouth, enter a consumer's "black box" and yields a specific response (Kotler & Armstrong, 2010:147). A consumer's "black box", which is at the centre of a consumer's buying process, constitutes the consumer's characteristics and decision process. A consumer's characteristics influence how stimuli are perceived and reacted upon. In addition, the consumer's decision process itself affects how the consumer finally responds to the stimuli.

What can be detailed from combining all the models discussed is that consumers make purchasing decisions mainly in three distinct stages, namely input, process and output. The input stage entails the entering of external (marketing and other stimuli) and internal influences (for example perception and motivation) to be filtered through a consumer's self-concept, lifestyle and individual characteristics to arrive at a certain need or desire. This filtering process, known as the process stage, collectively refers to a consumer's "black box", in which a consumer's personal characteristics and perception of self, form the basis of responding to various internal and external influences. Once consumers have responded to the various stimuli, a consumer becomes aware of a certain need or desire which is the beginning of the actual decision-making process. Consumers engage in the decision process to search for need-satisfying products and compare available alternatives to enable informed decision-making. The last stage, output, relates to a consumer's actual response and could be selecting the best suitable product or brand, deciding on the fair amount to spend on a product, or the right time to purchase a product. This adds to a consumer's experiences and acquisitions through providing the consumer with product knowledge to be used in future product comparisons.

Understanding consumers' characteristics and how consumers respond to various stimuli are, however, only two aspects of understanding consumer behaviour. The way

in which a consumer makes a final purchasing decision also varies based on the type of product (ranging from low to high involvement products) and the environment in which a decision is being made.

## 2.3 TYPES OF CONSUMER DECISIONS

Consumers' decision-making processes for certain products are more complex than others. As such, consumers engage in different types of purchasing decisions to deal with the complexities of buying certain products. Solomon (in Kokoi, 2011:24) explains that consumers invest more time and effort in certain types of buying decisions than others and this depends greatly on the importance the product holds to the consumer.

Aligned to this view, Kardes *et al.* (2011:63-64) have formulated an effort continuum to categorise consumers' purchasing decisions according to a consumer's involvement in the purchase and the amount of processing effort required to make the decision. Processing effort, or the effort it takes to process information, constitutes the degree to which a consumer has to think about buying a product and ranges from automatic to systematic. Automatic processing effort is encountered when consumers respond intuitively to the product being purchased due to a familiarity with the product (Bauer, Sauer & Becker, 2006:345), whereas systematic effort requires a consumer to take deliberate steps to evaluate products and make a final purchasing decision. A consumer's involvement refers to the extent to which consumers, and consumers' personal interests or preferences, are involved in the decision-making process or the level of concern the consumer has for the purchase (Hawkins & Mothersbaugh, 2013:490). The more consumers' needs and personal interests are involved, the more important and complex the purchasing decision becomes. High purchase involvement is often associated with emotional outcomes and complex decision-making and therefore requires more extensive decision-making processes (Kardes *et al.*, 2011:63-64).

Furthermore, the effort continuum moves from routine choice to intermediate problem solving and lastly extensive problem solving. Routine choice, also known as nominal

decision-making (Hawkins & Mothersbaugh, 2013:491), encompasses products for which very little processing effort is required to make a purchasing decision. Typical products include low-cost, low-risk products such as bread or chewing gum and are usually purchased based on habit (Bauer *et al.*, 2006:345). The next stage of effort constitutes intermediate problem solving which requires limited information search and processing effort as consumers gather information about a specific product but do not want to make the effort of evaluating a number of alternatives to make a final purchasing decision (Kardes *et al.*, 2011:63-64). Consumers typically rely on simple evaluative categories such as price and brand to make the purchasing decision. Examples of such products include foods for which consumers have a specific preference and therefore will not settle for anything else, but will also not evaluate a set of alternative food sources to satisfy a need or desire. Lastly, extensive problem solving requires deliberate efforts and high involvement (Bauer *et al.*, 2006:345) in selecting a product as consumers do not have well enough established criteria to make a purchasing decision or are unfamiliar with the product. Extensive problem solving applies to expensive products which are not bought regularly, such as cars and houses, and consumers engage in extensive internal and external information search to select the correct product (Hawkins & Mothersbaugh, 2013:493). Purchasing these products contains a high level of risk and the purchasing decision takes time and effort to gather the information required to make the best decision (Kardes *et al.*, 2011:63-64). Figure 6 illustrates how consumer involvement and information processing collectively influence consumers' decision-making process.

**Figure 6: Types of consumer decision-making**

		Involvement	
		Low	High
Information Processing	Low	1. Brand Laziness <i>Commodity products</i>	2. Brand Loyalty <i>Self-concept enhancing products</i>
	High	3. Variety Seeking <i>Parity products</i>	4. Problem Solving <i>Complicated big-ticket items</i>

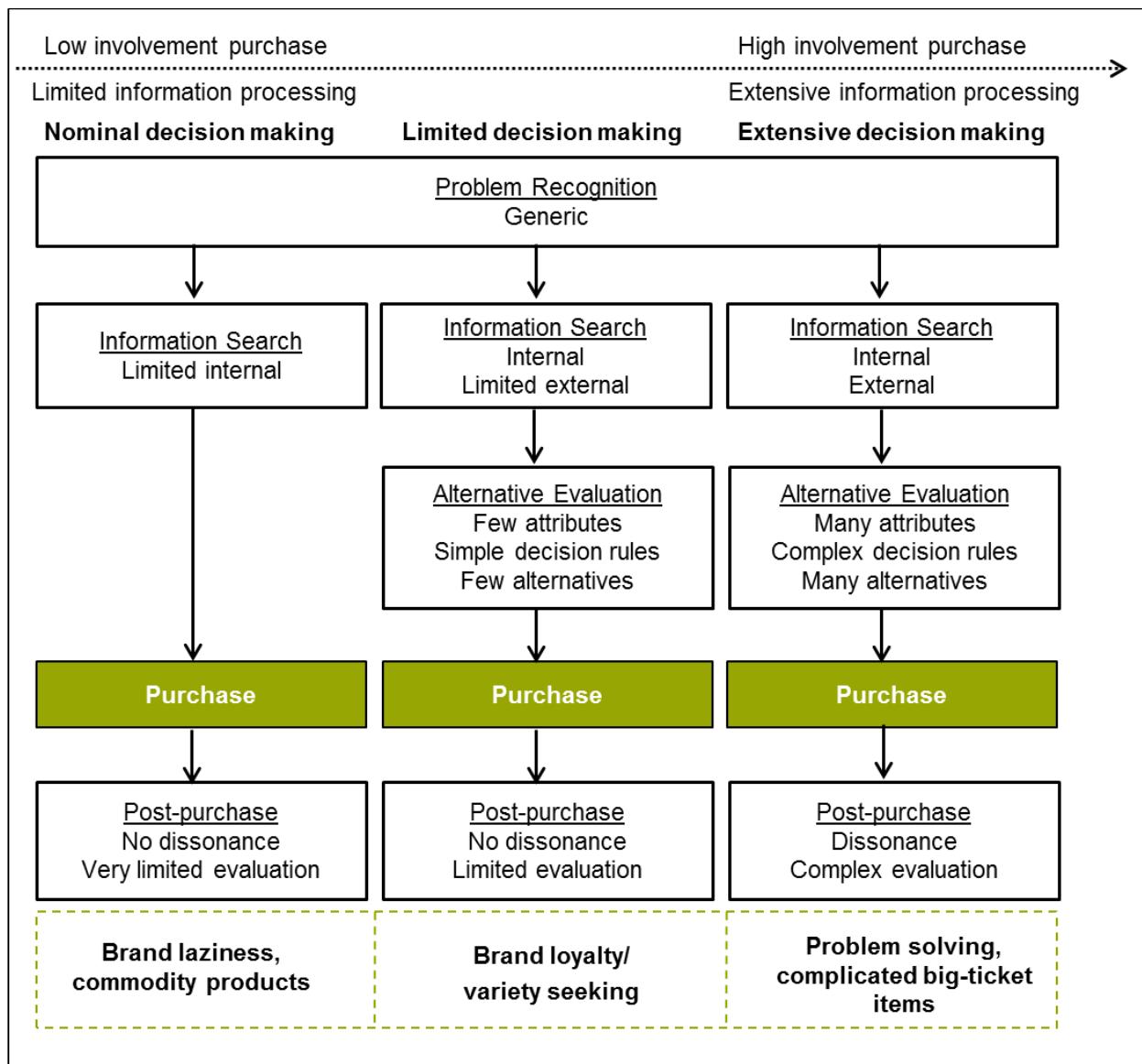
Source: Kardes *et al.* (2011:64).

Figure 6 shows that “brand laziness” is used to define the purchase of commodity products for which little consumer involvement or information processing is required, for example milk and vegetables. As products become more important to consumers, their involvement increases. These products are typically self-concept enhancing products to which consumers are brand loyal and consumers often have an emotional attachment to the specific brand (Hawkins & Mothersbaugh, 2013:492). However, as consumers are often very certain of personal preferences, these products do not require high levels of information processing. The level of information processing increases as the effort required for evaluating alternative products increases. Parity products often require consumers to evaluate a variety of alternatives (variety seeking) to find the most suitable product to satisfy a need or desire. Products which are very similar in nature do not, however, require high involvement as consumers’ personal interests assist as a natural influencer of the final purchasing decision. Ethical personal care products could be considered a parity product, as personal care products are often very similar in nature and the only major difference lies in the production of the product. Provided that consumers’ personal interests are against animal testing, the choice could be easy. The most complex purchasing decision exists for big-ticket items for which extensive problem-solving is required, such as a house or a car. This requires high levels of

information processing as well as extensive consumer involvement (Kardes *et al.*, 2011:63-64).

Hawkins *et al.* (2007:510-514) support the “effort continuum” by also categorising consumer decisions according to purchase involvement. Purchase involvement can be defined as the extent to which consumers’ interest in a particular product urges the consumers to be involved in the purchase of that product. Consumer decision-making moves from nominal decision-making (routine choice) in which very little consumer involvement is required, to limited decision-making (intermediate problem solving) and lastly extended decision-making (extensive problem solving). When conceptually combining the views of Hawkins *et al.* (2007:510-514) and Kardes *et al.* (2011:64) in Figure 7, one can clearly identify where different products are situated on the effort continuum through referring to the level of involvement and the extent of information processing required.

**Figure 7: Level of involvement and information processing in consumer decision-making**



Source: Compiled from Hawkins *et al.* (2007:510-514) and Kardes *et al.* (2011:64).

Once a consumer identifies a need, information search commences. Depending on the type of need, the extent to which information search occurs internal (the consumer itself) or external (through the use of family, friends, product information and marketing) differs. For commodity products, also referred to as brand laziness, the purchase happens almost instantaneously after the need has been recognised. The opposite holds true for big ticket items which require extensive internal and external search to assist the evaluation process of various attributes. As with big-ticket items, variety

seeking (or brand loyalty) also requires consumers to undergo information search, however the evaluation process is not as complex as fewer attributes are evaluated. Big-ticket items often require that various attributes are evaluated across a number of products and brands. As the product being investigated requires higher involvement and greater effort in processing product information, the greater the post-purchase experience becomes. Post-purchase dissonance and complex after-purchase evaluation is common when consumers have purchased high involvement products such as a house or a car. Very little post-purchase evaluation and no post-purchase dissonance are experienced from purchasing commodity products such as newspapers and magazines (Hawkins *et al.*, 2007:510-514; Kardes *et al.*, 2011:64).

Based on the discussion above, it can be argued that ethical personal care products require limited decision-making. The purchase of such products relies heavily on the consumer's internal characteristics and values to be aligned to the ethical matter the product is promoting such as animal welfare. However, as the product contains ethical attributes and values and differs from ordinary products with no such attributes or values, consumers will rely on external searches to obtain adequate information to ensure the product holds value for money. The purpose of this study is to determine consumers' willingness to pay for ethical products. This is based on consumers' decision-making process being influenced by external factors, such as the marketing or framing of information available on these products.

Hawkins *et al.* (2007:6) recognise that consumer behaviour has become broader than merely examining the marketing stimuli which influence consumers to make a certain purchasing decision. Various indirect influences such as learning, attitudes and motives also exist which need to be carefully considered when studying consumer behaviour.

## 2.4 FACTORS INFLUENCING CONSUMERS' BUYING BEHAVIOUR

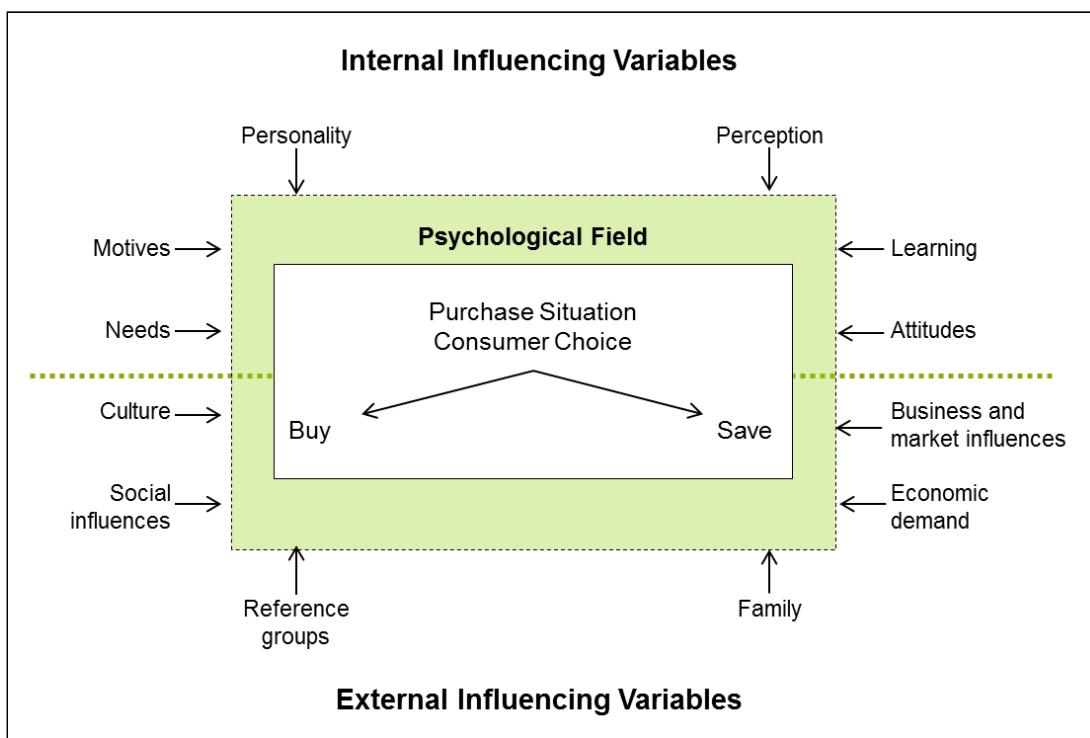
According to Britt (1966:3), who is the pioneer of studying and understanding consumer behaviour, various assumptions exist regarding the factors known to influence

consumers' purchasing behaviours. Britt (1966:3) argues that these factors are evident regardless of the type of "decision situation" a consumer is in. These factors can be summarised as:

- A consumer is driven to ensure sustaining his/her life and well-being;
- As part of a broader culture, a consumer is always influenced by the social environment he/she lives in such as family and social community;
- Built up of basic needs and desires, and shaped through life's experiences, consumers develop a personality which largely influences the decisions they make;
- Despite each consumer having a unique personality, commonalities do exist among consumer groups which outline consumers' personalities and related behaviour; and
- Consumers formulate meanings about the world and the things they are surrounded with through symbolic communication. As such, words, pictures, objects and actions can be used to communicate to consumers both consciously and subconsciously.

Du Plessis and Rousseau (2007:260) view the purchasing situation as a problem-solving activity in which consumers rely on individual and environmental factors for assistance as shown in Figure 8. Within a consumer's psychological field, various factors guide the outcome of a purchasing situation, whether to buy or save. Depending on the type of problem-solving activity, rational or non-rational, different factors influence the purchasing decision. In a rational purchasing situation consumers are influenced mostly by objective criteria such as colour, price and size, mostly found in environmental forces. Environmental forces, as explained by Du Plessis and Rousseau (2007:260), comprise elements such as marketing, economic demand, family and culture. The opposite holds true for non-rational purchasing decisions in which consumers are influenced by status, image, pride or fear which are all subjective elements and known as individual influences. Individual influences are based on the motives, attitude, personality and perceptions of consumers.

**Figure 8: Consumer decision-making: influencing variables**



Source: Du Plessis and Rousseau (2007:260).

Figure 8 illustrates how both individual and environmental influences shape consumers' purchasing decisions. These influences cannot be studied in isolation; the integration of these influences needs to be understood.

Various authors also view the factors influencing consumers' purchasing decisions as being either internal/individual or external/environmental (Aryal *et al.*, 2009:14; Du Plessis & Rousseau, 2007:263; East, 1977:10; Hawkins & Mothersbaugh, 2013:25; Kokoi, 2011:25; Schiffman & Kanuk, 2004:253). Following the overall model of consumer behaviour by Hawkins and Mothersbaugh (2013:25), these influences will now be referred to as internal and external influences.

## 2.4.1 Internal influences

Hawkins and Mothersbaugh (2013:25) detail that internal factors influencing consumers' buying behaviour include perception, learning, memory, emotions, personality, motives and attitudes. These factors, also referred to as psychological factors, impact the gap between a consumer's desired and actual state of being. Leveraging the consumer needs which emanate from the desire to close this gap can be a very effective way for marketers to convince consumers to purchase a specific brand or ethical product.

### 2.4.1.1 Perception, learning and memory

Consumer perception is the result of consumers' interpretation of marketing stimuli and involves the "assignment of meaning to sensations" (Hawkins & Mothersbaugh, 2013:287). Consumers interpret marketing stimuli based on individual characteristics, such as personality and attitudes, and the situation in which the marketing stimuli are presented to consumers. For example, a consumer who actively supports animal welfare will perceive a news report on animal testing differently to one who does not actively support animal welfare. Perception is linked to both learning and memory as all three are results of the information processing the consumer undergoes when interpreting marketing stimuli. Once perceptions have been formed, the information the consumer was exposed to during this process, forms part of a consumer's learning and is stored in a consumer's memory (Hawkins & Mothersbaugh, 2013:312-313). This learning, along with consumers' memory of previously processed information and interpretations, are strong influencers of the way in which future marketing stimuli and products are perceived and could also influence the price perceptions consumers have of products.

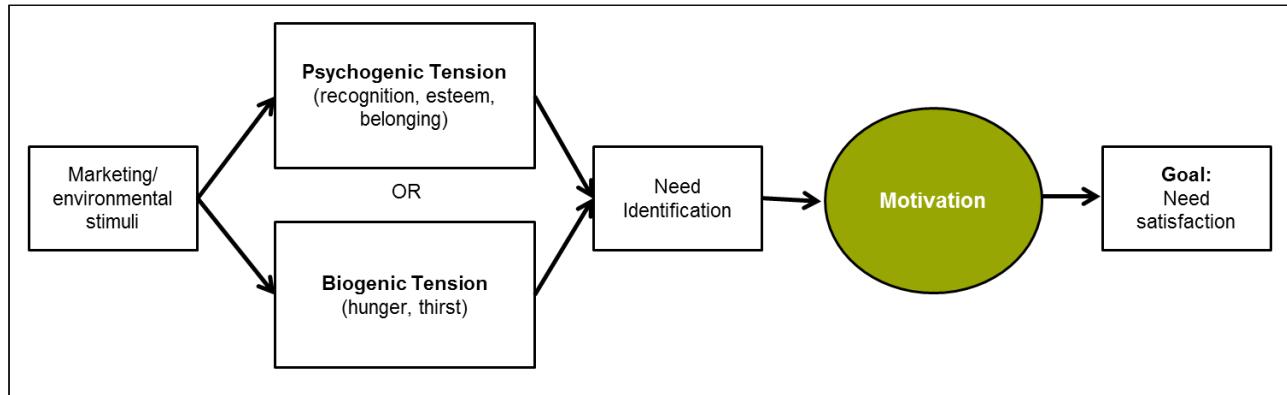
#### **2.4.1.2 Emotions, personality and motivation**

Emotions, personality and motivation are closely linked as consumers' emotions are aligned to their personality and also strongly drive consumers' motivation and buying behaviour. For example, a consumer who has an unsatisfied need will have negative emotions, yet will be very motivated to address this unsatisfied need (Hawkins & Mothersbaugh, 2013:368). Du Plessis and Rousseau (2007:261) further explain that a consumer's personality has a large impact on the products purchased (Du Plessis & Rousseau, 2007:261) and it depicts the way that a consumer engages in various purchasing situations (Hawkins & Mothersbaugh, 2013:363). For example, a teenager will be interested in different products than an adult that makes their own purchasing decisions. Product and marketing strategies should thus at all times take into account the consumers' personality to ensure that the products and marketing messages presented align to their emotions and motivation.

In addition, Kotler and Keller (2006:184) posit that consumers are faced with two types of needs and each of these elicits different degrees of motivation. Firstly, biogenic needs are "needs that people are born with" (Kokoi, 2011:25) and arise from "psychological states of tension" (Kotler & Keller; 2006:184). These needs do not require much focus or attention from the consumer to address, such as hunger or thirst. Secondly, psychogenic needs are spurred on by "psychological states of tension" such as the need to fit in, belong or be recognised by peers (Kotler & Keller, 2006:184). These stem from the priorities of the culture consumers reside in (Kokoi, 2011:25), for example purchasing ethical products in support of reducing ones carbon footprint as pursued by friends and family. These needs are much harder to address and are driven by a consumer's motivation. The level of intensity to satisfy these needs are also much greater than that of biogenic needs and are satisfied only once a motive to address these needs is expressed.

Motivation is considered the driving force behind consumers' purchasing intentions (Schiffman & Kanuk, 2004:87). It drives the consumer to behave in a certain way (Kokoi, 2011:25), or as Kotler and Keller (2006:184) describe it, motivation lies at the centre of how purchasing decisions are made. Figure 9 depicts the role that motivation plays in buying decisions.

**Figure 9: Motivation as the driving force behind consumers' buying decisions**



Source: Adapted from Kotler and Keller (2006:184).

Consumers are exposed to various marketing and environmental stimuli on a daily basis. The stimuli enter a consumer's consciousness (also known as a black box) where it is processed in alignment with personal characteristics, leading to the identification of a certain need (Kotler & Armstrong, 2012:147) and the motivation to address that need (Kotler & Keller, 2006:186). Figure 9 illustrates how motivation drives the relationship between states of tension, spurred on by marketing/environmental stimuli, need identification, motivation and need satisfaction. When applied to this study, an ethical personal care product could be advertised in the market as not being tested on animals. A consumer who views this advertisement could experience psychogenic tension as ethical matters typically influence consumers' recognition among peers (purchasing the product shows support for animal welfare) or esteem (the consumer will feel good about him/herself for supporting this cause). Once this psychogenic tension has been processed, a need would arise to obtain the specific product. If this need is strong enough, which in turn is dependent on the intensity of the psychogenic tension, the consumer will be motivated to search for and purchase these products.

Motivation is a complex, yet powerful, tool for marketers to understand and leverage. In the context of personal care products, marketers accentuate that purchasing a particular product can create feelings of “self-esteem, confidence, glamour and romance” (Semenik, Allen, O’Guinn & Kaufmann, 2012:93). Furthermore, marketers often promote beauty products through displaying before and after pictures in advertisements to create a need in consumers’ minds (Kokoi, 2011:26). In the same advertisement, consumers are educated on how to achieve this “after-look”. Now knowing the magic of the product, they are motivated to purchase this product, as carefully planned and executed by marketers (Kokoi, 2011:26), and to obtain the associated feelings. The use of such advertising strategies is known as an external influence to the purchasing decision. Various other external influences also exist which are discussed in Section 2.4.2.

#### **2.4.1.3 Attitudes**

Internal influences also comprise consumers’ attitudes towards products and the intention to purchase a product. Schiffman and Kanuk (2004:253) explain attitude as a “learned disposition to behave in a consistently favourable or unfavourable way with respect to a given object”. Attitudes or intentions help express whether a consumer likes or dislikes a product and are shaped by socio-economic factors, those factors that define a person such as age, income, education and ethnicity (Aryal *et al.*, 2009:14). Furthermore, it is also shaped by product information available in the market. Consumers thus respond to products based on personal characteristics and attitude or intention towards a product as a result of available product information. Leveraging a proper understanding of consumers’ personal characteristics and attitudes will enable companies to be “uniquely better at giving the consumer what he or she truly has always wanted, and at about reducing the role of price in the consumer’s shopping decisions” (Clemons, 2008:18). As such, marketers invest time and effort to truly understand the needs, wants and accompanying attitudes of consumers. This holds

even more truth for ethical products which have very specific attributes and values. This will assist marketers in developing more focused targeting and marketing strategies.

## **2.4.2 External influences**

Hawkins and Mothersbaugh (2013:25) explain that culture, subculture, social status, reference groups, family, demographics and marketing activities all influence consumers' buying behaviour as external factors. Each of these will now be elaborated on.

### ***2.4.2.1 Culture and subculture***

As a member of a broader society, consumers inherit certain preferences, form certain perceptions and harvest basic values which drive their needs for certain products. Needs and desires are thus shaped partly by what the consumer learns from the culture they reside in (Kotler & Armstrong, 2010:148). Implicit beliefs, norms, values and customs which underlie and govern conduct in a society will lead consumers to common patterns of behaviour (Du Plessis & Rousseau, 2007:261). The challenging aspect for marketers is to know which consumer groups or cultures favour or dislike the product offering. Understanding for example that certain groups hold positive attitudes towards ethical matters, as adopted from the surrounding culture, is a huge advantage to marketers who can then market excessively to that particular segment. As with cultural influences, a consumers' reference group (friends and family) influences the products to which they are drawn to.

### ***2.4.2.2 Reference groups, family and social status***

The pressures of having a certain social status and need for belonging emanate from face-to-face communication with friends and family (Kotler & Armstrong, 2010:148).

Consumers use reference groups (friends, family, peers or co-workers who live in a similar fashion as them) for self-evaluation and as a source of personal values and goals (Du Plessis & Rousseau, 2007:261). Furthermore, consumers use the achievements of the reference group to set, consciously or subconsciously, goals for themselves which will place them in an equal position to the reference group. Therefore, the products consumers consider depend to some degree on the products purchased or desired by the reference group (Babin & Harris, 2013:203). The opinion, judgement and approval of friends and family are very strong driving forces of the products chosen by consumers (Du Plessis & Rousseau, 2007:261) as this will give them a certain social status among peers. Female consumers, more so than males, are assumed to engage in shopping activities with friends and family members for enjoyment (Kotzé, North, Stols, & Venter, 2012:417) and as such are more concerned about the judgment and approval by their social networks.

#### ***2.4.2.3 Consumer demographics***

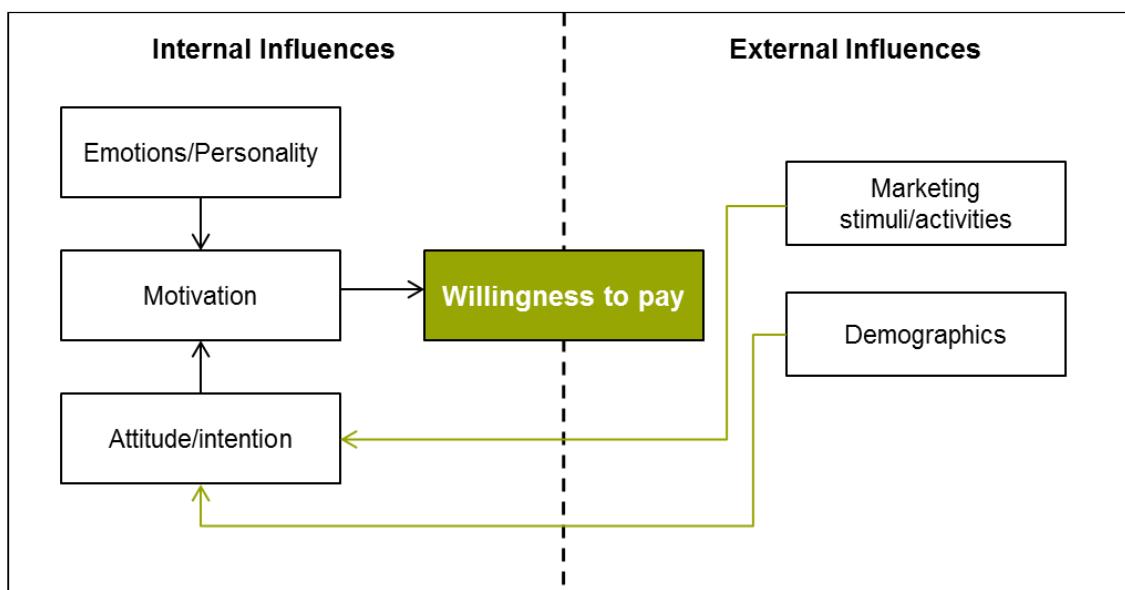
Marketers often use demographics to describe a certain consumer population (Hawkins & Mothersbaugh, 2013:110) based on aspects such as age, income, education and ethnicity. A consumer's demographics provide a basic understanding of the types of products the consumer is interested in, for example a teenager will be interested in different products than a working adult who is earning his/her own money. The value of describing consumers based on their demographics lies in identifying consumer segments that are interested in specific products. Through this, marketers can develop marketing activities to target a specific segment and therefore studying consumers' demographics and the role it plays in buying behaviour is an important objective of this study.

#### **2.4.2.4 Marketing activities**

External influences are largely shaped by the market and consist of the products currently available to consumers as well as the communication of product information. Product information is often communicated to consumers in the form of advertising, packaging and other marketing campaigns (Aryal *et al.*, 2009:14). The messages communicated are used to portray the unique attributes of products and the benefits the products will offer consumers. Highlighting the attributes during marketing campaigns is known as attribute framing (Stanforth & Hauck, 2010:616), and if done correctly, will positively influence consumers' perceptions of a product's quality. Attribute framing is elaborated on in Chapter 3 (Section 3.4.1.3). The marketing of ethical products through emphasising the ethical properties and values of the product is a typical example of attribute framing and forms part of the primary research objective of this study. Ethical messages are perceived as being credible and believable and are also known to instil an emotional bond with consumers (Ahmad, Ali Shah & Ahmad, 2010:218). Therefore, when correctly used, attribute framing as part of the correct external message could push consumers' needs for ethical personal care products.

When reviewing the discussions above it is evident that external influences' effect on consumers cannot be understood without considering what they are motivated towards, and how these external influences could drive or inhibit their motivation to purchase a particular product. Motivation, a key driving force of willingness to pay, is formed largely by consumers' attitudes, emotions, personality and individual demographic factors. It is important to note that external influences impact attitudes and intentions, illustrating that both internal and external influences combined impact on decision-making processes, as shown in Figure 10.

**Figure 10: Internal and external influences of consumers' willingness to pay**



Source: Compiled from Aryal *et al.* (2009:14) and Hawkins and Mothersbaugh (2013:25).

Willingness to pay is a key concept of this study and will be elaborated on in Chapter 4. The next section, however, provides background to this concept by discussing the steps consumers go through to make a final purchasing decision and the various elements which could impact this decision.

## 2.5 THE CONSUMER DECISION-MAKING PROCESS

Hawkins and Mothersbaugh (2013:25) describe a consumer's decision-making process as a five-step process starting with problem recognition and followed by information search, alternative evaluation and search, outlet selection and purchase and post-purchase processes. In addition, a consumer's decision-making process is largely shaped by the situational influences at the time when the decision is taking place.

### 2.5.1 Situational influences

Hawkins and Mothersbaugh (2013:464) explain that consumers do not respond to a certain stimulus, such as a product or advertisement, in isolation. The way in which they

respond to stimuli is dependent on situational influences, or as Britt (1966:5) describes it, the integration between their personality and their perception of the environment. Situational influences can be defined as all the factors that form part of the consumer's decision process at a particular place and time, for example the scent of doughnuts whilst purchasing a brand of coffee. Furthermore, the psychological field a consumer is surrounded with will also guide their behaviour in different purchasing situations. In a purchasing situation, consumers tend to integrate the aspects of the purchasing situation with their internal needs, motives, perceptions and attitudes to formulate an appropriate response (Du Plessis & Rousseau, 2007:262). Situational influences are only applicable to factors that are not known as stable attributes at a particular point, that is an attribute which the consumer is unaware of but still, subconsciously, influences the purchasing decision. For example, if a consumer is always happy this would be a stable attribute. However, if a consumer views an upsetting news story prior to seeing an advertisement, their attitude might be somewhat negative, thus influencing the way in which they respond to the advertisement.

Consumers react differently to stimuli depending on the situation. As such, marketers have to not only understand the situational influence, but also how the situational influence interacts with the marketing stimuli and the consumer to determine behaviour (Hawkins & Mothersbaugh, 2013:464). For example, a consumer receives information on ethical personal care products which are not tested on animals (the situational influence which is not a permanent attribute). After receiving the information, the consumer notices an advertisement for a special on ordinary personal care products (marketing stimuli). Knowing that ethical personal care products are not tested on animals and come in recyclable packaging (situational characteristics) the consumer makes a purchasing decision aligned to the situational influence. Situational influences can have a major impact on the products that consumers purchase, therefore one needs to take cognisance of these influences when studying buying behaviour.

Following is a discussion on the nature of the consumer decision-making process, with specific reference to the five stages that are involved as identified by Hawkins and Mothersbaugh (2013:25).

### **2.5.2 Problem recognition**

Problem recognition refers to a scenario whereby a consumer realises a gap between a desired state, the way in which a consumer wants to be or feel, and the actual state, how the consumer actually feels (Hawkins & Mothersbaugh, 2013:494; Kokoi, 2011:25). Problem recognition initiates the actual decision-making process and poses a number of complex problems to the consumer (Hawkins *et al.*, 2007:515). These include a number of elements and can be related to each step of the decision-making process (Du Plessis & Rousseau, 2007:263-264), such as:

- Problems related to whether a product is needed, for example thirst or hunger, related to need identification;
- Where to find money or back-up services to satisfy a need, also referred to as “blocking mechanisms” encountered whilst obtaining information on how and where to purchase a product;
- What to buy or which brand to choose from. To assist with this, consumers engage in information search to enable effective evaluation of alternatives;
- When to buy and how to buy are both related to the expected outcome of the purchase as well as the alternatives being investigated; and
- Whether to be satisfied or dissatisfied with the product as part of post-purchase dissonance.

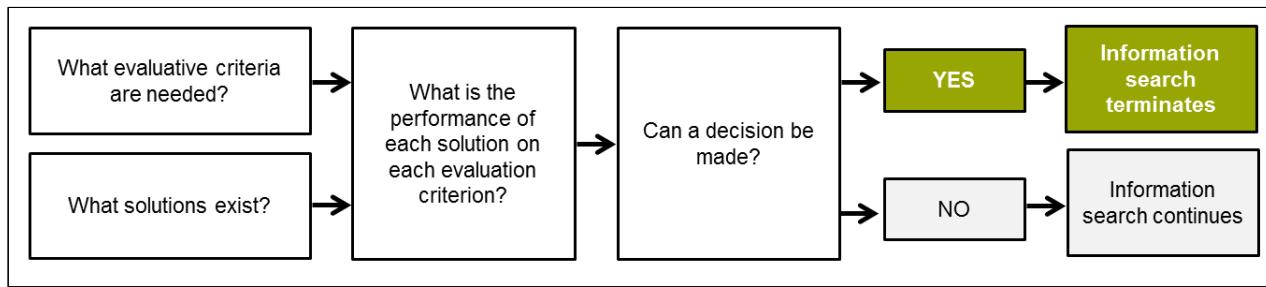
A consumer becomes aware of a certain need, following the filtering of internal and external influences through a consumer's self-concept and lifestyle as explained earlier in Section 2.2.2.4 (Hawkins & Mothersbaugh, 2013:25). For marketers, the value of consumers' problem recognition lies in developing a marketing mix that will address consumers' problems and bridge the gap between the actual and desired state. This

process could include altering existing products or introducing new products to the market to address the specific consumer need or desire (Hawkins *et al.*, 2007:522). However, to be successful in addressing consumers' problems, a thorough understanding is required of their exact needs and what trade-off they are willing to make to satisfy their needs. Once consumers are aware of a certain need, they start gathering information on how to address this need. This is referred to as information search.

### **2.5.3 Information search**

Hawkins *et al.* (2007:533) explain that consumers gather information on products to fuel their purchasing decision, or as Ahmad *et al.* (2010:219) explain it, consumers "seek solid and authenticated product information to guide their shopping". Kokoi (2011:26) explains that there are two types of information search. Firstly, heightened attention occurs when consumers are more aware of advertisements, purchases by friends and information available in the market. Secondly, information search occurs when consumers actively look to the market, Internet, friends and advertisements to obtain information about a product and where it can be purchased (Hawkins *et al.*, 2007:533). During information search, consumers gather information on the most relevant evaluation criteria for solving a specific problem, which is part of the process stage as explained by Schiffman and Kanuk (2010:36). Evaluation criteria include the various features, product attributes, dimensions and benefits a consumer looks for to solve a specific problem (Hawkins *et al.*, 2007:573), as well as the various alternative solutions available to close the gap. Once these have been identified, the consumer evaluates each alternative on the selected criteria. As Figure 11 illustrates, it is an iterative process whereby consumers are either satisfied with the information obtained and a decision can be made, or the process is repeated.

**Figure 11: Information search in consumer decisions**



Source: Adapted from Hawkins and Mothersbaugh (2013:513).

Due to the magnitude of product information available in the market, consumers have reached a new level of “informdness” (Clemons, 2008:13) which leads to increased consumer choice (Kauffman, Li, Van Heck & Vervest, 2009:1). Product information is widely available in newspapers, on television, on the Internet and even with the click of a button on a consumer’s Smartphone. Availability of information is known to have significantly changed consumers’ purchasing behaviours (Clemons, Spitler, Gu & Markopoulos, 2003:1). Therefore, consumers now have the power to better discount on competitive products and their demands have changed significantly. As consumers’ demands take shape to the new era of “informdness”, companies are forced to carefully price products to be aligned with competitive offerings (Clemons, 2008:14).

In order to succeed in serving consumers with increased “informdness”, suppliers look to the role of “hyperdifferentiation”. This refers to the “ability of firms to produce almost anything that any potential customer might want” (Clemons, 2008:17; Clemons *et al.*, 2003:2), almost “without limits” (Kauffman *et al.*, 2009:2). “Hyperdifferentiation” largely depends on the ability of companies to understand the demand side, more specifically how consumers’ needs change over time and what price consumers are ultimately willing to pay for products (Clemons, 2008:1). “Hyperdifferentiation” also calls for a thorough understanding of the various market trends that shape consumers’ perceptions. A recent trend that has shaped the marketing world is the increasing demand for ethical products. Consumers are becoming more willing to withhold their support for organisations that do not act ethically or comply to responsible business practices (Wheale & Hinton, 2007:34). As such, organisations are increasingly

pressurised to implement ethical business practices throughout their brand and product lifecycles (Tustin & De Jongh, 2008:24). What started out as a niche market for many organisations, for example Woolworths in South Africa who sells organically produced products, has become more popular. As more organisations come on board and ethical products become mainstream (Pickett-Baker & Ozaki, 2008:281), there is an increasing need to study consumer behaviour in light of these products. This study aims to provide insight into the concept of ethical consumerism and will be discussed in greater detail in Chapter 3.

During information search consumers identify a number of alternative products which could satisfy the realised need. The next step entails selecting the best suitable alternative and requires the consumer to employ certain decision rules, as detailed in the next section.

#### **2.5.4 Alternative evaluation and selection**

Consumers use information to locate and evaluate a set of alternatives to satisfy a particular need. This is also known as “expected outcome and intentions” and refers to the process by which certain criteria are evaluated to determine the best suitable outcome (Du Plessis & Rousseau, 2007:267). No purchasing decision has been made yet, but the consumer is considering various alternatives or might even decide to postpone a final decision. This phase is known to require an extensive amount of effort from the consumer (Kokoi, 2011:28) as various decision rules need to be applied.

When evaluating a set of alternatives, consumers tend to use the attributes on which products differ as the basis for evaluation, as opposed to similar attributes (Kokoi, 2011:29). For example, when evaluating personal care products a differentiating factor could be that a particular brand has not been tested on animals. This could form the basis for evaluation and will assist consumers’ evaluation process as it reduces the list of other evaluative criteria. Limiting the number of factors on which to evaluate products is essential for consumers due to their “bounded rationality”. Haynes (in Hawkins &

Mothersbaugh, 2013:544) describe “bounded rationality” as consumers’ limited capacity to process and evaluate all information that exists for each alternative product. Consumers thus make use of decision rules to help process information and select the best alternative. These rules incorporate elements such as minimum performance required for a product, the extent to which a product must have a high level of a certain attribute and also price (Hawkins *et al.*, 2007:533). Understanding these decision rules can greatly benefit marketers in knowing which elements should be emphasised in a marketing strategy.

According to Hawkins and Mothersbaugh (2013:557-563), five types of decision rules exist:

- Conjunctive decision rules eliminate alternatives that do not adhere to the minimum performance requirements for all evaluative criteria. Evaluative criteria are selected by the consumer to evaluate products on common features (Hawkins *et al.*, 2007:582). This rule is often used as the first step to reduce the number of alternative products to compare. When applying this to ethical products, the ethical attributes will serve as the first round of elimination. Products which do not contain any ethical attributes as a minimum will thus not form part of further evaluation processes.
- Disjunctive decision rules differ from conjunctive decision rules in that consumers select the products that perform well on certain attributes deemed important. Consumers would thus consider purchasing personal care products which either have ethical attributes or which are priced right. For marketers to succeed here, one has to emphasise the attributes in the marketing message that the product performs well on as consumers often buy the first brand or product that meets the consumer’s requirements (Hawkins & Mothersbaugh, 2013:558).
- Elimination-by-aspect decision rules require consumers to rank the evaluation criteria from least to most important. In addition, a cut-off point for each criterion is established. Only satisfactory performance on each criterion will be accepted, and only if a product makes it through the first evaluative phase will the product move to the second criterion. This type of decision rule leaves more room for alternatives to

go through to the ‘final round of elimination’ as products are evaluated until they fail on one criterion. The product selected in the end will have to perform at a satisfactory level on each of the criteria, ranging from least to most important (Hawkins & Mothersbaugh, 2013:559). In the context of personal care products, the ethical attributes of these products could be regarded as a factor on which each product being evaluated must perform satisfactorily. For example, products which do not specifically state that animal testing was not used during production will not go through to the final round of elimination as this is a key attribute to consumers.

- Lexicographic decision rules are similar to elimination-by-aspect rules; however, maximum performance is required in each phase. There is no room for satisfactory performance and thus fewer products make it to the next level of evaluations (Hawkins & Mothersbaugh, 2013:560). Consumers might view price and ethical product attributes as important product features to compare alternatives on. Consumers might set a cut-off point for the price of the product, and any product, regardless of the ethical values of that product, will not be further evaluated if the price is not right. Therefore, the extent to which price plays a role in consumers’ willingness to purchase ethical products needs to be understood for successful pricing and placement of such products.
- Compensatory decision rules (Hawkins & Mothersbaugh, 2013:561-564): The abovementioned decision rules state that good performance of one evaluative criterion cannot compensate for the poor performance of another criterion. Consumers, however, often evaluate a product as a whole and will use the performance of all evaluative criteria to draw a holistic conclusion on the desirability of the product. That is, the product which rates the highest on the “sum of the consumer’s judgement” on all evaluative criteria will be selected and poor performance on one criterion can be outweighed by good performance on another criterion.

