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Ingredient brand strategies for new entrants in the South African stud buffalo breeding market

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Abstract

New companies require brand development strategies. The aim of the study was to establish the effectiveness of ingredient branding strategies on customer purchase intention towards new market entrants in the South African stud buffalo breeding market.

The study was quantitative in nature and descriptive in design, with demographics, operational background and branding data gathered through a structured survey in the form of a closed questionnaire administered by the researcher. The sample comprised 27 stud buffalo breeders across South Africa.

The findings supported ingredient branding as having a positive influence on customer purchase intention towards new market entrants for both the host and ingredient brand. Strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry found positive influence on customer purchase intention towards the new market entry. The results were inconclusive regarding strategic brand partnership through ingredient co-branding between a well-known public figure and new market entrant having a positive influence on customer purchase intention.

Keywords

Brand development, ingredient branding, ingredient co-branding, new market entrant, customer purchase intention

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Kyle Giovanni Burelli

Signature:

Date: 18 January 2017

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Chapter 1: Introduction to Research Problem

1.1 Brand Development Challenges in the South African Stud Buffalo Breeding Market

Marketing is about values. It's a complicated and noisy world, and we're not going to get a chance to get people to remember much about us. No company is. So we have to be really clear about what we want them to know about us (Jobs, 1997).

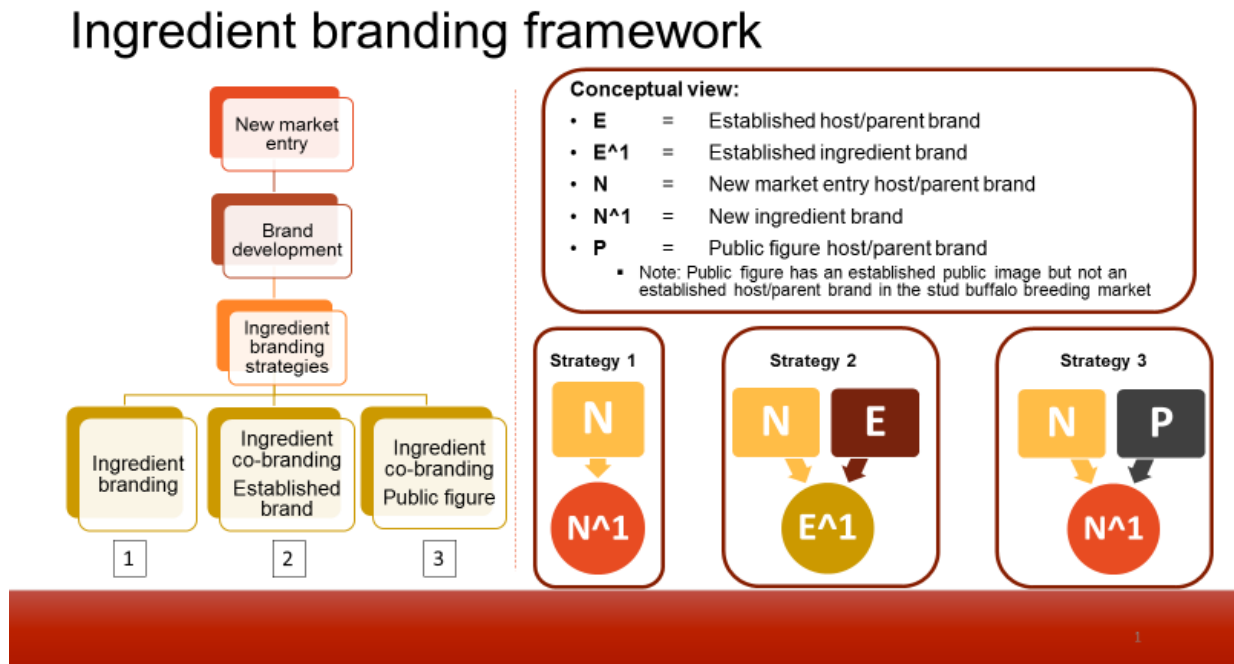
The South African stud buffalo breeding market has seen an annual price increase of 29% from 2004 to 2011, with record prices for individual stud buffalo sales at R18 million in 2011 (Laubscher & Hoffman, 2012). In early 2016, R44 million was paid for a 25% share in a stud buffalo bull called Horizon, valuing the animal at R176 million (Stratford, 2016), and during September 2016 the Thaba Tholo Game Farm auction saw the record for the largest physical outlay of capital being spent on a stud buffalo bull when Inala was sold for R168 million (Graham, 2016). The live game industry in South Africa has grown from R94 million in 2007 (Carruthers, 2008) to over R1.8 billion in 2014 (Cloete, 2015). The wildlife industry is forecasted to reach a turnover of R100 billion in the next ten years (Lubout, 2016), with stud buffalo prices being one of the prominent contributors due to the premium prices these animals are currently selling for.

With the perceived economic benefit of market growth and profitability there is a natural increase in new market entrants in the South African stud buffalo breeding market pursuing the development of a brand which is the unique identifier of their business, the key end goal being to build a well-known brand image (Tiwari & Singh, 2012). Current branding environment conditions have been described as complex, as the marketing manager is faced with fragmentation, channel dynamics and global realities which have drastically changed the brand development strategies required. The high cost of creating new brands has further contributed to the complexity of the brand development environment (Aaker & Joachimsthaler, 2000). A company that can achieve an exceptional brand will enable positive customer perception, resulting in greater customer loyalty, less vulnerability to competitors' marketing strategies, high rate of return, reduction in price sensitivity of customers to price increases, higher support of middlemen or auction houses, and higher success of marketing promotions (Athanasopoulou, Giovanis & Avlonitis, 2015).

The stud buffalo breeding industry is currently employing various branding strategies with the perceived emphasis on ingredient brand strategies. Ingredient brand strategies can be seen through financial reports on market leaders or through discussion with market players

who understand the industry. A recent example of ingredient branding was between the host brand Piet du Toit Wildbedryf and the ingredient brand Horizon (referred to above), constituting a form of ingredient co-branding with 25% equal ownership among four existing host brands (George, 2016). The second and more recent example of ingredient co-branding was the Thaba Tholo buffalo bull Inala that was ingredient co-branded with three host brands (Graham, 2016). Figure 1 graphically highlights the current ingredient brand strategies utilised in the South African stud buffalo breeding market.

Figure 1: Ingredient branding framework



Source: Author's Own

Developing a new company in an existing market is an extremely challenging, costly and risky process (Koksai, 2014). This is amplified in the current stud buffalo breeding market where brand development strategies are perceived as driven by cost and the industry norm. A new entrant can have a variety of effects on the industry and with a high growth market such as the South African stud buffalo breeding market, this could result in numerous scenarios such as an increased demand in the market, diverting demand from original players, or a combination of the two. Businesses within an industry do not operate uniformly and are therefore not affected in the same way, and markets are not impacted by new entrants in the same way – therefore different brand strategies are required depending on the market (Ozsomer & Cavusgis, 1999). The timing of a new market entry will also have significant impact with regard to an early or a late market entry (Walter, Edelman & Hatten,

2016). The marketing entry strategy can result in competitive and cooperative pressures on companies established in the markets (Ozsomer & Cavusgis, 1999).

There is a business need for confirming the effectiveness of ingredient branding for new market entrants in this high-growth multi-million-rand industry. The stud buffalo breeding market needs to be reviewed to determine the market environment and the effectiveness of the associated ingredient branding strategies. The potential benefits of an effective brand are apparent, but so are the complexities that go with building a new brand. The South African stud buffalo breeding market therefore requires testing to see if ingredient brand strategies for new market entrants are an effective and competitive form of brand development that positively influences customer purchase intention. Recommendations resulting from such testing could improve ingredient brand strategies in this industry.

1.2 Research Problem

Given the financial market size and the historical and forecasted growth of the stud buffalo breeding market in South Africa, this research explored the views of existing breeders on the effect that different ingredient brand strategies could have on customers' purchase intention, with specific regard to new market entrants' brand development. The importance of the study can be attributed to the recent high number of crises involving brands in different markets of the world as mentioned by Yuan, Cui and Lai (2016), the economic importance that brands can create for a company, and the current perceived limited knowledge on the role that a brand plays in influencing the behaviour and purchase decisions of customers (Sasmita Norazah Mohd Suki, Horváth & van Birgelen, 2015).

1.3 Academic Motivation

Although marketing literature on brand development is growing, topics have continued to be broad, and specific branding strategies such as ingredient branding have been neglected. Ingredient branding has received relatively little attention to date (Moon & Sprott, 2016) and additional sub-strategies under ingredient branding such as ingredient co-branding has an even greater gap (Swaminathan, Reddy & Dommer, 2012). One of the key reasons for this is that ingredient branding is a relatively new strategy under the marketing umbrella topic and more specifically branding (Kotler & Pfoertsch, 2010), however, the importance of the topic is becoming more apparent with benefits such as improved profits for brand managers comprising enhanced brand images and giving the customers products that create added value (Moon & Sprott, 2016). Within an African context, Africa has been seen as a continent

that is neglected by researchers, resulting in a shortage of knowledge (Chinomona, 2016, p. 125) which is also evident in terms of marketing strategies in the stud buffalo breeding industry.

Existing ingredient branding literature cover an assortment of topics ranging from ingredient branding for a luxury brand (Moon & Sprott, 2016), spill-over effects of ingredient branding as an increase in purchase in either the host or ingredient brand (Swaminathan et al., 2012), clear definitions of co-branding and ingredient branding (Chiambaretto, Gurău & Le Roy, 2016), advertisement of ingredient branding (Giakoumaki, Avlonitis & Baltas, 2016), and looking at the execution of invisible to visible ingredient branding (Kotler & Pfoertsch, 2010). Previous research, however, only looked at ingredient branding from a physical component perspective such as the microprocessors inside Dell computers (Desai & Keller, 2002), and from an ingredient branding service perspective as in an isolated service industry study related to industrial buyers' purchase intention (Helm & Özergin, 2015). From the literature reviewed there seemed to be no application to a stud breeding industry or the use of ingredient branding as a strategy for a new market entrant specifically.

This research study specifically focused on ingredient branding as a strategy for a new market entrant developing a brand in the South African stud buffalo breeding market, and the effect of different strategies on customer purchase intention. To the researcher's knowledge, this is the first branding study to address the effect of ingredient branding on customer purchase intention towards a new market entrant wanting to develop a brand in a stud breeding market.

Research Aim and Objectives

The aim of the study was to establish the effectiveness of ingredient branding strategies on customer purchase intention towards new market entrants developing a brand in the stud buffalo breeding market. This was done through primary data collection that was holistic and categorical from a brand development perspective. The research also aimed to understand the effect of three different types of ingredient brand development strategies on customers' purchase intention, as detailed below:

The research objectives aimed to establish the degree to which, in the stud buffalo breeding market:

1. Ingredient branding for a new market entrant's host and ingredient brand has a positive influence on customer purchase intention.

2. An ingredient co-branding strategy between a new market entrant and a well-known brand in the industry has a positive influence on customer purchase intention.
3. An ingredient co-branding strategy between a new market entrant and a well-known public figure has a positive influence on customer purchase intention.

1.4 Research Scope

The analysis was quantitative in nature, based on primary data received from closed-survey questionnaires used in face-to-face interviews with current stud buffalo breeders in South Africa. The measurement was obtained through insight into the background of the breeders and their brand development views, with specific focus on ingredient branding. The questionnaires were administered individually to stud buffalo breeders across all geographies within the borders of South Africa.

The scope of the research was confined to ingredient brand strategy effectiveness for new market entrants' brand development in terms of the impact of the strategy on customer purchase intention. Though cost implication and return on investment (ROI) of ingredient branding are important, due to sheer magnitude in size these aspects were not considered in the current study.

1.5 Structure of the Research

The research paper comprises seven chapters. The current chapter introduces the research problem as well as the business need, academic need and objectives of the study.

Chapter 2 offers a detailed overview of relevant literature pertaining to marketing, brand development, new market entrants, ingredient branding, and the stud buffalo breeding industry. This chapter highlights contrasting findings and defines the approach chosen by the study at hand, emphasising the key issues that the research aimed to address. The literature review covers brand development and new entrants. Three forms of ingredient brand strategies are discussed namely ingredient brand strategy, ingredient co-branding specifically looking at a partnership between a new market entrant and a well-known brand, and finally ingredient co-branding between a new market entrant and a public figure. Lastly, research on the history and establishment of the South African stud buffalo breeding market will be covered to give context to the study.

Chapter 3 defines the research objectives around brand development for a new market entrant using ingredient brand strategies, and highlights the various propositions that need to be reviewed.

Chapter 4 explains the procedure of the research methodology and approach taken in sequential detail. It describes the research design, universe, sampling method, unit of analysis, ethical clearance, the data collection process, validity and reliability, and the key limitations of the study.

Chapter 5 presents the analysis of the data, whereas Chapter 6 builds on the findings in a discussion of the results regarding supporting evidence from other research, continuously reviewing by linking back to the study's objectives and propositions.

Chapter 7 concludes this research study by summarising the key findings, the limitations, the recommendations for future research, and the implications for business and academia. The concluding results are anticipated to answer the research objectives and propositions.

Chapter 2: Literature Review

2.1 Introduction

Previously, marketing managers had to deal with a simplified brand structure due to a relatively simplistic environment supported by rudimentary business strategies (Aaker & Joachimsthaler, 2000). In contrast, current environmental conditions have been described as complex. Marketing managers are faced with fragmentation, channel dynamics and global realities, all of which have drastically changed the brand development strategies required. The high cost of creating new brands has further contributed to the complexity of the brand development environment (Aaker & Joachimsthaler, 2000). The current study explored ingredient branded strategies for new market entrants in the South African stud buffalo breeding market. The literature review is structured into five major areas deemed imperative to the study namely brand development and new market entrants, ingredient branding, ingredient co-branding with an established brand, ingredient co-branding with a public figure, and the South African stud buffalo breeding market – the latter in an attempt to give context to the industry. These areas have been divided into subheadings starting with the more generic theory bases and ending with literature focused on each specific area.