Once consumers have gathered adequate information to make an informed purchasing decision and apply the appropriate decision rule, an alternative is selected (East, 1977:10; Hawkins *et al.*, 2007:3; Schiffman & Kanuk, 2010:36). The next step is to

identify the best place to purchase the product as part of one of the possible buyer responses (Kotler & Armstrong, 2010:147) and this in itself has its own challenges.

### **2.5.5 Outlet selection and purchase**

The outlet selection and purchase process follows a similar process to that of choosing a brand or product. Consumers engage in an internal and external search for the best place to purchase a product or brand, compare a set of alternatives through applying certain decision rules and then decide on the best outlet (Hawkins & Mothersbaugh, 2013:574). Marketers can employ various tactics such as store image, staff positioning or in-store promotion to draw consumers to a particular store to purchase the product (Du Plessis & Rousseau, 2007:268).

A major challenge for marketers is to understand whether the consumer chooses the brand or product first, then the outlet, or the other way around. The essence of determining this lies in the marketing strategies that need to be applied in each scenario. Consumers who select the brand first focus on the advertising of the product. Marketers thus have to focus heavily on emphasising where the particular brand or product is available to draw consumers to a particular outlet. In situations where consumers select the outlet first, marketers will have to focus on in-store advertising such as prominent point-of-sales displays, shelf availability and staff to promote the product (Hawkins & Mothersbaugh, 2013:596). Through designing marketing material for each scenario, marketers can draw consumers to the brand or product regardless of the approach that the consumer follows. If a store is for example stocking ethical personal care products for the first time, in-store communication of the value and quality of these products becomes increasingly important.

The last step of the consumer decision-making process relates to post purchase processes, which can serve as a powerful tool for marketers to understand how their product offerings could possibly be improved.

## 2.5.6 Post purchase processes

The doubt or anxiety experienced by a consumer after purchasing a product is referred to as post purchase dissonance (Hawkins & Mothersbaugh, 2013:612). Post purchase dissonance (commonly referred to as cognitive dissonance) is a reality faced by many marketers to ensure that the purchasing process has positively affected consumers. Du Plessis and Rousseau (2007:269) explain that consumers can respond to a purchase in three ways, namely positively (satisfaction with the purchase), negatively (dissatisfied with the purchase) or neutrally (indifferent to the purchase). Furthermore, the post purchase process is known to add to a consumer's acquisitions and experiences in the form of learning, which will serve as knowledge and a reference point when purchasing similar products in future (Hawkins *et al.*, 2007:3). According to Du Plessis and Rousseau (2007:269), understanding the effect that a purchase has on consumers can benefit marketers in many ways, for example:

- Confirm successful marketing strategies;
- Provide guidelines for corrective action if consumers were dissatisfied with the purchase;
- Indicate consumers' level of involvement with the purchase through the extent of satisfaction or dissatisfaction expressed; and
- Showcase a commitment to a brand by satisfied consumers, thus creating increased brand loyalty.

The decision-making process not only differs for the types of products being purchased, but also amongst various demographical groups, such as age and race groups. There is evidence highlighting the differences between male and female buying behaviour (Funk & Ndubisi, 2006:45) and females are increasingly associated with shopping tasks, more so than males (Thrassou, Kone & Panayidou, 2008:260). As such, the target sample for this study is female South Africans, who serve as a more appropriate sample for the product under investigation (ethically framed personal care products).

## 2.6 FEMALE BUYING BEHAVIOUR

Gender plays a vital role in understanding and predicting consumer behaviour (Schiffman & Kanuk, 2004:462). Various marketers and researchers have examined the differences and similarities of consumer behaviour amongst various consumer groups, of which the most important consumer groups are distinguished based on gender (Thrassou *et al.*, 2008:261).

Through the years, males and females have been assigned different traits by society. Women have been type casted as homemakers and men as breadwinners. Furthermore, men have been described as having “agentic goals” which stress mastery, strength and self-sufficiency with no emotion, whereas women have “communal goals” and strive towards building harmonious relationships, are emotionally inclined and orientated towards home and family. The marketing world has changed considerably and the differences between male and female needs are not as clear cut as it used to be. Differences do, however, still exist in male and female consumption behaviours and the way in which purchasing decisions are made. Women are more likely to engage in detailed processing of a message and make extended decisions based on product attributes, whereas men selectively process information based on overall themes and simplified heuristics (Hoyer & MacInnis, 2010:309-309). Considering these differences, it can be argued that marketers need to understand what drives (or motivates) each gender’s purchasing decisions.

Shopping is a critical stage in the decision-making process, one which varies from individual to individual, and more so between males and females (Funk & Ndubisi, 2006:45; Thrassou *et al.*, 2008:261). Shopping is an action which compliments the female role as it is seen as a gender related activity associated with a female typed task (Thrassou *et al.*, 2008:260-261). Women enjoy shopping more than men (Thrassou *et al.*, 2008:261) who regard themselves as “competent shoppers” and are merely motivated to complete the task of shopping (Kotzé *et al.*, 2012:417). Thrassou *et al.* (2008:263) found that the majority of women enjoy shopping and gain a lot of pleasure

from it, and due to this pleasure women shop for a number of reasons, for example to socialise with friends, shopping for a bargain, shopping for entertainment or shopping for gratification. Even though gender differences could provide an indication of why males and females shop, other demographic factors such as age and income could further assist this understanding through segmenting specific consumer groups (Kotzé *et al.*, 2012:416-418). As such, the study of female consumers' shopping behaviours, and the role that demographic variables play in this, in an attempt to understand and even influence females' product choices have become increasingly popular among market researchers and fuels the sample selected for this study.

In an article "Female Consumers in Sub-Saharan Africa: Spotlighting Buying Habits and Lifestyle Trends" posted by the Consumer and Economics Trends in 2012, the way in which the historical role of women has changed is illustrated. Female consumers' buying powers have increased significantly and some females are even known for controlling household decision-making, thus "breaking the traditional mould of social stereotype" (Euromonitor International, 2012:4). African women have increasingly asserted their independence through working towards an education and earning their own money. As these females' buying power increases, these women are more driven towards achieving the elements which constitute beauty to African women (Euromonitor International, 2012:4). The appeal of personal care products, which promote beauty, are becoming more popular amongst African women. Marketers who succeed in understanding this demographic, the rising modern African woman, will be that much closer to consumers and the ability to build long-lasting customer relationships. Marketers are thus increasingly appealing to a broader vision of "gender-related role options" to simultaneously address male and female needs in marketing communications (Schiffman & Kanuk, 2004:462).

The 2009 Sheconomics Survey Report conducted a study among females aged between 18 and 50 years to determine why women shop, recent spending patterns and why women change their shopping behaviours. In the survey, women selected retail therapy and shopping as the top ways to cheer themselves up (Pine, 2009:9). For many

women, “shopping for gratification” (Kotzé *et al.*, 2012:418) is an “emotion regulator” which assists when feeling down or stressed (Pine, 2009:11). Thrassou *et al.* (2008:260) also found that the pleasure shopping provides, along with the interaction with family and utilitarian reasons such as buying water to satisfy thirst (a biological need), are among the top three reasons why women shop. On the contrary, Pine’s (2009) study found that some women often experience “buyers’ remorse” when shopping and 35% of women in the survey indicated that they have felt guilty about their shopping trip in the last seven days (Pine, 2009:12). As such, marketers should strive to provide female consumers with products which will make them feel good and should stress the benefits and advantages of using the products so as to decrease possible post-purchase dissonance. Ethical products are often marketed around emotions and could easily convince female consumers of the good they will be doing if the product is purchased. The question, central to this study, is thus whether the use of ethical product attributes, as part of attribute framing, will be enough to increase South African females’ willingness to pay for these products.

## 2.7 SUMMARY

The study of consumer behaviour in the marketing field is a long-standing, yet dynamic challenge of understanding why consumers purchase certain products, and what influences this decision. The consumer behaviour model is fundamentally divided into three stages, namely input of marketing and other stimuli, the processing of information and decision-making, followed by a period of post-purchase dissonance. Various internal and external factors influence these stages and more specifically the five steps of the consumer decision process, such as impacting the extent to which a consumer engages in information search or the extent of product evaluation required. This results in a continuous challenge to understand how consumers integrate internal and external influences in each stage to lead to an eventual outcome.

Adding to this dynamic challenge are the differences in consumer decision-making between males and females. Males and females react differently to marketing stimuli

and are drawn to different products. As such, it is not only important to understand the differences in their decision-making styles, but also how the availability of various products influences their ultimate purchasing decision. The provision of ethical products is a market trend which has influenced consumers' needs and demands in recent years. The value for marketers lies in understanding consumers' willingness to pay for these products and how various factors influence this decision process. Chapter 3 discusses what ethical consumerism entails and how marketers can use attribute framing, as an external factor, to influence consumers' willingness to pay for ethical products.

## CHAPTER 3: ETHICAL CONSUMERISM

### 3.1 INTRODUCTION

Chapter 2 emphasised the importance of studying the various internal and external factors which could influence consumers' decision-making process. This study focuses specifically on external influences such as market trends and products which form part of marketing stimuli that influence consumers' willingness to pay. One such a market trend which forms the basis of this study is ethical consumerism.

Organisations today are increasingly pressurised to act morally and responsibly. Tustin and De Jongh (2008:24) summarise the need for organisations to behave this way as "vital determinants of market share and sustainable growth of South African business in the future". Organisations are aware that their brand can be perceived by consumers as ethical or not based on the stance that companies take on social matters (Brunk, 2010:256). As a result of this and the fact that consumers' perceptions and attitudes towards products influence their purchasing behaviour (Brunk, 2010:255), organisations are increasingly pressurised to emphasise the ethical nature of their product offerings.

In today's market, consumers are increasingly exposed to products which contain ethical values and attributes, linked to greater social or environmental issues. Examples of this include products sold in recyclable packaging so as to preserve the environment and, of particular interest to this study, personal care products which are not tested on animals in support of animal welfare. As consumers are faced with these offerings, they become aware of the material and content of the products they purchase and increasingly demand that ethical attributes be present in all the products they purchase (Shen, Wang, Lo & Shum, 2012:234). Consumers thus use the ethical properties of products as important evaluative criteria when making purchasing decisions. This

consumer response, and related buying behaviour, is known as ethical consumerism and is a “burgeoning social movement” (Carrington, Neville & Whitwell, 2012:1) which is prudent for marketers to investigate and understand.

This chapter provides the context of ethical consumerism through discussing and defining the emergence of this phenomenon in Section 3.2. Ethical buying behaviour is focused on in Section 3.3 by classifying consumers’ ethical purchasing intentions and discussing the barriers which prevent ethical buying behaviour. Framing, a commonly used marketing technique to position products in the minds of consumers, is discussed in Section 3.4 in light of marketing ethical products.

### **3.2 THE NATURE AND SCOPE OF ETHICAL CONSUMERISM**

Organisations today are pressurised to behave sustainably in three key areas known as the triple bottom line, namely profit, people and planet (The Economist, 2009). These pressures, brought on by various guidelines and regulations, directly influence organisations to adapt their business processes to ensure a sustainable organisation from the core of the business, such as corporate culture, to the products provided to consumers. Following these guidelines and regulations, organisations not only strive for financial sustainability, but also focus on people, social and environmental aspects (The Economist, 2009; Urip, 2010:5). As consumers become aware of the sustainable nature of organisations’ operations, they tend to compare organisations’ offerings on specific attributes, or the extent to which the products harvest virtuous attributes.

### 3.2.1 The emergence and description of ethical consumerism

Ethical consumerism has evolved as a direct result of the various global guidelines, policies and regulations being passed over the last decade regarding organisations' sustainable operations (Albino, Balice & Dangelico, 2009:84). One of the well-known regulations, specifically affecting the European Union, is the EU-Emissions Trading Scheme (ETS) aimed at combatting climate change through limiting the amount of carbon emissions allowed by an organisation (European Commission, 2013). In a South African context, the King III Report on Corporate Governance, developed by Prof. Mervin King, forms the guiding principle of corporate governance and sustainability for publically listed organisations. The King III Report emphasises that sustainability should form part of any organisation's "primary moral and economic imperative" and is a great source for both opportunity and risk in terms of being perceived by stakeholders, including consumers, as a good corporate citizen (PricewaterhouseCoopers, 2013). The King III Report provides organisations with guidelines on how to operate sustainably in various aspects of the business, including those aspects which filter through to the market and consumers, such as the manufacturing and delivery of products.

In addition to these regulations, there are increasing social pressures on organisations to act morally with regards to people, communities or socio-economic responsibility, and the environment. Organisations are pressurised to ensure that their employees operate in a safe environment and that the correct corporate culture is adopted for a happy and productive workplace. Similar to creating such a workplace, organisations are pressurised to benefit communities as part of their social responsibility. Furthermore, organisations need to ensure that their operations and manufacturing processes have no negative impact on the environment, such as reducing pollution through the use of natural resources. These factors, people, social and environment, along with financial sustainability are no longer seen in isolation but form part of any organisation's core business processes (Urip, 2010:5).

Considering these regulations and social pressures, organisations invest in various strategies to improve sustainability throughout the business, such as process or product improvements, product developments or new product or market combinations. The goal is to ensure that benefits are created that ensure financial performance as well as address consumer and societal needs. It is evident that majority of sustainability strategies (applied only to product based companies) are centred on developing products which translate an organisation's ethical initiatives into benefits visible to consumers in the form of product attributes (Albino *et al.*, 2009:85). Organisations that succeed in this, thus who are successful in executing corporate social responsibility strategies will be regarded as good corporate citizens.

Corporate Social Responsibility (CSR) has been defined as an organisation's "worthy commitment to ensure sustainable benefits for both corporates and communities" (Urip, 2010:13) and "an organisation's expression of social responsibilities...through doing good in order to ...[benefit]... communities and...the organisation in a financial manner" (Wood in Peloza & Shang, 2011:118). All strategies and investments aimed at benefiting communities or preserving the environment form part of what is called an organisation's CSR. It can be argued that ethical consumerism has evolved as a direct result of consumers' response to organisations' CSR strategies, of which a prominent one is the provision of ethical products such as selling products in recyclable packaging (Peloza & Shang, 2011:118). However, organisations today are not only pressurised to merely develop CSR initiatives, but need to continuously improve and communicate their ethical value propositions to the market due to the increased information readily available to consumers on competing organisations' operations (Tustin & De Jongh, 2008:26).

The extent to which organisations' products promote benefits for society or the environment has become a major factor influencing consumers' buying decisions (Laroche *et al.*, 2001:503). Consumers would like to support sustainability and as such

associate with organisations whose offerings will assist in addressing this desire. However, globalisation and the immediate access to an abundance of information on organisations' business practices have created additional challenges for organisations. Various media such as television, Internet, mobile, newspaper and radio have created an increased proliferation of product and company information. As a result of this, consumers are now in a position to research the ethical nature of products and organisations and choose the one which best support consumers' drive to behaving responsibly. The effectiveness of an organisation's ethical marketing campaigns thus depends on the extent to which consumers associate with organisations' value propositions and are willing to purchase that particular organisation's products (Tustin & De Jongh, 2008:26).

### **3.2.2 Defining an ethical consumer**

In order to understand the extent to which consumers take note of organisations' ethical initiatives one has to consider the extent to which consumers' buying behaviour is influenced by these initiatives and related product attributes. An ethical consumer is regarded as a 'green consumer' who, through actions and behaviours, avoid harm to the environment or do not unnecessarily waste precious resources, for example water or energy (Elkington & Hailes in Wheale & Hinton, 2007:303). Similar to this, De Pelsmacker, Driesen and Rayp (in Carrington *et al.*, 2010:140) explain that an ethical consumer is someone who is concerned about environmental or social matters and responds to these matters through only purchasing certain products. These concerns often include, but are not limited to, animal welfare, child labour, environmental issues such as recycling and fair trade. Organisations are known to also support these concerns through noble and sustainable business practices as part of their CSR initiatives, and consumers who support these organisations are considered ethical consumers (Tustin & De Jongh, 2008:34).

This notion that certain consumers express their concern for environmental or social issues through not purchasing products that have any form of negative impact on the environment, animals or society is also supported by The Institute of Grocery Distribution and IGD Services Limited (2007) and by The Guardian (2001). The Guardian (2001) defines an ethical consumer as someone who, for example, purchases free-range eggs or boycotts organisations which make use of child labour. The Institute of Grocery Distribution and IGD Services Limited (2007) further explains that the purchase of ethical products in response to social or environmental concerns is applicable in a number of industries, including “ethical food and drink”, “green home”, “ethical personal products” and “ethical finance”.

For the purpose of this study, an ethical consumer is defined as someone who expresses their support for the environment or society through not purchasing products or making use of services that have any form of negative impact on the environment or society (Carrington *et al.*, 2010:140; De Pelsmacker *et al.*, 2005:363, Elkington & Hailes in Wheale & Hinton, 2007:303; Tustin & De Jongh, 2008:34; Wheale & Hinton, 2007:303). This behaviour could be due to a deeper concern for a particular ethical issue (addressed by the organisation) or due to a belief in doing good for the environment or society, be it simple (free-range eggs) or more complex (child labour) in nature and is applicable in various industries.

Based on the Hawkins and Mothersbaugh (2013:25) model of consumer behaviour described in Chapter 2 (Section 2.2.2.4), ethical buying behaviour will now be discussed.

### 3.3 ETHICAL BUYING BEHAVIOUR

In recent years consumers have been exposed to countless messages about products which will assist in doing good for the environment and ultimately enable a more sustainable earth. In addition, modern consumption, social issues displayed through mainstream media, such as companies investing in communities in Africa, and the rise of activist groups encourage consumers to live sustainable lives (Carrington *et al.*, 2010:140). Many consumers have taken to these messages and claim full support for ethical products, however only a few consumers will take action and actually purchase these products, this is known as the attitude-behaviour gap (Bray *et al.*, 2011:597; Pickett-Baker & Ozaki, 2008:282; Vermeir & Verbeke, 2006:171; Young, Hwang, McDonald & Oates, 2010:22). It is argued that advertising centred on ethical issues will only be effective in bridging the attitude-behaviour gap when the attributes promoted by the advertisement align with consumers' individual characteristics (Pickett-Baker & Ozaki, 2008:282), such as consumers' morals and values. Hawkins *et al.* (2007:441) explain that consumers' self-concept and lifestyle serve as a filter for processing internal and external influences, including marketing stimuli. Therefore, it can be argued that ethical issues and product attributes, presented to consumers as part of marketing stimuli, are filtered in the same way to derive at a particular need or desire. As such, if consumers' self-concept and lifestyle are not aligned to the ethical attributes of a product, consumers might be less willing to purchase the product. As the decision-making process differs from consumer to consumer it is useful to classify consumers into groups based on the intensity of their ethical purchasing motives so as to deepen an understanding of consumers' ethical buying behaviour (Wheale & Hinton, 2007:302).

#### 3.3.1 Classifying ethical buying behaviour

In the study conducted by Wheale and Hinton (2007:302-315) consumers are regarded as having different strengths of predispositions held towards ethical issues and

products. In other words, consumers can be grouped based on the strength of their feelings and attitudes towards certain social or environmental issues and products. Following this notion, Tustin and De Jongh (2008:35) and Szmigin *et al.* (2009:225) classify consumers based on their attitudes and feelings towards products, as well as the extent to which consumers express ethical purchase intentions.

### ***3.3.1.1 Tustin and De Jongh's classification of ethical buying behaviour***

Tustin and De Jongh (2008:35) explain that consumers' ethical buying behaviour can be classified into four groups. Each of these groups are discussed below and specifically applied to personal care products as used in this study:

- Positive buying: consumers who engage in positive buying solely purchase ethical products, whether it is fair trade products, products made of recyclable material or products free of harm to the environment. These consumers, as a set rule, always purchase the ethical version of a product (personal care products not tested on animals) and avoid purchasing personal care products of which the manufacturing process is unknown, regardless of the product's price. This approach is applied to all products these consumers purchase.
- Negative buying: these consumers do not necessarily seek out ethical products, but try to avoid those products which have a negative impact on the environment or society. Though these consumers have a desire to purchase the ethical versions of personal care products, they will revert to purchasing ordinary products if the ethical versions cannot easily be found or if the price is too high.
- Company-based purchasing: this approach entails consumers who target a company as a whole to influence the company's production or marketing of products. Consumers aim to influence companies to behave more responsibly and often boycott an entire company's products and marketing campaigns. Instead of supporting ethical issues through purchasing single products which support these issues, these consumers seek to behave ethically on a large scale.

Consumers who identify organisations which test personal care products on animals will seek out to exploit this company through for example negative press releases.

- Fully screened consumers: a fully screened approach to ethical buying behaviour is a combination of the above three classifications and includes consumers who consider all companies and all brands in the market to choose only those products which are perceived to be the most ethical. This approach is similar to positive buying in that consumers will only purchase the ethical version of a product. Fully screened consumers however still engage in a full comparison process of all brands and products to derive at a suitable product, whereas positive buying entails immediately purchasing an ethical product without any alternative evaluations made.

### ***3.3.1.2 Szmigin, Carrigan and McEachern's classification of ethical buying behaviour***

Similar to Tustin and De Jongh (2008:35), Szmigin *et al.* (2009:225) classify consumers' buying behaviour into groups based on the extent to which they express ethical buying intentions. These groups include:

- Non-voluntary simplifiers: these consumers are unaware of ethical products or do not really care enough about the ethical nature of products or related issues to stop buying their usual brands. These consumers are typically brand loyal and deliberately choose not to let ethical attributes such as animal testing influence their decision process when purchasing personal care products.
- Voluntary simplifiers: this group of consumers avoids purchasing products that are in any way harmful to society or the environment and will not support companies who are associated with irresponsible or immoral practices. These consumers support the notions of positive buying and fully screened consumers

(Tustin & De Jongh, 2008:35) and seek to only purchase products which support moral or social issues.

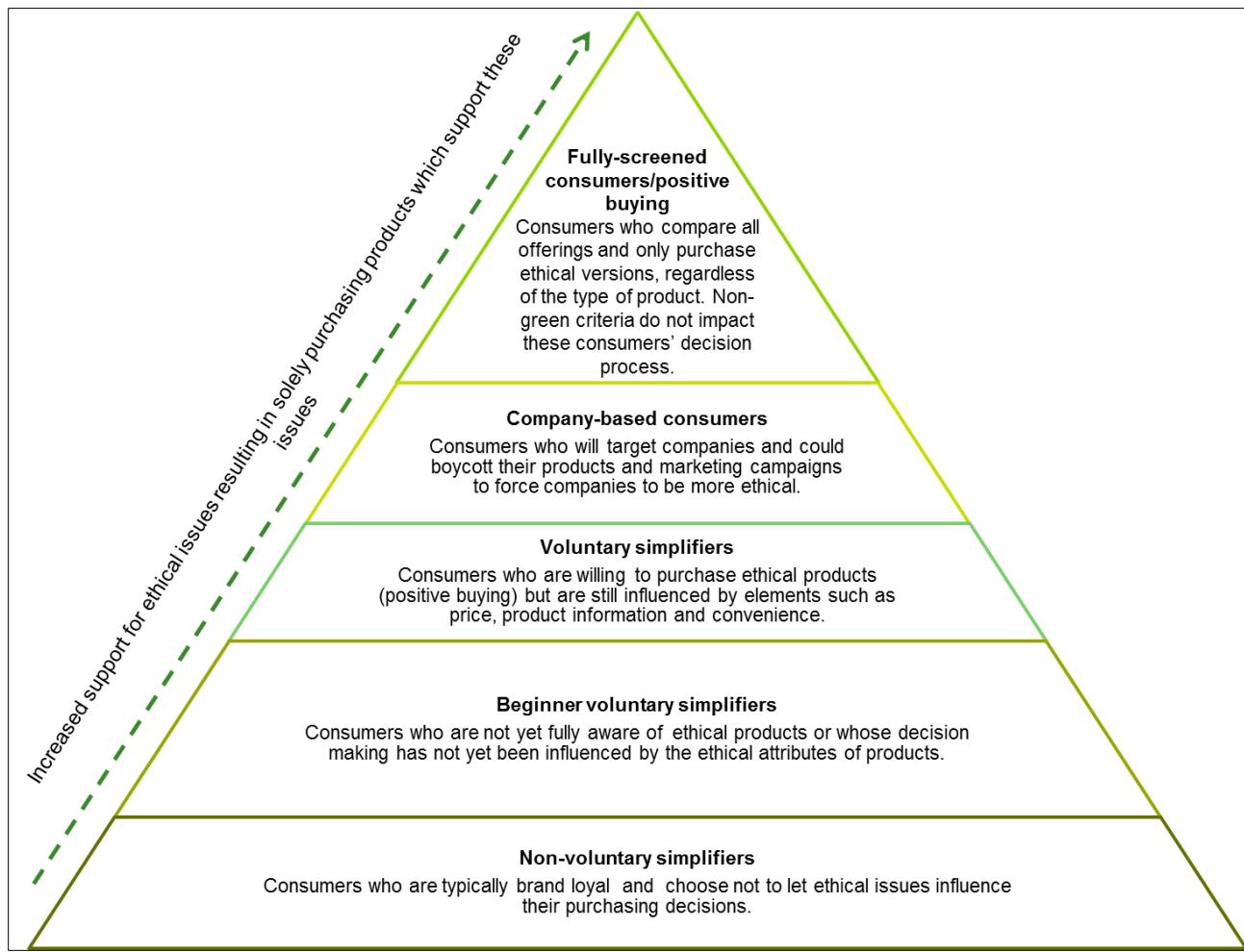
- Beginner voluntary simplifiers (BVS): BVS entails consumers who are not yet fully convinced of the benefits of ethical products and their decision-making process has not yet fully been influenced by ethical product attributes. These consumers are the opposite of non-voluntary simplifiers as they have concern for moral or social issues; they are merely just unaware of the impact of these issues. Non-voluntary simplifiers, however, choose not to have any concern for these issues.

When considering these two sets of classifications, consumers can be grouped based on the extremity to which they express ethical motives and buying intentions through purchasing products which align to social or environmental issues.

### ***3.3.1.3 Extremity of ethical buying behaviour***

Based on the views of Tustin and De Jongh (2008:35) and Szmigin *et al.* (2009:225) Figure 12 illustrates a pyramid of ethical buying behaviour. This pyramid classifies consumers from having no consideration for ethical product attributes to showing complete support for these products.

**Figure 12: Extremity of ethical buying behaviour**



Source: Compiled from Szmigin et al. (2009:225) and Tustin and De Jongh (2008:35).

It can be argued that most consumers start out as non-voluntary simplifiers (at the bottom of the pyramid), those consumers who have no desire to support ethical matters or purchase ethical products. These consumers' morals and values, elements which form part of the internal filtering process along with self-concept and lifestyle, are typically not aligned to the ethical attributes of products. Consumers sometimes experience a perception shift in their values and morals to be more aligned to the ethical attributes of products and as a result their buying behaviour becomes more ethically inclined. Consumers then become beginner voluntary simplifiers. For example, consumers who start paying attention to reports of animal testing during the

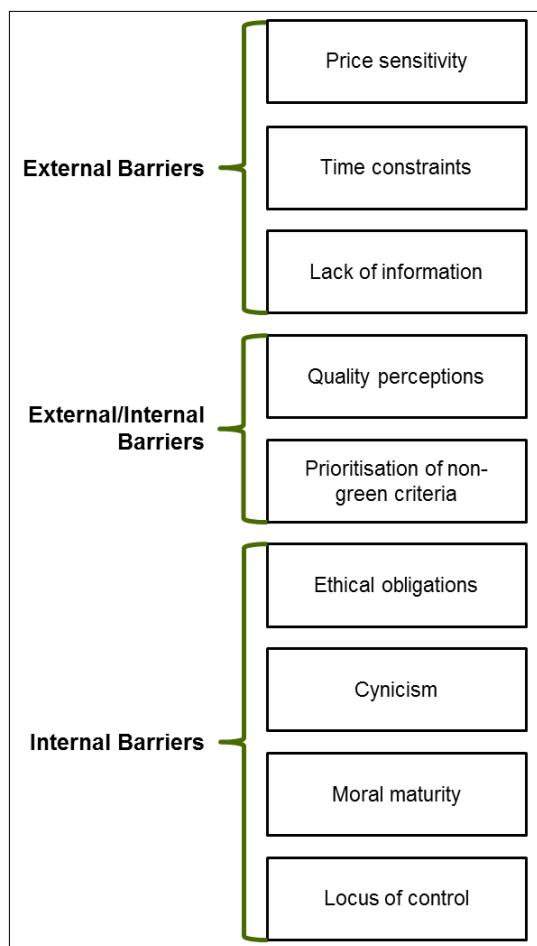
manufacturing of personal care products might feel this is wrong. Though consumers feel that this is wrong, they might not actually purchase products which guarantee that animal testing was not used (attitude-behaviour gap). Thus, their decision-making is not yet heavily influenced by this ethical issue, but rather still driven by elements such as price and available product information. Voluntary simplifiers (middle of the pyramid) is the first category of consumers who are strongly driven by ethical attributes in the decision-making process and will avoid purchasing products which are harmful to the environment or society in any way. Price, which also forms a core focus of this study and is discussed in greater detail in Chapter 4, does however still play a large role in the consumer decision-making process. Therefore, products with a large price premium might be ignored. Only once consumers become fully-screened consumers or engage in positive buying will non-green criteria such as price, quality and convenience no longer matter. These consumers are only concerned with the extent to which products support social or environmental matters and other product attributes do not influence the decision-making process. It is important to note that consumers do not necessarily have to purchase products to showcase their ethical buying intentions. Consumers can also engage in a company-based approach to boycott organisations that do not act responsibly. This also illustrates strong ethical motives and is important to consider when studying consumers' ethical buying behaviour.

In order to develop appropriate marketing strategies, marketers need to understand the extent to which ethical product attributes, promoted through marketing stimuli, influence consumers' willingness to pay. As discussed above, consumers differ in the extent to which their morals and values are aligned to ethical issues. Therefore, the actual decision-making process needs to be reviewed in light of how these issues influence consumers' decision-making process. Drawing from the Hawkins and Mothersbaugh model of consumer behaviour (2013:25), these influences and how they are filtered through consumers' self-concept and lifestyle, producing needs and desires which require consumption decisions to be made, will now be discussed.

### 3.3.2 Influences on and barriers to ethical buying behaviour

On a daily basis consumers are influenced by various internal factors, such as personality and attitude, and external factors, namely social status and marketing activities, as illustrated in the various decision-making models discussed in Chapter 2. In terms of ethical products, these influencing factors are considered as internal and external barriers (Bray *et al.*, 2011:604) which could prevent consumers from purchasing these products or supporting certain social or environmental issues, as illustrated in Figure 13.

**Figure 13: Influences on and barriers to purchasing ethical products**



Source: Adapted from Bray *et al.* (2011:604).

### 3.3.2.1 External barriers

External barriers include consumers' price sensitivity towards ethical products, time constraints and lack of information about the attributes and performance of these products (Bray *et al.*, 2011:604). Price sensitivity, also known as a consumer's reservation price, relates to the most a consumer is willing to pay for a product (Vohra & Krishnamurth, 2012:13). The higher a consumer's reservation price, the higher the actual price a consumer is willing to pay for a particular product, and the less price-sensitive consumers are towards products which are sold within or under this price limit. Ethical products often have a higher price attached to it than ordinary counterparts (Young *et al.*, 2010:25) and the higher price is often not explainable by market forces (Mahenc, 2007:461). Consumers are price-driven and will not easily be swayed by a product's ethical values if the price is much higher than what they usually pay for ordinary products. Even though certain consumers feel they have an obligation to purchase ethical products so as to "do their bit", a large price differential could prevent price-sensitive consumers from purchasing these products (Bray *et al.*, 2011:601).

As part of justifying a product's price, consumers spend a lot of time and effort collecting information about the product as well as evaluating available alternatives. Investigating ethical products often requires consumers to understand attributes which they are unfamiliar with, such as animal testing and fair trade, and which they need to align their values and norms to. Thus, evaluating ethical products is seen as a time consuming activity, and as a result, consumers tend to stick to ordinary products and purchasing their usual brands (Tustin & De Jongh, 2008:33). In addition, lack of product information can negatively influence their willingness to purchase a product. Consumers are not always aware of the positive outcomes that could result from purchasing these products. Bray *et al.* (2011:601) argue that consumers still require education and convincing to purchase ethical products even though it will make a difference to the environment and society, as well as the consumer's lifestyle. The less information available on a product and its attributes, the more difficult it becomes for consumers to purchase products due to an inability to make an informed purchasing decision (Vermeir

& Verbeke, 2006:175). The extent of information search, types of information and the amount of information required are all dependent on the consumer's knowledge of a particular product. As such, it can be argued that knowledge and ecoliteracy influence a large part of consumers' decision-making process. Ecoliteracy refers to the extent to which consumers are able to identify and understand the ethical attributes and characteristics of products and also determines the extent to which consumers will need to engage in information search to learn more about these attributes (Laroche *et al.*, 2001:505).

Ethical product factors are also considered credence attributes, which means consumers cannot personally evaluate the promises these product attributes make (Vermeir & Verbeke, 2006:175) and these promises are not always verifiable or convey much direct information (Mahenc, 2007:461). Thus, consumers rely on different sources to confirm product information, such as family and friends (referrals), websites and product advertisements. The more sources supporting these attributes and product benefits, the more trusted it becomes and the more consumers' decision-making will be positively supported to purchase a particular product. In addition, the more information available on a product, the less time is needed for consumers to evaluate a product, thus making the decision-making process easier. Therefore, it is crucial for marketers to emphasise the ethical attributes of a product, especially in advertisements aimed at conveying product information to consumers.

### **3.3.2.2 External/internal barriers**

To assist consumers in making a purchasing decision about ethical products, consumers tend to prioritise the "non-green criteria" of products, that is those product attributes which they understand and are familiar with (Bray *et al.*, 2011:601). Consumers tend to still be mainly concerned about the three major purchasing influences, namely price, quality and convenience, despite the communication of products' ethical attributes (Carrington *et al.*, 2010:139). Therefore, ethical products are

not always perceived to be of better quality and consumers will not purchase these products if there is a price premium involved.

### **3.3.2.3 Internal barriers**

A major internal barrier to purchasing ethical products is the skepticism that consumers have towards organisations' claims. Consumers feel that some companies only use the communication of product attributes as a marketing tool and do not really provide the promised benefits (Bray *et al.*, 2011:603). In terms of ethical obligations, Oleson *et al.* (2010:224) found that consumers do not feel it is their responsibility to ensure that they purchase ethical products. It is the organisation's responsibility to ensure that products are not harmful to the environment or society in any way. Therefore, marketers need to be cognisant of the most appropriate way of communicating product attributes to ensure that the organisation is perceived as fulfilling its ethical obligation and to reduce consumers' cynicism.

The last two barriers relate to the extent to which consumers are confident in their own beliefs, morals and values. Bray *et al.* (2011:599) argue that moral maturity plays a major role in shaping consumers' willingness to pay for ethical products. Moral maturity is dependent on two factors, namely the extent to which consumers are confident in their beliefs and consumers' locus of control. Consumers who harvest a strong confidence, thus who are morally mature are more likely to act on these beliefs and purchase products which support this belief. For example, a consumer who believes that animal testing is wrong is more likely to purchase products which guarantee no animal testing was involved during the manufacturing process. The second factor that impacts moral maturity is the extent to which a consumer's locus of control is either internal or external. An internal locus of control will lead consumers to purchase ethical products based on an internal "defiance of conflicting social or situational pressures" (Bray *et al.*, 2011:599), thus feeling that purchasing products which do not guarantee "no animal testing" is wrong. Consumers who have an external locus of control are less

likely to purchase ethical products due to the perception that ethical issues are beyond the consumer's control and the consumer's purchasing behaviour will have a minimal impact. An external locus of control ties in with consumers' perceptions that it is the organisation's responsibility to provide products which are not harmful to the environment or society in any way. These two barriers also tie in with consumers' self-concept and lifestyle as explained by Hawkins and Mothersbaugh (2013:25).

### **3.3.3 The influence of consumers' self-concept and lifestyle in the decision-making process for ethical products**

Consumers' moral maturity and locus of control largely form part of a consumer's self-concept and lifestyle as part of the Hawkins and Mothersbaugh (2013:25) consumer behaviour model. For example, a consumer's lifestyle serves as an indication of a consumer's values and beliefs. If consumers only purchase personal care products free of animal testing it can be argued that the consumer strongly believes in or supports animal welfare. Though a consumer's self-concept refers to the feelings, attitudes or perceptions held towards him/herself as an object (Hawkins *et al.*, 2007:434), consumers' individual characteristics, morals and values, also form part of the filtering mechanism of internal and external influences. Therefore, understanding consumers' values and morals is important for marketers to be able to align and position ethical issues to consumers' internal filtering process.

Consumers' values are "stable beliefs about the personal or social desirability of certain behaviours and modes of existence" (Vermeir & Verbeke, 2006:173) and depicts whether "a given behaviour or outcome is desirable or good" (De Pelsmacker *et al.*, 2005:366). Szmigin *et al.* (2009:225) make reference to the fact that consumers have their own set of values and norms, which have now changed to be more environmentally or socially aware (Freestone & McGoldrick, 2008:445). This shift in values has increased consumers' ethical motives, which consist of the way in which a

consumer's personal and/or social values tie in with the ethical attributes of a product (McGoldrick & Freestone, 2008:188). It can thus be argued that these ethical motives are known to influence how consumers perceive social or environmental issues, such as personal care products that are not tested on animals. In turn, perceptions largely influence the willingness of consumers to pay for ethical products and can lead to related actions such as product switching or stop buying usual brands (McGoldrick & Freestone, 2008:188). When considering the purchase of ethical products, consumers' values and norms are extremely important as it forms part of the filtering process of internal and external influences. Thus, the earlier argument holds true according to literature that marketing efforts will only be successful if consumers' values and norms are aligned to the ethical issues or product attributes promoted by advertisements. Therefore, understanding the extent to which consumers are aware of, and have ties to these issues, forms an important part of understanding consumers' values and norms towards ethical products and ultimately consumers' willingness to pay for these products. The consumer decision-making process discussed in Chapter 2 will now be discussed, specifically highlighting how it is relevant to the context of ethical products and this study.

### **3.3.4 The decision-making process for buying ethical products**

Once the consumer is aware of a need based on a particular situation, the consumer decision process commences with problem recognition, information search and alternative evaluation and selection (Hawkins *et al.*, 2007:3). When alternative evaluation and selection have taken place, the buying process results in a set of responses, namely product choice, brand choice, dealer choice, purchase timing and purchase amount (Kotler & Armstrong, 2010:147). This study focuses on the extent to which external influences, specifically the marketing of ethical products through the use of attribute framing, affect consumers' product choice and purchase amount. More specifically on:

- The extent to which consumers' are willing to pay for ethical products if presented with an advertisement which specifically states that no animal testing was used during the manufacturing of the product (product choice); and
- Whether consumers' purchasing amount is higher for personal care products not tested on animals as opposed to ordinary personal care products (purchase amount).

The above indicates that internal and external influences drive consumers to purchase ethical products by creating a situation where a consumer identifies a particular need for these products. Vermeir and Verbeke (2006:172) argue that generating positive consumer attitudes is a very effective starting point for stimulating a consumer's behavioural intention in favour of purchasing ethical products. Laroche *et al.* (2001:506) argue that behaviours and attitudes are linked. A consumer who views behaving ethically as very important is highly likely to have a positive attitude towards these products and is more likely to pay attention to the packaging, the materials of the product and how and where it has been manufactured. As such, marketers must strive to positively influence consumers' attitudes towards ethical products (Pickett-Baker & Ozaki, 2008:282). This is often done through framing the attributes of a product in a specific manner aimed at a particular consumer group. Framing is a critical aspect in marketing as well as for this study.

### 3.4 FRAMING

Framing is commonly described as portraying product information, such as attributes and values, in different ways, through the use of wording (Fagley *et al.*, 2010:264) with the aim of influencing consumer choice (Biswas & Grau, 2008:400) whether it be through positive (gain) or negative (loss) framing (Ferguson & Gallagher, 2007:667). The framing technique used in marketing was first studied and documented by Tversky and Kahneman (1981) who demonstrated that consumers' product choices can be

greatly influenced by the framing, that is the wording, of product attributes and values (Tversky & Kahneman in Fagley *et al.*, 2010:264).

Tversky and Kahneman (in Fagley *et al.*, 2010:264) explain that different frames result in consumers' viewing products from different vantage points or from different perspectives. As such, marketers aim to use varying product descriptions in advertisements to influence the perceptions consumers have towards a particular product (Keller, 1991:42). Branding and framing techniques have proven to be effective tools for manipulating consumers' product perceptions (Pickett-Baker & Ozaki, 2008:282), and therefore marketers use framing techniques to emphasise a product's uniqueness, more specifically its ethical properties (Stanforth & Hauck, 2010:616). The framing technique is becoming increasingly popular (Biswas & Grau, 2008:400) and has recently gained heightened interest in marketing communication research (Orth, Koenig & Firbasova, 2007:329).

### **3.4.1 Types of framing techniques used by marketers**

Within the marketing discipline three types of framing techniques are used to influence consumers' product perceptions and choices, namely risky choice framing, goal framing and attribute framing (Biswas & Grau, 2008:402).

#### **3.4.1.1 *Risky choice framing***

Risky choice framing is used to portray a product purchase as having either a somewhat risky outcome or a riskless outcome (Biswas & Grau, 2008:402) and depends on whether a positive or negative frame is used to describe the product (Levin *et al.*, 1998:152). A good example is the sale of insurance products. Marketers of these products could convince consumers to take out car insurance based on the risk that one

will lose everything if the car is stolen (negative) or be covered for uncertainties (positive).

### **3.4.1.2 Goal framing**

Goal framing uses persuasive communication (Levin *et al.*, 1998:167) to encourage consumers to take action in moving towards something (Biswas & Grau, 2008:402). Goal framing also makes use of positive and negative cues and either stresses a positive outcome of obtaining the goal, a gain, or a negative outcome of not obtaining the goal, a loss (Levin *et al.*, 1998:167). Convincing consumers to join a gym can be done through motivating them to take that step towards a healthy lifestyle, typically viewed as a gain.

### **3.4.1.3 Attribute framing**

Attribute framing is used to position a single product and typically leads to favourable associations in consumers' minds (Biswas & Grau, 2008:402). Marketers rely on this technique to focus on the quality of a product (Ferguson & Gallagher, 2007:668) through emphasising a specific characteristic of a particular product (Hannah & Cafferty, 2006:2994; Levin *et al.*, 1998:150). It is important to note that attribute framing is the process whereby only one product characteristic is emphasised to consumers (Levin *et al.*, 1998:158), for example the fact that a specific personal care product is not tested on animals.

This study focuses on identifying how attribute framing (explicitly stating in an advertisement that no animal testing is used during the manufacturing of a body lotion) influences consumers' willingness to pay for the product. The product promoted in the

advertisement thus moves from an ethical product to an ethically framed product. Though these two terms in fact imply the same, a framed product specifically refers to a product of which an attribute is emphasised in marketing messages. A product remains a mere ethical product if the product's attributes are not emphasised, or framed, to consumers in marketing communication messages. Based on this explanation, the remainder of this dissertation will refer to ethically framed products and not ethical products.