2.2 Brand development

Tiwari and Singh (2012) described a brand as the unique identity or association of a specific product, service or business, and a brand development strategy as the developing of a brand image during which the brand's value is increased with the goal of building a well-known brand image. Branding, as stated by Seyedghorban, Matanda and LaPlaca (2015), was historically viewed as being of limited importance but was in more recent research shown as important in the customer purchase decision-making process. They suggested that the relevance of branding had been acknowledged and that over the previous few decades the subject had reached such a stage of maturity that it was being treated as an exclusive field of study. Kotler mentioned as far back as 1997 that a brand was a key success factor to a new market entrant and that the brand, which was made up of numerous attributes (name, term, sign, symbol, design, or a combination of these), was used to form a unique company representation and differentiated itself from competitors entering or existing in the same market. Hoeffler and Keller (2003) noted benefits to the company that a brand could create namely higher customer retention, improved quality perception and a streamlined communication channel that was effective due to high adoption. Vlachvei, Notta and Efterpi

(2012) also noted that a company's brand identity was one of its most important intangible assets and a significant success determinant of its competitive advantage, as customers compared a brand to other competitor brands which were seen as a promise filled with trustworthiness, consistency and defined quality expectations.

Vukasovic (2012) agreed that a well-established brand with a high quality ensured a competitive advantage in the market, but added that it required effective management and treatment of the brand. Athanapoulou et al. (2015) described the business and branding environment as being characterised by high competition, volatile changing customer needs and small product life cycles. They argued the importance for companies to exploit their brands as much as possible as there was an extremely high cost of developing a new brand, and noted that the value of branding should not be overlooked as it was among a company's most significant assets. In their view, a company that could achieve an exceptional brand would enable future success achievement in high perceptions of the brand with benefits such as greater customer loyalty, less vulnerability to competitors' marketing strategies, high rate of return, reduction in customers' being price sensitive to price increases, higher support of middlemen or auction houses and higher success of marketing promotions (p. 488). The benefits that were highlighted would only be experienced if strong brands were created, which Keller (2009) attributed to the customer mindset being exposed to the right knowledge structures of the brand resulting in their response being positive to marketing activities of the company.

In the South African stud buffalo breeding market, due to the infancy of the industry and a relative small playing field, a brand reputation or image can be the determinant of business success or failure of the company. Ruben Els, the CEO of Thaba Tholo Game Farm, explained that the industry was heavily reliant on branding that determined the reputation, customer services, honesty and accountability of the company (personal communication, 6 September 2016). Vukasovic (2012) highlighted six interrelated key brand areas which can be correlated with Els's (2016) brand statement on the stud buffalo breeding industry, namely product, image, consumer, visual, channel and goodwill. Successful development and introduction of a new brand was, in his view, similar to a new product. A new brand development was a critical business strategy because this would determine the sales, market share, profitability and, most importantly, the survival of a company. Developing a new company or brand in an existing market was a challenging, costly and risky process (Koksal, 2014).

2.2.1 Brand creation by new entrants

According to Nobel (2011), despite the large amount of effort placed in brand development, up to 95% of new brand introductions failed. In the current competitive market, it is difficult to be a new market entrant and successfully establish an effective brand that consumers will purchase.

Although previous studies have perceived the importance of a brand and the benefit of a well-established brand on competitive advantage, they did not seem to clarify how new market entrants could ensure that an effective branding strategy was used to develop the said brand attributes. In this regard, Dens and Pelsmacker (2010) argued that the strategies of brand extension were associated with new products launched by established brands which had instant creditability due to the existing brand endorsement. Laplume and Srivastava (2014) supported this view by stating that brand extension could only be implemented effectively with an existing foundation brand and that product or brand extension for established companies therefore had advantages over new company entrants.

The term “new entrants” is defined as new business players entering the market or industry for the first time. Successful new entrants have a significant impact on the market which they enter. Ozsomer and Cavusgis (1999) noted that the speed at which a market developed was largely influenced by the types and quantity of companies entering the market. The view taken by Martin (2012) was that a more competitive market structure and more competitive business conduct in a market would lead to better market performance. He highlighted that industry-specific factors interacted with structure and conduct to determine performance of the market, adding that the business and marketing strategy used as an entry strategy would also have a significant impact on the market. Ozsomer and Cavusgis (1999) observed that a company’s entry was fundamental in the development of the market and the forming of the industry’s structure. A new entrant could have a variety of effects on a market such as increased demand, diverting demand from original players or a combination but not all businesses within an industry were affected the same. Markides (2008) mentioned examples of new entrants’ effect on a market through companies such as Starbucks in the coffee market, Ryanair and EasyJet in the airline market, Netflix in the DVD rental market, Skype in the communications market and Amazon in bookselling. Mochiko (2015) added to these examples a more recent one in the transport market namely Uber, which has been described as both a competitor and a partner to the taxi industry.

The timing of a new market entry impact has been a topic for research. In recent research, Walter et al. (2016) suggested that the impact of the success of a company was related to the timing of the entry. In this regard, conflicting views were found concerning an early or a late market entry. Proponents of first-mover advantage saw an early market entry as crucial (Walter et al., 2016), whereas those with alternative views suggested that other mechanisms were more important for business survival. Some of the benefits for a new entrant entering a market early in terms of the market maturity were less competition, developed innovative capabilities, a developed R&D culture and more forgiving customers. However, as pointed out by Ozxomer and Cavusgis (1999), industries operated differently and markets were impacted by new entrants in diverse ways, and a company's marketing entry strategy could result in competitive and/or cooperative pressures on existing companies.

Bilbiie, Ghironi and Melitz (2012) considered the impact on the economy in terms of a country's aggregated output to be affected by new market entrants' success and, indirectly, brand development. The effect of a new entrant was viewed by them as an important contributor to the aggregated output, as new products and brands were introduced by both existing and new companies in the economy. This combination of existing and new companies in new product and brand development would be large enough to create an effect that would substantially affect the aggregated output change of a country. This view was confirmed by Uçmak and Arslan (2012), who indicated that the drive for a new company to enter a market and create a new brand was associated with strong demand and profitability. These market indicators would then be favourable to entrepreneurs wanting to increase their portfolios, resulting in an influx of new entrants. The risk associated with new entrants was high as certain companies as opposed to individual customers showed commitment to established brands rather than to new entrants. The cost advantage for an established brand versus a new entrant was also high, with established brands having long-term financial relationships with customers and economies of scale which new brand entrants did not possess.

Market pressure was identified by Ozxomer and Cavusgis (1999) as a key factor influencing new market entrants. Market pressures, if under full competition (negative interdependence), would decrease the economic viability of companies existing in the market when a new market entrant arrived. A symbiotic relationship, in their view, would be where new companies entering the market would help legitimise the industry and expand demand, which would increase the economic viability of existing companies.

2.2.2 Brand structure

Melewar and Nguyen (2015) suggested that researchers and marketers should be mindful of not adopting one theoretical branding strategy or concept model for new entrants. They recommended ambidexterity implementation whereby contrasting ideas were combined and the branding potential reviewed to identify if the strategy was going to be effective. These authors believed that ambidexterity branding was the solution to achieving greater brand development performance (p. 762). This perspective of Melewar and Nguyen (2015) was central to gaining insight into the structure a brand can take and the effect of this structure on brand development (Aaker and Joachimsthaler, 2000).

Aaker and Joachimsthaler (2000) referred to brand creation as “brand architecture” (p.8) because in their view it dealt with brand portfolio, brand organisational structure, brand roles and the nature of relationships between brands and structures in the same way that an architect designed the structure, layout of buildings, electrical lines, plumbing and stand size before he could begin building. A brand architect would, per this definition, design and structure the different branding options for a new market entry brand development strategy. Aaker and Joachimsthaler (2000) suggested that an effective and robust brand architectural understanding would lead to an effective brand development that would be impactful and clear with internal synergies and high leverage potential. In contrast, poor brand architecture would in their opinion lead to a brand with market weakness, confused customers, wasted capital and missed opportunities.

Ingredient branding has had limited exploration with regard to its strategic role. Desai and Keller (2002) asserted that ingredient branding went beyond changing one of the functions that characterise the host brand. Ingredient branding has become increasingly popular with the marketing industry and among marketers. The ingredient branding strategy part of the broader marketing concept and has been showing positive adoption trends reflected by the influx of companies establishing brand alliance or co-branding through different areas of their marketing program with other companies or brands (Desai & Keller, 2002). In the researcher’s view, it is therefore important to include the ingredient branding strategy in the brand relationship spectrum.

2.3 Ingredient Branding

After considering the importance of brand development and new market entrants’ branding strategies, the literature review narrowed to a subset of brand development through

ingredient branding, which constitutes the main focus of the review and has been briefly touched upon. Not much attention has been given to ingredient branding (Moon & Sprott, 2016) and this is even more true in the case of additional sub-strategies under ingredient branding such as ingredient co-branding (Swaminathan et al., 2012). While Kotler and Pfoertsch (2010) saw ingredient branding as a relatively new branding strategy, Desai and Keller (2002) regarded it to be a popular marketing and brand development strategy used by marketers. They believed that the popularity of ingredient branding was obvious on account of the explosive number of companies establishing brand alliance by linking themselves or other aspects of their marketing programme to their host brand or other companies' brands. Additionally, Desai and Keller (2002) considered ingredient branding to be important from a strategic aspect as it would help improve competitiveness of the host brand, develop new attributes and potentially improve the usage of the host brand.

The ingredient branding literature has yielded variations of ingredient branding definitions over the years. Six separate definitions were reviewed to gain an understanding of the direction that a generic definition would take and to understand the variations. The first definition review was for a term used by Desai and Keller (2002) namely "self-branded ingredient branding strategy" (p. 73), which was defined as a host brand of a specific company, branding an ingredient brand with a new name, logo or symbol instrumental to the company marketing the host brand. This company therefore owned the host brand and the ingredient brand wholly with no partnerships with other independent companies or brands. The nature of ingredient branding was a tactical strategy revolving around the host product category (Desai & Keller, 2002). Swaminathan et al. (2012) described ingredient branding as a special form of co-branding where the host brand was combined with an ingredient brand to enhance the host brand product but not to create a separate product. This was different from Tiwari and Singh's (2012) view, namely that ingredient branding was a process of giving identity and recognition to goods or services through highlighting brand awareness of its key ingredients or components through direct marketing communication with the end consumer or other parties in the market.

In a more recent study by Helm and Özergin (2015), ingredient branding was described as a marketing strategy whereby two different brands were aligned to impact customers' buying behaviour. Following their study, Moon and Sprott (2016) described ingredient branding as a strategic marketing tool where important attributes of one brand were incorporated with a host brand, creating an association between the host and ingredient brands to improve the company's performance through transfer of knowledge and emotions between the two

brands. Taking the view specifically from a brand perspective, Giakoumaki et al. (2016) in the same year defined an ingredient brand as a brand within brands, in that a branded ingredient was embedded in a host brand.

The above definitions can be summarised into a generic definition where ingredient branding is described as a branding strategy in which a company creates a subset brand for an ingredient under a host brand. The ingredient brand is wholly owned by the company and the ingredient brand is explicitly related to the products or service that the host brand has been marketing. Although George (2016) did not use the term “ingredient brand”, he used the generic definition to describe the ingredient brand Horizon under the host brand Piet du Toit Wildbedryf in saying that when applied in the stud buffalo breeding context, a specific buffalo of exceptional quality under the host brand would enhance the brand development of both the host and ingredient brand. The buffalo of exceptional quality (ingredient brand) would therefore be wholly owned by the host brand and, in turn, the breeding company.

Ingredient branding is seen as a strategy employed by an individual company that can take on the form of ingredient co-branding with other company brands or remain under one legal entity (Moon & Sprott, 2016). Swaminathan et al. (2012) described ingredient branding in isolation as a special form of co-branding. This sub-segregation is misaligned to the stance of most of the studies reviewed where co-branding was defined as a partnership with an additional external partner brand (different entities), thereby defining ingredient co-branding as part of the greater co-branding strategy (Vlachvei et al., 2012). Co-branding strategies are normally divided into four strategies namely ingredient co-branding, composite or complementary co-branding, licensed co-branding and umbrella co-branding (Erevelles, Stevenson, Srinivasan, & Fukawa, 2008). In Erevelles et al.’s view, ingredient branding is therefore not a form of co-branding but the sub-strategy ingredient co-branding could be described as a special form of co-branding. The subject of ingredient co-branding will be further reviewed in the ingredient co-branding section, but an explanation was provided in order to understand the definition of ingredient branding in isolation.

2.3.1 Advantages of ingredient branding

Everelles et al. (2008) described the benefits of ingredient branding as allowing positive spill-over effects on each individual brand, resulting in improved competitive advantage by increasing the attractiveness of both the host and the ingredient brand. To this, Swaminathan et al. (2012) added that the strategic advantages could be seen in that both the host brand and ingredient brands could receive improved brand recognition, product

differentiation and market share. Kotler and Pfoertsch (2010) also found that the ingredient brand benefited from improved awareness by becoming part of the host brand, with real life credibility obvious in brands such as Intel, Gore-Tex and NutraSweet that had achieved success in part due to their implementation of ingredient branding strategies.

The impact of ingredient advertising on the demand and positive influence on purchase intention towards host products was also recently researched in an experiment by Giakoumaki et al. (2016). The findings indicated that customers' attitude and purchase intention towards the host brand were positively affected when advertising ingredient brands, and what was of particular interest to the stud buffalo breeding market in this regard was that the higher the importance of the advertised ingredient as an attribute of the host product, the greater the advertising effects on customer purchase intention.