### **3.4.2 The use of attribute framing to influence willingness to pay**

Though the main goal of attribute framing is to emphasise a specific product feature to make the product more desirable to consumers (Fagley *et al.*, 2010:265), there are a number of additional reasons why marketers use this type of framing:

- Product messages can be organised in a particular way so that it appeals to a specific target audience (Nelson, Oxley & Clawson, 1997:223). An example of this is stating that no animal testing is used directly next to the product's price to be immediately visible to price-sensitive consumers who mainly look at a product's price;
- The use of attribute framing is an effective method of justifying the product's price in consumers' minds (Stanforth & Hauck, 2010:617), especially for ethically framed products which usually carry a price premium; and
- Attribute framing is used to educate consumers about the ethical attributes of a product so as to reduce consumers' cynicism about these products (Bray *et al.*, 2011:603).

Despite the research that has been done with regards to the ways in which framing can affect consumers' buying behaviour (Bray *et al.*, 2011:597-608; Freestone & McGoldrick, 2008:476-486; Neale & Fullerton, 2010:476-486; Szmigin *et al.*, 2009:224-

231), no consensus has been reached on the level at which price premiums can be set for ethically framed products. Identifying an appropriate price premium for these products is essential as the actual price of an item is likely to influence the willingness or even the ability of consumers to pay for these products (McGoldrick & Freestone, 2008:185-187). Both Aryal *et al.* (2009:14) and Stanforth and Hauck (2010:616) explain that even though consumers are becoming more ethically aware, for either social or moral reasons, they are not necessarily willing to pay a price premium for such products. Consumers might feel that the communicated ethical attributes are false claims and are only mentioned to make profit. These perceptions, along with the perception that ethically framed products are only designed to gain a certain status, further impact the willingness of consumers to pay a higher price for these products (McGoldrick & Freestone, 2008:187). Tustin and De Jongh (2008:33) confirm this in a South African context and argue that despite South Africans becoming more morally and socially aware, they do not necessarily act or behave ethically or purchase these products. In addition, consumers form mental prices (prices formed based on expectations of what a product should cost) while shopping (Stanforth & Hauck, 2010:617) and these mental prices remain a large influencer of consumers' final purchase response. These mental prices along with strategies on how to influence consumers' price perceptions and willingness to pay for ethically framed products are discussed in Chapter 4.

### 3.5 SUMMARY

In this chapter the concept ethical consumerism was introduced and explained as consumers' response to organisations' Corporate Social Responsibility campaigns and initiatives. Due to the abundance of information available to consumers on organisations' operations and product offerings, consumers are increasingly comparing products based on their ethical nature and attributes. For organisations to maintain market share, it is essential that they understand how to communicate their moral and responsible value propositions to consumers so as to positively influence consumers'

willingness to pay for their products. Organisations rely on attribute framing to emphasise the attributes and uniqueness of their products. The value for marketers, however, lies in understanding the extent to which attribute framing, as an external influence to the decision-making process, affects consumers' willingness to pay. This requires determining the extent to which consumers' buying intentions are ethically inclined. Furthermore, determining how consumers' self-concept and lifestyle are aligned to the ethical nature of products is an important aspect of understanding how internal and external influences related to ethical buying are integrated throughout the decision-making process. The next chapter focuses on the role that price plays in demonstrating the value of a product, as well as the various strategies which can be used to influence price perceptions and ultimately consumers' willingness to pay.

## CHAPTER 4: PRICING - A KEY INFLUENCER OF THE CONSUMER DECISION-MAKING PROCESS

### 4.1 INTRODUCTION

Chapters 2 and 3 provided context for this study by elaborating on the various internal and external factors which influence consumers' decision-making process, specifically focusing on ethical consumerism as a market trend which has recently come into play. This study focuses on external factors in the form of marketing stimuli, including market trends and ethical products, as explained in detail in Chapter 3. Chapter 3 also provided insight into how consumers' decision-making process can be grouped based on the intensity of consumers' ethical purchasing motives and intentions. However, despite consumers expressing ethical purchasing intentions, some consumers are still mainly focused on price, quality and convenience when making purchasing decisions. Therefore, these three factors need to be considered when studying consumer behaviour in light of ethical products. This chapter focuses on the price element and addresses how price remains a prominent influencer of the consumer decision-making process.

Pricing is a key element of the marketing mix (Kopalle, Biswas, Chintagunta, Fan, Pauwels, Ratchford & Sills, 2009:56) and relates to that "which is given in return for a product in a commercial exchange" (Schindler, 2012:3). Consumers often act as if only one attribute is important in the decision-making process, and that attribute is price (Bertini & Wathieu, 2010:85). Due to this fixation on price, one can regard consumers as price-sensitive beings and one of the best "levers" to gain consumers' interest for a product is price (Bertini & Wathieu, 2010:87). Given this reality, understanding consumers' price perceptions will allow organisations to set prices which maximise the benefits to the consumer (Ingebleek, Frambach & Verhallen, 2010:1036) and simultaneously the organisation's profits (Levy, Grewal, Kopalle & Hess, 2004:6).

In addition, a correct pricing strategy is a major influencer of consumers' buying behaviour and a way to promote sales, as a product presented at the correct price will increase consumers' willingness to purchase that particular product (Feng & Li, 2011:2). Pricing, if done correctly, also serves as a great way in which an organisation can capture the value of the product offering and communicate this to the consumer (Schindler, 2012:11). Determining the correct pricing strategy and optimal price are however a complex process that not only requires internal information on production costs and financial performance, but also extensive external information on consumers' price perceptions (Nagle & Hogan in Ingebleek *et al.*, 2010:1035). Thus, examining price in isolation is not sufficient; one must also study consumers' overall buying behaviour and accompanying needs and wants (Kopalle *et al.*, 2009:61).

There are two key tasks involved in developing the correct pricing strategy, namely determining how much the product's benefits are worth to the consumer (the value of the offering) and determining the size of the market that is willing to pay for these benefits (Ingebleek *et al.*, 2010:1035). In the context of ethically framed products, pricing strategies are shaped through an understanding of consumers' beliefs and attitudes towards these products (thus the value consumers attach to these products) and consumers' willingness to pay price premiums for these goods (Aryal *et al.*, 2009:12).

This chapter focuses on consumers' willingness to pay and the various strategies which marketers use to positively influence this willingness to pay. To provide context for this chapter, a discussion on the broad pricing strategies commonly used by marketers to set initial prices is provided in Section 4.2. The role that value plays as a central element in pricing strategies is detailed in Section 4.3. A discussion follows on how to use value communication to influence consumers' willingness to pay (Section 4.4.2) and how this should be executed throughout the entire product lifecycle (Section 4.4.3). The various research techniques used to measure consumers' willingness to pay concludes

this chapter in Section 4.5 by also focusing on the techniques which will be used in this study.

## 4.2 PRICING STRATEGIES

Three broad pricing strategies exist which assist marketers in setting an initial price for a product. These include skim, penetration and neutral pricing (Nagle & Hogan, 2006:131). Marketers engage in skim pricing when the price set is higher than the benefits the product will deliver to a consumer (Smith, 2012:71). The main aim of this approach is to gain large margins albeit at the expense of large sales volumes (Nagle & Hogan, 2006:131). This type of pricing works on the premise that price-insensitive consumers will be the first purchasers of a high-priced product and over time the price is dropped to reach the more price-sensitive consumers (Nagle & Hogan, 2006:132; Smith, 2012:71). However, as most consumers are price-sensitive and focused on price (Bertini & Wathieu, 2010:85), few consumers will purchase a new product with a high price (Nagle & Hogan, 2006:132). In order to succeed, marketers need to effectively communicate the value of the product to consumers so as to justify its high price. Though communication, for example attribute framing, could work, very few organisations experience high returns from skim pricing (Smith, 2012:71). Profitability will only be achieved if the sales volumes gained through selling to price-insensitive consumers outweigh the sales generated from selling at a lower price to a much larger consumer base (Nagle & Hogan, 2006:131).

Penetration pricing is the opposite of skim pricing and involves setting a price lower than a product's benefits (Smith, 2012:71) to draw the immediate attention of a large consumer base (Nagle & Hogan, 2006:134). The low price set is not a cheap price, but low relative to the amount a particular consumer group is willing to pay. Penetration pricing works best amongst consumers who are not loyal to a specific brand and who are willing to switch suppliers only on the basis of price. In addition, marketers need to

be sure that competitors cannot easily match or beat the low price (Nagle & Hogan, 2006:134-135) as this will immediately de-value the product at play. Penetration pricing is a risky strategy as it can easily attract competitor response and therefore marketers rather view it as a promotional tool to spark attention than a long-term strategy (Smith, 2012:71).

Neutral pricing is the safest form of pricing and attempts to remove price from the buying decision through using marketing techniques, such as promotions, to communicate the value of a product (Nagle & Hogan, 2006:135; Smith, 2012:70). Marketers choose neutral pricing when market conditions cannot support skim or penetration pricing. This is due to price-sensitive consumers who are unable to respond to skim pricing, or competitors who are in a position to respond aggressively to penetration pricing (Nagle & Hogan, 2006:136). Neutral pricing is an effective strategy for marketers who wish to compete on the basis of product value not price, meaning that their product values and benefits can outweigh that of the competitor (Smith, 2012:70).

It can be argued that the most appropriate pricing strategy for ethically framed products is neutral pricing. Due to consumers' cynicism of these products an initial high price will not suffice. Consumers are less likely to purchase products which they are uncertain of (Bray *et al.*, 2011:603). At the other end of the spectrum, selling these products at a low price will do the product injustice as the low price will de-value the unique, ethical attributes. The most appropriate technique to use when pricing ethically framed products is attribute framing, as discussed in Chapter 3, Section 3.4.1.3. Attribute framing places emphasis on the ethical attributes of a product to communicate its uniqueness and draw consumers' attention to the product's value, not its price (Nagle & Hogan, 2006:135; Smith, 2012:70). Communicating a product's value is a concept which has become increasingly important to marketers whilst developing pricing strategies and therefore the next section focuses on this.

## 4.3 THE ROLE OF VALUE IN PRICING

The perceived value of a product is known to significantly impact consumers' buying decisions (De Pelsmacker *et al.*, 2005:366). Products of which the values and benefits are clear to consumers will increase consumers' willingness to pay, as opposed to products of which the value is unclear. Consumers often express that all they seek in a purchase is a low price, but what consumers truly seek is value in exchange for the monetary sacrifice made in acquiring the product (Cram, 2006:13). Consumers tend to fixate on price and often do not pay attention to any other information about a product as portrayed in advertisements. Marketers thus need to persuade consumers of the personal value and quality of a product through using the last thing they want to act as a decision influencer, namely price (Bertini & Wathieu, 2010:86). Price can thus be used to motivate consumers to better understand the value of a product. However, to do this effectively marketers need to understand the economic value a consumer attaches to a product.

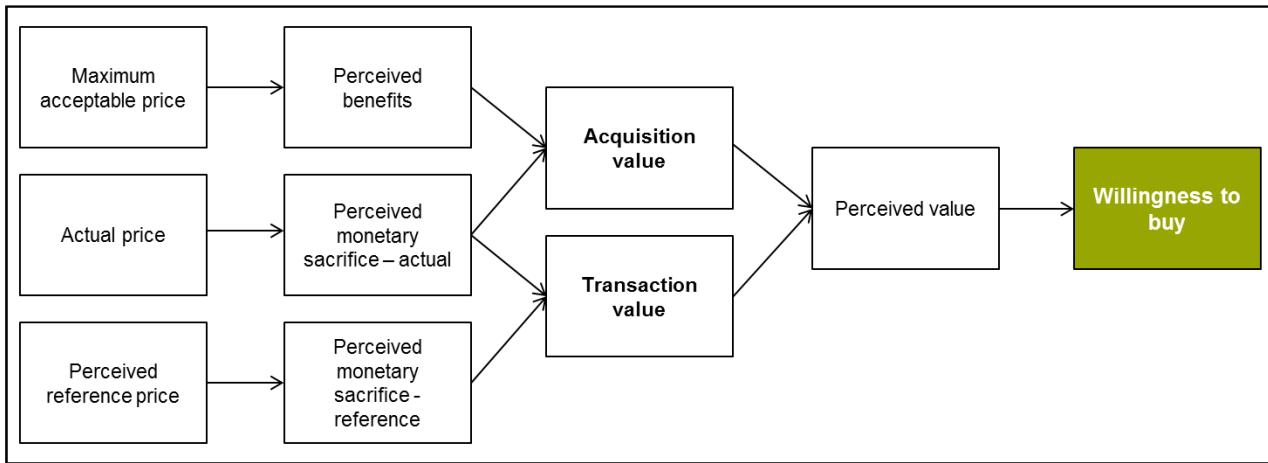
### 4.3.1 Economic value

Nagle, Hogan and Zale (2011:35) argue that total economic value is the maximum price that a "smart shopper", fully informed about the market and seeking the best value, would pay for a product. Effectively pricing products thus requires starting with the "total economic value" (Nagle & Hogan, 2006:28) consumers attach to a product. Total economic value provides indications of the most consumers are willing to pay for the value a product provides. It is known that consumers use price as an indicator of the sacrifice that needs to take place to obtain a product, as well as an indicator of a product's quality (Bertini & Wathieu, 2010:91; Monroe, 1990:72). Furthermore, Stanforth and Hauck (2010:617) elaborate that price is used in all future purchases as a reference point for comparing similar products, also known as a reference value. Consumers use the reference prices stored in their memory to compare alternatives on a single variable, namely price. Reference value also indicates acceptable price ranges for a particular

product, and if a product's price does not fall in these ranges, consumers are less willing to purchase the product (Monroe, 1990:73). Total economic value thus constitutes the price of the closest alternative, also known as the reference value (Stanforth & Hauck, 2010:617), plus the differential value, the value of that which differentiates the product from alternatives (Nagle & Hogan, 2006:28). The combination of these two values thus indicates the most consumers are willing to pay and is ultimately the value marketers need to determine.

Monroe (1990:74) argues that in addition to consumers' reference value, two additional values need to be considered to understand consumers' willingness to pay. These values, as illustrated in Figure 14 below, include acquisition and transaction value.

**Figure 14: Price, perceived quality, acquisition value, transaction value and perceived value**



Source: Monroe (1990:77).

Acquisition value indicates a trade-off between the perceived benefits (related to the maximum acceptable price) consumers see in a product, in exchange for the perceived monetary sacrifice (based on the actual price) of obtaining the product, also known as the exchange value (Nagle & Hogan, 2006:28). The degree to which price signals quality to a consumer forms part of the perceived benefits and could be either high or low, depending on what the consumer regards as a low or high price. A higher

perceived acquisition value (indicating higher benefits to the consumer) is expected to increase consumers' perceived value of a product and will in turn lead to increased willingness to pay. However, consumers do not only evaluate the perceived value of purchasing a product, but also the actual transaction value (Monroe, 1990:74). Transaction value is determined by examining the difference between the reference price and the actual price of the product being evaluated. Thus, consumers compare the perceived monetary value of a reference product to the actual price of the product being evaluated to determine the merits and fairness of the purchase. Consumers' willingness to purchase a product increases when the actual price of a product is less than the reference price and this leads to a positive transaction value and a fair price perception (Monroe, 1990:76).

Considering the different types of values described, it is important to note that each type has an impact on consumers' willingness to pay. Total economic value indicates the most a consumer is willing to pay and can assist marketers in setting appropriate prices so as not to exceed consumers' price expectations. In order to increase consumers' total economic value, marketers need to aim to increase consumers' acquisition value through ensuring that the perceived benefits are worth the monetary exchange. In addition, knowing which reference price consumers make use of can indicate the highest price a product can be sold at to lead to a positive transaction value. In the context of ethically framed products and this study, the reference price would be that of ordinary products as consumers might not yet have been exposed to so many ethically framed products. Consumers will use ordinary products as the reference price due to familiarity with these products. As such, marketers can use these as an indication of the price consumers will expect to pay and from there use a number of different techniques to increase consumers' perceived value.

### **4.3.2 Increasing consumers' perceived value**

Understanding the perceived value consumers have of a product is important; however understanding how to increase this value, in favour of increasing consumers' willingness to pay, is even more prudent. A number of factors exist which could be leveraged to increase consumers' perceived value (Vohra & Krishnamurth, 2012:30-33) to a point at which the products' benefits and quality (encompassed in the perceived value) outweigh the product's price (Cram, 2006:15) which could lead to a positive acquisition value. Although not all seven factors discussed next are applicable to this study, they are important aspects contributing to the role of value in pricing, specifically in increasing consumers' perceived value. Those factors which are relevant to this study will be discussed in the context of ethically framed personal care products.

#### ***4.3.2.1 The degree of product uniqueness***

Product uniqueness plays an important role in justifying a product's price. The greater the uniqueness of a product, the lower consumers' price-sensitivity towards that product and the higher consumers' willingness to pay (Vohra & Krishnamurth, 2012:30). The ethical product attributes, such as no animal testing, could be used to communicate product uniqueness in comparison to ordinary products. Consumers are then more likely to find the product's price justifiable based on these ethical attributes and express an increased willingness to purchase these products.

#### ***4.3.2.2 The knowledge of available alternatives***

Consumers' knowledge of alternative products, as well as reference products (Stanforth & Hauck, 2010:617) enable an increased awareness of the price of similar products. Consumers who are aware of a number of comparative products are more price sensitive as the ability exists for consumers to compare products and select the best

one at the best price. The same holds true for consumers' reference product which results in consumers comparing products based on previous experience and knowledge of the price of a previous purchase. The use of a reference product is a crucial part of this study's research objectives and is discussed in more detail in Section 4.4.2.6. The pressure is placed on communicating the value of the product to justify the product's price (Vohra & Krishnamurth, 2012:30), regardless of consumers' awareness of the value of alternative products. In addition, awareness of competing products is made possible by the extent of information available in the market in the form of product advertisements. Consumers place more weight on product information which is readily available. The easier information can be obtained, the larger the impact on the purchasing decision (Monroe, 1990:72). It can be argued that for consumers to realise the true value of ethically framed products, information needs to be made readily available, especially information on ethical attributes and values, such as animal welfare support. This is done through value communication in which consumers are convinced of the product's value (Nagle & Hogan, 2006:82-83) and is discussed in greater detail in Section 4.4.2.

#### **4.3.2.3 *The degree of product complexity***

Product complexity entails the extent to which different products can be compared on the same attributes. Consumers will use price as the main differentiating factor if products' other attributes are similar, for example the ingredients of personal care products or the size of the bottle. However if products have quite different attributes, such as one personal care product not being tested on animals whereas others are, price becomes less important in the comparison process. The role of price thus becomes less prudent in the purchasing decision (Vohra & Krishnamurth, 2012:30). This is a key aspect for succeeding in a neutral pricing strategy and entails using differentiating product attributes to communicate product value, and not the product's price (Nagle & Hogan, 2006:135; Smith, 2012:70).

#### ***4.3.2.4 Urgency of the purchase situation***

Consumers are less concerned with price in an urgent purchasing situation. The more urgent, the more likely consumers are willing to pay a higher price for a product (Vohra & Krishnamurth, 2012:31). The purchase of personal care products, be it ethical or not, is not normally an urgent purchase and as such this aspect will probably not influence consumers' willingness to pay for these types of products.

#### ***4.3.2.5 The nature of the purchase environment***

The nature of the purchase environment and the degree of confidence consumers have play a great role in motivating consumers to purchase a product. A purchasing environment which creates an enjoyable shopping experience will lead to less price-sensitive consumers as they view this great experience as added value (Vohra & Krishnamurth, 2012:31). The purchasing situation also encompasses the way in which a product is presented to consumers and frames consumers' evaluation of a product (Monroe, 1990:72). Using the ethical attributes as the basis for advertising, known as attribute framing (Hannah & Cafferty, 2006:2994; Levin *et al.*, 1998:150), can increase the perceived value of a product.

#### ***4.3.2.6 Actual monetary value of the purchase***

Actual monetary value will influence consumers' price sensitivity towards the product, and when compared to a reference price will indicate a fair or unfair transaction value (Monroe, 1990:74). A higher price could inhibit consumers' willingness to pay for a product, especially if the perceived benefits are not clear (Vohra & Krishnamurth, 2012:32). The anchoring effect plays an important role in justifying price in consumers' minds, and as such justifies the value of a purchase. Consumers adapt to prices which are presented as the original price, and will use this price (the price seen first) as the

basis for comparing future products. This holds especially true in instances where the purchase of a product at a particular price yielded positive results and little post-purchase dissonance. Consumers will thus use this price to generalise a fair price for the purchase of similar products (Monroe, 1990:72). Marketers need to determine the price consumers are willing to pay for ordinary personal care products as these prices could be generalised for all products in this category as the reference value. From this point, marketers are able to establish an acceptable price premium based on the additional attributes and uniqueness of the ethically framed versions of these products, as this together with the reference value indicate a consumer's total economic value (Nagle & Hogan, 2006:28).

#### **4.3.2.7 Perceived quality**

Consumers are often uncertain of the quality of new products and will turn to price as an indication of the product's quality (Vohra & Krishnamurth, 2012:33). When marketing ethically framed products, the price could be used as an indication of product quality as well as the attributes and benefits these products hold for consumers. However, this would require setting high prices to indicate a high quality product which is typical of a skim pricing strategy. As mentioned in Section 4.2, a neutral pricing strategy is better suited for ethically framed products as the focus will be taken away from price, even as an indicator of product quality, and focus on product attributes and benefits as the selling point of these products.

In addition to the broad pricing strategies marketers commonly use, specific techniques can be used to reach the tipping point at which perceived benefits outweigh a product's price (Cram, 2006:15-17). These techniques are a combination of the seven factors discussed above and could specifically be applied to the marketing and pricing of ethically framed products. These techniques include:

- Raising the perceived benefits of a product to outweigh consumers' concern of the product's price (Cram, 2006:16). This supports a neutral pricing strategy (Nagle & Hogan, 2006:135; Smith, 2012:70) in which ethically framed products could be marketed through emphasising the unique attributes such as support for animal welfare. Through this consumers will feel that the purchase of these products is benefiting this cause and not the organisation's profits.
- Building emotional associations to build emotional ties to a product (Cram, 2006:16). Consumers are more likely to purchase products which add to their self-esteem and the way in which peers view them. Therefore, building emotional associations is another way in which marketers can take consumers' focus away from the product's price.
- Lowering the perceived price of a product (Cram, 2006:17). Consumers need to be convinced that a product's price is acceptable to pay for the product's benefits. Therefore, the higher consumers believe the benefits to be, the less important the price will be.

When considering the various factors which could be used to increase consumers' willingness to pay, it becomes apparent that pricing products only based on production costs and profit considerations are not enough. Pricing strategies should be centred on increasing consumers' value perceptions of a product so as to move away from focusing on price. To succeed in this, marketers need to focus on value-informed pricing.

#### 4.3.3 Value-informed pricing

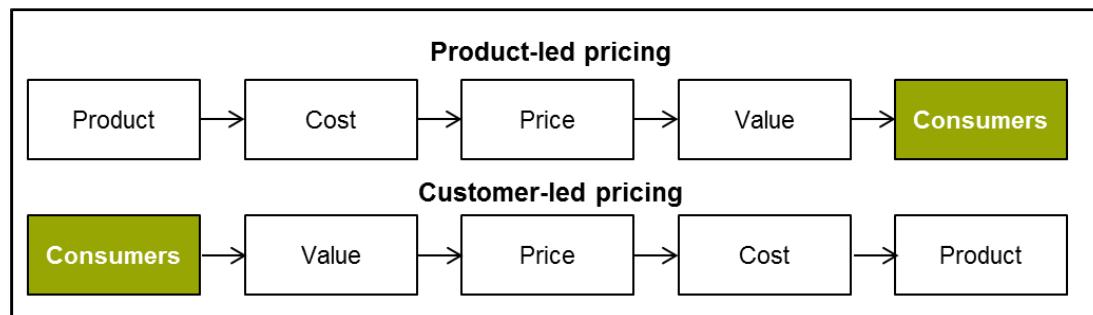
Pricing, if done correctly, yields profit for companies, however, few organisations use price to manage the markets and their share in it (Nagle *et al.*, 2011:17). Understanding the value a consumer sees in a product can assist in setting an initial price and target appropriate consumer groups to increase market share (Schindler, 2012:45). A

relationship exists between pricing a product and consumers' needs. In order to fully grasp this relationship, a shift is required from cost-based pricing to value-based pricing. This requires marketers to understand a consumer's total economic value, that is the reference price plus the differential value (Nagle & Hogan, 2006:28). In addition, marketers need to move beyond a mere understanding of consumers' total economic value to managing the market based on this value. Therefore, a product should not be priced so as to cover the costs of manufacturing the product (Nagle *et al.*, 2011:18). The following sections illustrate the difference between product-led and customer-led pricing and describe why customer-led pricing is more beneficial to marketers who aim to sell the value of products and not the price.

#### **4.3.3.1 Product-led (cost-based) pricing**

A common flaw of cost-based pricing is that organisations do not start with the consumer in mind. Organisations tend to start with the cost of producing the product, as illustrated in Figure 15 (Nagle *et al.*, 2011:24).

**Figure 15: Alternative approaches to value creation**



Source: Nagle *et al.* (2011:24).

Marketers often begin with determining the cost of producing the product followed by a simple logic that the price at which a product is sold should always be higher than the actual costs of producing the product (Schindler, 2012:21). This form of pricing runs the

risk of asking a price which is not aligned to consumers' price expectations of a particular product, or the consumers' total economic value (Nagle *et al.*, 2011:24- 25). Despite the largest advantage of cost-led pricing, namely its simplicity (Schindler, 2012:21), organisations cannot only consider costs when determining pricing strategies, but must also consider the needs and demands of consumers. This is essential if marketers wish to align the communication of product value to consumers' individual characteristics, including their morals and values.

#### **4.3.3.2 Customer-led (value-based) pricing**

A better alternative to cost-led pricing is customer-led pricing, or also referred to as value-based pricing, which starts with an understanding of what consumers want and how those wants and needs can be satisfied (Schindler, 2012:29-30). Based on this understanding, product engineers can then develop a product that fits consumers' price expectations and accordingly price the product to cover production costs (Nagle *et al.*, 2011:24-25). In this scenario, the role of price is to capture the value of the product which refers to the benefits and satisfaction a product offers a consumer. Thus, the extent to which a product satisfies consumers' needs and wants must be considered at the beginning of the price setting process to ensure the price reflects the product's value to the consumer and not only the costs of producing the product (Schindler, 2012:30).

To be successful in a value-based pricing approach, marketers need to be customer orientated to enable effective use of the information available on consumers' needs and wants (Ingebleek *et al.*, 2010:1035). As indicated in Chapter 2, understanding consumers' needs and wants, as well as motivations, form a crucial step in influencing consumers' purchasing decisions. The extent to which differentiating factors can increase consumers' perceived value of a product will only be successful if the factors address consumers' needs (Schindler, 2012:47). Various pricing strategies exist (neutral, skim or penetration) which could influence consumers' needs and wants, and

ultimate willingness to pay. Among these strategies value communication remains the most important element. The following sections discuss value communication in more detail, how it should be leveraged to influence willingness to pay and how it should be executed throughout the product lifecycle.

#### **4.4 STRATEGIES TO INFLUENCE CONSUMERS' WILLINGNESS TO PAY**

Consumers' willingness to pay for a particular product serves as a good indication of the demand for that product (Ahmad & Juhdi, n.d.:4; Aryal *et al.*, 2009:13). Though literature on consumers' willingness to pay for ethically framed products is rapidly increasing, there is little consensus on the levels at which price premiums can be set for these products (McGoldrick & Freestone, 2008:186). Various studies which have focused on identifying consumers' willingness to pay a price premium for ethically framed products found that certain consumers find a small price premium acceptable, given the additional product attributes (Aryal *et al.* 2009:12; De Pelsmacker *et al.*, 2005:364; McGoldrick & Freestone, 2008:186; Olesen *et al.* 2010:218; Stanforth & Hauck, 2010:621; Trantera, Bennetta, Costab, Cowanc, Holta, Jonesa, Miele, Sottomayorb & Vestergaarde, 2009:287).

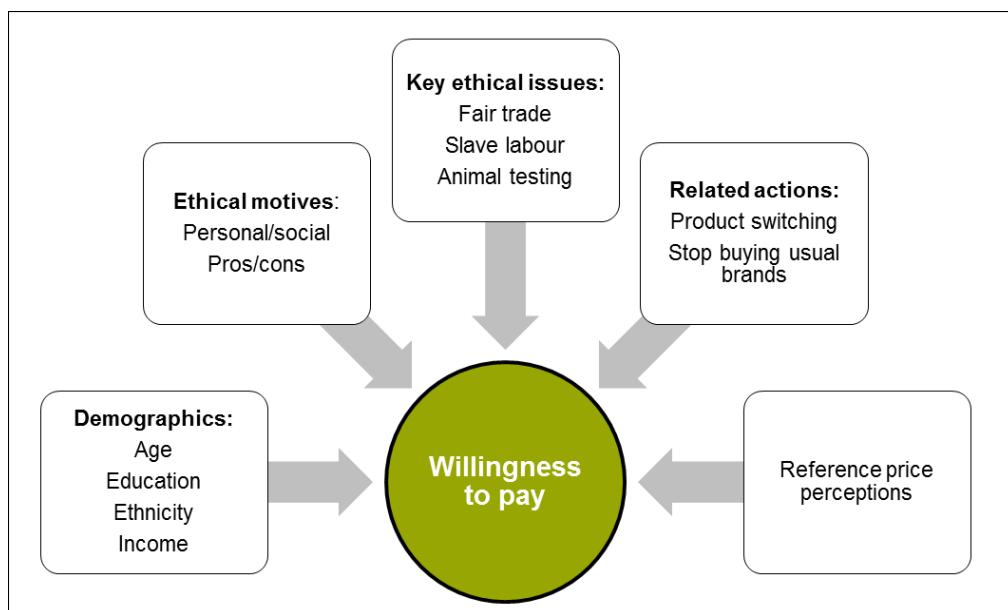
In an attempt to answer the questions "what is strategic pricing?", Nagle *et al.* (2011:21-22) contend that it must incorporate a value-based approach. In addition, it can also be asked which strategies should marketers employ to influence consumers' willingness to pay? The next section will address this issue.

##### **4.4.1 Factors influencing consumers' willingness to pay**

McGoldrick and Freestone (2008:188) posit that four key aspects or factors need to be addressed to understand consumers' willingness to pay. These factors include

consumers' ethical motives, the influence of key ethical issues, related purchasing actions and consumers' demographics, as illustrated in Figure 16. An additional factor has been added, namely reference price perceptions (Stanforth & Hauck, 2010:617) as this is a key concept of this research study and an important element contributing to consumers' total economic value. Consumers' might not yet be familiar with ethically framed products and therefore not know what these products should cost. As a result, they will rely on their reference price perceptions for guidance, that is, rely on prices of similar products they purchased previously. Marketers who wish to influence consumers' willingness to pay should aim to identify the products consumers will use as the reference product so as to determine the price consumers will typically expect to pay for similar products. A brief discussion on these factors follows.

**Figure 16: Factors influencing consumers' willingness to pay**



Source: Adapted from McGoldrick and Freestone (2008:188) and Stanforth and Hauck (2010:617).

- Consumer's demographics: A consumer's demographics will depict the products consumers are drawn to as consumers in different life-stages have different wants and needs (McGoldrick & Freestone, 2008:188). For example, teenagers

who do not yet make their own purchasing decisions will be less influenced by ethical product attributes than adults who understand that their purchasing behaviour could have negative impacts on the environment or society.

- Ethical motives and key ethical issues: The extent to which consumers harvest ethical motives will greatly influence how consumers perceive ethical issues such as animal testing and slave labour (McGoldrick & Freestone, 2008:188). Females who are concerned with animal welfare, a personal motive, will express a need to purchase products free of animal testing.
- Related actions: Consumers will not purchase products if it requires engaging in a difficult switching process (Nagle & Hogan, 2006:148). This is also related to switching costs which is referred to later in this chapter as one of the factors which could be leveraged to execute value communication.
- Reference price perceptions: An additional fifth aspect which influences consumers' willingness to pay is a consumer's reference price, or consumers' comparison to previously purchased products. A consumer's reference price serves as an internal benchmark of what a product should cost and can be positively influenced by the ethical attributes of a product (Stanforth & Hauck, 2010:617). Consumers could perceive that more investment has been made in ensuring that ethically framed products are not harmful to society or the environment, thus consumers could expect that it would cost more. This then leads to the question, are consumers' reference price perceptions higher for ethically framed products than for ordinary products?

Various strategies exist to influence consumers' reference price as well as eventual willingness to pay. Due to the importance of value in shaping consumers' product and price perceptions, value communication has taken a central place in these strategies.

#### **4.4.2 Using value communication as the basis for influencing consumers' willingness to pay**

Understanding the value consumers place on a product is crucial, even more so when seeking to convince consumers that the product's value justifies its price. A higher price can only be justified through higher benefits (Cram, 2006:13), however, this task proves to be rather complex. Many consumers are often not aware of the value of the product they are purchasing. This holds especially true in emerging markets in which consumers have not yet tried the product, or little word-of-mouth exists about the product. This is where value communication becomes important. A correctly constructed value communication message can convince consumers that the product's value in relation to the price paid for it is a good deal (Nagle & Hogan, 2006:82-83). Value communication also assists in reducing consumers' price-sensitivity, through explaining the end-benefits of the product in relation to competitive offerings (Nagle *et al.*, 2011:28). Various factors can be leveraged to execute value communication messages to consumers. Each of these factors is discussed next and those applicable to this study will be applied to ethically framed personal care products.

##### ***4.4.2.1 Size of the expenditure***

In relation to the Rand-value of a purchase, certain purchases are too small to be concerned about (Nagle & Hogan, 2006:148). Consumers' price sensitivity, which is the market's response to a price or price change, largely influences the degree to which consumers classify the size of the expenditure as large or small. Price sensitivity is mainly driven by economic factors, the actual amount of money involved in the purchase (Schindler, 2012:117), and if consumers consider this amount to be substantial they will classify the size of the expenditure as large. In these situations, marketers need to focus on communicating the value consumers will receive in return for engaging in such a large expenditure. Effectively communicating the value of the product will decrease consumers' price sensitivity through ensuring consumers that the

product value outweighs the product's price, and as such the size of the expenditure will not seem so daunting. Though the purchase of personal care products cannot be regarded as large in relation to the purchase of a television for example, it is still essential to communicate the value of these products. Ethical products often have a price premium attached to them (Young *et al.*, 2010:25) and therefore the value of the product needs to be communicated so as to justify this premium.

#### **4.4.2.2 Shared costs**

Consumers are less concerned about the price of a product when the costs are partly, or in full, carried by another party (Nagle & Hogan, 2006:148). In the context of personal care products, the purchase cost will rarely be shared with a third party as these products are usually purchased for personal use. It can therefore be expected that marketers will not use shared costs as a technique to influence consumers' willingness to pay through value communication.

#### **4.4.2.3 Switching costs**

Consumers are often brand loyal and stick to one product, especially if an initial large investment was made in a supplier. Switching to another product, brand or supplier could lead to additional costs for terminating the current relationship, or investing in the new one (Nagle & Hogan, 2006:148). An example of when switching costs play an important role is when a consumer is already paying off a car loan at a specific bank. Transferring the car loan to another bank could result in initial start-up contractual costs and penalty fees. Thus, the value of switching will have to be very clearly communicated to convince the consumer that the value and benefits far outweigh the switching costs. Though actual switching costs are not applicable in switching to another personal care product, the act of changing brands and stopping the purchase of usual brands impact consumers' willingness to pay (McGoldrick & Freestone, 2008:188). Consumers might

be unclear of the benefits of ethical attributes and therefore see switching to these products as a slight risk, especially if their usual brand already provides them with satisfactory results.

#### ***4.4.2.4 Price-quality perceptions***

Consumers often use price as an indication of the quality of a product (Nagle & Hogan, 2006:149). Jin and Sternquist (2004:3) argue that price and quality schema is a positive price cue for consumers as a higher price is associated with higher quality. Though a higher price instills a belief that a product is of better quality, marketers need to understand the extent to which price is a relative or a dominant indicator of quality. If price is only used as a relative indicator of quality, price can be used to alter perceptions of value, whereas if price is a dominant indicator of quality, price can only be used to position the product (Raab, Mayer & Kim, 2009:95). As such, price can effectively be used to communicate the value of new products for which price only plays an indicative role as consumers have not yet experienced the product. In the context of ethically framed products, price could be an indication of the quality of the product. However, consumers might not understand the value of the ethical attributes and therefore view the higher price of these products as a loss, rather than a gain in terms of product quality.

#### ***4.4.2.5 Perceived risk***

When purchasing products there is the perceived risk that the product might deliver less value than promised. In such a case, if the price of the product is too high the consumer will simply ignore the supplier's promise and choose an alternative product (Nagle & Hogan, 2006:148). It is essential for marketers to portray the value of the product upfront through communicating the product's attributes and related benefits. In the context of ethically framed products, consumers might not be aware of the value of the

product or whether the product will indeed deliver on its functional promise, that which it is set out to do. Through explicitly stating that proceeds of the product's sales will go to animal welfare, consumers are assured that the price premium paid is in fact for a good cause and not just another marketing gimmick or for organisational profit.

#### ***4.4.2.6 Reference prices***

Products should always be priced in relation to what the consumer expects to pay for a product, which is confirmed through consumers' awareness of available alternatives in the market. Reference price, explained later in Section 4.5.4.1, not only serves as an internal benchmark but also provides consumers with a single variable on which products can be compared (Levy *et al.*, 2004:6-9). An important factor to consider when investigating the prominence of a consumer's reference price is price mavenism. Price mavenism relates to consumers who are always aware of market information and new products and brands, and thus always know if a better alternative exists (Jin & Sternquist, 2004:6). The key in communicating the value of ethically framed products to consumers is to convince consumers that the attributes of these products are unique and cannot be compared to other products in the market. This will diminish consumers' reference price as ethically framed products cannot be compared to the prices of ordinary products.

#### ***4.4.2.7 Importance of the end-benefit***

A higher price can be justified for products without which the consumer cannot live. Consumers consider the end-benefits of a product and through this will determine whether the product is in fact a necessary product which the consumer has to have (Nagle & Hogan, 2006:149). Consumers might consider supporting animal welfare as an important aspect of the consumer's lifestyle and something which has to be done. If this is the case, consumers might be more willing to purchase products which support

this ethical issue. The end-benefit of this purchase is thus a satisfaction that the consumer is living up to personal expectations of supporting animal welfare.

#### **4.4.2.8 Perceived fairness**

Consumers are more price-sensitive towards products when the price is outside of the price range which consumers deem fair (Nagle & Hogan, 2006:149). Consumers thus have a negative transaction value of these products as the actual price of the product is higher than that of the reference price (Monroe, 1990:76). Consumers will then regard this as an unfair transaction. The fairness effect explained by Smith (2012:86) relates to the point at which consumers feel that the product benefits are higher than the product's price, and at the same time that the price yields profits for the business. Between these two levels any price is deemed fair by both parties. As such, to convince consumers of the fairness of a product offering and its price, marketers need to express that the benefits are justified by the product's price and that the firm is not out to only make profit but is truly delivering a product set out to, first and foremost, address consumers' needs.

#### **4.4.2.9 Price framing**

Consumers are more price-sensitive when a product's price is perceived upfront as a loss (Nagle & Hogan, 2006:148). Framing a product, through attribute framing defined in Chapter 3, Section 3.4.1.3, may help consumers with the decision process (Stanforth & Hauck, 2010:616) as the price could be communicated as a gain rather than a loss and focus could be placed on the quality of the product and the unique attributes (Ferguson & Gallagher, 2007:668; Hannah & Cafferty, 2006:2994; Levin *et al.*, 1998:150). Marketers could thus communicate that the value of the product lies in the ethical attribute of supporting animal welfare (a positive gain in return for the price premium paid), as opposed to only communicating the price (a loss for which consumers are

paying extra). This technique also supports that of a neutral pricing strategy in which attention is drawn away from price.

Value communication is not only important in single instances of determining and implementing pricing strategies, but should form a key consideration for pricing strategies throughout a product's lifecycle.

#### **4.4.3 Lifecycle pricing**

An effective way of pricing products is through each stage of a product's lifecycle. Product lifecycles are “understood as a measure of industry behaviour with respect to time” (Smith, 2012:286) as different market trends are evident in the entire lifecycle. Throughout introduction, growth, maturity and decline, differing sensitivity drivers exist. Taking cognisance of these sensitivity drivers is essential in placing value to the consumer first in developing the pricing strategies for each stage (Nagle *et al.*, 2011:158). In addition, the importance of price varies throughout the lifecycle. For example, when a product enters maturity stage, competitive prices become important and as such marketers often need to think of promotions to draw attention away from competitors (Monroe, 1990:17). As part of adopting a neutral pricing strategy for ethically framed products, marketers need to understand how to draw attention away from price in each of the lifecycle stages. It thus becomes essential to understand the drivers in each stage and how to communicate values.

##### **4.4.3.1 Introduction stage**

The key characteristics of the introduction stage are slow market acceptance and marketing efforts which are usually geared towards creating demand for a product (Monroe, 1990:273). Consumers are unaware of the value of the product's benefits (Nagle & Hogan, 2006:279) as consumers have no experience with the product. It can

be argued that during the introduction phase consumers are less price sensitive due to a lack of knowledge of what the price should be to justify the unknown values and benefits.

Smith (2012:292) describes that the two key challenges of the introduction stage are determining what the actual price of the product should be and determining what the price structure should be. This is a challenging task as a market for the product does not yet exist from which consumers' behaviour and perceptions towards this product can be measured. The most effective pricing technique to use during the introduction stage is that of the value exchange model. In this model, marketers need to identify the value the product will provide. This can be done through an as is/to be analysis during which marketers assess how consumers behave prior to and after having purchased the product. Once this gap, now referred to as the value of the offering, has been identified, a monetary value can be assigned to it from which a price can be set. The value exchange model allows the consumer to be placed right at the beginning of a product's lifecycle and that the focus is on communicating value, not price.

The growth stage follows the introduction stage and is characterised by consumers who become more familiar with a product's values (Smith, 2012:294) and competitors who start entering the market.

#### **4.4.3.2 Growth stage**

After entering the market, consumers have been exposed to various advertisements of ethically framed products and have a much better understanding of the values and benefits. In addition to the familiarity with the product, consumers tend to also become more price-sensitive due to the availability of competitive offerings (Nagle & Hogan, 2006:279). The existence of such offerings allows consumers to make trade-offs between products and anticipate the value of similar items (Smith, 2012:295). As such,

reference value is crucial during this stage and attention should be given to differentiating unique attributes through value communication messages (Nagle & Hogan, 2006:279). That is, marketers have to focus on communicating the value and benefits of ethically framed products to steer consumers away from focusing on the reference price of ordinary products to maintain a neutral pricing strategy. If marketers followed a value exchange model during the introduction stage, the focus of identifying value to enable price setting will now move to value becoming a sales tool in comparison to competing products (Smith, 2012:295). Leveraging value continues in the maturity stage in which marketers need to strive to use value to maintain customers.

#### **4.4.3.3 Maturity stage**

Growth during the maturity stage slows down rapidly and the focus for marketers is to create customer loyalty and brand preference (Monroe, 1990:274). A key challenge during this stage is dealing with competitors who start lowering prices to maintain market share which often leads to price wars. The power now lies in the consumer's hands who can either become brand loyal customers or switch over to new product offerings (Nagle & Hogan, 2006:279). The focus of this stage is thus not on setting price levels and structures but on managing price variances between competing products. This is accompanied by data management and analyses that can automate discounts and promotions which become standard practice amongst competitors (Smith, 2012:269-297).