Evidence concluded by prior research has shown that an ingredient branding strategy offers potential for brand managers to improve profits, enhance the images of their brands and additionally give customers products that create added value (Moon & Sprott, 2016). A scenario-based survey conducted by Helm and Özergin (2015) for a service industry ingredient brand revealed that the potential effect of an ingredient branding strategy would have a greater impact when the quality of the host brand was low. The results indicated that the host brand generally had a stronger impact on the quality evaluation of the end product, but that in the case of a low host brand a high-quality ingredient brand would impact the host brand positively and help compensate for the initial lower-quality host brand.

Tiwari and Singh (2012) observed that the perceived summarised benefit of a host brand entering an ingredient branding initiative could be explained as positive effects from a brand development strategy on new markets' perceived quality, associations and attitude. A host brand would use ingredient branding to improve its brand equity, associations and customer evaluation. Tiwari and Singh (2012) identified various key factors that impact the host brand when an ingredient branding strategy is implemented, namely co-branding ability, perceived quality attitudes towards the brands, brand esteem (brand equity, extensions, anchor for other brands and leverage ability), memorability, reduced price sensitivity, reliability and likeability. In turn, Pfoertsch, Linder and Chaner (2007) noted a brand value profile in which 12 key attributes were highlighted with regard to the effect of a brand with and without ingredient branding. Of the 12 attributes identified by them, 11 attributes improved with ingredient branding implementation, constituting a 92% improvement (p. 584).

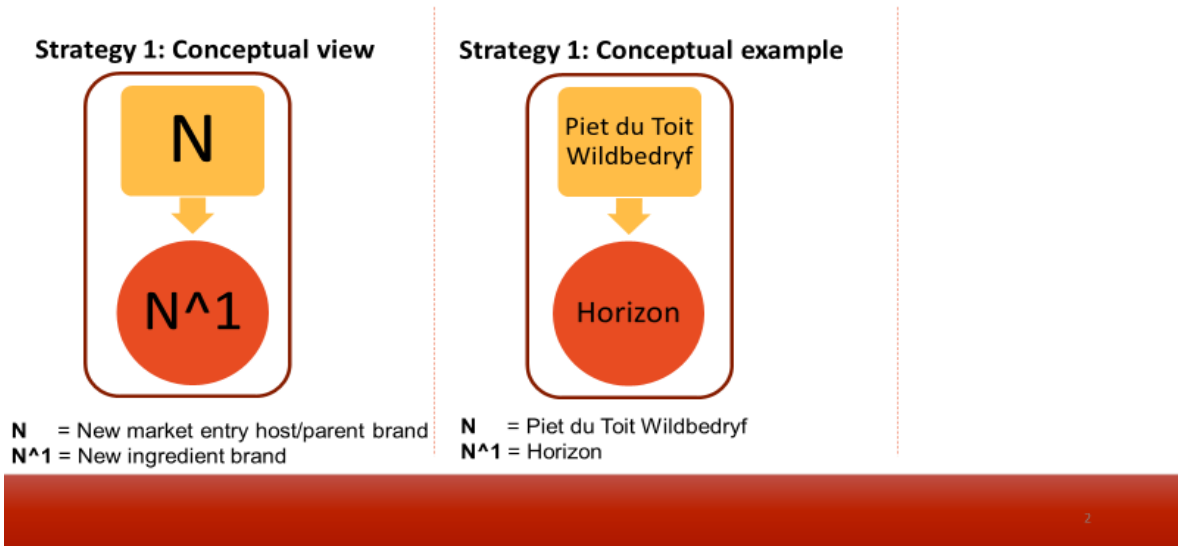
Research on ingredient branding has examined a variety of topics, including the determinants of ingredient branding success, ingredient branding for a luxury brand with emphasis on the role of brand and product fit (Moon & Sprott, 2016), spill-over effects of ingredient branding as an increase in purchase of either the host or ingredient brand (Swaminathan et al., 2012), clear definitions of co-branding and ingredient branding (Chiambaretto et al., 2016), advertisement of ingredient branding (Giakoumaki et al., 2016) and looking at the execution of invisible to visible ingredient branding (Kotler & Pfoertsch, 2010). Helm and Özergin (2015) noted that the brand development strategy of ingredient branding had significantly focused on production industries that produced physical products rather than on the service industry. The use of this strategy has also not been examined in terms of new market entrants in the stud buffalo breeding market, where the ingredient is neither a physical product nor a service.

Swaminathan et al. (2012) suggested that ingredient branding resulted in an increase in customer purchase intention toward either the host or ingredient brand. The literature made specific reference to the benefits of ingredient branding (Hoeffler & Keller, 2003; and Moon & Sprott, 2016), but seemed to be limited concerning the negatives associated with ingredient branding. The impression gained was that ingredient branding would be of strategic benefit when developing a brand for a new market entrant in the South African stud buffalo breeding market. The current study therefore set out to identify if the current market players in the stud buffalo market perceived an ingredient branding strategy to positively influence customer purchase intention for both the host and ingredient brand.

While research has yet to explore the stud buffalo breeding market with regard to ingredient branding, examples of such business practices are not uncommon in the market when considering industry leaders such as Jacques Malan with ingredient brands Brits and Manyara (Spillane & Crowley, 2015), Them bani Wildlife with ingredient brand Hercules (CEO Richard Morton, personal communication, 6 September 2016) and Francolin Hill Trust with ingredient brand Achilles (Chairman Nino Burelli, personal communication, 12 September 2016). Ingredient branding in this industry is not surprising given the potential benefits as highlighted by, amongst other authors, Hoeffler and Keller (2003) and Moon and Sprott, (2016). Figure 1 in Chapter 1 illustrated the ingredient brand strategies currently used in this market, and Figure 2 shows a conceptual diagram of an industry example of ingredient branding.

Figure 2: Ingredient Branding Industry Example

Ingredient branding framework examples



Source: Author's own

2.4 Ingredient Co-Branding with an Established Brand

Different definitions of ingredient branding were reviewed earlier, resulting in a generic definition whereby ingredient co-branding was described as a special case or extended strategy of ingredient branding. Erevelles et al. (2008) identified that branding strategies in the business-to-business environment were being researched but that co-branding was not receiving the same amount of attention. Hajli, Shanmugam, Papagiannidis, Zahay and Richard (2016) observed that the literature on branding seemed to be mature but that little research had been done to understand branding co-creation. Their findings suggested that not much progress had been made in this regard since Erevelles et al.'s (2008) study.

Likewise, Swaminathan et al. (2012) indicated that ingredient co-branding had been neglected by academics over the years. This was despite the strategic importance of co-branding and ingredient co-branding as a complex marketing strategy encountered in various industries and markets (Chiambaretto et al., 2016). These findings highlight the perceived void in academia and the necessity for future research in this field.