#### **4.4.3.4 Decline stage**

The last stage of the product lifecycle is the decline stage. This stage is characterised by little demand for the product as new and better products have emerged. Organisations usually retrench to the strongest product line during this stage (Nagle & Hogan, 2006:279). There are three possible strategies to choose from in the decline

stage, namely harvest, consolidate or focus (Smith, 2012:297). A harvest strategy requires a slow market exit whilst slowly extracting the remaining profits. No new processes or product improvements are pursued, and the options exist for the harvester to be bought out by a merger. During a consolidation strategy, consolidators often become the owners of harvesters. Consolidators attempt to be the last one serving the industry through becoming a low-cost organisation focusing on economies of scale or technological improvements. A focus strategy is followed when marketers gear all efforts to serving a niche market which is loyal to their brand or product. Serving this niche market does not require a lot of capital and the profits gained from this small market will far outweigh those of a larger, uninterested market.

From the above it can be deduced that ethically framed products lie between introduction and growth stages as some are fairly new in the market, yet the existence of social or environmental issues is not a new phenomenon. What makes the situation new and complex is the extent to which consumers are adapting to an increasing amount of products with ethical attributes, and from a marketing perspective identifying the price at which these products should be sold. Key to pricing ethically framed products is identifying at which price levels consumers are willing to purchase these products and whether a price premium justifies the product attributes in the minds of consumers. This study focuses on determining this and more specifically on whether framing an ethical product will influence consumers' willingness to pay and lead to higher price perceptions of these products. In an attempt to investigate willingness to pay in the context of ethically framed products, a number of methods have been used to measure willingness to pay.

## 4.5 MEASURING CONSUMERS' WILLINGNESS TO PAY

Three techniques have been used to measure consumers' willingness to pay and related price perceptions. These techniques include conjoint analysis, choice factor modeling and experimental research.

### 4.5.1 Conjoint analysis

A research technique which is used to understand the value consumers attach to the price of a product is conjoint or trade-off analysis. This analysis is useful in identifying the value that consumers attach to each of a product's attributes, and inevitably the price that consumers will pay for each attribute (Nagle & Hogan, 2006:301). In conjoint analysis, consumers are asked to rate a set of alternative products. Each alternative is defined by a set of two or more attributes which serve as the variables of the study. The attributes are then compared and rated by consumers to indicate which of these they are willing to trade off for others (Schindler, 2012:56).

The largest benefit of conjoint analysis is the ability to determine how important the price of a product is in relation to other product attributes (Smith, 2012:48). Understanding this ratio greatly assists marketers when differentiating the attributes that hold the most value for consumers. Being aware of these is crucial during the introduction stage when consumers need to be educated about a product's attributes. Value communication messages are used to bring these attributes to the attention of consumers and increase their willingness to pay (Nagle & Hogan, 2006:301). The purpose of this study is to determine whether the marketing of ethically framed products, as an external factor, influences consumers' price perceptions and willingness to pay for these products. As this study does not aim to weigh the importance of various elements in driving consumers' willingness to pay, but rather determine if framing an

ethical attribute influences willingness to pay, conjoint analysis will not form part of the analyses of this study.

#### **4.5.2 Choice factor modeling**

A recent technique which has become very useful in studying consumers' preferences with regards to product alternatives and their attributes is choice factor modeling. Lancaster (in Chaminuka, Groeneveld, Selomane & Ireland, 2012:169) explain that consumers do not experience the value of a product from the product itself, but rather from the attributes of the product which cannot be purchased in isolation. Thus, obtaining a thorough understanding of the attributes consumers value most can increase marketers' ability to satisfy consumer needs by improving on or emphasising that specific attribute. This technique uses choice experiment research to determine the most valued attributes and enable the development of a product alternative which encompasses these attributes and draws consumer attention. Respondents are represented with a set of attributes from which they have to select the most preferred or valued. The current situation, or as the product is currently presented in the market, is also included in the list to enable a comparison of the status quo. Using the attributes selected by respondents, marketers can determine interest in the current product and determine which combination of the preferred ones to incorporate to elicit increased consumer attention (Chaminuka *et al.*, 2012:169-171). Choice factor modeling will not be used to address the research objectives of this study as this study does not aim to determine the most preferred set of product attributes. The focus of this study is to determine if emphasising an ethical product attribute has an influence on consumers' willingness to pay.

#### 4.5.3 Experimental research

Consumers' willingness to pay a certain price for a product is assessed as a measurement of consumers' purchase intentions in relation to their actual behaviour (De Pelsmacker *et al.*, 2005:368). Jedidi and Jagpal (in Rao, 2010:37) explain that understanding a consumers' reservation price (the most a consumer is willing to pay for a product) is central to any pricing strategy and has important managerial implications. This addresses key questions such as how pricing affects demand for a product, what are the prices that should be charged and how will demand be influenced at different price levels. The most common technique used to address these questions and truly aim to understand consumers' willingness to pay in different purchasing situations is done through experimental research. Jedidi and Jagpal (in Rao, 2010:40) stipulate that such research is useful in determining consumers' reservation price for new products of which the attributes have not yet been made available to the market. Experimental research will provide a reliable estimation of the most consumers are willing to pay for these new product attributes.

Experimental research is often executed through survey research. The aim is to either elicit information about an acceptable price for a product or to examine consumer behaviour to enable drawing conclusions about consumers' preferences towards these goods (Casadesus-Masanell, Crooke, Reinhardt & Vasishth, 2009:205). Experimentation is a common method used to measure price sensitivity towards products set at different price levels as well as a practical way in which consumers' price responses can be estimated (Vohra & Krishnamurth, 2012:18).

Stanforth and Hauck (2010:615) made use of experimental research to determine the influence that ethically framed marketing efforts have on consumers' price perceptions. This study follows Stanforth and Hauck (2010) who aimed to determine consumers' price perceptions towards ethically framed products through an assessment of their reference, reservation and fair price perceptions as a basis for designing this study. The

aim of this research study is to assess female South Africans' willingness to pay for ethically framed personal care products, specifically body lotions. Through experimental research design, this study's research objectives and hypotheses will address reference, reservation and fair price perceptions towards ordinary and ethically framed personal care products.

#### **4.5.4 Reference, fair and reservation price perceptions as key measures of consumers' willingness to pay**

During the buying decision, price remains a deciding factor for many consumers. According to Stanforth and Hauck (2010:617), consumers form mental prices (prices formed based on expectations of what a product should cost) while shopping. Three levels of mental pricing need to be considered. These include reference price, fair price and reservation price, all three of which will be measured in this research study.

##### ***4.5.4.1 Reference price perceptions***

Schindler (2012:145) explains that consumers' price-level knowledge is an important element in the buying process, as without it consumers have no basis for comparing products. There are two important sources of price-level knowledge, namely information search on a product enabled through elements such as the Internet and consumers' reference price. Consumers' reference price is internal and constructed in a consumer's mind and forms the basis for evaluating alternative products' prices (Schindler, 2012:145-149). It includes consumers' expectations of what a product should cost and is related to what consumers previously paid for that, or a similar, product (Stanforth & Hauck, 2010:617). Understanding consumers' reference price is an important aspect in understanding total economic value as it enables setting prices which are aligned to the most consumers' are willing to pay (Nagle & Hogan, 2006:28). This is also referred to as reservation price.

#### **4.5.4.2 Fair price perceptions**

A fair price refers to a price which is both beneficial to the business making profit and to the consumer's wallet (Stanforth & Hauck, 2010:617). Furthermore, consumers tend to compare the value of the reference product to the actual price of the product to determine the merits and fairness of the purchase, which is the transaction value. If the actual price falls below a consumer's reference price, the consumer will see the transaction value as fair (Monroe, 1990:76). Pollin (in Stanforth & Hauck, 2010:617) explains that consumers might feel that it is fair to pay higher prices for ethically framed products due to higher production costs. Based on this argument the question can be asked whether such price perceptions towards ethically framed products are higher than for ordinary products.

#### **4.5.4.3 Reservation price perceptions**

Consumers' reservation price perceptions refer to the maximum that a consumer is willing to pay for a product (Vohra & Krishnamurth, 2012:13) and refers to their total economic value, that of reference price plus the differentiation value (Nagle & Hogan, 2006:28). In addition, it refers to the point at which a consumer starts ignoring the differences between the reference and the new product's price (Monroe, 1990:97) as a ceiling has been reached on the maximum consumers will pay for that product. Reservation price can thus also be regarded as the difference between the willingness to pay for a product with an additional attribute and the willingness to pay for an identical product without the attribute (Olesen *et al.*, 2010:219).

Consumers who do not believe in the ethical value of products might feel that ethically framed products are not worthy of a price premium (Stanforth & Hauck, 2010:617), and as such the reservation price will be closely related to the reference price of ordinary products. Marketing could influence the product used as the reference product and

through doing this influence consumers' reservation price (Vohra & Krishnamurth, 2012:35). Framing the ethical attributes of products is one way of doing this and could make it more desirable to consumers and lead to a higher reservation price (Stanforth & Hauck, 2010:617). However, the question still remains, will attribute framing positively influence consumers' willingness to pay and increase their reservation price perceptions?

#### 4.6 SUMMARY

Determining and setting the correct pricing strategy is a complex task which could be beneficial to both consumers and organisations. In order to succeed in this task, marketers need to understand how consumers' total economic value is constructed through an awareness of the products consumers use as a reference price and the value they attach to differentiating product attributes. In addition, marketers need to use the total economic value consumers attach to a product at the beginning of the pricing process. This will enable marketers to succeed in executing value communication and entails focusing consumers' attention on the value and not the product's price, which is central to a neutral pricing strategy. If correctly executed, value communication is an effective tool to use to positively influence consumers' willingness to pay. A number of other strategies also exist aimed at shaping consumers' price perceptions and influencing their willingness to pay. These include size of the expenditure, price-quality perceptions and perceived fairness which need to form part of a broader value communication strategy to succeed.

Value communication cannot only be applied in single instances but need to be applied in each stage of the product lifecycle. Each stage has its own drivers and leveraging these drivers enables marketers to maintain value communication throughout the entire lifecycle and not fall back to focusing on price. It is important to note that even though value communication is an effective strategy to influence consumers' willingness to pay,

price remains an important influencer of the decision-making process. Due to this, marketers need to continuously aim to understand consumers' reference, fair and reservation price perceptions for different products. This will provide marketers with a clear indication of the acceptable price which can be set.

An objective of this study is to determine whether female South Africans' reference, reservation and fair price perceptions differ for ethically framed personal care products compared to ordinary personal care products. The following chapter explains the research methodology and design used to address the objectives of this study, the sample that will be used to obtain data as well as the statistical analyses which will be executed to test the hypotheses.

## CHAPTER 5: RESEARCH METHODOLOGY

### 5.1 INTRODUCTION

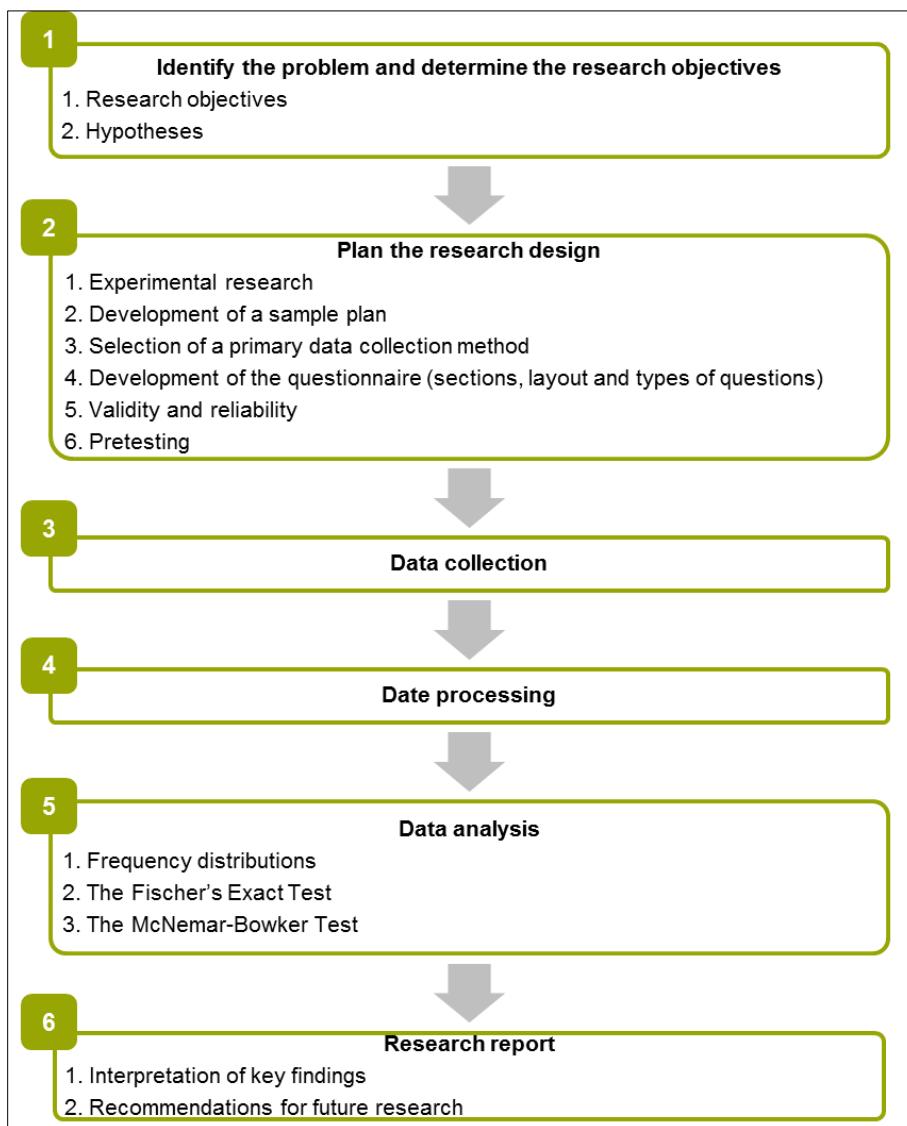
Chapters 2 to 4 provided the literature support for this study through elaborating on consumers' buying behaviour, ethical consumerism, willingness to pay and pricing. It was explained that various trends have shaped the way in which consumers make purchasing decisions, of which a very prominent one that has come into play over the past few years is ethical consumerism. Ethical consumerism, for the purpose of this study, is defined as consumers' response to organisations' Corporate Social Responsibility initiatives, specifically organisations' ethical product offerings which are marketed through attribute framing. Attribute framing is a key aspect of this research study which aims to determine consumers' willingness to pay for an ethically framed personal care product by investigating respondents' fair, reference and reservation price perceptions. This study refers to the study conducted by Stanforth and Hauck (2010) and uses it as a basis for the methodology and approach, the type of data collection instrument, sampling method and to some extent the analyses required.

The research processes followed for this chapter is discussed in Section 5.2, followed by an explanation of the research problem, objectives and hypotheses in Section 5.3. Section 5.4 provides information on the research design to be followed and Section 5.5 explains the development of the data collection instrument to be used in this study. The data collection approach is explained in Section 5.6, followed by the approach taken for data processing in Section 5.7. The data analyses which will be used for this study is explained in Section 5.8 and Section 5.9 concludes this chapter with a brief description of the research ethics pertinent to this study.

## 5.2 THE RESEARCH PROCESS FOLLOWED FOR THIS STUDY

Various authors have described the research process consisting of a number of steps related to problem definition, planning the research, executing the research, analysing results and writing a research report to present the key findings and recommendations for future research (Aaker, Kumar, Day & Leone, 2011:71; Cooper & Schindler, 2006:55; Iacobucci & Churchill, 2010:31; Zikmund, 2003:47; Zikmund & Babin, 2010:57). Despite the difference in the number of steps involved in the research processes described by these authors, consensus exists on the input that is required to enable effective research execution, analyses and interpretation. Based on the literature provided by these authors the research process which will be followed for this study is depicted in the Figure 17.

**Figure 17: The research process followed for this study**



Source: Compiled from Aaker *et al.* (2011:71); Cooper and Schindler (2006:55); Iacobucci and Churchill (2010:31); Zikmund (2003:47); Zikmund and Babin (2010:57).

The research process of this study consists of six stages. The first stage, identify the research problem, entails the formulation of the objectives and hypotheses. Chapter 1 served as an introduction to this by providing the background and the purpose of this study, which provides the context for the research objectives.

The second stage, planning the research design, is crucial and entails the selection of the research methodology to be used, the development of a sample plan as well as the selection of the data collection instrument. This planning is particularly important as it largely determines the execution of the research study and the ability to collect the required data. The design of the data collection instrument also occurs in this stage and covers activities such as developing the questionnaire, deciding on the layout and sections of the questionnaire, types of questions to be included and deciding how to ensure reliability and validity. Pretesting is an important activity of this stage to ensure that the questionnaire is correctly understood and interpreted by respondents.

Once the data collection instrument has been developed, data collection commences as the fourth stage. Stage five commences with the selection of statistical analyses that will be conducted to address the research objectives and test the hypotheses. The research results are then reported and interpreted in Chapters 6 and 7, together with recommendations for future research in the sixth and final stage of the research process.

### **5.3 IDENTIFY THE PURPOSE AND DETERMINE THE RESEARCH OBJECTIVES**

The study of consumer behaviour is important for marketers who wish to understand the internal and external factors that drive consumers to purchase particular products (Schiffman *et al.*, 2008:15). One of the external influences is marketing activities (Hawkins & Mothersbaugh, 2013:25). Specifically in the context of this study, the increase of ethical products in the market and the marketing thereof to consumers. Organisations have come to realise that in order to increase their customer base, the values of the organisation must be centered on doing good for the community as well as the environment and should continuously be communicated to consumers. This means marketing the ethical values and attributes of the products they provide in such a way that consumers will ultimately choose their products (Lee, Park, Rapert & Newman,

2011:1). This is often done through attribute framing in which the unique attributes of a product are emphasised (Hannah & Cafferty, 2006:2994; Levin *et al.*, 1998:150). However, consumers come with their own set of values and norms which drive the types of products they are interested in, and as such might not be willing to pay for ethical products.

Though various studies have aimed at understanding consumers' willingness to pay (Bray *et al.*, 2011:597-608; Neale & Fullerton, 2010:476-486; Szmigin *et al.*, 2009:224-231; Tustin & De Jongh, 2008:24-49; Vitell & Muncy, 2005:267-275), no clarity has been reached on the actual price or price range that consumers are willing to pay for these products. Understanding their willingness to pay could contribute to existing bodies of knowledge on this topic and provide insight into South African consumers' attitudes and perceptions towards these products. The need for marketers to understand this more effectively leads to the research objectives and problem of this study.

### 5.3.1 Research objectives

This study focuses specifically on South African females' willingness to pay for ethically framed personal care products. As such, the primary research objective of this study is to determine whether South African females are willing to pay for ethically framed personal care products. In addition, the following secondary objectives are formulated:

- To determine whether South African females' price perceptions are higher for ethically framed personal care products compared to ordinary personal care products. Three price perceptions will specifically be investigated to address this objective:
  - Reference price perceptions;
  - Fair price perceptions; and
  - Reservation price perceptions.

- To determine respondents' attitudes towards animal testing.
- To investigate whether respondents' age, ethnical, education and budget categories play a role with regards to their willingness to pay for ethically framed personal care products.

### 5.3.2 Hypotheses

A challenge marketers face when introducing new products is setting an initial price which will encourage consumers to purchase a product, thus increase their willingness to pay. This is, however, a complex task as consumers are price-sensitive (Bertini & Wathieu, 2010:87) and the benefits consumers will receive need to be clear (Vohra & Krishnamurth, 2012:32), as discussed in Chapter 4. This is even more challenging for ethically framed products as some consumers might not yet be familiar with the unique product attributes or are skeptical about the value that these products could potentially offer (Bray *et al.*, 2010:603). Setting a price for such products requires marketers to understand three levels of price perceptions, namely reference, fair and reservation price (Stanforth & Hauck, 2010:617). These three price levels support the research hypotheses set out for this study and are briefly explained below.

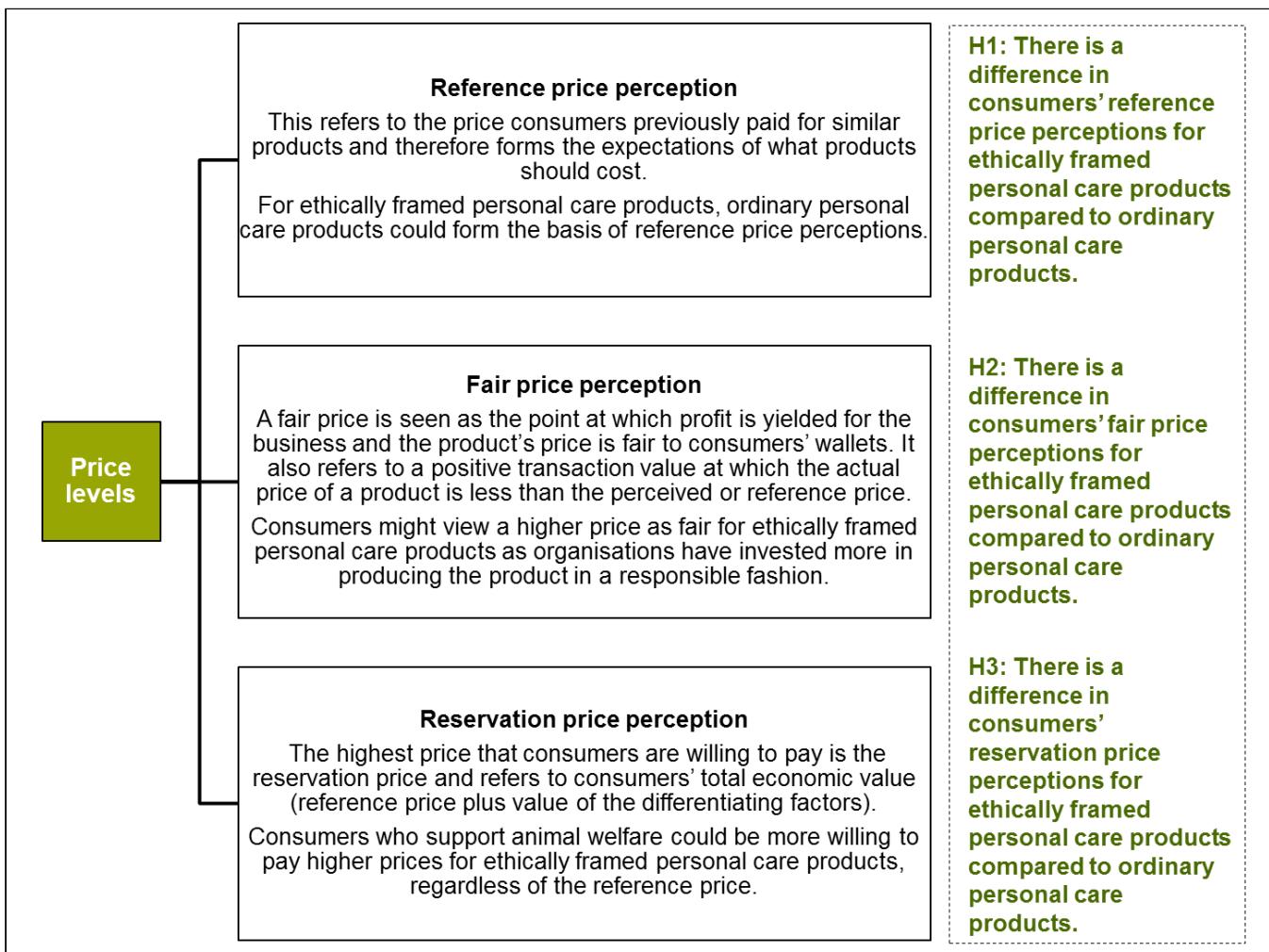
In order to determine the price a consumer is willing to pay, marketers need to understand the “total economic value” a consumer holds towards a product (Nagle & Hogan, 2006:28). This value provides an indication of the most that consumers are willing to pay for the perceived benefits a product will provide, also known as the reservation value (Vohra & Krishnamurth, 2012:13). Total economic value constitutes the price of the closest alternative, the reference value (Stanforth & Hauck, 2010:617), plus the differential value, the value of that which differentiates the product from alternatives (Nagle & Hogan, 2006:28). It is thus important to understand the reference value so as to understand what consumers expect to pay for a similar product. In the context of ethically framed products, consumers could perceive that more investment has been made in ensuring that these products are not harmful to the environment or

society in any way and therefore expect that these products would cost more than ordinary products. In this study, consumers could expect that personal care products which guarantee that animal testing was not used during production processes would cost more as organisations have invested more time and money in alternative testing processes. In this situation, consumers' reference price could be higher for ethically framed personal care products than for ordinary personal care products and in turn increase their reservation price perceptions (the most they are willing to pay).

Monroe (1990:74) argues that in addition to consumers' reference value, transaction value also needs to be considered. This is determined by examining the difference between the reference price and the actual price of the product being evaluated. Thus, consumers compare the perceived monetary value of a reference product (what they expect to pay) to the actual price of the product at hand to determine the merits and fairness of the purchase. Consumers' willingness to purchase a product increases when the actual price is less than the reference price and this leads to a positive transaction value and a fair price perception (Monroe, 1990:76). Pollin (in Stanforth & Hauck, 2010:617) explains that consumers might feel that it is fair to pay higher prices for ethically framed products due to higher production costs and increased investment in ensuring sustainability. Thus, when the actual price of the ethically framed product is less than this price expectation, their willingness to pay for the product will increase.

Based on these different price levels, this study will aim to address the extent to which female South Africans are willing to pay for ethically framed personal care products through assessing their reference, fair and reservation price perceptions. Understanding whether respondents' price perceptions are higher for ethically framed personal care products than ordinary ones, will provide an indication of whether they might be willing to pay for the higher priced ethically framed products. This will further be supported by directly asking respondents about their likelihood to purchase an ethically framed and an ordinary personal care product. Figure 18 illustrates how these three price levels are specifically used in formulating the hypotheses for this study.

**Figure 18: Study hypotheses**



Source: Compiled from Nagle and Hogan (2006:28) and Stanforth and Hauck (2010:617).

The alternative and null hypotheses for this study include the following:

**H<sub>0</sub>:** There is no difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>1</sub>:** There is a difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>2</sub>0:** There is no difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>2</sub>:** There is a difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>3</sub>0:** There is no difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>3</sub>:** There is a difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

Each of these hypotheses is addressed in this study's survey through showing a product advertisement to respondents followed by three questions. When referring to Annexure C, specifically page 246, it can be noted that the first question relates to respondents fair price perceptions, the second question to reservation price perceptions and the third question to reference price perceptions.

The next section explains the research methodology and approach which will be followed to address this study's research objectives and hypotheses. Furthermore, the sampling techniques which will be used to obtain the sample for this study are provided. The data collection instrument developed is also discussed followed by the distribution plan to realise the sample.

#### **5.4 PLAN THE RESEARCH DESIGN**

In the following sections an explanation of experimental research and how it will be executed for this study is provided.

### 5.4.1 Experimental research

Experimental research is differentiated from other research techniques by the fact that the researcher places a level of control on the study. This is achieved through manipulating one variable (the independent variable) to test the effect that it has on another (dependent) variable, whilst all other factors are controlled (Iacobucci & Churchill, 2010:587; Kuhfeld, Tobias & Garratt, 2012:546; Zikmund, 2003:200). This type of research design can effectively be used to identify cause-and-effect relationships between variables and is used when a researcher wishes to study various factors that could influence a certain phenomenon (Leedy & Ormond, 2005:217). Furthermore, it is a common method to measure price sensitivity towards products set at different price levels as well as a practical way in which consumers' price responses can be estimated (Vohra & Krishnamurth, 2012:18).

Various types of experimental research design exist and are dependent on the levels (number of times) the independent variable needs to be manipulated, and the number of control and treatment groups that are required. A control group refers to the group of respondents who are only exposed to the constant variables, whereas the treatment group is exposed to both the constant and manipulated variables. These two respondent groups are used to test the difference in answers given to the questions in each study (Leedy & Ormond, 2005:220). Although this is often used in experimental design, this specific research technique is not used for this study. Instead, a field experiment will be used for this study in which there is only one sample group, but a control and experiment section within the questionnaire.

A field experiment is characterised by research that is conducted in a natural environment, as opposed to an artificially created environment in which laboratory experiments are conducted (Burns & Bush, 1998:128; Zikmund & Babin, 2010:280). In a field experiment, respondents are not aware that an experiment is being conducted and

therefore the responses given are considered as “natural” responses (Aaker *et al.*, 2011:324). This study takes place via an online self-administered survey completed on respondents’ own time and convenience, thus in their everyday natural settings. The field experiment of this study will specifically be executed through a cross-over design. A cross-over design entails research in which a change or “cross-over” occurs in the actual data collection instrument (Ryan, 2007:429). More specifically, a cross-over research design entails the use of two questionnaires which contain the exact same questions but in a different sequence. For the purpose of this study, it is important to note the following:

- Two questionnaires (Annexure C on page 243 and Annexure D on page 252) are developed in support of a cross-over design;
- Each questionnaire contains the exact same sections, and questions, but in a different sequence;
- More specifically, the control section (reflecting an ordinary body lotion) and the experiment section (a body lotion which is ethically framed through emphasising that the product is not tested on animals) are presented to respondents in a different order in the two different questionnaires.

The purpose of cross-over design is to ensure that the order in which the questions are asked in the control and experiment sections does not impact the way in which respondents interpret or answer the questions. Thus, the relationships or results found are due to the experiment, or the manipulation of the variable, and not due to the order in which the questions are asked.

This study follows Stanforth and Hauck (2010) as a basis for developing the field experiment for this study. The data collection instrument will be discussed in Section 5.5 and will elaborate on the sequence and layout of questions in support of the cross-over design. The next section provides detail on the sample plan for this study.

### 5.4.2 Development of a sample plan

A self-administered questionnaire will be distributed to respondents via non-probability sampling. Nonprobability sampling is based on the premise that the researcher cannot guarantee that all individuals within a particular population have an equal chance of being selected for a sample (Leedy & Ormond, 2005:206). Therefore, not all South African females have an equal chance of forming part of this study. The sample is selected based on the researcher's personal judgment and convenience (Zikmund & Babin, 2010:423).

Purposive sampling, a form of nonprobability sampling, is ideal for studies which make use of a sample that typically represents a group of respondents who suit the purpose of a study (Leedy & Ormond, 2005:206; Zikmund & Babin, 2010:424). The sample can thus be "handpicked" to fit the research study (Iacobucci & Churchill, 2010:286). An extension of purposive sampling, which will be used, is snowball sampling (Iacobucci & Churchill, 2010:287). Snowball sampling is used to obtain specialist samples or a rare group of respondents (Iacobucci & Churchill, 2010:287; Zikmund & Babin, 2010:425) and works on a referral basis in which the researcher uses the initial sample to obtain information for an additional sample. The initial sample refers individuals who are suitable to or interested in the study (Zikmund & Babin, 2010:425). This sampling method used follows Stanforth and Hauck (2010).

The target population for this study is female South Africans aged 21 and older with access to the Internet and an e-mail account and who make their own decisions about the products they purchase. Over the next five years, South Africa's Internet population is expected to grow as much as it has since the Internet became commercially available 15 years ago (South Africa Info, 2009). Based on this expectation, it can be argued that online data collection is a suitable approach to reach the target sample. In addition, due to the nature of the topic being investigated, namely personal care products, females

are regarded as the most suitable target audience. These females will also have an awareness of different personal care products. Even though they might not be specifically aware of ethically framed personal care products which are not tested on animals, they will be in a position to answer questions regarding their willingness to pay for personal care products. Furthermore, it can be argued that some South African females older than 21 have their own income and as a result make their own purchasing decisions and are in a position to comment on or answer questions related to their purchasing behaviour of personal care products.

Nonprobability, purposive sampling will be used to invite an initial respondent group via e-mail providing a link to the online survey to participate. The initial sample will be created as a panel in an online survey tool consisting of the e-mail addresses of individuals in the researcher's personal and professional networks. More specifically, friends, family members, and work colleagues will form part of the initial sample. To enable using the e-mail addresses of work colleagues, consent was received from Managers at two separate organisations.

Snowball sampling will then be used to obtain e-mail addresses of additional individuals who would be interested in participating in the study. The initial social and professional networks will thus provide the e-mail addresses of their contacts. Although South African females are not necessarily hard to find, professional females could be identified effectively through snowball sampling. The increased use of e-mail and mobile communication applications make the referral process much quicker. In addition, the topic could also be viewed as a 'social' topic and easy for females to refer friends and family.

It is important to note that bias could exist due to the initial sample, especially friends and family members, potentially having close relationships to the researcher and might

share similar opinions. However, the referral basis allows respondents to move further away from the researcher, thus breaking social ties. In addition, the sample selected through the methods discussed above will not be representative of all the females in South Africa. The demographic profiles which will be obtained from the descriptive data, provided in Chapter 6 (Section 6.4.1) will take note of this and report the population of which this sample is actually representative. Interpretations and conclusions will then be made based on this specific population and not of all females in South Africa.

#### **5.4.3 Selection of a primary data collection method**

To meet this study's objectives, a quantitative, self-administered survey will be used to collect data and can be defined as being “delivered to the participant via personal (intercept) or non-personal (computer-delivered or mail-delivered) means and completed by the participant without additional contact with an interviewer” (Cooper & Schindler, 2006:717). Computer delivery, in which an e-mail with a link to an online (web-based) survey, will be used. The advantages of online research are plentiful, of which the major advantages are cost-efficiency, results are calculated immediately and respondents are not influenced by an interviewer's behaviour (Cooper & Schindler, 2006:255).

In order to execute the online research, the Qualtrics programme will be used to develop and administer the survey. Qualtrics is a web-based research tool which enables the researcher to develop a survey that is hosted and completed by respondents online. The samples mentioned in Section 5.4.2 will be pulled into Qualtrics and set up as panels to which an e-mail invitation with a link to the survey will be sent allowing for easy distribution. In addition, responses and data collection happen instantaneously and accurately. Regardless of whether a survey is partially completed or completed in full, all responses are recorded immediately as a question is answered. This ensures that missing values can easily be identified and excluded from the dataset.

Furthermore, Qualtrics allows a survey to be set up so that respondents cannot continue to a next question without completing the current question. Respondents are also not able to go back to previously answered questions and change their answers. The survey can be closed at any particular point in time after which data are extracted into statistical analysis software, in this case SPSS, and used for analysis. A more detailed discussion on the data collection process is provided in Section 5.6. The questionnaire design, layout and types of questions included will now be discussed.

## **5.5 DESIGN OF THE DATA COLLECTION INSTRUMENT**

The following sections provide background on how the study conducted by Stanforth and Hauck (2010) forms the basis of the data collection instrument to be used in this research study. The pretesting which will be done is also discussed.

### **5.5.1 Development of the questionnaire**

The original questionnaire is adapted to ensure that all the questions are relevant to a South African context. Firstly, a particular and relevant ethical issue needs to be identified to ensure that questions relating to this issue can effectively be answered. Secondly, the price ranges used to determine respondents' reference, fair and reservation price perceptions need to be converted from US Dollars to South African Rand. These price ranges will constitute the scale points of the price question in the questionnaire. The prices need to coincide with the actual prices of products in South African retail outlets and respondents should be able to relate to these prices. The approach followed to addressing both these aspects will now be discussed as important activities contributing to the development of this study's final questionnaire.

### **5.5.1.1 Selecting the ethical issue**

In South Africa, consumers have been exposed to various ethical issues, however it is not clear which of these issues consumers are most familiar with (for example animal testing, human slavery or recycling). For the questionnaire to be best interpreted and clearly understood, the ethical issue used in the final questionnaire is critical. This is especially essential in understanding the influence the issue might have on consumers' purchasing behaviour. A short questionnaire, as included in Annexure A on page 238, was completed by 25 females. This questionnaire was aimed at identifying the influence of various ethical issues on respondents' purchasing behaviour to incorporate the most appropriate issue into the final questionnaire. The sample used for this short study was obtained through convenience sampling and was reflective of the sample to be used for the final survey. The respondents were also females aged 21 and older who make their own decisions about the products they purchase and have access to the Internet and an e-mail account. Furthermore, the sample was selected on the same basis as the sample for the final survey, through contacting individuals in the student's professional and social networks.

The first question, a 10 point Likert-type question on page 240 of Annexure A, was aimed at determining the impact that various ethical issues have on respondents' decisions when purchasing a product. This question was used to identify the most relevant issue to be included in the final survey. The issue which has the highest impact will ensure that respondents can relate to this and effectively answer the relevant questions in the final survey.

The second question, a ranking question also on page 240 of Annexure A, addressed the ethical products consumers are most drawn to. This identified the products respondents are more willing to purchase to replace their current brands or products with so as to determine the products respondents are most interested in.

The completed responses of the 25 females were captured into Excel to determine the ethical issue which impacts respondents' product choices most and the products respondents are most likely to replace their current products with. Figure 19 illustrates the responses to the first question by highlighting the number of respondents who selected scale option 10 for each ethical issue. This graph illustrates the responses of all 25 respondents.

**Figure 19: Ethical issue selection as input into the final survey**

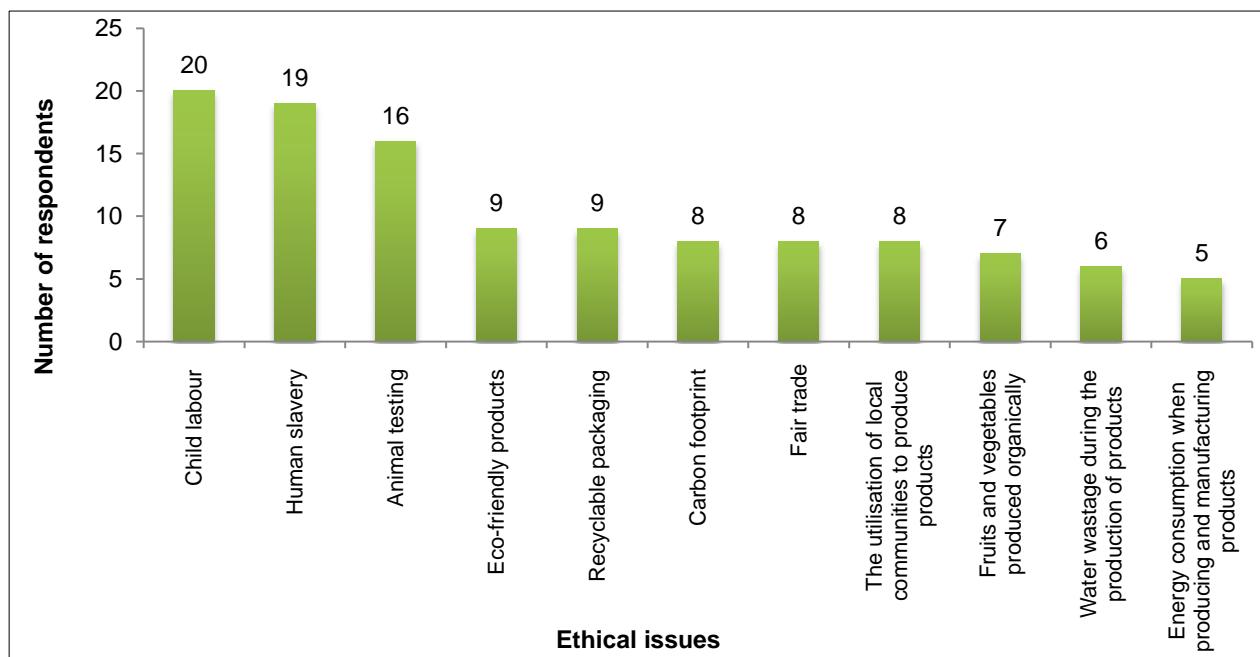


Figure 19 illustrates that child labour, human slavery and animal testing are the three issues which impact consumers' purchasing behaviour the most. Issues relating to protecting the environment through saving water and electricity do not impact heavily on respondents' purchasing behaviour. The results of the second question are shown in Figure 20 and indicate the number of respondents who ranked each product as a one (the products most likely to purchase instead of those currently used). Five of the 25 respondents incorrectly answered this question and their responses are not included in the results.

**Figure 20: Product options as input into the final survey**

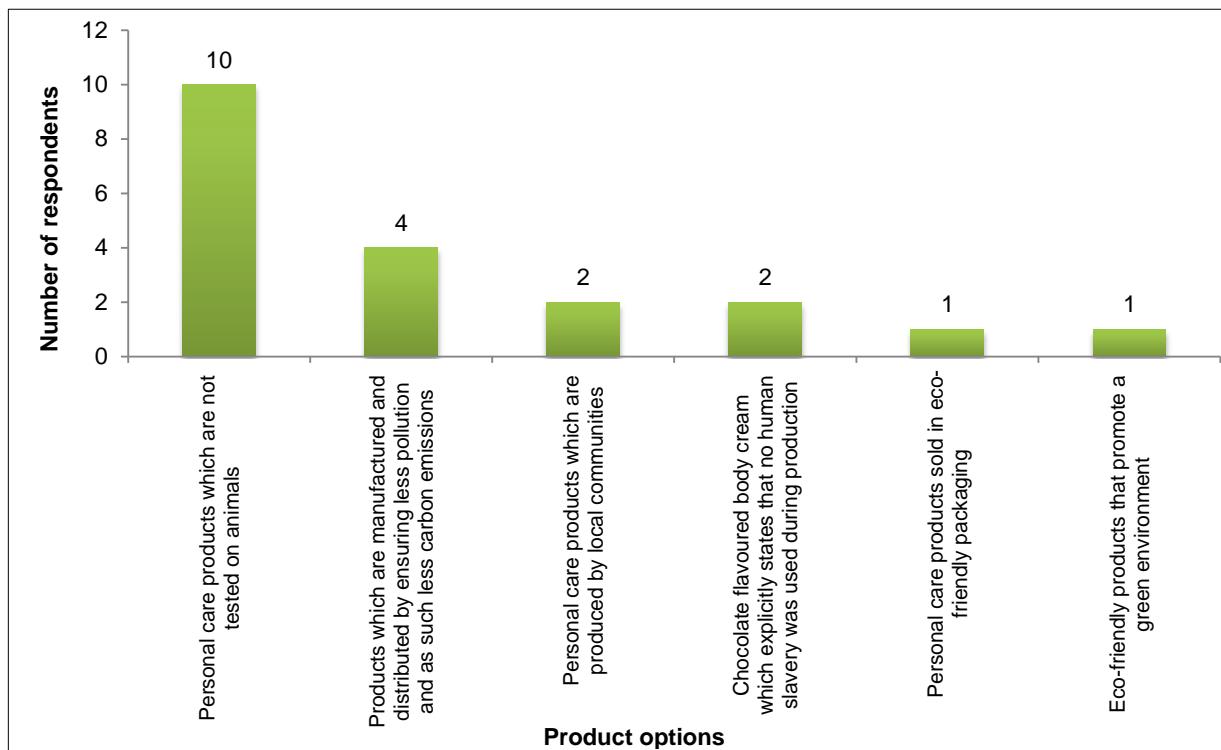


Figure 20 provides support for choosing animal testing as the ethical issue for this study accompanied by body lotion, a personal care product for inclusion in the final survey. Personal care products are defined as products that are required for hygienic living, such as soap, shampoo, toothpaste and body lotion. In contrast, cosmetics are used to ‘beautify’ oneself, such as mascara and lipstick. It is assumed that the target audience should have an awareness of personal care products and these products are easily accessible to most South African females while cosmetics might be regarded as a luxury. It is also important to note that the word body lotion is used instead of body butter, as was used by Stanforth and Hauck (2010). The South African market is more accustomed to the term body lotion and this term is also used frequently in advertisements and on product labels.