As a starting point, the current research attempted to identify if there was a difference between ingredient co-branding and standard co-branding and, if so, to define the difference. Co-branding is a marketing strategy where two or more independent brands are jointly presented on the same product or service, and academia and research have given it

various names such as co-marketing, joint branding, brand alliances and symbiotic marketing (Erevelles et al., 2008). Chiambaretto et al. (2016) described co-branding as a relationship between two or more companies simultaneously involved in cooperative and competitive interactions, irrelevant of the relationship being horizontal or vertical. Co-branding therefore is a partnership between two independent brands on a product. The fundamental difference between co-branding and ingredient co-branding, however, is that the co-branded product is not necessarily an ingredient of the host product whereas ingredient co-branding occurs on the ingredient brand which is directly linked to the functionality of the host product.

As discussed earlier in this chapter, co-branding relationships were categorised into four types of sub-strategies namely ingredient co-branding, composite or complementary co-branding, licensed co-branding and umbrella co-branding (Erevelles et al., 2008). Ingredient co-branding was classified as a sub-strategy of co-branding, and Swaminathan et al. (2012) in semi-support defined ingredient branding as a special case of co-branding where the host brand was combined with the ingredient brand to further improve the performance of the host brand but not to develop a separate product. This could not be seen as full support, as the reference to the definition was “ingredient branding” instead of “ingredient co-branding”. For the purpose of this study, the definition used for co-branding comprises an umbrella brand development strategy which is a partnership between two independent brands on an additional product or brand (not a specific ingredient brand). Ingredient co-branding (not ingredient branding in isolation) can fall under co-branding as a subset strategy per the description by Erevelles et al. (2008) above, or as a subset strategy under ingredient branding.

With the definition of co-branding established, the definition of ingredient co-branding will be further developed and discussed with four different views. Erevelles et al. (2008) described ingredient co-branding as the business-to-business partnership between a manufacturer and supplier where the end product of the supplier became one of the key ingredients of the manufacturer's offering. Vlachvei et al. (2012) stated that ingredient co-branding was part of the co-branding strategy whereby the branding of a component in a product was directed at downstream customers who were the final individual customer or company. Another clear-cut definition comprised the incorporation of a branded ingredient partnership of different host brands (Moon & Sprott, 2016). Finally, ingredient co-branding was defined as a long-term strategy of brand alliance where one ingredient product was branded and identified simultaneously by two or more host brands (Chiambaretto et al., 2016).

The above definitions shared similarities with regard to a product component industry, specifically within the computer industry, but with regard to a livestock industry or the stud buffalo breeding industry it would not be as simplistic as supplier and manufacturer. The supplier might be a breeder of stud buffalo, which would make him or her a manufacturer, supplier and competitor. For the purpose of the study, ingredient co-branding will be defined as an ingredient branding or co-branding sub-strategy where two or more independent host brands together with independent separate legal entities jointly represent an individual ingredient brand. This aligns with Chiambaretto et al.'s (2016) definition. With specific reference to the South African stud buffalo breeding market, a host brand will be a breeder's marketed brand name and an example of ingredient co-branding will be two or more breeders jointly representing an ingredient brand such as a potential breeding buffalo bull of exceptional genetic quality.

2.4.1 Advantages of ingredient co-branding with an established brand

Moon and Sprott (2016), Chiambaretto et al. (2016) and Erevelles et al. (2008) highlighted numerous potential advantages of ingredient co-branding namely knowledge-sharing through mutual cooperation between the independent host brands (Moon & Sprott, 2016), the allowance of brand image transfer, possible access to alternative host brands' customer bases, and the significance of an immediate signal to potential and current customers that the ingredient co-branding partnership between the host brands shared a common set of values and effectively protected the host companies market including the competitive positions (Chiambaretto et al., 2016). Erevelles et al. (2008) in turn identified the major benefits of ingredient co-branding as relationship benefits, competitive benefits, cost benefits, double-marginalisation benefits and advertising support benefits.

Table 1 shows a summary of the benefits of an ingredient co-brand as highlighted by Erevelles et al. (2008).

Table 1: Ingredient Co-Branding Benefits (Continued on next page)

Benefit	Description of added value
Relationship benefits	Manufacturers and suppliers benefit through mutual co-operation, endorsement of each other's offering, shared knowledge and capabilities, risk sharing, trust and shared experience.
Competitive benefits	Suppliers may benefit by reducing the probability of entry of competitors. Manufacturers may enjoy a jointly enhanced market reputation.

Benefit	Description of added value
Cost benefits	In return for the reduced probability of potential competitive entry, suppliers may reward manufacturers with a lower price. In turn, suppliers may lower costs through having a stable, long-term customer relationship and through economies of scale.
Double-marginalisation benefits	The cost of the co-branded B2B offering can potentially be lower due to the elimination of double marginalisation that could result in lower prices for the customer.
Advertising support benefits	Advertising support from the supplier helps in the marketing of the product by the manufacturer. In some cases, cash-based advertising support by the supplier to the manufacturer is passed on to the buyer in the form of lower prices.

Adapted from Erevelles et al. (2008, p. 941)

Swaminathan et al. (2012) identified brand recognition, product differentiation and greater market share as contributing factors to the reasons why a host brand would pursue an opportunity for ingredient co-branding.

2.4.2 Disadvantages of ingredient co-branding

Ingredient co-branding is a complex brand development strategy that requires understanding and management (Chiambaretto et al., 2016). This complexity was highlighted earlier in the study, implying that there were not only positives to be considered but also negatives. The number of failed ingredient co-branding partnerships as highlighted by Chiambaretto et al. (2016) emphasised these difficulties and the risks associated with ingredient co-branding. The key challenges mentioned were inter-company collaboration, the risk of reduced opportunistic business behaviour, unpredictable customer perceptions, reduced competitiveness or uniqueness, and customer reaction regarding the proposed brand associations between the two or more host brands (p.2).

Research on ingredient co-branding has explored a variety of topics on the spill-over effect of co-branding (Swaminathan et al., 2012), the role of partnership fit (Moon & Sprott, 2016), definitions of the types of co-operative branding (Chiambaretto et al., 2016), B2B co-branding relationships (Erevelles et al., 2008) and mutual value creation in component co-branding relationships (Cassia, Magno, & Ugolini, 2015). Reimann, Castaño, Zaichkowsky and Bechara (2012) in an experimental study tried to identify the underlying customer process in the choice of novel versus familiar brands and found that, given the importance of creating new brands and brand extensions, future research is needed on new strategic designs regarding novel-versus-known brands in terms of the customer purchasing process.

2.4.3 Determinants of successful ingredient co-branding

Erevelles et al. (2008) identified two factors that normally play a role in ingredient co-branding: firstly, that both brands were relatively well-established, and secondly that there was a distinct mutually beneficial advantage to be gained by combining the strengths of the brands. With regard to the first point, they pointed out that this was not always the case as ingredient co-branding was used to enter new markets from either an established company or a new company entry point of view. In a study by Baumgarth (2004) it was observed that a new market entrant with a low customer brand awareness would benefit from successful ingredient co-branding with an established brand. The study furthermore stated that for brands with low brand familiarity in a particular market such as a new product, new geographical market and new target group, ingredient co-branding would be a suitable option for new market entry (Baumgarth, 2004). Results from a study by Cordeiro, Ponchio and Mazzon (2016) supported this stance. Their study attempted to determine how customers evaluated co-branded products formed by a well-known, reputable ingredient brand and a brand with either low or high awareness by customers, and found that products produced by unknown and well-known brands were evaluated with greater positivity by customers when such products were co-branded with a well-known ingredient brand. Added to this, an entrepreneurial study by Wu, Li and Wang (2014) recommended that new venture managers should pay attention to ties with other organisations such as established businesses. This aligns with the findings of Cordeiro et al. (2016) and Baumgarth (2004), where positive results were found in studies on ingredient co-branding between a new market entrant and a well-known established brand.