The above section detailed the process that was followed for identifying the ethical issue and product to be used in the final questionnaire. The sections which follow

explain the process that was followed for developing the scale options of the price question in the final questionnaire for this study.

### **5.5.1.2 Determining the scale options**

In the study conducted by Stanforth and Hauck (2010), the scale options of the pricing question were developed by visiting 25 websites to determine the typical price of personal care products, specifically body butter. After completing this assessment, an average price was determined which was then used to determine the scale options to address respondents' reference, fair and reservation price perceptions. The same approach was followed to determine the prices of South African personal care products, specifically body lotions. However, actual store visits were conducted as opposed to website visits due to the fact that not all South African retailers provide detailed product information on their websites. The step-by-step approach followed to develop the scale options is described below.

1. As a departure point, products and brands had to be selected for comparison. A basic Internet search determined the various brands and variations of body lotions available in the South African market. The website of a major South African retailer was most useful as it listed a wide variety of brands and all the different variations.
2. As a round of first elimination it was decided to only compare 400ml body lotions and to clearly stipulate this volume in the advertisement used in the final survey, since body lotions come in different volumes which affect the product's price. Focusing on one volume eliminates mixing the prices of different volumes.
3. After selecting eight brands to be compared, which included all the brands shown on this major South African retailer's website, a total of five retail stores were visited to capture products' prices. These well-known stores were specifically selected as they are perceived as the retailers accessible to the majority of the South African market.

One particular retailer which aims at a more exclusive target market was excluded as it is not considered a major neighbourhood retailer.

4. The data collected at each of the five stores, namely the price of each product, was entered into Excel, regardless of the body lotion's variant or flavour.
5. Brands and variants that were available at less than three out of the five retailers were eliminated. Six brands remained for comparison and the prices of these brands and their variants are included for reference in Annexure B.
6. The following formulas were used to determine the scale options of the price question:
  - a) The average formula was used to determine the "middle point" of the prices, which is the average cost of 400ml body lotions across the five retailers and across all brands (R21.45).
  - b) The prices were then ranked from highest to lowest value from which the highest and lowest scale options were determined, namely R44.95 and R11.95.
  - c) A simple subtraction formula was used to determine the price differences between each product's price. The average of all of these price differences was then calculated to determine the typical price difference between the products (R0.25).
7. To determine the scale options, R0.25 (the average price difference among all products) was added to the lowest price (R11.95) until the scale ended at R44.95 (the highest price). This resulted in a total of 133 values which was considered to be too many for a numerical scale and for a respondent to answer.
8. To eliminate some of the values, values were rounded up and duplicates removed. In addition, to keep the number of scale options the same as those used by Stanforth and Hauck (2010), prices were grouped into price ranges that differed by R4. The scale resulted in a total of nine scale points ranging from R12 to R47.

Upon completion of the above exercise, the scale options were used as input into the final questionnaire, specifically in the price questions in the control and experiment sections. The sections of the final questionnaire will now be discussed.

## 5.5.2 Sections and layout of the questionnaire used in the study

The final questionnaires to be used for this study contains five sections, namely an introduction and screening section, a control section, an animal testing section, an experiment section and a demographic section. Each of these sections will now be discussed. It is important to note that both questionnaires in Annexure C and D are used for this study and contain the exact same sections but in a different sequence in support of a cross-over design. For the discussion to follow on the sections of the questionnaires, referral to only Annexure C on page 243 is required as the questions in each of the sections of the two questionnaires are exactly the same. The types of questions included in each section will also be discussed in table format.

### 5.5.2.1 *Introduction and screening section*

Referring to Annexure C, page 244, the survey starts with an introduction to the study and includes a screening section in which respondents need to agree to the points discussed in Section 5.9 as part of mandatory research ethics. By selecting yes to the screening questions, respondents give consent that their responses can be used for analyses and also that they make their own purchasing decisions. Respondents who agree to both questions will be directed to the remainder of the questionnaire whereas respondents who select no to any of the screening questions will be terminated and cannot continue with the survey. The questions included in the introduction and screening section are shown in Table 3.

**Table 3: Questions included in the introduction and screening section of the final questionnaire**

Question	Type of question
Please select "yes" if: you have read and understand the information provided above and you give your consent to participate in the study on a voluntary basis.	<ul style="list-style-type: none"> <li>• A simple-fixed dichotomy question in which the respondent is asked to select one of two alternatives (Zikmund, 2003:253).</li> </ul>
Before commencing with the questionnaire kindly answer the following question: do you as a consumer make your own decisions about the personal care products (such as soap and body lotion) you purchase?	<ul style="list-style-type: none"> <li>• Both questions use a nominal scale which is used to categorise respondents for labeling purposes (Aaker <i>et al.</i>, 2011:250; Burns &amp; Bush, 1998:293), and in this case according to those respondents who qualify for the survey and those who do not.</li> </ul>

Upon answering the two questions explained above, respondents are directed to the control section of the survey. It should be noted that in questionnaire B, Annexure D, respondents were firstly directed to the experiment section in support of cross-over design. A detailed discussion on the sequence of the two questionnaires is provided in Section 5.5.2.5. For the purpose of this discussion, the control section will be discussed first to clearly highlight the differences and purpose of the control section compared to the experiment section.

### **5.5.2.2 Control section**

The control section of the questionnaire (Annexure C, pages 245 and 246) supports this study's experimental research design as the control variable. The purpose of the control section is to provide the researcher with a constant variable with which the manipulated variable in the experiment section can be compared to during analysis.

The control section addresses ordinary personal care products which are not ethically framed; more specifically the question includes a magazine advertisement for an

ordinary body lotion. The questions aim to address respondents' reference, fair and reservation price perceptions towards the ordinary body lotion. A separate question aims to determine respondents' likelihood to purchase the ordinary body lotion to enable a comparison to respondents' likelihood to purchase the ethically framed body lotion contained in the experiment section. It is important to note that respondents' attention is drawn to the fact that there is no information available on the testing process of the body lotion in this section in the note at the beginning of the question. Adding this statement is important to ensure respondents note the difference between this product advertisement and the one used in the experiment section. The types of questions included are shown in Table 4.

**Table 4: Questions included in the control section of the final questionnaire**

Question	Type of question
<p>Assume that you want to buy the 400 ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotion might be priced. Please select the appropriate answer to each of the questions below.</p> <ul style="list-style-type: none"> <li data-bbox="235 1170 796 1326"><input type="radio"/> How much do you think a company would charge to ensure making a reasonable profit and giving you as the consumer a fair deal?</li> <li data-bbox="235 1332 796 1396"><input type="radio"/> What is the most you would pay for this Feel Gorgeous body lotion?</li> <li data-bbox="235 1402 796 1501"><input type="radio"/> What do you expect a company to charge for this Feel Gorgeous body lotion?</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="822 1148 1383 1305">• A nine point nominal scale in which respondents can be labeled (Burns &amp; Bush, 1998:293) according to the price options they select.</li> </ul>
<p>Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right?</p>	<ul style="list-style-type: none"> <li data-bbox="822 1522 1421 1636">• An interval scale is used for this question which can rank responses (Burns &amp; Bush, 1998:293) from most likely to least likely.</li> <li data-bbox="822 1643 1421 1776">• More specifically, a seven point Likert-scale is used which indicates respondents' future behavioural intentions (Zikmund, 2003:243).</li> </ul>

The animal testing section is presented to respondents between the control and experiment sections.

### **5.5.2.3 Animal testing section**

In this section respondents are presented with a brief insert on the cruelty of using animal testing during the production and manufacturing of personal care products, as can be seen in Annexure C, page 247. Animal testing is an emotional aspect and therefore when reading the insert it is phrased in a negative light. The purpose of this section is to determine respondents' attitudes towards animal testing by asking the questions listed in Table 5.

**Table 5: Questions included in the animal testing section of the final questionnaire**

Question	Type of question
<p>Please rate the following question on a scale from 1 to 7, where 1 means not familiar at all and 7 means very familiar.</p> <p>How familiar are you with animal testing?</p>	
<p>What is your opinion regarding animal testing? Please rate this question on a scale from 1 to 7 where 1 means you feel strongly that animal testing should never be done, and 7 means that animal testing can be done when testing products.</p> <p>I feel that animal testing...</p>	<ul style="list-style-type: none"> <li>• A seven point Likert-scale which measures respondents' attitudes towards a topic by asking them to rate a statement on a scale which ranges from positive to negative (Zikmund, 2003:235).</li> <li>• This is an interval scale in which the distance between the scale points is known (Burns &amp; Bush, 1998:293).</li> </ul>
<p>Do you discuss animal testing with friends and family? Please rate this question on a scale from 1 to 7 where 1 means you discuss it very infrequently, and 7 means you discuss it very frequently.</p> <p>We discuss this matter...</p>	
<p>On average how much more do you think a company would have to increase the retail price to the consumer to ensure that no animal testing was used to produce the ingredients for Feel Gorgeous body lotion?</p> <p>Select the option that indicates how much more the product would cost than it does now.</p>	<ul style="list-style-type: none"> <li>• An ordinal scale in which numbers are used as response options (Zikmund, 2003:238).</li> <li>• The scale contains 21 scale options ranging from 0% to 100% with 5% increments and the distance between each scale option is known.</li> </ul>
<p>Considering the answer you gave to the previous question, to what extent do you agree with the following statement?</p> <p>I am willing to pay more to ensure that animal testing is not used to produce personal care products.</p> <p>Please rate on a scale where 1 means totally disagree and 7 means totally agree.</p>	<ul style="list-style-type: none"> <li>• A seven point Likert-scale which measures respondents' willingness to pay more to ensure that animal testing is not used when producing products by asking them to rate a statement on a scale which ranges from positive to negative (Zikmund, 2003:235).</li> <li>• This is an interval scale in which the distance between the scale points is known (Burns &amp; Bush, 1998:293).</li> </ul>

Following the animal testing section, respondents are presented with a magazine advertisement for an ethically framed body lotion as part of the experiment section.

#### **5.5.2.4 Experiment section**

The same questions that are asked in the control section, discussed in Section 5.5.2.2, are asked in the experiment section (Annexure C, pages 249 and 250). The fundamental difference being the way in which the body lotion in the advertisement is presented to respondents. The body lotion in the experiment section is ethically framed through emphasising explicitly that the product was not tested on animals, whereas there is no such mention in the control section. The key purpose of these two advertisements is to support the experimental research design through providing a constant and a manipulated variable. In addition, the data of this section will be used to test the hypotheses of this research study, as discussed earlier in Section 5.3.2.

#### **5.5.2.5 Demographic section**

To enable the survey data to address the secondary research objective related to respondents' demographics, respondents are asked to indicate their age, race, education and the budget they have available for the purchase of personal care products on a monthly basis, as shown on page 251 in Annexure C.

**Table 6: Questions included in the demographic section of the final questionnaire**

Question	Type of question
Please indicate the budget that you have available on a monthly basis to purchase personal care items, such as body lotion, soap, toothpaste etc.	
Please indicate your age by selecting the appropriate age category below.	
Please indicate your ethnicity by selecting one of the options below.	
Please indicate your education by selecting one of the following options.	<ul style="list-style-type: none"> <li>• A determinant-choice question in which the respondent is asked to select one option from a list of more than two alternatives (Zikmund, 2003:253) by using a nominal scale which enables labeling respondents based on their demographics (Burns &amp; Bush, 1998:293).</li> <li>• There are 15 budget scale options, 11 age scale options, six ethnicity scale options and six education scale options.</li> </ul>

In summary, experimental research will be used which involves the development of a control and experiment section. The study will be executed via cross-over design which requires the development of two questionnaires, each containing the exact same questions but in a different sequence. Referring to the final two questionnaires, included in Annexures C and D, it can be seen that the order in which the control and experiment sections are presented to respondents differ. The introduction and screening, animal testing and demographic sections, however, remain the same. The sequences in which these questionnaires will be administered are shown in Table 7 and ensure that any results or findings emanating from the analyses are due to the experiment, or the manipulated variable, and not due to the order of the questions. This is in support of internal validity which is discussed in the next section.

**Table 7: Sections of the final questionnaire**

Questionnaire A	Questionnaire B
Introduction and screening section	Introduction and screening section
Control section (no information on the product testing process)	Experiment section (explicitly states that no animal testing is used)
Animal testing section	Animal testing section
Experiment section (explicitly states that no animal testing is used)	Control section (no information on the product testing process)
Demographic section	Demographic section

### 5.5.3 Validity and reliability of the questionnaire

As explained by Saunders *et al.* (2007:366), ensuring reliability and validity involves ensuring that the respondent answers the questions based on an understanding as intended by the researcher. In turn, the researcher interprets the respondent's answers in a way intended by the respondent. This study will ensure internal and face validity as well as internal consistency in terms of reliability.

#### 5.5.3.1 Internal and face validity

Three types of validity need to be adhered to. Firstly, all questions must address the research objectives and not be included because the answers to questions will be 'nice to know'. This will ensure content validity. In this research study, the objectives drive the questions included in the final survey and therefore no unnecessary ones are included. Secondly, predictive validity is obtained when the questions intended to measure respondents' future buying behaviour have been tested to ensure that it rightfully predicts buying behaviour. This can be tested through reliability which is discussed in Section 5.5.3.2. Lastly, construct validity is applicable to attitude scales and ensures that the measurement used actually measures the intended constructs, thus that the constructs actually exist (Saunders *et al.*, 2007:366-367). Although attitude scales do not form the core of this study and nominal scales do, reliability testing will still be done to ensure internal consistency for the testing of the hypotheses.

In addition, an important element to be cognisant of when designing and executing experimental research is the ability to ensure validity, in particular internal and external validity. With regards to field experiments, the concern for external validity is much greater than for laboratory experiments. The reason is twofold. Firstly, the question can be asked whether the results of a laboratory experiment would have been different if

respondents weren't aware that an experiment is being conducted, and secondly the ability to generalise the findings of a laboratory experiment is limited due to the small sample group being involved (Iacobucci & Churchill, 2010:107). It is essential that the accuracy of a measurement can be assured (Burns & Bush, 1998:128) and for field experiments this requires ensuring internal validity. Internal validity relates to the ability of the research results to be attributed to the experiment, or the manipulation of the variable, and not to other factors such as the environment in which the survey is taking place or the types of questions that are asked (Iacobucci & Churchill, 2010:107). To address internal validity, a cross-over design will be implemented in support of the field experiment. A cross-over design will ensure that the way in which respondents answer questions are due to the manipulation of the variable and not due to the order in which the sections are presented to respondents. Cross-over design will ensure that the way in which respondents answer the price and likelihood to purchase questions in the control and experiment sections are due to the manipulation of the variable (the way in which the body lotion is framed) and not due to the order in which the sections are presented.

In addition to internal validity, face validity will also need to be ensured. Face validity refers to a research instrument "self-evidently" reflecting the purpose of its questions (Aaker *et al.*, 2011:269) or that it "looks like" the questions will measure what it is designed to measure (Burns & Bush, 1998:311). Both internal and face validity will be reported on in Chapter 6, Section 6.3, by explaining how these were ensured for this research study.

### **5.5.3.2 Reliability**

For validity to be achieved a questionnaire must be reliable; thus the research instrument used should at all times provide consistent results. The Cronbach's Alpha is commonly used to measure reliability and determine the quality of a questionnaire. The

Cronbach's Alpha calculates whether the various scale options of a multiple-item scale converge, or match up (Zikmund & Babin, 2010:334). The research on which this study is based (Stanforth & Hauck, 2010) did not report any reliability measures. Reliability for this study will, however, be measured through assessing the Cronbach's Alpha for the questions included in the control and experiment sections. More specifically the three questions relating to respondents' reference, fair and reservation price perceptions (nine nominal price ranges) and those relating to respondents' likelihood to purchase the product (7 interval scale options) will be included. The reason for including these questions is that the primary research objective and hypotheses of this study are effectively addressed.

#### **5.5.4 Pretesting the questionnaire**

Pretesting will be conducted in paper-based and online formats to firstly ensure that the questions are clearly understood before programming the questionnaire online and then to ensure that there are no technical difficulties. The paper-based survey will be piloted with 20 individuals. The researcher will be present during each pilot to identify the questions respondents struggle with due to unclear wording or incorrect interpretation. These ambiguities will be corrected before programming the questionnaire online in Qualtrics. Once finalised, the online questionnaire will be piloted with an additional 10 respondents which will serve as the second round of pretesting. Once satisfied with the feedback from the last round of online pilots the survey will be distributed to respondents via Qualtrics.

### **5.6 DATA COLLECTION**

The self-administered survey will be constructed in the Qualtrics programme, a web-based platform for online survey research. The e-mail addresses of the initial sample

will be drawn into Qualtrics to form two panels consisting of the e-mail address of individuals within the researcher's personal and professional networks. The sample will thus be split into two panels, of which questionnaire A in Annexure C will be sent to one panel, and questionnaire B in Annexure D to a second panel. An invitation will be sent to each individual in these panels containing a link to the online survey, as contained in Annexure E. The invitations will also ask respondents to forward e-mail addresses to the researcher of additional individuals who would be interested in participating in the study. The same approach will be followed to forward the invitation to participate in the study to these referrals.

## **5.7 DATA PROCESSING**

Responses will be recorded automatically in Qualtrics as respondents complete survey questions, regardless of whether a survey is completed in full or partially. Upon closing the survey, all the responses will be extracted into SPSS from which the analyses will be done. Data cleaning will take place in the form of removing responses of those surveys in which the core sections, namely the experiment and control sections, are not completed. Once data cleaning has been completed, analysis will commence.

## **5.8 DATA ANALYSIS**

Data analysis will be conducted by Statomet at the Department of Statistics, University of Pretoria. The data gathered will be used to address the objectives. Firstly, an analysis will be undertaken to test the effectiveness of the cross-over design used to execute the experimental research and secondly to address the objectives and hypotheses of this study. Each analysis used to address this study's research objectives and hypotheses will be non-parametric due to the variables of each of the questions not following a continuous or normal distribution (Pallant, 2010:213; Zikmund & Babin, 2010:548).

### **5.8.1 Determining the effect of the cross-over design**

The first analysis that will be conducted is the Fischer's Exact Test. This test is used to test whether two dichotomous variables are correlated (Leedy & Ormond, 2005:274), or to determine whether a certain statistic deviates substantially from a distribution (Field, 2009:786). It will specifically be used to determine if there are any meaningful differences in the way respondents answered the questions in the questionnaire. To execute this, cross-tabulations will be developed in which all the responses will be referenced to questionnaires A and B respectively. The test will then be used to establish whether meaningful differences exist between the responses of the two questionnaires. If no significant differences are found, the cross-over design was effectively executed and the sequence in which the control and experiment sections were presented to respondents did not make a difference to the results. This will also ensure internal validity as the results or relationships resonating from the analyses are due to the experiment and not the order of the questions.

### **5.8.2 Addressing the research objectives and hypotheses formulated for this study**

The second type of analyses that will be conducted is to address the research objectives of this study and to accept or reject the null hypotheses. Frequencies, the McNemar-Bokwer Test and the Kruskal-Wallis Test will be used to address certain research objectives and hypotheses.

#### **5.8.2.1 Frequency distributions**

Frequency distributions are used to indicate the number of times a particular scale option is selected (Burns & Bush, 1998:462) and will be used as the descriptive data for

this study and reported on in Chapter 6, Section 6.4. In addition, it will also be used to address the primary research objective of this study. The frequency distributions of the likelihood to purchase question in the control and experiment sections will be used. Furthermore, to determine respondents' price perceptions and likelihood to purchase the ethically framed body lotion versus the ordinary body lotion, the McNemar-Bokwer Test will be used. The frequency distributions will also be used to address a secondary research objective of this study related to respondents' attitudes towards animal testing.

### **5.8.2.2 McNemar-Bokwer Test**

The McNemar-Bowker Test is typically used when there are two sets of responses or groups being measured on the same information (Field, 2009:552; Pallant, 2010:221). Due to the experimental nature of this study this is a suitable test to conduct as the objectives and hypotheses relate to responses of two categories, namely the control and experiment sections, and each category addresses the same information.

The McNemar-Bowker Test will firstly be used to determine if there are any significant increases in respondents' likelihood to purchase the ethically framed body lotion compared to the ordinary body lotion. This will be done through comparing the control and experiment sections by assessing if there is a significant shift from respondents' likelihood to purchase the ordinary body lotion to the likelihood to purchase the ethically framed body lotion.

Secondly, the McNemar-Bowker Test will be used to address this study's hypotheses related to whether respondents' reference, fair and reservation price perceptions are higher for ethically framed personal care products than for ordinary personal care products. The significance level at which the null hypothesis will either be accepted or rejected is 0.05, indicating that there is only a 5% ( $\alpha=0.05$ ) chance that a mistake was

made in rejecting a particular hypothesis. The results of the hypothesis testing are provided in Chapter 6, Section 6.5.2.1.

### 5.8.2.3 The Kruskal-Wallis Test

The Kruskal-Wallis Test will be used to address the secondary research objective of this study relating to respondents' demographic variables, namely to investigate whether respondent' age, ethnicity, education and budget play a role in their willingness to pay for ethically framed personal care products. The Kruskal-Wallis Test will test for differences amongst the means of more than two groups (Leedy & Ormond, 2005:274). More specifically, to address this research objective, each demographic group will be assessed against respondents' likelihood to purchase the ethically framed body lotion compared to the ordinary body lotion. The results of this research objective will be provided in Section 6.5.2.3.

## 5.9 RESEARCH ETHICS

To ensure that this study adheres to the ethical requirements set out by the University of Pretoria, the following issues will be ensured to respondents on the first page (screen) of the online survey:

- Privacy through remaining anonymous;
- Respondents voluntarily choose to participate in the survey and provide referrals voluntarily;
- Respondents give consent for using the completed questionnaire for data analysis and further reporting; and
- The following information will be supplied on the ethical consent form as part of the questionnaire's introduction:
  - The purpose of the survey;

- The sample from which data will be collected;
- How data will be collected;
- How long the questionnaire should take to complete;
- The respondents may at any time choose to withdraw from the survey;
- The data will only be analysed for the purpose of a Masters degree; and
- Contact details if the respondent wishes to obtain additional information about the study.

In addition, consent was received from two organisations for distributing this survey to their employees.

## 5.10 SUMMARY

Experimental research in the form of a cross-over research design will be used to address the objectives and hypotheses of this study. This type of research design requires the development of two questionnaires, each with the exact same sections but presented to respondents in a different sequence. The purpose of this is to ensure that the order in which the control and experiment sections are presented do not impact the way in which the questions are interpreted and answered and to ensure internal validity.

The original questionnaire used by Stanforth and Hauck (2010) was adapted to be suitable in a South African context, in particular the ethical issue, type of product and scale options. The questionnaire will be piloted in paper-based and online formats, after which the final surveys will be distributed to two sets of initial samples (one for questionnaire A and one for questionnaire B). Referrals will be obtained from the initial sample in support of snowball sampling and these additional individuals will also be invited to participate in the study. Qualtrics is selected as the primary data collection

platform and used to distribute the invitation to participate in the study. Respondents will complete the survey online which enables responses to be recorded automatically.

Three types of statistical analyses will be conducted to address the cross-over design as well as the research objectives and hypotheses. Firstly, the Fischer's Exact Test will test whether there are any meaningful differences in the way in which questionnaires A and B were answered as a result of the sequence of the sections. Secondly, the McNemar-Bowker Test will address the hypotheses set out for this study and the Kruskal-Wallis Test will address the research objective relating to respondents' demographic variables and the role it plays in their willingness to pay. Frequency distributions will be used to provide the descriptive data. The research results emanating from these statistical tests will be discussed in Chapter 6.

## CHAPTER 6: RESEARCH RESULTS AND FINDINGS

### 6.1 INTRODUCTION

This chapter, along with Chapter 7, constitute the last step of the research process detailed in Chapter 5, Section 5.2. Section 6.2 provides the response rate achieved in this study followed by how reliability and validity was ensured in Section 6.3. In addition, this chapter provides the research results of this study in the form of descriptive data highlighting respondents' demographic profiles in Section 6.4.1 and the results of each question in Section 6.4.2. The results of each research objective and hypothesis is discussed in Section 6.5. The section which follows provides detailed information on the response rate achieved for this study as context of the sample on which the research results are based.

### 6.2 RESPONSE RATE

Data collection occurred in a single phase in which South African females aged 21 and older were invited to participate and complete a self-administered survey hosted on Qualtrics. An initial sample frame of 235 e-mail addresses was used to create two panels of respondents in Qualtrics to which the first round of e-mail invitations was sent (116 for questionnaire A and 119 for questionnaire B). These panels consisted of the e-mail addresses of individuals from the researcher's personal and professional networks. The snowball sampling method was used to obtain referrals from the initial sample. Subsequent panels were then created in Qualtrics to which additional invitations were sent, following the same approach explained above for the two surveys. As indicated in Table 8, a total of 432 individuals were invited to participate where 235 formed part of the initial sample and 197 were referrals.

**Table 8: Sample plan**

Sample	Questionnaire A	Questionnaire B	Total
<b>Invited to participate</b>	116	119	<b>235</b>
<b>Referrals</b>	100	97	<b>197</b>
<b>Total distributed</b>	216	216	<b>432</b>
<b>Total completed</b>	112	112	<b>224</b>
<b>Total used for analyses</b>	102	100	<b>202</b>

A total of 216 surveys were distributed for both questionnaires A and B resulting in a total of 432 distributed invitations. However, only 202 of these surveys were completed satisfactorily and could be included for the analyses of this study. A total of 22 questionnaires were omitted from analyses due to all the questions pertaining to the core of the survey (the control and experiment sections) not being answered. In addition to these 22 responses, a number of other surveys also indicated some questions that were not completed. These uncompleted questions were however only a few and as such the data of these surveys could still be included in some of the analyses. The uncompleted questions were treated as missing values and excluded from the analyses. The missing values for each question will be reported in the descriptive data which follows in Section 6.4.

Considering that the sample used for analyses is 202, the response rate based on the total number of invitations sent is 46% in comparison to the 145 responses achieved in the study conducted by Stanforth and Hauck (2010). The 46% response rate is considered to be sufficient to conduct the required analyses, though it is important to note the discrepancies owing to this success rate. These discrepancies include the following:

- Technical difficulties: the Qualtrics website could have been unsupported by respondents' computers, laptops or tablets leading to respondents not being able to open the survey link. In addition, the survey could have disconnected or closed unexpectedly due to bad Internet connectivity.

- Company restrictions: some organisations restrict access to certain websites during work hours and therefore the Qualtrics website might have been inaccessible to some respondents at their workplace. Respondents who thus only had Internet access at work could not complete the survey as they did not have the facilities to complete it elsewhere.
- Uninterested respondents: certain individuals who received the survey invitation might not have been interested in the topic at hand and as such did not want to complete the survey.

The sections which follow highlight the reliability and validity of the research instrument followed by the descriptive data of this research study.

## **6.3 RELIABILITY AND VALIDITY OF THE MEASURING INSTRUMENT**

An important element to take into consideration when executing experimental research is the ability to ensure internal and external validity. As external validity is not a key concern for field experiments (Iacobucci & Churchill, 2010:107), focus for this study is placed on ensuring internal validity. The way in which internal and face validity are ensured will be discussed after detailing how reliability was ensured.

### **6.3.1 Reliability**

The control section on pages 245 and 246, and the experiment section on pages 249 and 250 in Annexure C were used to test for reliability, more specifically the nine-point scale and seven-point scale.

The Cronbach's Alpha, a measurement of internal consistency (Hair, Bush & Ortinau, 2000:652), was used to determine the extent to which the multi-item scales of the questions in the control and experiment sections produced similar results (Leedy & Ormond, 2005:93). The Cronbach's Alpha was firstly calculated for the questions in the control section (relating to the ordinary body lotion) and secondly for the questions in the experiment section (the ethically framed body lotion that emphasises that no animal testing was used). After completing these two tests, additional third and fourth reliability tests were conducted. The questions in the control and experiment sections were combined in the third test. In the fourth test however, the two questions (one in each section) regarding respondents' likelihood to purchase the product was removed from the combined test. This was done to determine the reliability of the questions solely aimed at determining respondents' price perceptions in support of addressing this study's hypotheses. Table 9 presents the results of each of these four reliability tests.

**Table 9: Internal consistency of the measuring instrument**

Questions Included	Number of Items	Cronbach's Alpha
Four questions relating to the control advertisement (ordinary body lotion)	4	0.780
Four questions relating to the experiment advertisement (ethically framed body lotion)	4	0.802
Combination of all of the above questions	8	0.885
Combination of above questions without the questions relating to likelihood to purchase the body lotion	6	0.937

The Cronbach's Alpha increased from 0.780 for the questions in the control section to 0.802 in the experiment section. It is important to note that the Cronbach's Alpha increased more when the questions of the control and experiment sections were combined (0.885) and again when the questions relating to likelihood to purchase were removed (0.937). An acceptable Cronbach's Alpha is above 0.7 (Tavakol & Dennick, 2011:54). Therefore, all four the above Cronbach's Alphas indicate an acceptable level of reliability or internal consistency. It can thus be argued that the questions relating to

respondents' reference, fair and reservation price perceptions are reliable and sufficient in addressing the hypotheses of this study. Stanforth and Hauck (2010) did not report on the Cronbach's Alpha of their study's questionnaire and therefore comparison to this study's reliability is not possible.

### 6.3.2 Face validity

To achieve validity for this study, face validity was addressed as well as internal validity discussed next in Section 6.3.3. Face validity, or the research instrument measuring what it is supposed to measure (Aaker *et al.*, 2011:269), was achieved through the following:

- The research instrument is an adaption of the questionnaire used by Stanforth and Hauck (2010), which was published on Emerald Insight in the Journal of Fashion Marketing and Management, a peer-reviewed publication. It can therefore be concluded that the study and therefore the measures used are sufficient.
- To ensure that the questionnaire was suitable in a South African context, a few changes had to be made. Firstly, the ethical issue being addressed in the questionnaire had to be familiar to respondents and secondly the product being investigated had to appeal to respondents. To ensure that the appropriate ethical issue and product were included in the survey, a short survey was distributed to 25 females aimed at achieving this, as detailed in Chapter 5 (Section 5.5.1). The first question related to ethical issues and the second question aimed to determine which product would be more suitable to be included in the final survey. The results of these two questions served as important input into the product and issue selected for the final survey.
- It was also important that the scale options in the form of price ranges of the fair, reservation and reference price questions aligned to prices of actual body lotions in South African retail stores. After a detailed analysis of these prices, the

researcher developed a nine-point scale which closely reflected the prices of actual products which respondents are familiar with, discussed in Section 5.5.1.2 in Chapter 5. Following this, respondents were able to answer questions about their price perceptions based on actual knowledge of what body lotions cost in stores.

- A series of paper and online pilots were conducted to ensure that respondents clearly understood the questions asked and did not misinterpret any of the questions.

It can be argued that face validity was achieved as the above activities ensured that respondents understood all questions and were familiar with the ethical issue in the survey. Therefore, the research instrument measured what it intended to measure. Furthermore, the price ranges specified in the survey were closely aligned to the prices which respondents are currently familiar with and therefore respondents could provide an accurate reflection of their price perceptions towards body lotions.

### **6.3.3 Internal validity**

Internal validity, specifically for experimental research, refers to ability of a study to ensure that the research results obtained are in fact due to the experiment and not due to other reasons, such as the types of questions asked or the environment in which the field experiment is taking place (Iacobucci & Churchill, 2010:107). In the context of this research study, it had to be ensured that the order in which the control and experiment sections were presented to respondents did not impact the way in which the questions were answered. To ensure this and to address internal validity for this study, a cross-over design was used, as detail in Chapter 5, Section 5.4.1. In order to determine if the sequence of the questions did not impact the responses, the Fischer's Exact Test was conducted to compare the responses of both questionnaires.

Cross-tabulations were developed in SPSS in which all the responses received were referenced to questionnaires A and B respectively. These cross-tabulations are attached in Annexure G for additional information. The Fischer's Exact Test was then used to test for significant differences between the responses in each questionnaire. The test indicated that there were no significant differences, thus the order of the questions in the two questionnaires did not make a difference to the way in which respondents interpreted and answered the questions. Due to this, the responses from both questionnaires were combined into a single dataset from which all further analyses were conducted. The descriptive data and analyses that follow in the next section are all based on a single dataset.

## 6.4 DESCRIPTIVE DATA

The descriptive data of this study will be given in two separate sections. The first section refers to the last section of the questionnaire, as included in Annexure C, which provides the demographic profile of this study's respondents. Secondly, the results of each of the questions in the control, animal testing and experiment sections will be provided. In each section the purpose of the questions will be briefly explained, followed by the results and a few key notes. The total sample on which the analyses are based will be indicated (n) along with the missing values. The means and standard deviations will be noted where applicable. Before commencing with these sections it is important to note that all numbers are rounded up to two decimal points and the sections below reflect the results of the combined dataset.

### 6.4.1 Demographic profile of respondents

Four demographic questions were asked in the survey to support the secondary research objective of this study. This objective specifically relates to determining

whether certain demographic variables play a role in respondents' willingness to pay for ethically framed personal care products. The demographic questions included:

- The budget that respondents have available on a monthly basis to purchase personal care products, such as the body lotion shown to them in the control and experiment sections;
- Respondents' age;
- Respondents' ethnicity; and
- Respondents' education level.

Each of the above demographics will now be discussed starting with respondents' budget profile in Table 10 and Figure 21. Respondents' age profile will follow in Table 11 and Figure 22, and respondents' ethnicity profile in Table 12 and Figure 23. Respondents' education profile concludes the section on demographics with Table 13 and Figure 24.

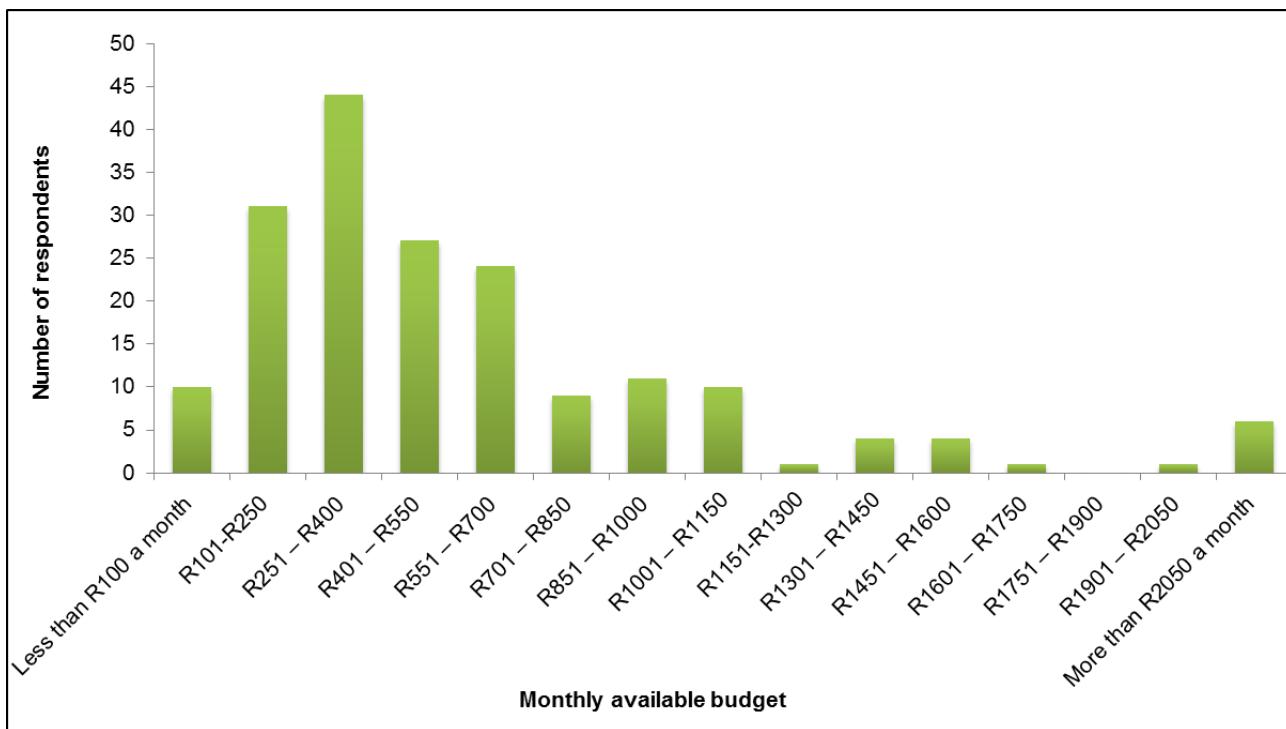
**Table 10: Respondents' budget profile (n=183)**

<b>Monthly available budget</b>	<b>Frequency</b>	<b>Percentage</b>
Less than R100 a month	10	5.46%
R101-R250	31	16.94%
R251 – R400	44	24.04%
R401 – R550	27	14.75%
R551 – R700	24	13.11%
R701 – R850	9	4.92%
R851 – R1000	11	6.01%
R1001 – R1150	10	5.46%
R1151 – R1300	1	0.55%
R1301 – R1450	4	2.19%
R1451 – R1600	4	2.19%
R1601 – R1750	1	0.55%
R1751 – R1900	0	0.00%
R1901 – R2050	1	0.55%
More than R2050 a month	6	3.28%
<b>Mean = R568.99</b>		
<b>Std. deviation = R463.98</b>		

Missing values = 19

Referring to the mean in Table 10 it can be noted that the average budget all respondents have available on a monthly basis to purchase personal care products is R568.99. Figure 21 shows the distribution of all the respondents' monthly available budget.

**Figure 21: Graphic illustration of respondents' budget profile**



When grouping respondents' budget, the majority of respondents (61.19%) have up to R550 available for the purchase of personal care products on a monthly basis. 24.04% of respondents indicated a budget of between R551 and R1000 and only 14.77% of respondents indicated a budget of more than R1001.

The age profile of respondents presented in Table 11 and Figure 22 provide the descriptive data for each of the 11 options included in the age question of the survey.

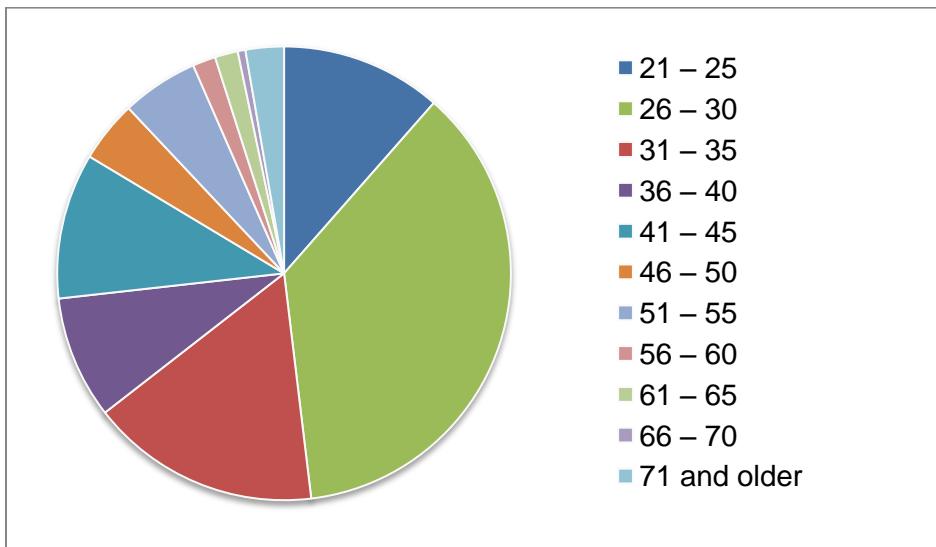
**Table 11: Respondents' age profile (n=183)**

Age	Frequency	Percentage
21 – 25	21	11.48%
26 – 30	67	36.61%
31 – 35	30	16.39%
36 – 40	16	8.74%
41 – 45	19	10.38%
46 – 50	8	4.38%
51 – 55	10	5.46%
56 – 60	3	1.64%
61 – 65	3	1.64%
66 – 70	1	0.55%
71 and older	5	2.73%
<b>Mean = 35.43</b>		
<b>Std. deviation = 11.62</b>		

Missing values = 19

The average age of females who participated in this study is 35.43. Figure 22 illustrates the distribution of respondents' age and it is clear that most (36.61%) of respondents are between the ages of 26 and 30.

**Figure 22: Graphic illustration of respondents' age profile**



The age distribution of respondents who participated in this study is not reflective of all females in South Africa as very few respondents were above the age of 56.

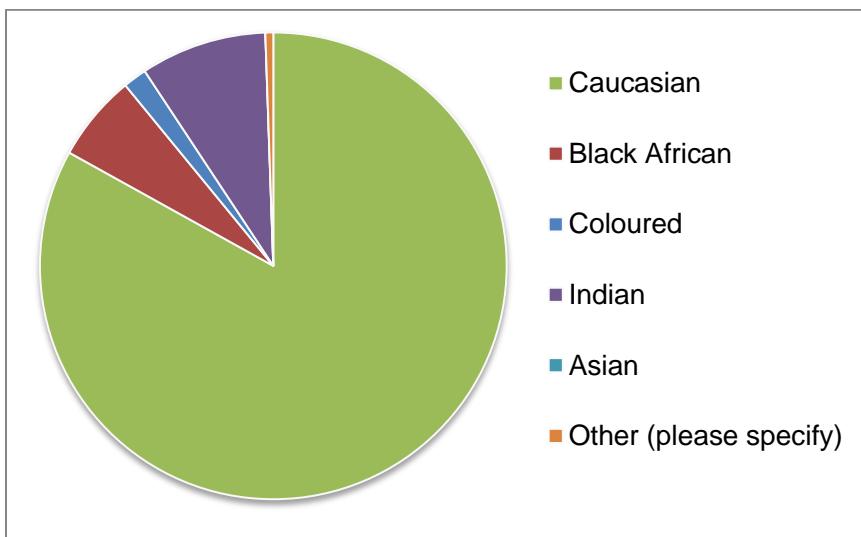
The profile in Table 12 and Figure 23 reflect respondents' ethnicity. The majority (83.06%) of respondents who participated in the study are Caucasian. There were no Asian respondents who participated in this study and the Coloured group was the smallest (1.64%).

**Table 12: Respondents' ethnicity profile (n=183)**

Ethnicity	Frequency	Percentage
Caucasian	152	83.06%
Black African	11	6.01%
Coloured	3	1.64%
Indian	16	8.74%
Asian	0	0.00%
Other (please specify)	1	0.55%

Missing values = 19

**Figure 23: Graphic illustration of respondents' ethnicity profile**



The last demographic profile of this study reflects respondents' education. Table 12 and Figure 24 reflect the frequency and percentage of the education indicated by the respondents of this study.

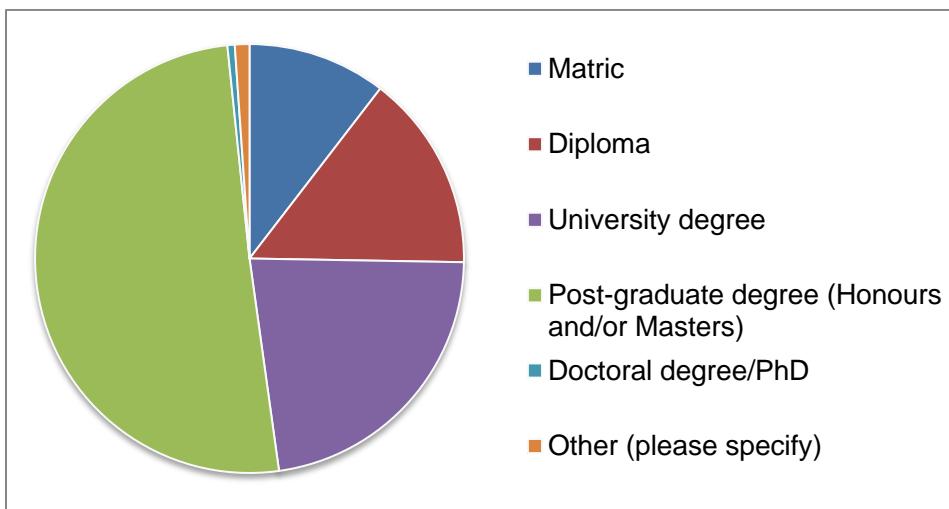
**Table 13: Respondents' education profile (n=182)**

Education	Frequency	Percentage
Matric	19	10.44%
Diploma	27	14.84%
University degree	41	22.53%
Post-graduate degree (Honours and/or Masters)	92	50.55%
Doctoral degree/PhD	1	0.55%
Other (please specify)	2	1.10%

Missing values=20

Table 13 and Figure 24 indicate that just more than half (50.55%) of respondents have postgraduate (Honours and/or Masters) degrees. Only 10.44% of respondents have matric and the respondents who selected other did specify a professional qualification. As such, the majority of the respondents (89.57%) have some form of qualification or degree. These results demonstrate that the sample is mostly reflective of professional and educated females in South Africa.

**Figure 24: Graphic illustration of respondents' education profile**



Following a similar layout as the demographic profiles, the results of each of the questions in the control, animal testing and experiment sections will now be provided.

#### **6.4.2 The results of each question**

The experimental nature of this research required presenting respondents with a control and experiment section in the final survey. Each of these sections will now be discussed highlighting the purpose of the questions in each section, providing the results as well as a few key notes. The animal testing section which was presented between the control and experiment sections will also be discussed in terms of the results. Due to the analyses being based on a combined dataset, the order in which these sections are discussed follows the final questionnaire A in Annexure C on page 243.

#### 6.4.2.1 Control section

The main aim of the control section was to determine respondents' fair, reference and reservation price perceptions towards ordinary personal care products and in the context of this study an ordinary body lotion. Table 14 provides the descriptive statistics for each of these price questions followed by a bar chart graphically showing the three price perceptions towards the ordinary body lotion. The question relating to likelihood to purchase will be provided after the bar chart.

**Table 14: Responses to the three price perception questions in the control section (n=192)**

Assume that you want to buy the 400ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotions might be priced. Please select the appropriate answer to each of the questions below.						
Price options	How much do you think a company would charge to ensure making a reasonable profit & giving the consumer a fair deal?		What is the most you would pay for this body lotion?		What do you expect a company to charge for this lotion?	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
R12-R15	5	2.60%	5	2.61%	1	0.52%
R16-R19	18	9.38%	13	6.77%	16	8.33%
R20-R23	27	14.06%	25	13.02%	22	11.46%
R24-R27	32	16.67%	38	19.79%	35	18.23%
R28-R31	35	18.23%	33	17.19%	32	16.67%
R32-R35	26	13.54%	27	14.06%	33	17.19%
R36-R39	28	14.58%	26	13.54%	26	13.54%
R40-R43	12	6.25%	13	6.77%	11	5.73%
R44-R47	9	4.69%	12	6.25%	16	8.33%
<b>Mean</b>	<b>R29.38</b>		<b>R29.90</b>		<b>R30.56</b>	
<b>Std. deviation</b>	<b>R8.04</b>		<b>R8.05</b>		<b>R7.99</b>	

Missing values = 10

When referring to the mean values in Table 14 the average fair, reference and reservation price perceptions are reported. Respondents' fair price perception towards ordinary personal care products, reflected in the left-side column, is R29.38.

Respondents' reservation price perception, middle column, is slightly higher at R29.90 and respondents' reference price perception in the column on the far right is R30.56. It can thus be concluded that respondents' price perceptions towards ordinary personal care products are closely related. Figure 25 illustrates the price question in the control section.

**Figure 25: Respondents' price perceptions towards the ordinary body lotion**

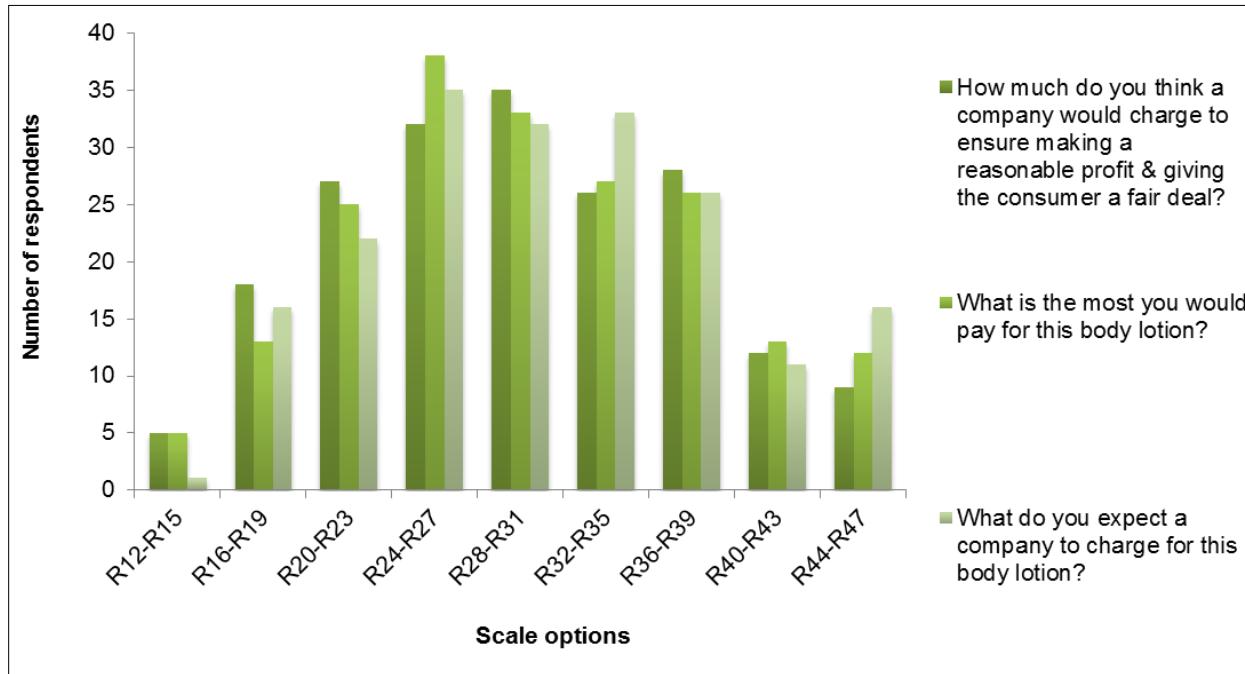


Table 14 and Figure 25 illustrate that most respondents selected the following price ranges:

- Most respondents (18.23%) selected a fair price perception (the business making profit and fair to consumers' wallet, or the product's price is below the reference price) of R28-R31;
- 19.79% of respondents selected R24-R27 as their reservation price perception (the most they will pay); and
- R24-R27 was selected by 18.23% of respondents for their reference price perception (what they expect to pay).

The second question in the control section is a seven point behavioural differential scale which was used to assess the future likelihood, or willingness, of respondents to purchase the ordinary body lotion shown to them in the advertisement. Table 15 indicates the frequencies and percentages of this specific question.

**Table 15: Responses to the likelihood to purchase question in the control section (n=192)**

Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right.							
Scale Options	Very unlikely (1)	Unlikely (2)	Somewhat unlikely (3)	Undecided (4)	Somewhat likely (5)	Likely (6)	Very likely (7)
<b>Frequency</b>	18	40	22	23	42	35	12
<b>Percentage</b>	9.38%	20.83%	11.46%	11.98%	21.88%	18.23%	6.25%
<b>Mean</b>	3.96						
<b>Std. deviation</b>	1.82						

Missing values = 10

The mean in Table 15 indicates that overall respondents' likelihood to purchase the ordinary body lotion is very close to undecided (3.96). This is substantiated when considering that a large group of respondents (46.36%) are on the likely side of the scale (including somewhat likely, likely and very likely) and 41.67% of respondents expressed an unlikelihood (grouping somewhat unlikely, unlikely and very unlikely) to purchase the product. Respondents' likelihood and unlikelihood to purchase the ordinary body lotion are very equal. There are only slightly more respondents who expressed a likelihood to purchase the ordinary body lotion (4.69%) compared to an unlikelihood.

#### **6.4.2.2 Animal testing section**

The purpose of the animal testing section was to determine respondents' attitudes towards this ethical issue. Furthermore, this section also investigated respondents' familiarity with animal testing and the frequency at which respondents discuss this issue with friends and family. To support this as a secondary research objective, namely to determine respondents' attitudes towards animal testing, three questions on seven-point Likert-scale were asked as noted on page 248 in Annexure C.

The tables which follow provide the results of each of these questions. Table 16 addresses the first question in the animal testing section, namely to determine respondents' familiarity with this issue. Table 17 addresses whether respondents feel that animal testing should never be done and Table 18 presents the results associated with the frequency at which respondents discusses animal testing with friends and family.

**Table 16: Respondents' familiarity with animal testing (n=202)**

<b>Please rate the following question on a scale from 1 to 7, where 1 means not familiar at all and 7 means very familiar.</b>							
<b>How familiar are you with animal testing?</b>							
<b>Scale Options</b>	<b>1 Not familiar at all</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7 Very familiar</b>
<b>Frequency</b>	44	33	35	31	33	10	16
<b>Percentage</b>	21.87%	16.34%	17.33%	15.35%	16.34%	4.95%	7.92%
<b>Mean</b>	3.35						
<b>Std. deviation</b>	1.86						

A fairly even distribution can be seen for the results of this question and is supported by the mean of 3.35 which reflects that responses lie close to the middle of the scale.

However, it is interesting to note that the largest percentage (21.87%) of respondents indicated that they are not at all familiar with animal testing.

**Table 17: Respondents' feelings towards animal testing (n=202)**

<b>What is your opinion regarding animal testing?</b> <b>Please rate this question on a scale from 1 to 7 where 1 means you feel strongly that animal testing should never be done, and 7 means that animal testing can be done when testing products.</b>							
<b>Scale Options</b>	<b>1 Should never be done</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7 Can be done when testing products</b>
<b>Frequency</b>	110	54	17	11	7	0	3
<b>Percentage</b>	54.46%	26.73%	8.42%	5.45%	3.47%	0%	1.49%
<b>Mean</b>	1.83						
<b>Std. deviation</b>	1.23						

More than half (54.46%) of respondents indicated that they feel animal testing should never be done. It is clear that the majority (89.61%) of respondents feel strongly against animal testing and this is also supported by the mean of 1.83 which indicates that on average most responses lie close to scale option "2", on the "should never be done" side of the scale.

**Table 18: Frequency of respondents discussing animal testing with friends and family (n=202)**

<b>Do you discuss animal testing with friends and family? Please rate this question on a scale from 1 to 7 where 1 means you discuss it very infrequently, and 7 means you discuss it very frequently.</b>							
<b>We discuss this matter...</b>							
<b>Scale Options</b>	<b>1 Very infrequently</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7 Very frequently</b>
<b>Frequency</b>	108	32	22	15	12	6	7
<b>Percentage</b>	53.47%	15.84%	10.89%	7.43%	5.94%	2.97%	3.47%
<b>Mean</b>	2.19						
<b>Std. deviation</b>	1.67						

Animal testing is very infrequently discussed with friends and family, as indicated by more than half (53.47%) of respondents and the mean of 2.19 which lies within the scale option “2”.

Two additional questions were included in the animal testing section in support of determining whether respondents are willing to pay more for products free of animal testing. The first question required respondents to indicate the percentage with which they think a company can increase the retail price of the body lotion in the advertisement to ensure that no animal testing is used during production. The second question required respondents to indicate their level of agreement with the following statement, bearing in mind the percentage which they just indicated in the previous question: I am willing to pay more to ensure that animal testing is not used to produce personal care products. Tables 19 and 20 indicate the results of these two questions.

**Table 19: Respondents' expectation of a price premium for ethically framed personal care products (n=201)**

Respondents' expectations of an acceptable price premium to prevent animal testing	Frequency	Percentage
0%	29	14.43%
5%	16	7.96%
10%	28	13.93%
15%	18	8.96%
20%	27	13.43%
25%	12	5.97%
30%	18	8.96%
35%	4	1.99%
40%	6	2.99%
45%	5	2.49%
50%	19	9.45%
55%	2	1.00%
60%	6	2.99%
65%	1	0.50%
70%	2	1.00%
75%	1	0.50%
80%	2	1.00%
85%	2	1.00%
90%	0	0.00%
95%	0	0.00%
100%	3	1.49%
<b>Mean = 5.92%</b>		
<b>Std. deviation = 4.40%</b>		

Missing values = 1

The mean suggests that respondents feel that an acceptable price premium is 5.92%. When combining the percentages (0% to 30%) indicated in Table 19, 73.64% of respondents indicated that they would pay between 0 and 30% more to ensure that no animal testing is used. Only 16.92% of respondents indicated a price premium of between 35% and 50% and only 9.48% of respondents indicated a price premium of 55% and more.

**Table 20: Respondents' willingness to pay more to prevent animal testing (n=199)**

<b>Considering the answer you gave to the previous question, to what extent do you agree with the following statement? Please rate on a scale where 1 means totally disagree and 7 means totally agree.</b>							
<b>I am willing to pay more to ensure that animal testing is not used to produce personal care products.</b>							
<b>Scale Options</b>	<b>1 Totally disagree</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7 Totally agree</b>
<b>Frequency</b>	18	17	14	17	31	38	64
<b>Percentage</b>	9.05%	8.54%	7.04%	8.54%	15.58%	19.10%	32.16%
<b>Mean</b>	4.99						
<b>Std. deviation</b>	2.02						

Missing values = 3

It is evident that respondents are willing to pay more to ensure that no animal testing is used when producing personal care products. This can firstly be seen by referring to the mean of 4.99 which indicates that overall respondents agreed with the statement. Furthermore, 66.84% of respondents indicated that they somewhat agree, agree or totally agree with the statement while 8.54% of respondents were neutral toward the statement and 24.63% indicated that they would not pay more to ensure that animal testing is not used when producing personal care products.

#### **6.4.2.3 Experiment section**

The experiment section contained the exact same questions as the control section discussed in Section 6.4.2.1. In the experiment section however, the body lotion is advertised through attribute framing and it emphasises that no animal testing is used. Following the same format and sequence as the results given in the control section, respondents' price perceptions for the ethically framed product are provided in Table 21.

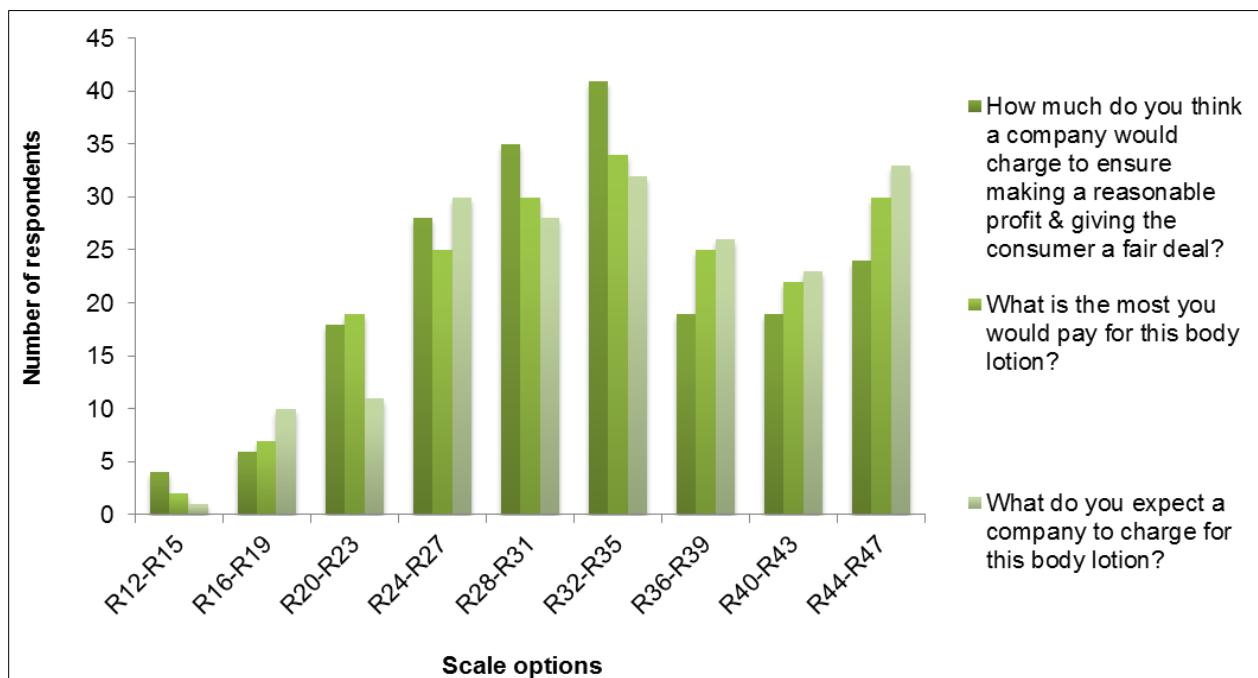
**Table 21: Responses to the three price perception questions in the experiment section (n=194)**

<p>Assume that you want to buy the 400ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotions might be priced. Please select the appropriate answer to each of the questions below.</p>						
Price options	How much do you think a company would charge to ensure making a reasonable profit & giving the consumer a fair deal?		What is the most you would pay for this body lotion?		What do you expect a company to charge for this lotion?	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
R12-R15	4	2.06%	2	1.03%	1	0.52%
R16-R19	6	3.09%	7	3.61%	10	5.15%
R20-R23	18	9.28%	19	9.79%	11	5.68%
R24-R27	28	14.43%	25	12.89%	30	15.46%
R28-R31	35	18.06%	30	15.46%	28	14.43%
R32-R35	41	21.13%	34	17.53%	32	16.49%
R36-R39	19	9.79%	25	12.89%	26	13.40%
R40-R43	19	9.79%	22	11.34%	23	11.86%
R44-R47	24	12.37%	30	15.46%	33	17.01%
<b>Mean</b>	<b>R32.26</b>		<b>R33.17</b>		<b>R33.60</b>	
<b>Std. deviation</b>	<b>R8.13</b>		<b>R8.37</b>		<b>R8.38</b>	

Missing values = 8

The means in Table 21 indicate that respondents' price perceptions towards the ethically framed body lotion are closely related. On average respondents' fair price perceptions are R32.26, their reservation price perceptions are R33.17 and their reference price perceptions are R33.60. Figure 26 presents the distribution of the responses to each of the price questions in the experiment section.

**Figure 26: Respondents' price perceptions towards the ethically framed body lotion**



From Figure 26 the following is evident:

- 21.13% of respondents selected a fair price perception of R32-R35;
- 17.53% of respondents selected a reservation price perception of R32-R25; and
- 17.01% of respondents' reference price perceptions for ethically framed products are between R44-R47 (the highest scale option).

The responses to the likelihood to purchase question in the experiment section is provided in Table 22. The mean of 4.68 of this question indicates that respondents are between undecided and somewhat likely to purchase the ethically framed body lotion.

**Table 22: Responses to the likelihood to purchase question in the experiment section (n=193)**

Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right.							
Scale Options	Very Unlikely (1)	Unlikely (2)	Somewhat Unlikely (3)	Undecided (4)	Somewhat Likely (5)	Likely (6)	Very Likely (7)
<b>Frequency</b>	12	23	12	19	54	48	25
<b>Percentage</b>	6.22%	11.95%	6.22%	9.84%	27.98%	24.87%	12.95%
<b>Mean</b>	4.68						
<b>Std. deviation</b>	1.76						

Missing values = 9

When grouping the scale options in Table 22, 65.80% of respondents indicated that they are somewhat likely, likely or very likely to purchase the ethically framed body lotion, whereas 24.39% of respondents indicated they are unlikely (including somewhat and very unlikely) to purchase the product. 9.84% of respondents were undecided.

Drawing from the above results, the following section provides the specific statistical analyses that were used to derive at the results required to address the research objectives and hypotheses of this study.

## 6.5 RESULTS, RESEARCH OBJECTIVES AND HYPOTHESIS TESTING

The main aim of this research study flows from the problem statement and background provided in Chapter 1, namely to determine whether South African females are willing to pay more for ethically framed personal care products which have not been tested on animals through an assessment of their price perceptions towards these products. The three hypotheses set out for this study aim to determine if there are significant differences in respondents' price perceptions towards ethically framed personal care products compared to ordinary personal care products. The hypotheses are:

**H<sub>10</sub>:** There is no difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>1</sub>:** There is a difference in consumers' reference price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>20</sub>:** There is no difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>2</sub>:** There is a difference in consumers' fair price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>30</sub>:** There is no difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

**H<sub>3</sub>:** There is a difference in consumers' reservation price perceptions for ethically framed personal care products compared to ordinary personal care products.

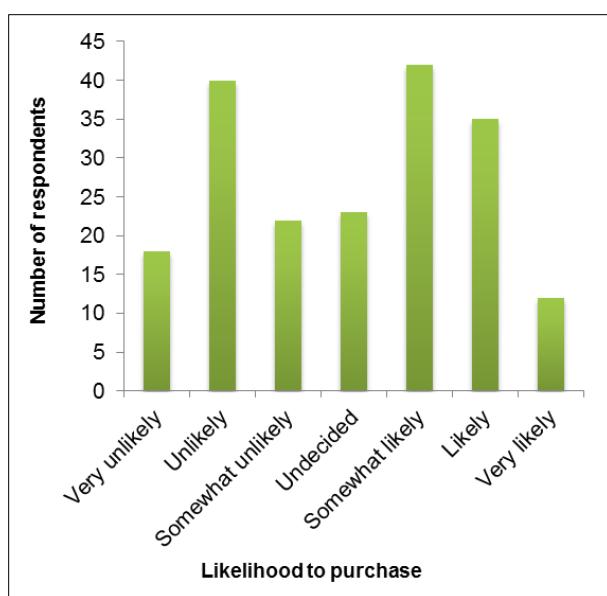
To test the hypotheses listed above, the McNemar-Bowker Test was used to determine whether significant differences exist in the data given to the questions in the experiment section and the control section. The null hypotheses will be accepted or rejected at a 0.05 significance level, indicating that there is only a 5% chance that a mistake was made in rejecting a particular hypothesis. The results of the hypothesis testing are provided in Section 6.5.2.

For the remainder of Chapter 6, the objectives will be discussed in chronological order with the related hypotheses where applicable.

### 6.5.1 Primary research objective

To address the primary research objective, the data collected for the likelihood to purchase question in the experiment section was compared to the data collected for the exact same question in the control section. Using the descriptive data provided in the control (6.4.2.1) and experiment (6.4.2.3) sections, respondents' responses to likelihood to purchase the ordinary and ethically framed body lotion was compared. The bar charts in Figures 27 and 28 indicate respondents' likelihood to purchase the ordinary and ethically framed body lotion respectively.

**Figure 27: Respondents' likelihood to purchase the ordinary body lotion (control section)**

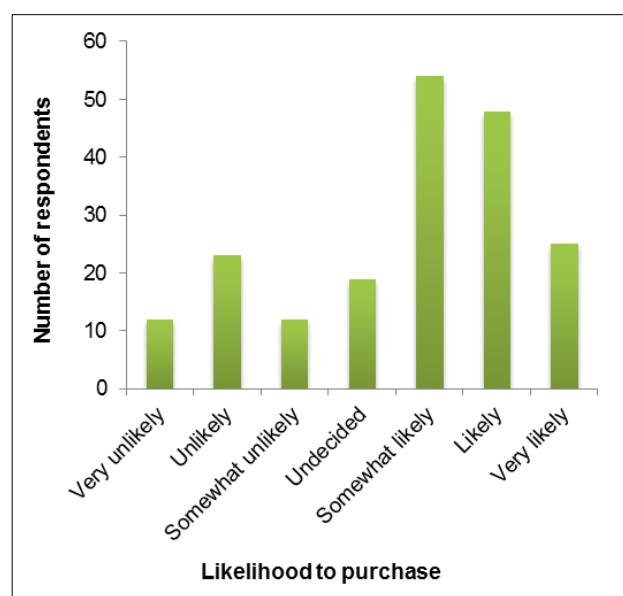


n=192, missing values=10

Mean= 3.96

Std. deviation= 1.82

**Figure 28: Respondents' likelihood to purchase the ethically framed body lotion (experiment section)**



n=193, missing values=9

Mean= 4.68

Std. deviation= 1.76

When referring to the results presented in Figure 27 and 28 it is noticeable that the mean values have increased from 3.96 in the likelihood to purchase the ordinary body lotion to a mean of 4.68 in the likelihood to purchase the ethically framed body lotion. This indicates that respondents' likelihood shifted slightly favourably from the ordinary to the ethically framed body lotion.

However, in order to determine whether there are any substantial differences between respondents' likelihood for these two types of products, the responses to the above questions were combined, resulting in a scale that runs from -7 to +7. The negative side of the scale indicates the likelihood to purchase the ordinary body lotion whereas the positive side indicates the likelihood to purchase the ethically framed body lotion. Zero on the scale indicates a neutral response, that is, there is no preference for either of the two products. Table 23 provides the frequencies of each of the scale options (two questions combined).

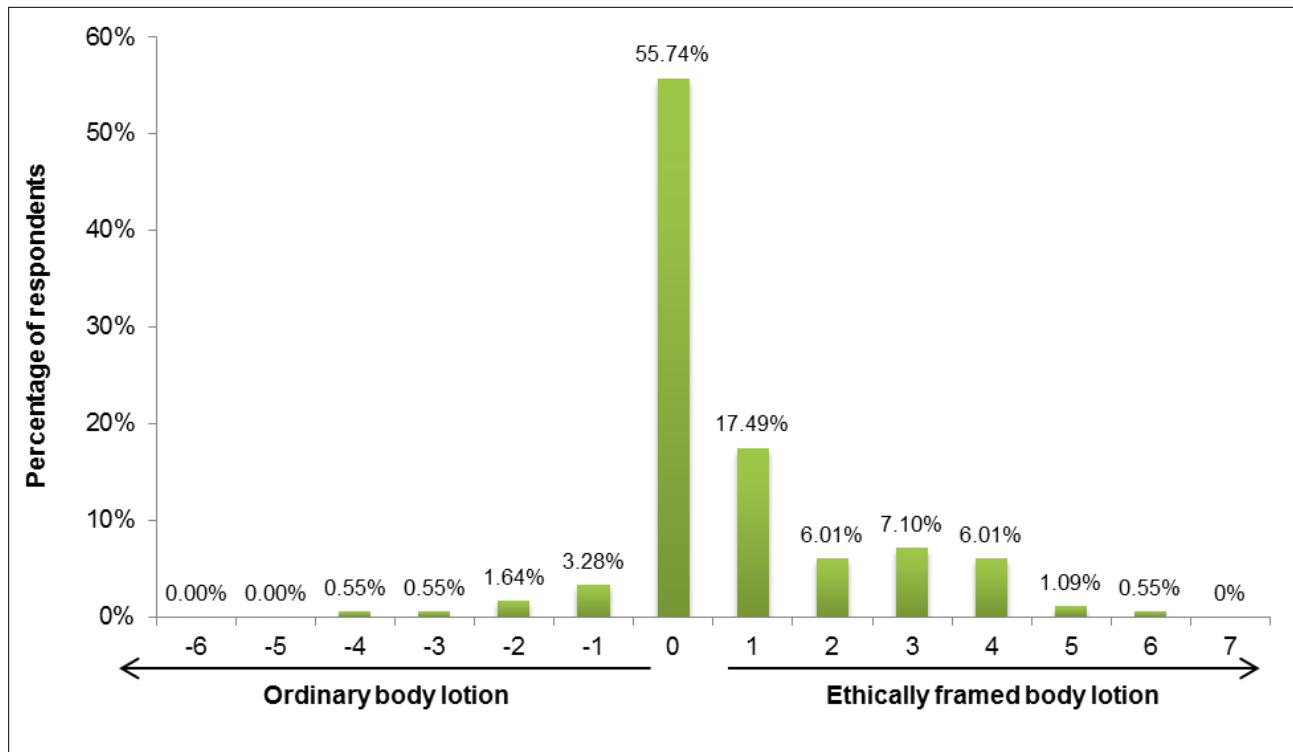
**Table 23: Combined likelihood to purchase the ordinary and ethically framed body lotion (n=183)**

Likelihood to purchase (control and experiment section combined)	Frequency	Percentage
-7	0	0.%
-6	0	0.%
-5	0	0.%
-4	1	0.55%
-3	1	0.55%
-2	3	1.64%
-1	6	3.28%
0	102	55.74%
1	32	17.49%
2	11	6.01%
3	13	7.10%
4	11	6.01%
5	2	1.09%
6	1	0.55%
7	0	0%
<b>Mean = 0.73</b>		
<b>Std. deviation = 1.482</b>		

Missing values = 19

The mean of 0.73 indicates that despite the slight increase shown in Figures 27 and 28, only a very slight increase in respondents' likelihood to purchase the ethically framed body lotion occurred. This can also be seen in Figure 29 which clearly indicates that majority of responses lie at the centre (0) of the bar chart.

**Figure 29: Increase in respondents' likelihood to purchase the ethically framed body lotion**



Referring to the number of responses for the "0" scale option, it can be concluded that more than half of respondents (55.74%) showed a neutral likelihood to purchase the ordinary or ethically framed body lotions. To examine significant differences in the likelihood to purchase the ordinary and ethically framed body lotions the neutral group (55.74%) was excluded. It therefore follows that:

- There are slightly more respondents (38.25%) who expressed a likelihood to purchase the ethically framed body lotion, as collectively indicated by 70 respondents; and
- Only 11 respondents showed a greater likelihood to purchase the ordinary body lotion.

The above findings illustrate that even though the majority of respondents did not show an increased likelihood to purchase the ethically framed product, a small group (70

respondents) showed an increased likelihood. To determine if this increased likelihood is significant, thus to determine whether respondents' shift in likelihood from the ordinary body lotion to the ethically framed one is significant, the McNemar-Bowker Tests was conducted. The cross-tabulation in Table 24 contains the data that was used for this test by providing the frequencies for the likelihood to purchase the product of both the control and experiment sections.

**Table 24: Shift in respondents' likelihood to purchase the ethically framed body lotion**

7point Likert- type scale	Experiment section (ethically framed body lotion)							Total	
	Very unlikely	Unlikely	Some- what unlikely	Undecided	Some- what likely	Likely	Very likely		
Control section (ordinary body lotion)	Very unlikely	9	2	0	1	3	0	1	16
	Unlikely	1	18	4	1	7	6	2	39
	Some- what unlikely	0	1	5	3	7	3	2	21
	Undecided	0	0	0	12	6	2	2	22
	Somewhat likely	1	0	2	0	27	9	1	40
	Likely	0	0	1	1	1	22	8	33
	Very likely	0	0	0	0	0	3	9	12
<b>Total</b>		11	21	12	18	51	45	25	183

In Table 24, the green indicates the 70 respondents that shifted in their responses once they were exposed to the experiment section. The grey diagonal line represents the 102 respondents that indicated a neutral likelihood and the yellow the 11 respondents with a lower likelihood after being exposed to the experiment section. Using this data, the McNemar-Bowker Test resulted in a value=47.917, df=19 and p<0.0001. These results

indicate a significant shift from respondents' likelihood to purchase the ordinary body lotion to the ethically framed body lotion. Upon further investigation and to determine if this shift was significant, Table 25 groups the data into two groups for the experiment section namely, unlikely and likely and the same for the control section. This resulted in 41 respondents who shifted in their response from unlikely in the control section to likely to purchase in the experiment section.

**Table 25: Likelihood and unlikelihood to purchase the ordinary and ethically framed body lotion**

Control section (ordinary body lotion)	Grouping based on likelihood to purchase	Experiment section (ethically framed body lotion)		<b>Total</b>
		Unlikely	Likely	
Unlikely		57	41	<b>98</b>
Likely		5	80	<b>85</b>
<b>Total</b>		<b>62</b>	<b>121</b>	<b>183</b>

The results in Table 25 further indicate that this particular group of respondents (41) was positively affected after the exposure to the experiment section. This shows that 22.4% of the respondents' shift was positive (from unlikely to likely to purchase the ethically framed body lotion) and five respondents (2.7%) shifted negatively (from likely to unlikely) after being exposed to the experiment section.

**The primary research objective of this study can thus be answered by stating that most females do not express an increased likelihood to purchase ethically framed personal care products compared to ordinary personal care products. However, a small group of females expressed an increased willingness to purchase ethically framed personal care products.**

## 6.5.2 Secondary research objectives

The following secondary research objectives were formulated for this study:

- To determine whether South African females' price perceptions are higher for ethically framed personal care products compared to ordinary personal care products. Three price perceptions will specifically be investigated to address this objective:
  - Reference price perceptions;
  - Fair price perceptions; and
  - Reservation price perceptions.
- To determine respondents' attitudes towards animal testing.
- To investigate whether respondents' age, ethnical, education and budget categories play a role with regards to their willingness to pay for ethically framed personal care products.

The results used to address each of these objectives are discussed in Sections 6.5.2.1 to 6.5.2.3.

### 6.5.2.1 Respondents' reference, fair and reservation price perceptions

The data for the secondary research objective relating to respondents' price perceptions were determined through asking respondents' to indicate their fair, reference and reservation price perceptions towards the body lotion in the control and experiment sections. The data for each of these questions was used to test the hypotheses set out for this study, as indicated earlier in Section 6.5.

For this discussion, a cross-tabulation will be presented for each price perception. In each cross-tabulation the number of respondents that shifted to a higher or lower price

from the ordinary to the ethically framed body lotion will be noted, as well as those respondents that showed no shift. Green numbers indicate a shift to a higher price, yellow no shift and blue a shift to a lower price from the ordinary to the ethically framed body lotion. This discussion will start with respondents' reference price perceptions in Table 26.

**Table 26: Shift in respondents' reference price perceptions**

Reference price perceptions		Experiment section									Total
		R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47	
Control section	R12-R15	0	0	0	0	0	1	0	0	0	1
	R16-R19	0	8	3	3	1	1	0	0	0	16
	R20-R23	0	1	7	9	1	1	1	0	1	21
	R24-R27	0	0	0	11	10	5	5	2	0	33
	R28-R31	0	0	0	2	12	6	5	3	1	29
	R32-R35	1	0	1	0	2	12	7	5	4	32
	R36-R39	0	0	0	0	0	4	6	7	8	25
	R40-R43	0	0	0	0	0	1	0	6	4	11
	R44-R47	0	0	0	0	0	1	1	0	14	16
Total		1	9	11	25	26	32	25	23	32	184

From Table 26 it is evident that 14 respondents indicated a lower reference price for the ethically framed body lotion than for the ordinary body lotion. A total of 76 respondents showed no shift and 94 indicated a higher reference price perception towards the ethically framed body lotion.

Using the data in Table 26, the McNemar-Bowker Test gave a value=68.063, df=24 and p<0.0001. This indicates a significant shift from respondents' reference price perceptions for ordinary personal care products to their reference price perceptions for ethically framed personal care products.

Table 27 indicates the fair price perceptions of respondents towards the body lotion in the control and experiment sections.

**Table 27: Shift in respondents' fair price perceptions**

Fair price perceptions		Experiment section									Total
		R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47	
Control section	R12-R15	2	1	1	1	0	0	0	0	0	5
	R16-R19	2	4	6	1	2	2	0	0	0	17
	R20-R23	0	1	9	7	5	3	0	0	1	26
	R24-R27	0	0	1	10	11	8	0	1	0	31
	R28-R31	0	0	0	3	12	9	2	6	0	32
	R32-R35	0	0	0	0	3	13	7	1	2	26
	R36-R39	0	0	0	0	1	3	8	7	7	26
	R40-R43	0	0	0	0	0	1	0	4	7	12
	R44-R47	0	0	0	0	1	0	2	0	6	9
Total		4	6	17	22	35	39	19	19	23	184

A total of 68 respondents indicated no shift in their fair price perceptions; whereas 18 indicated a lower fair price perception and only nine indicated a higher fair price perception for the ethically framed body lotion compared to the ordinary body lotion. The McNemar-Bowker Test for the fair price perceptions resulted in a value=68.687, df=24 and p<0.0001. This indicates a significant shift from respondents' fair price perceptions for ordinary personal care products to their fair price perceptions for ethically framed personal care products.

The last price perceptions shown in Table 28 relate to respondents' reservation price perceptions, or the most they are willing to pay.

**Table 28: Shift in respondents' reservation price perceptions**

Reservation price perceptions		Experiment section									Total
		R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47	
Control section	R12-R15	1	3	0	0	0	0	1	0	0	5
	R16-R19	0	4	5	1	2	0	1	0	0	13
	R20-R23	0	0	4	6	8	2	1	0	1	22
	R24-R27	0	0	7	15	6	8	0	2	0	38
	R28-R31	1	0	1	1	11	9	3	3	1	30
	R32-R35	0	0	0	0	1	10	8	5	1	25
	R36-R39	0	0	0	0	0	2	11	5	8	26
	R40-R43	0	0	0	0	0	1	0	7	5	13
	R44-R47	0	0	0	0	0	0	0	0	12	12
Total		2	7	17	23	28	32	22	2	28	184

A total of 75 respondents indicated no shift, 14 indicated a lower reservation price perception for the ethically framed body lotion and 95 indicated a higher price perception towards the ethically framed body lotion compared to the ordinary body lotion. The McNemar-Bowker Test for the fair price perceptions resulted in a value=75.759, df=24 and p<0.0001. This indicates a significant shift from respondents' reservation price perceptions for ordinary personal care products to their reservation price perceptions for ethically framed personal care products.

Table 29 provides the p-value for each of the alternative hypotheses of this study and whether it is supported or not supported.

**Table 29: Summary of hypotheses tested**

Alternative hypotheses		P-value	Result
H <sub>1</sub>	There is a difference in consumers' <b>reference price perceptions</b> for ethically framed personal care products and ordinary products.	<0.0001	Null hypothesis rejected; alternative hypothesis supported
H <sub>2</sub>	There is a difference between consumers' <b>fair price perceptions</b> for ethically framed personal care products and ordinary products.	<0.0001	Null hypothesis rejected; alternative hypothesis supported
H <sub>3</sub>	There is a difference between consumers' <b>reservation price perceptions</b> for ethically framed personal care products and ordinary products.	<0.0001	Null hypothesis rejected; alternative hypothesis supported

All three the alternative hypotheses are supported indicating that respondents' fair, reference and reservation price perceptions are significantly different for the ethically framed body lotion than the ordinary body lotion. When referring to the descriptive data and group data in Table 30, it is evident that all three price perceptions for the ethically framed body lotion are higher than the price perceptions for the ordinary body lotion.

**Table 30: Group data means for respondents' price perceptions**

Reference price perceptions		Fair price perceptions		Reservation price perceptions	
Control section mean	Experiment section mean	Control section mean	Experiment section mean	Control section mean	Experiment section mean
R30.56	R33.60	R29.38	R32.26	R29.90	R33.17

**The secondary research objective can thus be answered by stating that South African females' price perceptions are significantly higher for ethically framed personal care products compared to ordinary personal care products, more specifically:**

- Female South Africans' reference price perceptions are significantly higher for ethically framed personal care products compared to ordinary personal care products;
- Female South Africans' fair price perceptions are significantly higher for ethically framed personal care products compared to ordinary personal care products; and
- Female South Africans' reservation price perceptions are significantly higher for ethically framed personal care products compared to ordinary personal care products.

#### **6.5.2.2 Respondents' attitudes towards animal testing**

Referring to the descriptive data provided in Section 6.4.2.2, the following summary supports this secondary research objective:

- Overall respondents indicated that they are slightly more unfamiliar with animal testing as indicated by the mean of 3.35 in Table 16 in Section 6.4.2.2. This is further supported by the fact that a combined 55.54% of respondents were on the not familiar at all side of the scale;
- A mean of 1.83 indicates that overall respondents feel strongly that animal testing should not be done when producing personal care products;
- Respondents do not discuss animal testing frequently with friends and family members, as indicated by 80.2% of respondents;
- Overall a price premium of 5.92% is acceptable to ensure that animal testing is not used when producing and manufacturing personal care products; and
- Overall respondents agreed that they will pay more to prevent animal testing as illustrated by the mean of 4.99 which shows that overall respondents were on the agree side of the scale.

This secondary research objective can thus be answered by stating that even though South African females are not very familiar with animal testing and do not discuss it with friends and family, most females feel that it should never be done. In addition, South African females are willing to pay a small price premium to ensure that animal testing is not done when manufacturing personal care products.

#### ***6.5.2.3 The role that demographic variables play in respondents' willingness to pay for ethically framed personal care products***

The last research objective relates to whether certain demographic variables play a role in respondents' willingness to pay for ethically framed products. More specifically, to investigate in general if demographic variables play a role in South African females' willingness to pay for these products. Through using the likelihood to purchase the ordinary body lotion compared to the ethically framed body lotion, the Kruskal-Wallis Test was conducted for each demographic variable. The purpose of this test was to determine if any of the demographic variables play a significant role in the increased likelihood to purchase the ethically framed body lotion. Table 31 summarises the p-values for each demographic variable.

**Table 31: The role of demographic variables in willingness to pay**

Increase in likelihood to purchase the ethically framed body lotion					
Demographic	Chi-Square	df	P-Value	n	Missing values
Budget	0.327	2	0.849	183	19
Age	5.406	10	0.862	183	19
Ethnicity	3.654	3	0.301	183	19
Education	3.435	3	0.329	182	20

Table 31 shows that none of the demographic variables had a significant role to play in respondents' increased likelihood to purchase the ethically framed body lotion.

**This secondary research objective can thus be answered by stating that demographic variables do not play a role in South African females' willingness to pay for ethically framed personal care products.**

## 6.6 SUMMARY

Chapter 6 provided the results of this research study through elaborating on the effect of the experiment, providing the descriptive data and answering each of the research objectives. Based on the results, it was noted that the order in which the control and experiment sections were presented to respondents did not impact their responses supporting that the cross-over design of this study was executed effectively. The manipulation of the variable, the framing of the body lotion in the experiment section, did however influence respondents' answers as it aimed to do. This is evident due to the increase in respondents' likelihood to pay for the ethically framed body lotion and the difference in their price perceptions towards the ordinary and ethically framed body lotion respectively. When referring to demographic variables, the majority of this study's respondents were between the ages of 26 and 35, of Caucasian ethnicity, all of the respondents indicated some form of qualification and have on average R568.99 available for the purchase of personal care products on a monthly basis. The demographic profiles therefore indicate that the results reflect the opinions of professional females.