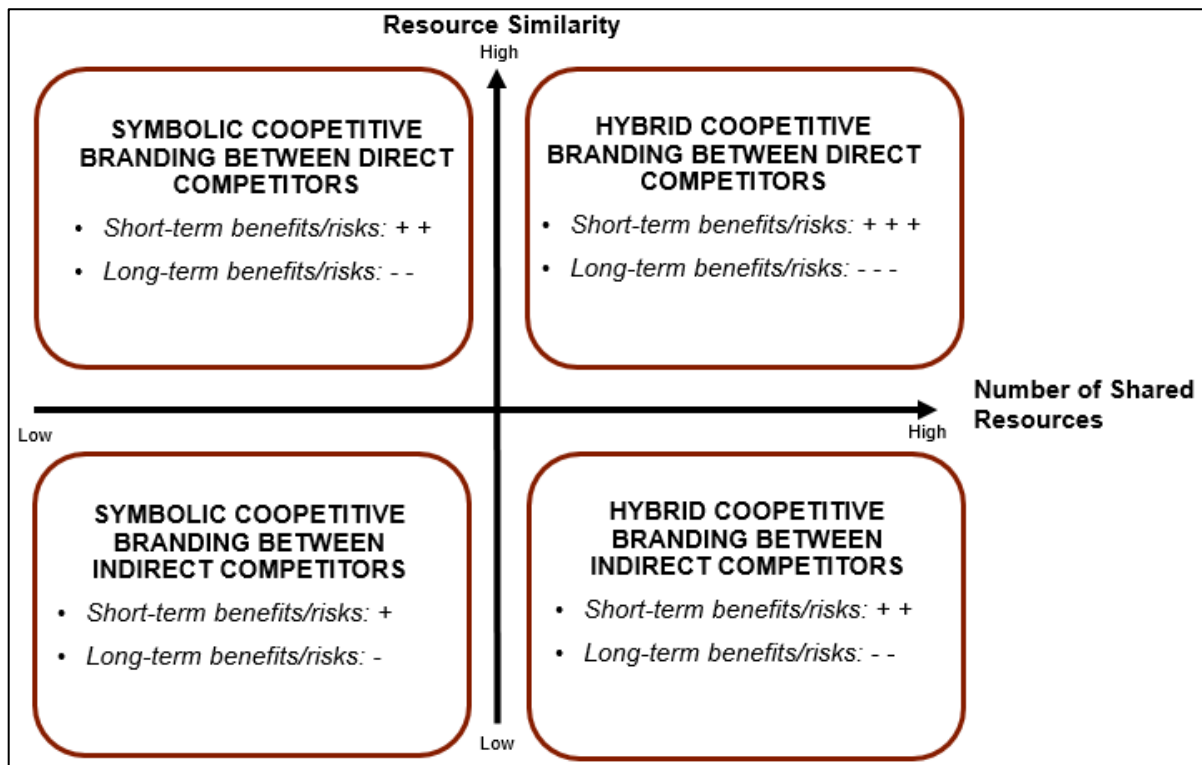
In terms of the second factor mentioned by Erevelles et al. (2008), both host brands would expect mutual benefits and the co-branding relationship would work effectively in the long term if both parties believed they had equally gained from the relationship. The ingredient co-branding strategy implementation should therefore provide a platform for the host brands to achieve greater business success than they would have had without the relationship. Cassia et al. (2015) in addition noted that the two host brands should be able to first expand the joint benefits of the ingredient brand and then share them in a way in which both parties would equally benefit.

2.4.4 Types of ingredient co-branding

Chiambaretto et al. (2016) developed a quadrant that illustrates different types of ingredient

co-branding scenarios based on the agreement and level of competition (direct or indirect) of the parties involved. Symbolic co-branding was described by them as being limited to the sharing of intangible assets such as the brand and customer base, whereas hybrid co-branding implies the sharing of intangible and tangible resources (e.g. processes) (p. 3). Figure 3 below is an extract from Chiambaretto et al.'s (2016) research.

Figure 3: Ingredient Co-Branding Scenarios



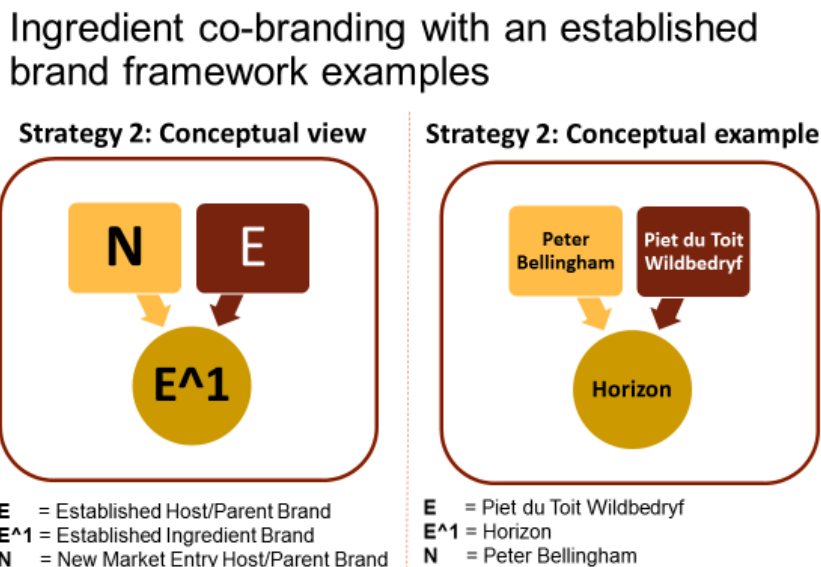
Source: Chiambaretto et al. (2016, p. 4)

The “+” signs depict the benefits and the “-” signs the risks. The number of corresponding signs in each quadrant are indicative of the benefit or risk level. The scenario will depend on the market maturity and the demand but the figure shows uniformly that there are benefits in the short term but that the long term is associated with negatives as the competition increases between the co-branded partners (Chiambaretto et al., 2016, p. 4). The type of product or service will also impact the type of competition. If the ingredient brand is used to produce two different products for each host brand, the competition will be indirect but if it is used to create the same product, direct competition will be experienced.

Both Baumgarth (2004) and Cordeiro et al. (2016) indicated that a new market entrant with a low or non-existent brand would benefit from ingredient co-branding with a well-known established brand.