Most respondents indicated that they are not very familiar with animal testing but are, however, willing to pay a small price premium (5.92%) to ensure that animal testing is not used when manufacturing personal care products. In alignment with this, their

reference, fair and reservation price perceptions were significantly higher for the ethically framed body lotion compared to the ordinary body lotion. Based on the results, the alternative hypotheses for this study are supported, indicating that overall, South African females' price perceptions are significantly higher for ethically framed personal care products. In addition, a small group of respondents showed a significant increase in their likelihood to purchase the ethically framed body lotion, despite most indicating no change in their likelihood to purchase the ethically framed body lotion compared to the ordinary body lotion. Further interpretation and insight into these research results are provided in Chapter 7. Chapter 7 also concludes this research dissertation with a section on areas for future possible research.

## CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

### 7.1 INTRODUCTION

This dissertation consisted of seven chapters, each chapter discussing a variety of aspects pertinent to this research study. Chapter 1 provided the background, assumptions, delimitations and purpose of this research study. Chapters 2 to 4 contained the literature review which supports this study's research objectives and hypotheses through elaborating on key terms related to consumer behaviour, ethical consumerism and willingness to pay. Following the detail on the research design and approach, questionnaire design and pretesting that was discussed in Chapter 5, Furthermore, it summarised the results of this research study in the form of descriptive data. Chapter 6 also summarised the response rate that was achieved from the online data collection and addressed each research objective and hypothesis formulated for this study. The purpose of this chapter is to conclude this research dissertation with an interpretation of the results provided in Chapter 6, focusing on how these results tie in with the literature discussed in Chapters 2 to 4 in Section 7.2. Key findings from the research results of each question are discussed in section 7.3 followed by limitations of the study in section 7.4. Section 7.5 provides the managerial implications of this study and Section 7.6 concludes this research dissertation with recommendations for future research.

### 7.2 CONCLUSIONS FROM A THEORETICAL PERSPECTIVE

The purpose of this study was to determine if South African females are willing to pay for ethically framed personal care products. More specifically, to determine whether female South Africans' reference, fair and reservation price perceptions are higher for ethically framed personal care products than for ordinary personal care products. Various concepts were addressed during Chapters 2 to 4 which provided the literature

support and context for addressing the above purpose statement as well as the related research objectives and hypotheses. The content of each literature chapter will now be briefly discussed by referring to the key terms and how these terms tie in with the research results of this study.

Chapter 2 focused on the fundamentals of consumer behaviour, more specifically consumer decision-making, which formed the core conceptual framework of this research study. Various consumer decision-making models were highlighted of which the Hawkins and Mothersbaugh (2013:3) model formed the basis of discussion for the remainder of the literature review chapters. This model, as with the other models, depicted that consumer decision-making occurs in five distinct steps namely problem recognition, information search, alternative evaluation and search, outlet selection and purchase and post-purchase processes. It was further elaborated that consumers are influenced by various internal and external factors which lead to need recognition and this in turn leads to the commencement of the actual decision-making process. The purpose of this study was specifically related to external influences in the form of marketing stimuli, including that of market trends and products available in the market. Due to the dynamic nature of marketing stimuli, it is crucial for marketers to continuously understand how various marketing stimuli impact consumers' buying behaviour and willingness to pay for certain products.

A recent trend which has impacted the way in which consumers make purchasing decisions is that of ethical consumerism, as discussed in Chapter 3. Ethical consumerism was explained as the provision of ethical products in the market by organisations who wish to translate their social and environmental responsibility into something visible to consumers. Organisations thus provide consumers with ethical products, those products which do not have any form of negative impact on the environment or society. The challenge for marketers lies in understanding how the existence of these products and the marketing thereof impact consumers' willingness to

pay. Ethical products are often marketed through attribute framing in which the unique, ethical attributes of these products are emphasised in marketing communication messages. However, Chapter 3 also explained that merely framing these products might not be sufficient. Many consumers express ethical buying intentions, but do not necessarily act on these intentions and only purchase ethical versions of products. This is referred to as the attitude-behaviour gap and in order to bridge this gap marketers must try and positively influence consumers' attitudes towards products so as to increase their willingness to pay. This task is a crucial aspect relating to the strategies that can be used to influence consumers' willingness to pay.

In addition to framing a product and influencing consumers' attitudes, Chapter 4 described various other strategies which exist that can be leveraged to increase consumers' willingness to pay. A vitally important strategy is the use of value communication which emphasises the value and benefits a product provides and takes consumers' focus away from the product's price. However, in order to successfully implement value communication, researchers need to understand consumers' total economic value. Total economic value refers to the most that consumers are willing to pay for a product, also referred to as reservation price perceptions. Total economic value consists of consumers' reference price perceptions, or that what the consumer expects to pay for a product, plus the value of all additional benefits. Thus, understanding the product consumers use as the reference product can greatly assist marketers in understanding consumers' price perceptions and the maximum price that can be set for a product. An additional price perception which is crucial to understand is fair price perception. Fair price perception refers to consumers' opinion of a price that is fair to their wallets and to the business making profit. Consumers also view a price as being fair when the actual price of a product is less than what they expect to pay for the product or less than the reference price perception. This research study formulated hypotheses around these three price perceptions which aimed to determine if there are any significant differences in these perceptions towards ethically framed personal care products and that of ordinary personal care products.

When analysing the data that was obtained to address this study's research objectives and the literature that was discussed, three key observations can be made. Firstly, a small group of respondents (38.25%) showed a significant increase in their likelihood to purchase the ethically framed body lotion compared to the ordinary body lotion. However, more than half of respondents (55.74%) indicated a neutral likelihood and 6.02% of respondents did not show a higher likelihood to purchase the ethically framed personal care product. This could be due to the type of respondents included in the survey being Beginner Voluntary Simplifiers who are still mainly driven by factors such as price and product information, despite expressing ethical buying intentions as detailed in Chapter 3 (Section 3.3.1.2).

Secondly, more than half (54.46%) of respondents expressed that animal testing should never be done when producing personal care products. In addition, respondents indicated that on average they are willing to pay a price premium of 5.92% for personal care products to ensure that animal testing is not used during production processes. Respondents also strongly agreed that they are willing to pay more to ensure that no animal testing is used when producing personal care products. However, when comparing these findings to the significant increase in only a few respondents' likelihood to purchase the ethically framed product it can be argued that aspects of the attitude-behaviour gap, as highlighted in Chapter 3, Section 3.3, are evident. The attitude-behaviour gap entails that despite the fact that respondents express ethical buying intentions and motives they do not necessarily act ethically through only purchasing products which support ethical issues. This is evident in that even though respondents' expressed feelings that animal testing should never be done and agreed that they will pay more to ensure that animal testing is not done, the majority of respondents' did not show an increased likelihood to purchase the ethically framed body lotion compared to the ordinary body lotion.

Thirdly, various studies found that consumers are willing to pay a slight price premium for ethical products. This was also found as respondents indicated that they are willing to pay an increased retail price of up to 30% to ensure that no animal testing is used, therefore supporting other studies (Aryal *et al.* 2009:12; De Pelsmacker *et al.*, 2005:364; McGoldrick & Freestone, 2008:186; Olesen *et al.* 2010:218; Stanforth & Hauck, 2010:621; Tranter *et al.*, 2009:287). In addition, respondents' fair, reference and reservation price perceptions were higher for the ethically framed body lotion when compared to the ordinary body lotion.

## 7.3 FINDINGS FROM PRIMARY DATA COLLECTION

This section details the research results that emanated from the experiment that formed part of this study's research design as well as the research results that address each of the research objectives.

### 7.3.1 The result of the experiment

The purpose of this study's experiment was to determine whether responses differed in the control and experiment sections, due to the manipulation of a variable (ethically framed body lotion). Despite the fact that more than half of respondents (55.74%) indicated a neutral likelihood to purchase the ethically framed body lotion, a small percentage of respondents (38.25%) did indicate a significant increase. This was substantiated by the p-value of 0.000 tested through the McNemar-Bowker Test in Section 6.5.1. Furthermore, all three alternative hypotheses were supported indicating that respondents' price perceptions are significantly higher for the ethically framed body lotion than for the ordinary body lotion. It can thus be concluded that the experiment and the manipulation of the variable did have an effect on respondents' likelihood to purchase and price perceptions as it differed between the ordinary and ethically framed

body lotion. Furthermore, due to the results of the Fischer's Exact Test indicating that there were no significant differences in responses between the two questionnaires, it is confirmed that the differences in responses in the control and experiment sections were not due to the sequence of the sections. This provides support that the cross-over design was executed effectively to ensure that results are due to the actual experiment and not due to the order of the sections.

### **7.3.2 The results pertaining to the research objectives and associated hypotheses**

The main purpose of this research study was to determine if South African females are willing to pay for ethically framed personal care products. In addition, the hypotheses formulated for this research study related specifically to respondents' reference, fair and reservation price perceptions. The hypotheses aimed to determine if these price perceptions are higher for ethically framed personal care products compared to ordinary personal care products. Drawing from the descriptive data that was provided in Chapter 6, each research objective will now be answered and interpreted in the sections to follow.

#### ***7.3.2.1 South African females' willingness to pay for ethically framed personal care products***

The main objective of this research study can be answered by stating that even though a small group of respondents showed a significant increase in their likelihood to purchase the ethically framed body lotion, most (55.74%) respondents showed no difference in their willingness to purchase the ethically framed body lotion when compared to the ordinary body lotion. The reasons for this are plentiful and could include the following:

- Respondents might have felt that if the body lotion was not tested on animals there is no guarantee that it is safe to use;
- Respondents might not have been familiar with animal testing and as such did not understand why it should not be done. This would then lead to consumers' relying on their usual purchases;
- The advertisement did not provide enough information about the product. This leads to a lack of knowledge and limited ecoliteracy as respondents might not understand what exactly animal testing entails. This will inhibit respondents from making an informed purchasing decision and therefore respondents do not want to purchase the product;
- The advertisement or product did not appeal to respondents and therefore there was no increase in respondents' likelihood to purchase the ethically framed body lotion;
- Respondents did not experience psychogenic tension from viewing the advertisements for the ethically framed body lotion and as such was not motivated to purchase the product;
- Respondents might have an external locus of control and therefore believe that it is the organisation's responsibility to ensure that their products are produced in a responsible fashion. Due to this, respondents will not purchase a product just because it is ethical and will rather stick to products which they usually purchase and that have provided them with satisfactory results previously;
- Respondents' morals and values are not completely aligned to animal testing, the issue which the body lotion is supporting, and as such did not express positive attitudes towards purchasing the body lotion; and
- Respondents might be Beginner Voluntary Simplifiers (BVS) whose decision-making processes are not yet fully influenced by ethical product attributes, but still mainly influenced by factors such as price and brand. Due to this and the fact that the body lotion is not a well-known one, respondents did not show an increased likelihood to purchase the ethically framed version.

The above reasons provided above were not formally tested; however, do form part of the recommendations for future research which are discussed in Section 7.6.

### ***7.3.2.2 South African females' price perceptions towards ethically framed personal care products***

Respondents' fair, reference and reservation price perceptions towards ethically framed personal care products were found to be significantly higher than the price perceptions towards ordinary personal care products, as discussed in Section 6.5.2.1. Table 32 illustrates the price perceptions respondents' indicated towards the control and experiment products.

**Table 32: Respondents' price perceptions towards the ordinary and ethically framed body lotion**

Price Perception	Ordinary Body Lotion	Ethically Framed Body Lotion
Reference	R24 – R27	R44 – R47
Fair	R28 – R31	R32 – R35
Reservation	R24 – R27	R32 – R35

Considering the detail that was provided on consumers' various price perceptions and total economic value in Chapter 4, the research results support the following arguments. Starting with the price perceptions towards ordinary personal care products, consumers' reference and reservation price perceptions are the same. This indicates that consumers feel that the most that they are willing to pay for these products is the same as what they previously paid for similar products. Based on the anchoring effect discussed in Section 4.3.2.6, it can be argued that the price respondents have been exposed to first, in this case previously purchased body lotions, will form the basis of any future comparisons. Therefore, the most they are willing to pay will be the same as the price they have seen first, or the reference price. In addition, it can be argued that

respondents did not see any extra value in this ordinary body lotion and therefore the most they will pay is related to what they previously paid for a similar product. This supports the notion of respondents' total economic value. Total economic value in this case is equal to only the reference value as there are no additional product benefits or value to increase the maximum price respondents are willing to pay. However, respondents did indicate a slightly higher fair price perception indicating that a slightly higher price would be acceptable if the organisation wishes to make a profit, yet at a price which is still beneficial to respondents' wallets. It should, however, be noted that due to there being no additional value, the fair price perception is only slightly higher than the maximum they are willing to pay.

An interesting finding when reviewing the price perceptions towards the ethically framed body lotion is that all three the price perceptions are higher than for the ordinary body lotion. Respondents' reference price perception is almost double that of the ordinary body lotion. This indicates that due to the extra attribute, that of no animal testing, respondents might have had the impression that companies made a concerted effort to not use animal testing and therefore they expect to pay a lot more for these products. Respondents' total economic value in this scenario is also higher as there are extra attributes which justify additional value. This is further evident as respondents' reference price perceptions for these products are higher than the reservation price perceptions. In Chapter 4, Section 4.3.1 it was discussed that a fair price perception is achieved when a product's price is less than the reference price perception. This is aligned to the results of this study as the most that respondents will pay (reservation price perception) is less than what they expect to pay (reference price perception) and therefore also equals a fair price perception. Thus, although respondents would expect to pay much more for ethically framed personal care products, they do not necessarily see it fair to pay so much and the most that they will pay is less than the reference price and equals the fair price perception. This finding is important for marketers to note who need to price such products. Marketers could undertake initiatives to educate consumers about the value of ethically framed products and perhaps through these initiatives increase

consumers' fair price perceptions so as to increase the amount they will actually pay for these products.

### **7.3.2.3 Main findings relating to respondents' attitudes towards animal testing**

The majority of respondents (89.61%) collectively indicated that animal testing should never be done, however, respondents appeared not to be very familiar with this issue and also do not discuss it frequently with friends and family. Respondents' unfamiliarity could possibly have caused a lack of ecoliteracy and as such could have contributed to the limited increase in respondents' likelihood to purchase the ethically framed body lotion. Consumers who have limited ecoliteracy of a product are unable to make an informed purchasing decision and would thus not purchase a product, despite their positive attitudes towards these products. In other words, though respondents feel that animal testing should never be done, they might not want to purchase the product as they do not have enough information about it and the ethical issue the product is supporting. Attribute framing could assist marketers in educating consumers about the value of products free of animal testing and through this positively influence their ecoliteracy.

Considering that respondents feel that animal testing should never be done, the majority are willing to pay on average 5.92% more than they currently pay to ensure that no animal testing is used. This percentage only serves as an indication that they are willing to pay more in support of the ethical issue being addressed, however, future studies could focus on validating an actual price premium that respondents will pay. This is referred to in Section 7.6 as a recommendation for future research.

### **7.3.2.4 The role that demographic variables play in female South Africans' willingness to pay for ethically framed personal care products**

Although the focus of this study was on female South Africans' likelihood to purchase ethically farmed personal care products, it was important to investigate whether demographic variables did in fact play a role in their willingness to pay. To answer this objective and not focus on each variable specifically, the Kruskal-Wallis Test was conducted. The results of this test, discussed in Section 6.5.2.3, indicated that demographic variables did not play a role in respondents' willingness to pay. This could be attributed to the fact that animal testing is an emotional aspect and therefore is impacted more by consumers' self-concept and lifestyle, including morals and values, than consumers' demographics. As such, these aspects form an important recommendation for future research included in Section 7.6. Furthermore, if marketers or organisations want to segment the market or require a more specific understanding of the role of each demographic variable, then specific hypotheses will need to be formulated to address this.

## **7.4 LIMITATIONS OF THIS STUDY**

The delimitations of this study were discussed in Chapter 1. Upon completion of this research study, the limitations were revisited and will now be discussed from a theoretical and data collection perspective.

### **7.4.1 Limitations from a theoretical perspective**

The literature review covered a number of key aspects related to three broad theoretical disciplines, namely consumer behaviour, including decision-making and female buying behaviour, ethical consumerism, including ethical buying behaviour and framing

techniques and pricing, including pricing strategies, value communication and willingness to pay. Each of these was elaborated on in the context of this study to provide a thorough theoretical and literature base from which the research objectives and hypotheses could be understood, studied and linked to the study's purpose statement. The three disciplines given are, however, not limited to that which was detailed in Chapters 2 to 4. A number of additional aspects related to these could have been discussed to provide insight into the background of this research study. One such aspect, which was also evident in the research results, is the attitude-behaviour gap. Understanding what causes this gap is key to marketers who need to bridge this gap so as to increase consumers' willingness to pay for ethically framed personal care products. The purpose of this study was not to determine these causes and therefore only limited literature on this was included. However, due to this gap being evident in this study's results indicates that this is a prominent topic to investigate when studying consumers' decision-making in the context of ethical products. This is therefore also included as a recommendation for future research.

#### **7.4.2 Limitations from a data collection perspective**

Chapter 5 detailed the research design and approach applicable to this study. The decision to use survey research to obtain primary data was driven by the fact that quantitative data was required to execute the relevant statistical analyses needed to answer the research objectives and hypotheses. The data collection process had a 46% response rate and obtaining the desired number of responses was the most difficult challenge of the research process. Though an online survey was used as the data collection instrument and distributed via e-mail, only 202 responses were received from the 432 distributed invitations. This could have been due to respondents' experiencing technical difficulties when accessing the survey. Thus, even though an online survey was a convenient data collection instrument to use it did not guarantee the number of responses that will be received.

Despite the descriptive nature of this research study, additional questions and analyses are required to address certain concepts that came out unclear, such as reasons why respondents' likelihood did not increase more for ethically framed personal care products in an attempt to understand the attitude-behaviour gap. The results of this study provide the impression that this gap does in fact exist, however, to address this gap additional questions will need to be asked to determine which barriers prevent respondents from purchasing ethically framed personal care products. This is a recommendation for future research which will be elaborated on in the next section.

The initial questionnaire to determine the ethical issue and product to be included in the final survey indicated that personal care products not tested on animals is sufficient to be included in the final survey. However, the results indicated that most respondents were unfamiliar with animal testing. This could be due to the fact that in comparison to the other products presented in the initial survey, animal testing was the most common. In the final survey though no comparison could be made to other products and based on only animal testing respondents now indicated an unfamiliarity. This could also justify such a type of study in future where various ethical issues are tested and compared. In addition, the products included in the survey did not include products from each of the ethical product categories defined by The Institute of Grocery Distribution and IGD Services Limited (2007). This, as well as the sequence in which the products were listed, could have made a difference to the way in which respondents answered the question. Future studies should therefore carefully consider the inclusion of all types of ethical products and their sequencing.

The majority of respondents' likelihood to purchase did not increase significantly from the ordinary body lotion to the ethically framed version. This could have been due to respondents' not being interested in the product, however, the possibility does exist that if a different type of experiment was used to measure likelihood to purchase, the results could have been different. Chapter 2 (Section 2.5.1) elaborated on how situational

influences impact consumers' decision-making processes. As such, the use of a laboratory experiment could have provided different results as respondents were then in a position to touch, feel and smell the body lotion and from there express their likelihood to purchase the product. This is also a recommendation for future research listed in Section 7.6.

The final limitation relates to the sample frame which was used for this study. An initial sample was created using the e-mail addresses of individuals within the researchers' personal and professional networks, which could have created some biasedness. This process was however carefully managed to minimise biasedness as majority of individuals in the professional network were individuals that the researcher did not know personally. In addition, results could have been different if ethical respondents formed the core of the sampling frame, thus respondents who already purchase ethically framed products. The intent of this study was, however, to understand female South Africans' willingness to pay for ethically framed personal care products in general and as such there were no restrictions relating to ethical buying intentions of the respondents who formed part of the sample. In addition, the sample mostly represents professional females of Caucasian ethnicity and between the ages of 26 and 30. To gain insight into other ethnicities and age profiles, it is suggested that a broader sample is used in future studies to cover more demographic variables to enable studying each demographic group in detail with regards to their willingness to pay.

## 7.5 MANAGERIAL IMPLICATIONS

The results of this research study could provide marketers with insight into South African females' price perceptions of ethically framed personal care products and whether a price premium is acceptable for these products in general. It should, however, be noted that due to the demographic profile of the respondents of this study,

conclusions can only be drawn for professional females of Caucasian ethnicity not older than 56.

The research results indicated that females' price perceptions for ethically framed personal care products are significantly higher than for ordinary personal care products. In addition, these females are willing to pay a price premium of up to 5.92% for these products. This provides marketers with an indication of the additional value that females see in ethically framed personal care products and could be the starting point for formulating pricing strategies. This study was exploratory in nature and therefore marketers should also strive to understand which factors will increase females' likelihood to purchase ethically framed personal care products in greater detail. This is also noted as a recommendation for future research.

The framing technique proved to be successful in this research study as respondents indicated higher price perceptions for the body lotion which was ethically framed. Marketers could thus leverage attribute framing as a technique when communicating the value of personal care products not tested on animals. This is especially important for marketers who aim to use value communication as a strategy to influence consumers' willingness to pay.

The females of this study's demographic variables did not play a role in their willingness to pay for ethically framed products. Marketers could therefore focus on identifying those consumers who express ethical motives and buying intentions. This will include investigating the extent to which consumers' self-concept and lifestyle, including their morals and values, play a role in their willingness to pay for ethically framed personal care products. This is an important recommendation for future research and is discussed in the next section.

## 7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

The literature review and the results of this research study indicated a number of areas in which future research can be executed to build on the current knowledge of South African females' willingness to pay for ethically framed products. These include:

- Investigating which internal factors are most prominent in influencing females' willingness to pay for ethically framed products. This would include studying how important morals and value are when purchasing ethically framed products so as to successfully align product attributes to consumers' individual characteristics;
- Determining the importance that females' self-concept and lifestyle play in processing internal and external factors as part of the decision-making process for ethically framed products;
- Investigating which external factors influence females' decision-making process for ethically framed products the most so as to develop strategies to increase willingness to pay;
- Determining the extent to which different ethical issues play a role in influencing consumers' willingness to pay for ethically framed products;
- Determining whether related purchasing actions, such as switching and the discontinuation of purchasing usual brands, have an impact on consumers' willingness to pay for ethically framed products;
- Understanding which product attributes are most important to females through executing conjoint analysis in support of identifying the importance of price versus ethical and other product attributes;
- A segmentation study in which consumer groups can be grouped based on their ethical buying intentions and motivations;
- Determining the factors which make females feel good after a purchase so as to decrease post-purchase dissonance;
- Identifying the most appropriate channel to use to execute value communication in the context of ethically framed products;

- Determining the degree to which ecoliteracy influences females' purchasing decision for ethically framed products;
- Determining an actual price premium, not a range, which females will pay for ethically framed personal care products;
- Investigating the attitude-behaviour gap through understanding the internal and external barriers which prevent females from purchasing ethically framed personal care products;
- Investigating how best to influence females' buying decisions in support of bridging the attitude-behaviour gap;
- Conducting a qualitative study to understand the attitude-behaviour gap in the context of ethically framed products;
- Assessing females' willingness to pay for different categories of ethical products through the use of a laboratory experiment; and
- Formally testing the role of demographic variables in consumers' willingness to pay for ethically framed products using quota sampling, which will ensure a more diverse sample thereby providing greater representation and allow for enhanced statistical comparisons.

## 7.7 SUMMARY

The main aim of this research study was to determine whether consumers are willing to pay more for ethically framed products. More specifically, the study aimed to understand whether South African females are willing to pay more for ethically framed personal care products, such as a body lotion that is not tested on animals. The study was executed through online survey research which aimed to determine if there are differences in females' fair, reference and reservation price perceptions towards ordinary body lotions compared to ethically framed body lotions. In addition, the study aimed to assess respondents' attitudes towards animal testing and whether certain demographic variables play a role in terms of a higher likelihood to purchase ethically framed personal care products than others.

Following primary data collection and the statistical analyses conducted, the results indicated that a small group of respondents showed a significant increase in their likelihood to purchase ethically framed personal care products when compared to ordinary personal care products. It should, however, be noted that the majority of respondents showed no increase in their likelihood to purchase the ethically framed personal care product. In addition, respondents' reference, fair and reservation price perceptions are significantly higher for ethically framed personal care products. This proves that respondents are firstly willing to pay more for ethically framed personal care products and secondly that there are certain respondents who express a significant likelihood to purchase these products.

Respondents also indicated strong feelings that animal testing should never be done and expressed a strong agreement that they will pay more to ensure that animal testing is not used when producing personal care products. Based on these results it can be implied that due to a lack of product knowledge and limited ecoliteracy, some respondents' likelihood to purchase the ethically framed body lotion was repressed. Furthermore, indications of the attitude-behaviour gap is also evident as respondents expressed higher price perceptions and strong feelings that animal testing should never be done, yet the majority of respondents' likelihood to purchase the ethically framed product did not increase. This could, however, also have been due to aspects such as brand loyalty or having no appeal for the ethically framed body lotion in the advertisement. It thus becomes essential to investigate which aspects contribute to the attitude-behaviour gap and how this gap can be bridged.

In terms of demographics, it was found that budget, age, ethnicity and education did not play a role in respondents' willingness to pay for ethically framed products. This could be due to respondents' self-concept and lifestyle, along with morals and values, playing a larger role than demographics in driving willingness to pay and therefore is a key recommendation for future research.

A number of recommendations have been made for future research which will not only broaden an understanding of the results that were obtained from this study, but will add to literature on consumers' buying behaviour in the context of ethically framed products. The study of consumer behaviour is a longstanding and dynamic challenge to understand the factors which influence consumers' decision-making processes, such as market trends and new products in the market. Therefore, understanding consumer behaviour in different contexts will assist in the attempt to answer the question "who" or "what" is a consumer (Herzog in Britt, 1966:5). This remains an important question and now extends into the area of ethical consumerism.

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## ANNEXURE A

**QUESTIONNAIRE USED TO DETERMINE THE ETHICAL ISSUE AND PRODUCT AS  
INPUT INTO THE FINAL SURVEY**



Faculty of Economic and  
Management Sciences

### Informed consent for participation in an academic research study

#### Dept. of Marketing Management

#### SOUTH AFRICAN FEMALES' WILLINGNESS TO PAY FOR ETHICALLY FRAMED PERSONAL CARE PRODUCTS

Research conducted by:

Mrs A Lynch (25032412)  
Cell: 083 305 0207

Dear Respondent

You are invited to participate in an academic research study conducted by Anna-Mart Lynch, a Masters student from the Department of Marketing Management at the University of Pretoria.

The purpose of the study is to determine whether South African females are willing to pay for ethically framed products, those products which claim not to have any harmful effect on the environment or society. This specific questionnaire serves as a pre-test for the final questionnaire and will aid in the formulation of the final survey questions.

Please note the following:

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may however choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 5 minutes of your time.
- Please contact my supervisor, Dr Gene van Heerden on gene.vanheerden@up.ac.za, and co-supervisor Prof Ernest North on ernest.north@nwu.ac.za if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

---

Respondent's signature

---

Date

**Q1. Various ethical issues exist in the production and distribution of the products we purchase. Some of these issues are more prominent than others, and as such have a larger impact on the product choices we make. By referring to each of the issues listed in the table below, please indicate how much each of these issues impacts your decision to purchase a particular product. Please indicate this by crossing the appropriate number below for each issue, where 1 indicates no impact at all, and 10 indicates a significant impact.**

	No impact at all									Significant impact
Human slavery	1	2	3	4	5	6	7	8	9	10
Child labour	1	2	3	4	5	6	7	8	9	10
Fair trade	1	2	3	4	5	6	7	8	9	10
The utilisation of local communities to produce products	1	2	3	4	5	6	7	8	9	10
Water wastage during the production of products	1	2	3	4	5	6	7	8	9	10
Animal testing	1	2	3	4	5	6	7	8	9	10
Recyclable packaging	1	2	3	4	5	6	7	8	9	10
Carbon footprint	1	2	3	4	5	6	7	8	9	10
Fruits and vegetables produced organically	1	2	3	4	5	6	7	8	9	10
Eco-friendly products	1	2	3	4	5	6	7	8	9	10
Energy consumption when producing and manufacturing products	1	2	3	4	5	6	7	8	9	10

**Q2. If price is not an option, how likely are you to replace the products you currently purchase with ethically produced products? Referring to the list of products below, rank these products from 1 (products that you are most likely to purchase instead of the products you currently use) to 6 (the products you are least likely to purchase instead of the products you currently use). Do this by writing the appropriate number in the space provided for each product. Please note that you can only assign one number to a product and you cannot assign the same number to more than one product.**

Chocolate flavoured body cream which explicitly states that no human slavery was used during production	
Products which are manufactured and distributed by ensuring less pollution and as such less carbon emissions	
Personal care products which are not tested on animals	
Personal care products sold in eco-friendly packaging	
Eco-friendly products that promote a green environment	
Personal care products which are produced by local communities	

## ANNEXURE B

**RETAIL PRICES USED TO DETERMINE THE SCALE OPTIONS OF THE PRICE  
QUESTIONS IN THE FINAL SURVEY**

Brand	Brand One						Brand Two				
	Six variants						Five variants				
Store One	R 34.00	R 34.00	R 34.00	R 34.00	R 34.00	R 28.99	R 40.99	R 40.99	R 40.99	R 44.59	R 40.99
Store Two	R 27.95	R 27.95	R 27.95		R 27.95	R 27.95		R 31.95	R 31.95		R 31.95
Store Three	R 22.95	R 22.95	R 22.95	R 22.95	R 22.95	R 22.95	R 39.79	R 39.79		R 39.79	
Store Four	R 31.99	R 31.99	R 31.99	R 31.99						R 39.99	R 39.99
Store Five	R 34.79	R 34.79	R 34.79	R 34.79	R 34.79		R 39.99	R 39.99	R 39.99		

Brand	Brand Three						Brand Four				
	Six variants						Five variants				
Store One	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 20.49	R 20.49	R 20.49	R 20.49	R 20.49
Store Two							R 16.95	R 16.95	R 16.95	R 16.95	R 16.95
Store Three	R 12.49	R 12.49	R 12.49	R 12.49	R 12.49	R 12.49	R 19.99	R 19.99	R 19.99	R 19.99	R 19.99
Store Four	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 19.99	R 19.99	R 19.99	R 19.99	R 19.99
Store Five	R 12.99	R 12.99	R 12.99	R 12.99	R 12.99	R 12.99					

Brand	Brand Five								Brand Six
	Eight variants								One variant
Store One	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 34.99
Store Two	R 11.95	R 11.95	R 11.95	R 11.95	R 11.95	R 11.95	R 11.95	R 11.95	
Store Three	R 13.95	R 13.95	R 13.95	R 13.95	R 13.95	R 13.95	R 13.95	R 13.95	R 34.99
Store Four	R 14.99	R 14.99	R 14.99	R 14.99	R 14.99	R 14.99	R 14.99	R 14.99	R 34.99
Store Five	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 13.99	R 22.99

\*The grey blocks indicate products that were not available in stores and therefore the prices could not be included.

## ANNEXURE C

### QUESTIONNAIRE A USED FOR FINAL SURVEY

## Masters' Survey

### Introduction and Screening Section



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

Letter of introduction for participation in academic research

*Department of Marketing Management*

**SOUTH AFRICAN FEMALES' WILLINGNESS TO PAY FOR ETHICALLY FRAMED PERSONAL CARE PRODUCTS**

*Research conducted by: Mrs. A. Lynch (25032412)*

*Cell: 083 305 0207*

Dear Respondent

You are invited to participate in an academic research study conducted by Anna-Mart Lynch, a Masters student from the Department of Marketing Management at the University of Pretoria. The purpose of the study is to determine whether South African females are willing to pay for ethically framed personal care products, those products which claim not to have any harmful effect on the environment or society. Please note the following:

1. This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
2. Your participation in this study is very important to us. You may however choose not to participate and you may also stop participating at any time without any negative consequences.
3. Please answer the questions as completely and honestly as possible. This should not take more than 10 minutes of your time.
4. The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
5. Please contact my supervisor, Dr Gene van Heerden on gene.vanheerden@up.ac.za, and co-supervisor Prof Ernest North on ernest.north@nwu.ac.za if you have any questions or comments regarding the study.

<b>Please select "yes" if: you have read and understand the information provided above and you give your consent to participate in the study on a voluntary basis.</b>	
Yes	
No	

<b>Before commencing with the questionnaire kindly answer the following question: do you as a consumer make your own decisions about the personal care products (such as soap and body lotion) you purchase?</b>	
Yes	
No	

## Control Section

Suppose that you are paging through a magazine and see the following advertisement. There is no information available on the product testing process. Please read through the advertisement and then answer the questions that follow.



Finally, a non-greasy product that gives you lasting silky soft skin!

### ***Feel Gorgeous nourishing body lotion with mint extract***

Mint extract helps fortify skin's beautiful appearance while Vitamins A, B, C and E and minerals like Potassium, Magnesium, Iron, Calcium and Copper create more beautiful, radiant skin.

**Feel Gorgeous** nourishing body lotion helps skin's moisture barrier deal with daily dryness.

*How to use: Apply to damp skin after bath or shower, or any time skin craves moisture.*

400ml.

**Available at any of the following leading retailers near you:  
Spar, Pick n Pay, Dis-Chem, Clicks, Checkers**

**Assume that you want to buy the 400 ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotion might be priced. Please select the appropriate answer to each of the questions below.**

Question	1	2	3	4	5	6	7	8	9
How much do you think a company would charge to ensure <b>making a reasonable profit</b> and giving you as the consumer a <b>fair deal</b> ?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What is the <b>most</b> you would pay for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What do you <b>expect</b> a company to charge for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47

**Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right?**

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Very likely
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## Animal Testing Section

Please read the paragraph below and then answer the questions that follow.

*"Animals have rights too!"*

Did you know that animals (from rodents to mammals) are used around the world to test the harmfulness that personal care products could hold for humans?

Almost every medical treatment and personal care product you use has been tested on innocent animals.

It is time to think carefully about the products you purchase.

Alternatives do exist for testing products.

***The first step however lies with you – say no to products tested on animals!***

Please rate the following question on a scale from 1 to 7, where 1 means not familiar at all and 7 means very familiar.

**How familiar are you with animal testing?**

1 Not familiar at all	2	3	4	5	6	7 Very familiar
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**What is your opinion regarding animal testing?**

Please rate this question on a scale from 1 to 7 where 1 means you feel strongly that animal testing should never be done, and 7 means that animal testing can be done when testing products.

**I feel that animal testing...**

1 Should never be done	2	3	4	5	6	7 Can be done when testing products
------------------------	---	---	---	---	---	-------------------------------------

**Do you discuss animal testing with friends and family? Please rate this question on a scale from 1 to 7 where 1 means you discuss it very infrequently, and 7 means you discuss it very frequently.**

**We discuss this matter...**

1 Very infrequently	2	3	4	5	6	7 Very frequently
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**On average how much more do you think a company would have to increase the retail price to the consumer to ensure that no animal testing was used to produce the ingredients for Feel Gorgeous body lotion?**

**Select the option that indicates how much more the product would cost than it does now.**

0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
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**Considering the answer you gave to the previous question, to what extent do you agree with the following statement?**

**I am willing to pay more to ensure that animal testing is not used to produce personal care products.**

**Please rate on a scale where 1 means totally disagree and 7 means totally agree.**

1 Totally disagree	2	3	4	5	6	7 Totally agree
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## Experiment Section

Suppose that you are paging through a magazine and see the following advertisement. Please read through the advertisement and then answer the questions that follow.



Finally, a non-greasy product that gives you lasting silky soft skin!

### ***Feel Gorgeous nourishing body lotion with mint extract***

Mint extract helps fortify skin's beautiful appearance while Vitamins A, B, C and E and minerals like Potassium, Magnesium, Iron, Calcium and Copper create more beautiful, radiant skin.

Feel Gorgeous nourishing body lotion helps skin's moisture barrier deal with daily dryness.

*How to use: Apply to damp skin after bath or shower, or any time skin craves moisture.*

**We do not make use of animal testing during the production of any of our body lotions.**

**We are proud supporters of the WWF.**

400ml.

Available at any of the following leading retailers near you: Spar, Pick n Pay, Dis-Chem, Clicks, Checkers

**Assume that you want to buy the 400 ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotion might be priced. Please select the appropriate answer to each of the questions below.**

Question	1	2	3	4	5	6	7	8	9
How much do you think a company would charge to ensure <b>making a reasonable profit</b> and giving you as the consumer a <b>fair deal</b> ?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What is the <b>most</b> you would pay for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What do you <b>expect</b> a company to charge for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47

**Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right?**

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Very likely
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## **Demographic Section**

<b>Please indicate the budget that you have available on a monthly basis to purchase personal care items, such as body lotion, soap, toothpaste etc.</b>			
Less than R100 a month		R1151-R1300	
R101-R250		R1301 – R1450	
R251 – R400		R1451 – R1600	
R401 – R550		R1601 – R1750	
R551 – R700		R1751 – R1900	
R701 – R850		R1901 – R2050	
R851 – R1000		More than R2050 a month	
R1001 – R1150			

<b>Please indicate your age by selecting the appropriate age category below.</b>			
21 – 25		51 – 55	
26 – 30		56 – 60	
31 – 35		61 – 65	
36 – 40		66 – 70	
41 – 45		71 and older	
46 – 50			

<b>Please indicate your ethnicity by selecting one of the options below.</b>			
Caucasian		Indian	
Black African		Asian	
Coloured		Other (please specify)	

<b>Please indicate your education by selecting one of the following options.</b>			
Matric		Post-graduate degree (Honours and/or Masters)	
Diploma		Doctoral degree/PhD	
University degree		Other (please specify)	

**Thank you for taking the time to complete the survey!**

## ANNEXURE D

### QUESTIONNAIRE B USED FOR FINAL SURVEY

## Masters' Survey

### Introduction and Screening Section



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

Letter of introduction for participation in academic research

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*Research conducted by: Mrs. A. Lynch (25032412)*

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3. Please answer the questions as completely and honestly as possible. This should not take more than 10 minutes of your time.
4. The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
5. Please contact my supervisor, Dr Gene van Heerden on gene.vanheerden@up.ac.za, and co-supervisor Prof Ernest North on ernest.north@nwu.ac.za if you have any questions or comments regarding the study.

<b>Please select "yes" if: you have read and understand the information provided above and you give your consent to participate in the study on a voluntary basis.</b>	
Yes	
No	

<b>Before commencing with the questionnaire kindly answer the following question: do you as a consumer make your own decisions about the personal care products (such as soap and body lotion) you purchase?</b>	
Yes	
No	

## Experiment Section

Suppose that you are paging through a magazine and see the following advertisement. Please read through the advertisement and then answer the questions that follow.



Finally, a non-greasy product that gives you lasting silky soft skin!

### ***Feel Gorgeous nourishing body lotion with mint extract***

Mint extract helps fortify skin's beautiful appearance while Vitamins A, B, C and E and minerals like Potassium, Magnesium, Iron, Calcium and Copper create more beautiful, radiant skin.

**Feel Gorgeous** nourishing body lotion helps skin's moisture barrier deal with daily dryness.

*How to use: Apply to damp skin after bath or shower, or any time skin craves moisture.*

**We do not make use of animal testing during the production of any of our body lotions.**

**We are proud supporters of the WWF.**

400ml.

Available at any of the following leading retailers near you: Spar, Pick n Pay, Dis-Chem, Clicks, Checkers

**Assume that you want to buy the 400 ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotion might be priced. Please select the appropriate answer to each of the questions below.**

Question	1	2	3	4	5	6	7	8	9
How much do you think a company would charge to ensure <b>making a reasonable profit</b> and giving you as the consumer a <b>fair deal</b> ?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What is the <b>most</b> you would pay for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What do you <b>expect</b> a company to charge for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47

**Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right?**

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Very likely
---------------	----------	-------------------	-----------	-----------------	--------	-------------

## **Animal Testing Section**

**Please read the paragraph below and then answer the questions that follow.**

*"Animals have rights too!"*

Did you know that animals (from rodents to mammals) are used around the world to test the harmfulness that personal care products could hold for humans?

Almost every medical treatment and personal care product you use has been tested on innocent animals.

It is time to think carefully about the products you purchase.

Alternatives do exist for testing products.

***The first step however lies with you – say no to products tested on animals!***

**Please rate the following question on a scale from 1 to 7, where 1 means not familiar at all and 7 means very familiar.**

**How familiar are you with animal testing?**

1 Not familiar at all	2	3	4	5	6	7 Very familiar
-----------------------	---	---	---	---	---	-----------------

**What is your opinion regarding animal testing?**

**Please rate this question on a scale from 1 to 7 where 1 means you feel strongly that animal testing should never be done, and 7 means that animal testing can be done when testing products.**

**I feel that animal testing...**

1 Should never be done	2	3	4	5	6	7 Can be done when testing products
------------------------	---	---	---	---	---	-------------------------------------

**Do you discuss animal testing with friends and family? Please rate this question on a scale from 1 to 7 where 1 means you discuss it very infrequently, and 7 means you discuss it very frequently.**

**We discuss this matter...**

1 Very infrequently	2	3	4	5	6	7 Very frequently
---------------------	---	---	---	---	---	-------------------

**On average how much more do you think a company would have to increase the retail price to the consumer to ensure that no animal testing was used to produce the ingredients for Feel Gorgeous body lotion?**

**Select the option that indicates how much more the product would cost than it does now.**

0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
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**Considering the answer you gave to the previous question, to what extent do you agree with the following statement? Please rate on a scale where 1 means totally disagree and 7 means totally agree.**

**I am willing to pay more to ensure that animal testing is not used to produce personal care products.**

**I am willing to pay more to ensure that animal testing is not used to produce personal care products.**

1 Totally disagree	2	3	4	5	6	7 Totally agree
--------------------	---	---	---	---	---	-----------------

## Control Section

Suppose that you are paging through a magazine and see the following advertisement. There is no information available on the product testing process. Please read through the advertisement and then answer the questions that follow.



Finally, a non-greasy product that gives you lasting silky soft skin!

### ***Feel Gorgeous nourishing body lotion with mint extract***

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*How to use: Apply to damp skin after bath or shower, or any time skin craves moisture.*

400ml.

**Available at any of the following leading retailers near you:  
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**Assume that you want to buy the 400 ml Feel Gorgeous body lotion you just looked at. We would like to know how you think this body lotion might be priced. Please select the appropriate answer to each of the questions below.**

Question	1	2	3	4	5	6	7	8	9
How much do you think a company would charge to ensure <b>making a reasonable profit</b> and giving you as the consumer a <b>fair deal</b> ?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What is the <b>most</b> you would pay for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47
What do you <b>expect</b> a company to charge for this Feel Gorgeous body lotion?	R12-R15	R16-R19	R20-R23	R24-R27	R28-R31	R32-R35	R36-R39	R40-R43	R44-R47

**Indicate the likelihood that you would purchase the Feel Gorgeous body lotion, if the price is right?**

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Very likely
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## **Demographic Section**

**Please indicate the budget that you have available on a monthly basis to purchase personal care items, such as body lotion, soap, toothpaste etc.**

Less than R100 a month		R1151-R1300	
R101-R250		R1301 – R1450	
R251 – R400		R1451 – R1600	
R401 – R550		R1601 – R1750	
R551 – R700		R1751 – R1900	
R701 – R850		R1901 – R2050	
R851 – R1000		More than R2050 a month	
R1001 – R1150			

**Please indicate your age by selecting the appropriate age category below.**

21 – 25		51 – 55	
26 – 30		56 – 60	
31 – 35		61 – 65	
36 – 40		66 – 70	
41 – 45		71 and older	
46 – 50			

**Please indicate your ethnicity by selecting one of the options below.**

Caucasian		Indian	
Black African		Asian	
Coloured		Other (please specify)	

**Please indicate your education by selecting one of the following options.**

Matric		Post-graduate degree (Honours and/or Masters)	
Diploma		Doctoral degree/PhD	
University degree		Other (please specify)	

**Thank you for taking the time to complete the survey!**

## ANNEXURE E

**E-MAIL INVITATION TO PARTICIPATE IN THE STUDY**

Dear respondent,

I am currently busy with my Masters' degree at the University of Pretoria on how ethical issues in Marketing can influence our purchasing decisions. The study is aimed specifically at South African females.

The completion of this questionnaire will not take longer than 10 minutes and your participation will be greatly appreciated. If you are willing to participate, please do so before end of March 2013. Your information will be treated with confidentiality.

If you know of anyone else who would like to participate in this study, please forward their e-mail addresses to me. I will then send them an invitation to participate.

I am happy to share the results of my study with you upon request.

[Click here to take the survey](#)

Kind regards

Anna-Mart Lynch

Cell: 083 305 0207

E-mail: [alynch@deloitte.co.za](mailto:alynch@deloitte.co.za)

## ANNEXURE F

**ETHICAL CONSENT FROM THE UNIVERSITY OF PRETORIA**



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

**FACULTY OF ECONOMIC AND  
MANAGEMENT SCIENCES**

**RESEARCH ETHICS COMMITTEE**

Tel: +27 12 420-2306

E-mail: [anske.grobler@up.ac.za](mailto:anske.grobler@up.ac.za)

26 July 2012

Dr G van Heerden  
**Division of Marketing  
Management**

**Strictly confidential**

Dear Doctor van Heerden

**Project:** *South African females' willingness to pay for ethically framed personal care products*  
**Researcher:** A Auret  
**Student No:** 25032412  
**Supervisor:** Dr G van Heerden  
**Department:** Marketing Management

Thank you for the application you submitted to the Committee for Research Ethics, Faculty of Economic and Management Sciences.

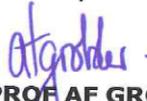
I have pleasure in informing you that the Committee formally approved the above study on 25 July 2012. The approval is subject to the candidate abiding by the principles and parameters set out in her application and research proposal in the actual execution of the research.

The approval does not imply that the researcher, student or lecturer is relieved of any accountability in terms of the Codes of Research Ethics of the University of Pretoria if action is taken beyond the approved proposal.

The Committee requests you to convey the approval to Ms Auret.

We wish you success with the project.

Sincerely

  
**PROF AF GROBLER  
CHAIR: COMMITTEE  
FOR RESEARCH ETHICS**

**cc:** Prof PJ Du Plessis

## ANNEXURE G

**CROSS-TABULATIONS USED FOR THE FISCHER'S EXACT TEST**

## Determining the effect of the cross over design

Without note re animal testing- How much do you think a company would charge to ensure making a reasonable profit & giving the consumer a fair deal? \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
R12-R15	Count	2	3	5
	Expected Count	2.7	2.3	5.0
	Row %	40.0%	60.0%	100.0%
	Column %	2.0%	3.3%	2.6%
R16-R19	Std. Residual	-.4	.4	
	Count	10	8	18
	Expected Count	9.6	8.4	18.0
	Row %	55.6%	44.4%	100.0%
R20-R23	Column %	9.8%	8.9%	9.4%
	Std. Residual	.1	-.2	
	Count	14	13	27
	Expected Count	14.3	12.7	27.0
R24-R27	Row %	51.9%	48.1%	100.0%
	Column %	13.7%	14.4%	14.1%
	Std. Residual	-.1	.1	
	Count	15	17	32
R28-R31	Expected Count	17.0	15.0	32.0
	Row %	46.9%	53.1%	100.0%
	Column %	14.7%	18.9%	16.7%
	Std. Residual	-.5	.5	
Without note re animal testing- How much do you think a company would charge to ensure making a reasonable profit & giving the consumer a fair deal?	Count	21	14	35
	Expected Count	18.6	16.4	35.0
	Row %	60.0%	40.0%	100.0%
	Column %	20.6%	15.6%	18.2%
R32-R35	Std. Residual	.6	-.6	
	Count	16	10	26
	Expected Count	13.8	12.2	26.0
	Row %	61.5%	38.5%	100.0%
R36-R39	Column %	15.7%	11.1%	13.5%
	Std. Residual	.6	-.6	
	Count	13	15	28
	Expected Count	14.9	13.1	28.0
R40-R43	Row %	46.4%	53.6%	100.0%
	Column %	12.7%	16.7%	14.6%
	Std. Residual	-.5	.5	
	Count	5	7	12
R44-R47	Expected Count	6.4	5.6	12.0
	Row %	41.7%	58.3%	100.0%
	Column %	4.9%	7.8%	6.3%
	Std. Residual	-.5	.6	
	Count	6	3	9
	Expected Count	4.8	4.2	9.0
	Row %	66.7%	33.3%	100.0%
	Column %	5.9%	3.3%	4.7%

	Std. Residual	.6	-.6	
Total	Count	102	90	192
	Expected Count	102.0	90.0	192.0
	Row %	53.1%	46.9%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	4.111 <sup>a</sup>	8	.847	.857
Likelihood Ratio	4.140	8	.844	.860
Fisher's Exact Test	4.196			.855
N of Valid Cases	192			

a. 4 cells (22.2%) have expected count less than 5. The minimum expected count is 2.34.

#### Without note re animal testing - What is the most you would pay for this body lotion? \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
R12-R15	Count	1	4	5
	Expected Count	2.7	2.3	5.0
	Row %	20.0%	80.0%	100.0%
	Column %	1.0%	4.4%	2.6%
R16-R19	Std. Residual	-1.0	1.1	
	Count	8	5	13
	Expected Count	6.9	6.1	13.0
	Row %	61.5%	38.5%	100.0%
R20-R23	Column %	7.8%	5.6%	6.8%
	Std. Residual	.4	-.4	
	Count	16	9	25
	Expected Count	13.3	11.7	25.0
Without note re animal testing - What is the most you would pay for this body lotion?	Row %	64.0%	36.0%	100.0%
	Column %	15.7%	10.0%	13.0%
	Std. Residual	.7	-.8	
	Count	14	24	38
R24-R27	Expected Count	20.2	17.8	38.0
	Row %	36.8%	63.2%	100.0%
	Column %	13.7%	26.7%	19.8%
	Std. Residual	-1.4	1.5	
R28-R31	Count	22	11	33
	Expected Count	17.5	15.5	33.0
	Row %	66.7%	33.3%	100.0%
	Column %	21.6%	12.2%	17.2%
R32-R35	Std. Residual	1.1	-.1	
	Count	14	13	27
	Expected Count	14.3	12.7	27.0
	Row %	51.9%	48.1%	100.0%
	Column %	13.7%	14.4%	14.1%
	Std. Residual	-.1	.1	

	Count	15	11	26
	Expected Count	13.8	12.2	26.0
R36-R39	Row %	57.7%	42.3%	100.0%
	Column %	14.7%	12.2%	13.5%
	Std. Residual	.3	-.3	
	Count	5	8	13
	Expected Count	6.9	6.1	13.0
R40-R43	Row %	38.5%	61.5%	100.0%
	Column %	4.9%	8.9%	6.8%
	Std. Residual	-.7	.8	
	Count	7	5	12
	Expected Count	6.4	5.6	12.0
R44-R47	Row %	58.3%	41.7%	100.0%
	Column %	6.9%	5.6%	6.3%
	Std. Residual	.2	-.3	
Total	Count	102	90	192
	Expected Count	102.0	90.0	192.0
	Row %	53.1%	46.9%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	11.724 <sup>a</sup>	8	.164	.163
Likelihood Ratio	11.951	8	.153	.183
Fisher's Exact Test	11.492			.170
N of Valid Cases	192			

a. 2 cells (11.1%) have expected count less than 5. The minimum expected count is 2.34.

#### Without note re animal testing - What do you expect a company to charge for this lotion? \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
	Count	1	0	1
	Expected Count	.5	.5	1.0
R12-R15	Row %	100.0%	0.0%	100.0%
	Column %	1.0%	0.0%	0.5%
	Std. Residual	.6	-.7	
	Count	8	8	16
	Expected Count	8.5	7.5	16.0
Without note re animal testing - What do you expect a company to charge for this lotion?	R16-R19	Row %	50.0%	50.0%
		Column %	7.8%	8.9%
		Std. Residual	-.2	.2
	Count	11	11	22
	Expected Count	11.7	10.3	22.0
R20-R23	Row %	50.0%	50.0%	100.0%
	Column %	10.8%	12.2%	11.5%
	Std. Residual	-.2	.2	
R24-R27	Count	15	20	35

	Expected Count	18.6	16.4	35.0
	Row %	42.9%	57.1%	100.0%
	Column %	14.7%	22.2%	18.2%
	Std. Residual	-.8	.9	
R28-R31	Count	22	10	32
	Expected Count	17.0	15.0	32.0
	Row %	68.8%	31.3%	100.0%
	Column %	21.6%	11.1%	16.7%
	Std. Residual	1.2	-1.3	
R32-R35	Count	18	15	33
	Expected Count	17.5	15.5	33.0
	Row %	54.5%	45.5%	100.0%
	Column %	17.6%	16.7%	17.2%
	Std. Residual	.1	-.1	
R36-R39	Count	16	10	26
	Expected Count	13.8	12.2	26.0
	Row %	61.5%	38.5%	100.0%
	Column %	15.7%	11.1%	13.5%
	Std. Residual	.6	-.6	
R40-R43	Count	5	6	11
	Expected Count	5.8	5.2	11.0
	Row %	45.5%	54.5%	100.0%
	Column %	4.9%	6.7%	5.7%
	Std. Residual	-.3	.4	
R44-R47	Count	6	10	16
	Expected Count	8.5	7.5	16.0
	Row %	37.5%	62.5%	100.0%
	Column %	5.9%	11.1%	8.3%
	Std. Residual	-.9	.9	
Total	Count	102	90	192
	Expected Count	102.0	90.0	192.0
	Row %	53.1%	46.9%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	8.245 <sup>a</sup>	8	.410	.412
Likelihood Ratio	8.736	8	.365	.415
Fisher's Exact Test	8.213			.404
N of Valid Cases	192			

a. 2 cells (11.1%) have expected count less than 5. The minimum expected count is .47.

**Without note re animal testing - Indicate the likelihood that you would purchase the lotion? \***  
**Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
Very unlikely	Count	11	7	18
	Expected Count	9.6	8.4	18.0
	Row %	61.1%	38.9%	100.0%
	Column %	10.8%	7.8%	9.4%
Unlikely	Std. Residual	.5	-.5	
	Count	21	19	40
	Expected Count	21.3	18.8	40.0
	Row %	52.5%	47.5%	100.0%
Somewhat unlikely	Column %	20.6%	21.1%	20.8%
	Std. Residual	-.1	.1	
	Count	11	11	22
	Expected Count	11.7	10.3	22.0
Undecided	Row %	50.0%	50.0%	100.0%
	Column %	10.8%	12.2%	11.5%
	Std. Residual	-.2	.2	
	Count	9	14	23
Somewhat likely	Expected Count	12.2	10.8	23.0
	Row %	39.1%	60.9%	100.0%
	Column %	8.8%	15.6%	12.0%
	Std. Residual	-.9	1.0	
Likely	Count	21	21	42
	Expected Count	22.3	19.7	42.0
	Row %	50.0%	50.0%	100.0%
	Column %	20.6%	23.3%	21.9%
Very likely	Std. Residual	-.3	.3	
	Count	22	13	35
	Expected Count	18.6	16.4	35.0
	Row %	62.9%	37.1%	100.0%
Total	Column %	21.6%	14.4%	18.2%
	Std. Residual	.8	-.8	
	Count	7	5	12
	Expected Count	6.4	5.6	12.0
	Row %	58.3%	41.7%	100.0%
	Column %	6.9%	5.6%	6.3%
	Std. Residual	.2	-.3	
	Count	102	90	192
	Expected Count	102.0	90.0	192.0
	Row %	53.1%	46.9%	100.0%
	Column %	100.0%	100.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	3.989 <sup>a</sup>	6	.678	.686
Likelihood Ratio	4.017	6	.674	.688
Fisher's Exact Test	4.002			.686
N of Valid Cases	192			

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.63.

**How familiar are you with animal testing? \* Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
How familiar are you with animal testing?	Not familiar at all	Count	18	26
		Expected Count	22.2	21.8
		Row %	40.9%	59.1%
		Column %	17.6%	26.0%
	2	Std. Residual	-.9	.9
		Count	17	16
		Expected Count	16.7	16.3
		Row %	51.5%	48.5%
	3	Column %	16.7%	16.0%
		Std. Residual	.1	-.1
		Count	23	12
		Expected Count	17.7	17.3
	4	Row %	65.7%	34.3%
		Column %	22.5%	12.0%
		Std. Residual	1.3	-1.3
		Count	11	20
	5	Expected Count	15.7	15.3
		Row %	35.5%	64.5%
		Column %	10.8%	20.0%
		Std. Residual	-1.2	1.2
	6	Count	17	16
		Expected Count	16.7	16.3
		Row %	51.5%	48.5%
		Column %	16.7%	16.0%
		Std. Residual	.1	-.1
	Very familiar	Count	7	3
		Expected Count	5.0	5.0
		Row %	70.0%	30.0%
		Column %	6.9%	3.0%
		Std. Residual	.9	-.9
		Count	9	7
	Total	Expected Count	8.1	7.9
		Row %	56.3%	43.8%
		Column %	8.8%	7.0%
		Std. Residual	.3	-.3
	Total	Count	102	100
		Expected Count	102.0	100.0
		Row %	50.5%	49.5%
		Column %	100.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	9.416 <sup>a</sup>	6	.151	.152

Likelihood Ratio	9.567	6	.144	.157
Fisher's Exact Test	9.319			.154
N of Valid Cases	202			

a. 1 cells (7.1%) have expected count less than 5. The minimum expected count is 4.95.

I feel that animal testing should... \* Questionnaire Crosstabulation

			Questionnaire		Total
			A	B	
I feel that animal testing should...	Never be done when testing a product	Count	50	60	110
		Expected Count	55.5	54.5	110.0
		Row %	45.5%	54.5%	100.0%
		Column %	49.0%	60.0%	54.5%
		Std. Residual	-.7	.8	
	2	Count	32	22	54
		Expected Count	27.3	26.7	54.0
		Row %	59.3%	40.7%	100.0%
		Column %	31.4%	22.0%	26.7%
		Std. Residual	.9	-.9	
	3	Count	10	7	17
		Expected Count	8.6	8.4	17.0
		Row %	58.8%	41.2%	100.0%
		Column %	9.8%	7.0%	8.4%
		Std. Residual	.5	-.5	
	4	Count	5	6	11
		Expected Count	5.6	5.4	11.0
		Row %	45.5%	54.5%	100.0%
		Column %	4.9%	6.0%	5.4%
		Std. Residual	-.2	.2	
	5	Count	4	3	7
		Expected Count	3.5	3.5	7.0
		Row %	57.1%	42.9%	100.0%
		Column %	3.9%	3.0%	3.5%
		Std. Residual	.2	-.2	
	Can be done when testing a product	Count	1	2	3
		Expected Count	1.5	1.5	3.0
		Row %	33.3%	66.7%	100.0%
		Column %	1.0%	2.0%	1.5%
		Std. Residual	-.4	.4	
	Total	Count	102	100	202
		Expected Count	102.0	100.0	202.0
		Row %	50.5%	49.5%	100.0%
		Column %	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	3.838 <sup>a</sup>	5	.573	.601
Likelihood Ratio	3.860	5	.570	.619
Fisher's Exact Test	3.990			.577
N of Valid Cases	202			

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.49.

**We discuss the matter of animal testing \* Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
Very infrequently	Count	53	55	108
	Expected Count	54.5	53.5	108.0
	Row %	49.1%	50.9%	100.0%
	Column %	52.0%	55.0%	53.5%
	Std. Residual	-.2	.2	
2	Count	15	17	32
	Expected Count	16.2	15.8	32.0
	Row %	46.9%	53.1%	100.0%
	Column %	14.7%	17.0%	15.8%
	Std. Residual	-.3	.3	
3	Count	14	8	22
	Expected Count	11.1	10.9	22.0
	Row %	63.6%	36.4%	100.0%
	Column %	13.7%	8.0%	10.9%
	Std. Residual	.9	-.9	
We discuss the matter of animal testing	Count	8	7	15
	Expected Count	7.6	7.4	15.0
	Row %	53.3%	46.7%	100.0%
	Column %	7.8%	7.0%	7.4%
	Std. Residual	.2	-.2	
4	Count	6	6	12
	Expected Count	6.1	5.9	12.0
	Row %	50.0%	50.0%	100.0%
	Column %	5.9%	6.0%	5.9%
	Std. Residual	.0	.0	
5	Count	3	3	6
	Expected Count	3.0	3.0	6.0
	Row %	50.0%	50.0%	100.0%
	Column %	2.9%	3.0%	3.0%
	Std. Residual	.0	.0	
6	Count	3	4	7
	Expected Count	3.5	3.5	7.0
	Row %	42.9%	57.1%	100.0%
	Column %	2.9%	4.0%	3.5%
	Std. Residual	-.3	.3	
Very frequently	Count	102	100	202
	Expected Count	102.0	100.0	202.0
	Row %	50.5%	49.5%	100.0%
	Column %	100.0%	100.0%	100.0%
Total				

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	1.988 <sup>a</sup>	6	.921	.927
Likelihood Ratio	2.010	6	.919	.928
Fisher's Exact Test	2.178			.920
N of Valid Cases	202			

a. 4 cells (28.6%) have expected count less than 5. The minimum expected count is 2.97.

**Select the option that indicates how much more the product would cost than it does now \***  
**Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
Select the option that indicates how much more the product would cost than it does now	0%	Count	19	29
		Expected Count	14.7	29.0
		Row %	65.5%	100.0%
		Column %	18.6%	14.4%
		Std. Residual	1.1	-1.1
	5%	Count	7	16
		Expected Count	8.1	16.0
		Row %	43.8%	100.0%
	10%	Column %	6.9%	8.0%
		Std. Residual	-.4	.4
	15%	Count	15	28
		Expected Count	14.2	28.0
		Row %	53.6%	100.0%
		Column %	14.7%	13.9%
		Std. Residual	.2	-.2
	20%	Count	7	18
		Expected Count	9.1	18.0
		Row %	38.9%	100.0%
		Column %	6.9%	9.0%
		Std. Residual	-.7	.7
	25%	Count	14	27
		Expected Count	13.7	27.0
		Row %	51.9%	100.0%
		Column %	13.7%	13.4%
	30%	Std. Residual	.1	-.1
	35%	Count	8	12
		Expected Count	6.1	12.0
		Row %	66.7%	100.0%
		Column %	7.8%	6.0%
		Std. Residual	.8	-.8
	30%	Count	9	18
		Expected Count	9.1	18.0
	35%	Row %	50.0%	100.0%
		Column %	8.8%	9.0%
		Std. Residual	.0	.0
	30%	Count	1	4
		Expected Count	2.0	4.0

	Row %	25.0%	75.0%	100.0%
	Column %	1.0%	3.0%	2.0%
	Std. Residual	-.7	.7	
	Count	2	4	6
	Expected Count	3.0	3.0	6.0
40%	Row %	33.3%	66.7%	100.0%
	Column %	2.0%	4.0%	3.0%
	Std. Residual	-.6	.6	
	Count	2	3	5
	Expected Count	2.5	2.5	5.0
45%	Row %	40.0%	60.0%	100.0%
	Column %	2.0%	3.0%	2.5%
	Std. Residual	-.3	.3	
	Count	9	10	19
	Expected Count	9.6	9.4	19.0
50%	Row %	47.4%	52.6%	100.0%
	Column %	8.8%	10.1%	9.5%
	Std. Residual	-.2	.2	
	Count	0	2	2
	Expected Count	1.0	1.0	2.0
55%	Row %	0.0%	100.0%	100.0%
	Column %	0.0%	2.0%	1.0%
	Std. Residual	-1.0	1.0	
	Count	3	3	6
	Expected Count	3.0	3.0	6.0
60%	Row %	50.0%	50.0%	100.0%
	Column %	2.9%	3.0%	3.0%
	Std. Residual	.0	.0	
	Count	0	1	1
	Expected Count	.5	.5	1.0
65%	Row %	0.0%	100.0%	100.0%
	Column %	0.0%	1.0%	0.5%
	Std. Residual	-.7	.7	
	Count	1	1	2
	Expected Count	1.0	1.0	2.0
70%	Row %	50.0%	50.0%	100.0%
	Column %	1.0%	1.0%	1.0%
	Std. Residual	.0	.0	
	Count	1	0	1
	Expected Count	.5	.5	1.0
75%	Row %	100.0%	0.0%	100.0%
	Column %	1.0%	0.0%	0.5%
	Std. Residual	.7	-.7	
	Count	0	2	2
	Expected Count	1.0	1.0	2.0
80%	Row %	0.0%	100.0%	100.0%
	Column %	0.0%	2.0%	1.0%
	Std. Residual	-1.0	1.0	
	Count	2	0	2
	Expected Count	1.0	1.0	2.0
85%	Row %	100.0%	0.0%	100.0%

	Column %	2.0%	0.0%	1.0%
	Std. Residual	1.0	-1.0	
	Count	2	1	3
	Expected Count	1.5	1.5	3.0
100%	Row %	66.7%	33.3%	100.0%
	Column %	2.0%	1.0%	1.5%
	Std. Residual	.4	-.4	
Total	Count	102	99	201
	Expected Count	102.0	99.0	201.0
	Row %	50.7%	49.3%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	15.657 <sup>a</sup>	18	.617	.662
Likelihood Ratio	18.891	18	.399	.
Fisher's Exact Test	14.809			.704
N of Valid Cases	201			

a. 22 cells (57.9%) have expected count less than 5. The minimum expected count is .49.

b. Cannot be computed because there is insufficient memory.

#### Q12\_1 \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
	Totally disagree	Count	7	11
		Expected Count	9.2	8.8
		Row %	38.9%	61.1%
		Column %	6.9%	11.3%
		Std. Residual	-.7	.8
	2	Count	6	11
		Expected Count	8.7	8.3
		Row %	35.3%	64.7%
		Column %	5.9%	11.3%
		Std. Residual	-.9	.9
Q12_1	3	Count	9	5
		Expected Count	7.2	6.8
		Row %	64.3%	35.7%
		Column %	8.8%	5.2%
		Std. Residual	.7	-.7
	4	Count	10	7
		Expected Count	8.7	8.3
		Row %	58.8%	41.2%
		Column %	9.8%	7.2%
		Std. Residual	.4	-.4
	5	Count	17	14
		Expected Count	15.9	15.1
		Row %	54.8%	45.2%
		Column %	16.7%	14.4%
		Std. Residual	.3	-.3

	Count	22	16	38
6	Expected Count	19.5	18.5	38.0
	Row %	57.9%	42.1%	100.0%
	Column %	21.6%	16.5%	19.1%
	Std. Residual	.6	-.6	
	Count	31	33	64
	Expected Count	32.8	31.2	64.0
Totally agree	Row %	48.4%	51.6%	100.0%
	Column %	30.4%	34.0%	32.2%
	Std. Residual	-.3	.3	
Total	Count	102	97	199
	Expected Count	102.0	97.0	199.0
	Row %	51.3%	48.7%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	5.210 <sup>a</sup>	6	.517	.525
Likelihood Ratio	5.259	6	.511	.529
Fisher's Exact Test	5.138			.532
N of Valid Cases	199			

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.82.

#### With note re animal testing - How much do you think a company would charge to ensure making a reasonable profit & giving the consumer a fair deal? \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
	Count	3	1	4
	Expected Count	1.9	2.1	4.0
R12-R15	Row %	75.0%	25.0%	100.0%
	Column %	3.2%	1.0%	2.1%
	Std. Residual	.8	-.7	
	Count	1	5	6
	Expected Count	2.9	3.1	6.0
R16-R19	Row %	16.7%	83.3%	100.0%
	Column %	1.1%	5.0%	3.1%
	Std. Residual	-1.1	1.1	
	Count	8	10	18
	Expected Count	8.7	9.3	18.0
R20-R23	Row %	44.4%	55.6%	100.0%
	Column %	8.5%	10.0%	9.3%
	Std. Residual	-.2	.2	
	Count	12	16	28
	Expected Count	13.6	14.4	28.0
R24-R27	Row %	42.9%	57.1%	100.0%
	Column %	12.8%	16.0%	14.4%
	Std. Residual	-.4	.4	
	Count	15	20	35
R28-R31	Expected Count	17.0	18.0	35.0

	Row %	42.9%	57.1%	100.0%
	Column %	16.0%	20.0%	18.0%
	Std. Residual	-.5	.5	
R32-R35	Count	21	20	41
	Expected Count	19.9	21.1	41.0
	Row %	51.2%	48.8%	100.0%
	Column %	22.3%	20.0%	21.1%
R36-R39	Std. Residual	.3	-.2	
	Count	12	7	19
	Expected Count	9.2	9.8	19.0
	Row %	63.2%	36.8%	100.0%
R40-R43	Column %	12.8%	7.0%	9.8%
	Std. Residual	.9	-.9	
	Count	8	11	19
	Expected Count	9.2	9.8	19.0
R44-R47	Row %	42.1%	57.9%	100.0%
	Column %	8.5%	11.0%	9.8%
	Std. Residual	-.4	.4	
	Count	14	10	24
Total	Expected Count	11.6	12.4	24.0
	Row %	58.3%	41.7%	100.0%
	Column %	14.9%	10.0%	12.4%
	Std. Residual	.7	-.7	
Total	Count	94	100	194
	Expected Count	94.0	100.0	194.0
	Row %	48.5%	51.5%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	7.477 <sup>a</sup>	8	.486	.499
Likelihood Ratio	7.786	8	.455	.500
Fisher's Exact Test	7.232			.520
N of Valid Cases	194			

a. 4 cells (22.2%) have expected count less than 5. The minimum expected count is 1.94.

#### With note re animal testing - What is the most you would pay for this body lotion? \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
With note re animal testing - What is the most you would pay for this body lotion?	R12-R15	Count	1	1
		Expected Count	1.0	1.0
		Row %	50.0%	50.0%
		Column %	1.1%	1.0%
	R16-R19	Std. Residual	.0	.0
		Count	3	4
		Expected Count	3.4	3.6
		Row %	42.9%	57.1%
				100.0%

	Column %	3.2%	4.0%	3.6%
	Std. Residual	-.2	.2	
R20-R23	Count	12	7	19
	Expected Count	9.2	9.8	19.0
	Row %	63.2%	36.8%	100.0%
	Column %	12.8%	7.0%	9.8%
R24-R27	Std. Residual	.9	-.9	
	Count	9	16	25
	Expected Count	12.1	12.9	25.0
	Row %	36.0%	64.0%	100.0%
R28-R31	Column %	9.6%	16.0%	12.9%
	Std. Residual	-.9	.9	
	Count	14	16	30
	Expected Count	14.5	15.5	30.0
R32-R35	Row %	46.7%	53.3%	100.0%
	Column %	14.9%	16.0%	15.5%
	Std. Residual	-.1	.1	
	Count	14	20	34
R36-R39	Expected Count	16.5	17.5	34.0
	Row %	41.2%	58.8%	100.0%
	Column %	14.9%	20.0%	17.5%
	Std. Residual	-.6	.6	
R40-R43	Count	14	11	25
	Expected Count	12.1	12.9	25.0
	Row %	56.0%	44.0%	100.0%
	Column %	14.9%	11.0%	12.9%
R44-R47	Std. Residual	.5	-.5	
	Count	11	11	22
	Expected Count	10.7	11.3	22.0
	Row %	50.0%	50.0%	100.0%
Total	Column %	11.7%	11.0%	11.3%
	Std. Residual	.1	-.1	
	Count	16	14	30
	Expected Count	14.5	15.5	30.0
R44-R47	Row %	53.3%	46.7%	100.0%
	Column %	17.0%	14.0%	15.5%
	Std. Residual	.4	-.4	
	Count	94	100	194
Total	Expected Count	94.0	100.0	194.0
	Row %	48.5%	51.5%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	4.923 <sup>a</sup>	8	.766	.789
Likelihood Ratio	4.968	8	.761	.817
Fisher's Exact Test	5.203			.758
N of Valid Cases	194			

a. 4 cells (22.2%) have expected count less than 5. The minimum expected count is .97.

**With note re animal testing - What do you expect a company to charge for this lotion? \* Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
R12-R15	Count	1	0	1
	Expected Count	.5	.5	1.0
	Row %	100.0%	0.0%	100.0%
	Column %	1.1%	0.0%	0.5%
R16-R19	Std. Residual	.7	-.7	
	Count	2	8	10
	Expected Count	4.8	5.2	10.0
	Row %	20.0%	80.0%	100.0%
R20-R23	Column %	2.1%	8.0%	5.2%
	Std. Residual	-1.3	1.3	
	Count	6	5	11
	Expected Count	5.3	5.7	11.0
R24-R27	Row %	54.5%	45.5%	100.0%
	Column %	6.4%	5.0%	5.7%
	Std. Residual	.3	-.3	
	Count	14	16	30
R28-R31	Expected Count	14.5	15.5	30.0
	Row %	46.7%	53.3%	100.0%
	Column %	14.9%	16.0%	15.5%
	Std. Residual	-.1	.1	
With note re animal testing - What do you expect a company to charge for this lotion?	Count	12	16	28
	Expected Count	13.6	14.4	28.0
	Row %	42.9%	57.1%	100.0%
	Column %	12.8%	16.0%	14.4%
R32-R35	Std. Residual	-.4	.4	
	Count	18	14	32
	Expected Count	15.5	16.5	32.0
	Row %	56.3%	43.8%	100.0%
R36-R39	Column %	19.1%	14.0%	16.5%
	Std. Residual	.6	-.6	
	Count	15	11	26
	Expected Count	12.6	13.4	26.0
R40-R43	Row %	57.7%	42.3%	100.0%
	Column %	16.0%	11.0%	13.4%
	Std. Residual	.7	-.7	
	Count	10	13	23
R44-R47	Expected Count	11.1	11.9	23.0
	Row %	43.5%	56.5%	100.0%
	Column %	10.6%	13.0%	11.9%
	Std. Residual	-.3	.3	
Total	Count	16	17	33
	Expected Count	16.0	17.0	33.0
	Row %	48.5%	51.5%	100.0%
	Column %	17.0%	17.0%	17.0%
	Std. Residual	.0	.0	
	Expected Count	94.0	100.0	194.0

	Row %	48.5%	51.5%	100.0%
	Column %	100.0%	100.0%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	6.754 <sup>a</sup>	8	.563	.579
Likelihood Ratio	7.395	8	.495	.560
Fisher's Exact Test	6.653			.582
N of Valid Cases	194			

a. 3 cells (16.7%) have expected count less than 5. The minimum expected count is .48.

### With note re animal testing - Indicate the likelihood that you would purchase the lotion? \* Questionnaire Crosstabulation

			Questionnaire		Total
			A	B	
With note re animal testing - Indicate the likelihood that you would purchase the lotion?	Very unlikely	Count	6	6	12
		Expected Count	5.8	6.2	12.0
		Row %	50.0%	50.0%	100.0%
		Column %	6.5%	6.0%	6.2%
	Unlikely	Std. Residual	.1	-.1	
		Count	9	14	23
		Expected Count	11.1	11.9	23.0
		Row %	39.1%	60.9%	100.0%
	Somewhat unlikely	Column %	9.7%	14.0%	11.9%
		Std. Residual	-.6	.6	
		Count	5	7	12
		Expected Count	5.8	6.2	12.0
	Undecided	Row %	41.7%	58.3%	100.0%
		Column %	5.4%	7.0%	6.2%
		Std. Residual	-.3	.3	
		Count	10	9	19
	Somewhat likely	Expected Count	9.2	9.8	19.0
		Row %	52.6%	47.4%	100.0%
		Column %	10.8%	9.0%	9.8%
		Std. Residual	.3	-.3	
	Likely	Count	24	30	54
		Expected Count	26.0	28.0	54.0
		Row %	44.4%	55.6%	100.0%
		Column %	25.8%	30.0%	28.0%
	Very likely	Std. Residual	-.4	.4	
		Count	23	25	48
		Expected Count	23.1	24.9	48.0
		Row %	47.9%	52.1%	100.0%
		Column %	24.7%	25.0%	24.9%
		Std. Residual	.0	.0	
		Count	16	9	25
		Expected Count	12.0	13.0	25.0
		Row %	64.0%	36.0%	100.0%
		Column %	17.2%	9.0%	13.0%

	Std. Residual	1.1	-1.1	
Total	Count	93	100	193
	Expected Count	93.0	100.0	193.0
	Row %	48.2%	51.8%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	3.934 <sup>a</sup>	6	.686	.695
Likelihood Ratio	3.967	6	.681	.697
Fisher's Exact Test	3.975			.690
N of Valid Cases	193			

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.78.

#### Indicate the budget that you have available on a monthly basis to buy personal care items \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
Indicate the budget that you have available on a monthly basis to buy personal care items	Less than R110 per month	Count	6	4
		Expected Count	5.1	4.9
		Row %	60.0%	40.0%
		Column %	6.5%	4.4%
		Std. Residual	.4	-.4
	2	Count	17	14
		Expected Count	15.8	15.2
		Row %	54.8%	45.2%
		Column %	18.3%	15.6%
		Std. Residual	.3	-.3
	3	Count	18	26
		Expected Count	22.4	21.6
		Row %	40.9%	59.1%
		Column %	19.4%	28.9%
		Std. Residual	-.9	.9
	4	Count	11	16
		Expected Count	13.7	13.3
		Row %	40.7%	59.3%
		Column %	11.8%	17.8%
		Std. Residual	-.7	.7
	5	Count	14	10
		Expected Count	12.2	11.8
		Row %	58.3%	41.7%
		Column %	15.1%	11.1%
		Std. Residual	.5	-.5
	6	Count	6	3
		Expected Count	4.6	4.4
		Row %	66.7%	33.3%
		Column %	6.5%	3.3%
		Std. Residual	.7	-.7
	7	Count	4	7
				11

		Expected Count	5.6	5.4	11.0
		Row %	36.4%	63.6%	100.0%
		Column %	4.3%	7.8%	6.0%
		Std. Residual	-.7	.7	
8	Count		5	5	10
	Expected Count		5.1	4.9	10.0
	Row %		50.0%	50.0%	100.0%
	Column %		5.4%	5.6%	5.5%
	Std. Residual		.0	.0	
9	Count		1	0	1
	Expected Count		.5	.5	1.0
	Row %		100.0%	0.0%	100.0%
	Column %		1.1%	0.0%	0.5%
	Std. Residual		.7	-.7	
10	Count		4	0	4
	Expected Count		2.0	2.0	4.0
	Row %		100.0%	0.0%	100.0%
	Column %		4.3%	0.0%	2.2%
	Std. Residual		1.4	-1.4	
11	Count		2	2	4
	Expected Count		2.0	2.0	4.0
	Row %		50.0%	50.0%	100.0%
	Column %		2.2%	2.2%	2.2%
	Std. Residual		.0	.0	
12	Count		0	1	1
	Expected Count		.5	.5	1.0
	Row %		0.0%	100.0%	100.0%
	Column %		0.0%	1.1%	0.5%
	Std. Residual		-.7	.7	
14	Count		1	0	1
	Expected Count		.5	.5	1.0
	Row %		100.0%	0.0%	100.0%
	Column %		1.1%	0.0%	0.5%
	Std. Residual		.7	-.7	
15	Count		4	2	6
	Expected Count		3.0	3.0	6.0
	Row %		66.7%	33.3%	100.0%
	Column %		4.3%	2.2%	3.3%
	Std. Residual		.5	-.6	
Total	Count		93	90	183
	Expected Count		93.0	90.0	183.0
	Row %		50.8%	49.2%	100.0%
	Column %		100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	13.177 <sup>a</sup>	13	.434	.440
Likelihood Ratio	15.940	13	.252	.376
Fisher's Exact Test	12.795			.447
N of Valid Cases	183			

a. 16 cells (57.1%) have expected count less than 5. The minimum expected count is .49.

**Please indicate your age \* Questionnaire Crosstabulation**

		Questionnaire		Total
		A	B	
Please indicate your age	21-25	Count	13	8
		Expected Count	10.7	10.3
		Row %	61.9%	38.1%
		Column %	14.0%	8.9%
	26-30	Std. Residual	.7	-.7
		Count	31	36
		Expected Count	34.0	33.0
		Row %	46.3%	53.7%
	31-35	Column %	33.3%	40.0%
		Std. Residual	-.5	.5
		Count	12	18
		Expected Count	15.2	14.8
	36-40	Row %	40.0%	60.0%
		Column %	12.9%	20.0%
		Std. Residual	-.8	.8
		Count	8	8
	41-45	Expected Count	8.1	7.9
		Row %	50.0%	50.0%
		Column %	8.6%	8.9%
		Std. Residual	.0	.0
	46-50	Count	13	6
		Expected Count	9.7	9.3
		Row %	68.4%	31.6%
		Column %	14.0%	6.7%
		Std. Residual	1.1	-1.1
	51-55	Count	6	2
		Expected Count	4.1	3.9
		Row %	75.0%	25.0%
		Column %	6.5%	2.2%
		Std. Residual	1.0	-1.0
	56-60	Count	4	6
		Expected Count	5.1	4.9
		Row %	40.0%	60.0%
		Column %	4.3%	6.7%
		Std. Residual	-.5	.5
	61-65	Count	3	0
		Expected Count	1.5	1.5
		Row %	100.0%	0.0%
		Column %	3.2%	0.0%
		Std. Residual	1.2	-1.2
		Count	1	2
		Expected Count	1.5	1.5
		Row %	33.3%	66.7%
		Column %	1.1%	2.2%
		Std. Residual	-.4	.4

		Count	0	1	1
		Expected Count	.5	.5	1.0
66-70	Row %	0.0%	100.0%	100.0%	
	Column %	0.0%	1.1%	0.5%	
	Std. Residual	-.7	.7		
		Count	2	3	5
		Expected Count	2.5	2.5	5.0
71 and older	Row %	40.0%	60.0%	100.0%	
	Column %	2.2%	3.3%	2.7%	
	Std. Residual	-.3	.3		
Total	Count	93	90	183	
	Expected Count	93.0	90.0	183.0	
	Row %	50.8%	49.2%	100.0%	
	Column %	100.0%	100.0%	100.0%	

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	12.230 <sup>a</sup>	10	.270	.262
Likelihood Ratio	13.957	10	.175	.261
Fisher's Exact Test	11.768			.273
N of Valid Cases	183			

a. 11 cells (50.0%) have expected count less than 5. The minimum expected count is .49.

#### Please indicate your ethnicity \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
Please indicate your ethnicity	Caucasian	Count	76	63
		Expected Count	70.6	68.4
		Row %	54.7%	45.3%
		Column %	81.7%	70.0%
		Std. Residual	.6	-.6
	Black African	Count	7	4
		Expected Count	5.6	5.4
		Row %	63.6%	36.4%
		Column %	7.5%	4.4%
		Std. Residual	.6	-.6
	Coloured	Count	0	3
		Expected Count	1.5	1.5
		Row %	0.0%	100.0%
		Column %	0.0%	3.3%
		Std. Residual	-1.2	1.3
	Indian	Count	5	11
		Expected Count	8.1	7.9
		Row %	31.3%	68.8%
		Column %	5.4%	12.2%
		Std. Residual	-1.1	1.1
	Other	Count	5	9
		Expected Count	7.1	6.9
		Row %	35.7%	64.3%
		Column %	5.4%	10.0%
				7.7%

	Std. Residual	-.8	.8	
Total	Count	93	90	183
	Expected Count	93.0	90.0	183.0
	Row %	50.8%	49.2%	100.0%
	Column %	100.0%	100.0%	100.0%

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	8.380 <sup>a</sup>	4	.079	.069
Likelihood Ratio	9.621	4	.047	.064
Fisher's Exact Test	7.878			.079
N of Valid Cases	183			

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.48.

#### Please indicate your ethnicity \* Questionnaire Crosstabulation

		Questionnaire		Total
		A	B	
Please indicate your ethnicity	Caucasian	Count	80	72
		Expected Count	77.2	74.8
		Row %	52.6%	47.4%
		Column %	86.0%	80.0%
		Std. Residual	.3	-.3
	Black African	Count	7	4
		Expected Count	5.6	5.4
		Row %	63.6%	36.4%
		Column %	7.5%	4.4%
		Std. Residual	.6	-.6
	Coloured	Count	0	3
		Expected Count	1.5	1.5
		Row %	0.0%	100.0%
		Column %	0.0%	3.3%
		Std. Residual	-1.2	1.3
	Indian	Count	5	11
		Expected Count	8.1	7.9
		Row %	31.3%	68.8%
		Column %	5.4%	12.2%
		Std. Residual	-1.1	1.1
	Other	Count	1	0
		Expected Count	.5	.5
		Row %	100.0%	0.0%
		Column %	1.1%	0.0%
		Std. Residual	.7	-.7
	Total	Count	93	90
		Expected Count	93.0	90.0
		Row %	50.8%	49.2%
		Column %	100.0%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	7.442 <sup>a</sup>	4	.114	.078
Likelihood Ratio	9.052	4	.060	.067
Fisher's Exact Test	6.909			.082
N of Valid Cases	183			

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .49.

### Please indicate your education \* Questionnaire Crosstabulation

			Questionnaire		Total
			A	B	
Please indicate your education	Matric	Count	7	12	19
		Expected Count	9.6	9.4	19.0
		Row %	36.8%	63.2%	100.0%
		Column %	7.6%	13.3%	10.4%
		Std. Residual	-.8	.8	
	Diploma	Count	16	11	27
		Expected Count	13.6	13.4	27.0
		Row %	59.3%	40.7%	100.0%
		Column %	17.4%	12.2%	14.8%
		Std. Residual	.6	-.6	
	University degree	Count	20	21	41
		Expected Count	20.7	20.3	41.0
		Row %	48.8%	51.2%	100.0%
		Column %	21.7%	23.3%	22.5%
		Std. Residual	-.2	.2	
	Post-graduate degree	Count	46	46	92
		Expected Count	46.5	45.5	92.0
		Row %	50.0%	50.0%	100.0%
		Column %	50.0%	51.1%	50.5%
		Std. Residual	-.1	.1	
	Doctoral degree	Count	1	0	1
		Expected Count	.5	.5	1.0
		Row %	100.0%	0.0%	100.0%
		Column %	1.1%	0.0%	0.5%
		Std. Residual	.7	-.7	
	Other	Count	2	0	2
		Expected Count	1.0	1.0	2.0
		Row %	100.0%	0.0%	100.0%
		Column %	2.2%	0.0%	1.1%
		Std. Residual	1.0	-1.0	
	Total	Count	92	90	182
		Expected Count	92.0	90.0	182.0
		Row %	50.5%	49.5%	100.0%
		Column %	100.0%	100.0%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	5.245 <sup>a</sup>	5	.387	.388
Likelihood Ratio	6.424	5	.267	.356
Fisher's Exact Test	4.784			<b>.426</b>
N of Valid Cases	182			

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .49.