Different ingredient branding strategies can be seen in Figure 1 in Chapter 1, including ingredient co-branding with an established brand in the industry. Figure 4 below shows a conceptual diagram of an industry example of this form of ingredient co-branding where Piet du Toit Wildbedryf and Peter Bellingham became co-hosts for ingredient brand Horizon.

Figure 4: Ingredient co-branding with an established industry brand example



Source: Author's own

2.5 Ingredient Co-Branding with a Public Figure

The third question raised by the researcher was whether ingredient co-branding with a public figure not currently in the industry but publicly known (brand established) due to other attributes such as political rank or being a business tycoon or sporting success would contribute to the effectiveness of ingredient co-branding in brand development for a new market entrant. Erfgen, Zenker and Sattler's (2015) definition of a celebrity being a "publicly known individual" will be used interchangeably for a celebrity and a public figure as the definition for the purpose of this study. The use of celebrities in marketing and as a brand development strategy has been described as an international phenomenon with some

research detailing the effectiveness of celebrity endorsements in a wide range of national settings (Zhou & Whitla, 2013).

The consumer market has seen a great move from traditional product branding to brands making use of celebrities to differentiate their brand and create a competitive advantage. The role of celebrities in a world dominated by celebrity exposure (media and social media specifically) has increased the importance and value they can provide to brands, which is of strategic importance to marketers. There does not seem to be much mention on the role of public figures in this regard, due to little attention to the meaning derived from celebrity attributes or characteristics (Ilicic & Webster, 2015). The percentage of advertised celebrity endorsed products has seen an increase in recent years. In America between 14% and 17% of advertisements aired featured celebrity endorsements of consumer brands, but this number doubled at around 30% for other foreign markets (McCormick, 2016). This is testimony to the importance of public figures in brand development.

2.5.1 Endorsement vs partnership

McCormick (2016) noted the difference between celebrity endorsement and using a celebrity (public figure) as a partner in the ownership structure of ingredient co-branding. He described a celebrity endorser in isolation as someone who had public recognition and then used that recognition on behalf of the consumer good to advertise and create a brand. Muda, Musa, Mohamed and Borhan (2014) defined a branding model as a celebrity entrepreneur-cum-endorser who was part owner and part endorser of an ingredient brand. Populist articles in media and business practice have seen extensive reports on the role of celebrity entrepreneur-cum-endorsers in marketing effectiveness, yet academic literature has to a certain extent ignored the topic (Muda et al., 2014). McCormick (2016) also highlighted the need for future exploration on celebrities' effectiveness of endorsing their own brands.

2.5.2 Benefits and risks of co-branding with a public figure

June, Ding and Molchanov (2016) found mixed results in terms of the return on investment with regard to celebrity endorsed products. Ilicic and Webster (2015) found a direct correlation between the risks and opportunities of ingredient co-branding implementation for a new market entry and celebrity endorsement. In their study, celebrity endorsement was not the investigated strategy in isolation but rather partnership in the form of ingredient co-branding where similarities would be commonly shared, as the celebrity part-owner would still be endorsing the ingredient brand. The advantages of a public figure have been

confirmed by studies in psychology, psychiatry, media and marketing which, as Ilicic and Webster (2015, p. 167) pointed out, found that public figures were closely linked to consumer identity. Consumers developed a fixated relationship with celebrities, and this identity relationship could vary from mild emotional curiosity to celebrity worship (Ilicic & Webster, 2015). McCormick (2016) agreed that celebrities had positive effects on customer brand image attitude and purchase intentions, noting that celebrities contributed to the credibility of the branding message therefore making these messages more effective than non-celebrity brands.

Furthermore, Muda et al. (2014) stated that a celebrity could help brands to be differentiated from the high volumes of media clutter and improve communicative ability by reducing the irrelevant marketing information in the communication process. Added to this, celebrity endorsements had better recall or recognition of a brand name, which could help influence customer perception. Muda et al. emphasised the positive impact celebrity endorsers had on attitudes towards the brand advertised and on consumer purchase intention. They emphasised that celebrity selection in a marketing and brand building strategy had the potential to create an image for a brand through meaning transfer by the perceived image of the celebrity. In Zhou and Whitla's (2013) view, the four main summary benefits of celebrity ingredient co-branding were greater degrees of trustworthiness, persuasiveness, believability and likeability.

June et al. (2016), however, pointed out the risk that a public figure or celebrity might overshadow the brand, and that the high potential for public controversy and the possible loss of public brand recognition were critical factors to consider. In this regard, Zhou and Whitla (2013) highlighted what they viewed as the most commonly known negative celebrity publicity case where the Tiger Woods scandal and its impact on endorsement brands were estimated to have cost shareholders an accumulated loss of five to 12 billion USD. Erfgen et al. (2015) referred to the overshadowing as the "vampire effect" (p. 155) of celebrities, stating that this was most prominent when there was an absence of any apparent connection between the celebrity and the advertised brand. An additional risk, negative customer judgement, was highlighted in an experiment on marketing communications conducted by Ilicic and Webster (2013), where customer judgments of a partner brand involving a celebrity co-branding partnership were researched. They concluded that the perceived fit between the celebrity brand and the host brand, including the amount of perceived knowledge or information on the product given by the celebrity, would determine the effectiveness of the

co-branding strategy. Despite the above examples, a recent study by Socjologiczne (2016) suggested that the importance of consumer knowledge of co-branding partners on the brand image transfer process had been largely understudied and was risky due to the lack of evidence-based strategy.

McCormich (2016) warned that a lack of sensitivity in matching the brand with the correct celebrity carried high risk and could have disastrous consequences. This was also known as the “match-up” (p. 1) hypothesis, which examined the alignment between the celebrity and the product instrumental for the ingredient co-branding success. The unique qualities of a celebrity and the product or brand needed to be matched, and results have shown that the higher the perceived fit between the celebrity's image and the endorsed brand, the more persuasive the celebrity (McCormich, 2016).

In contrast to the risk associated with negative celebrity perception as seen in the Tiger Woods example (Zhou & Whitla, 2013), results have shown that positive celebrity exposure can for some brands have negative effects on purchase intentions and that a negative celebrity exposure might be the more effective choice (Sääksjärvi, Hellén & Balabanis, 2016).

De Waal, Goedegebuure and Hinfelaar (2015) highlighted that most public figures used to illustrate branding partnerships were celebrities and not necessarily political or business tycoons. They noted that partnerships with the latter might not only help with a brand image, but also contribute through other influential business or political connections. These authors found that the importance of partnerships in organisational success had increased dramatically over the past years and that many companies were looking at developing a high performing partnership. They distinguished ten fundamental aspects that added to a high performing partnership namely control, trust, commitment, coordination, dependence, communication and conflict handling, diversity, closeness, management quality and the measure metrics of partnership success (De Waal et al., p. 91).

2.5.3 The role of innovation in co-branding partnerships

Burdon, Mooney and Al-Kilidar (2015) mentioned innovation as another key area of business success and partnership success applicable to ingredient co-branding with a public figure. They saw innovation as a critical driver of commercial growth for companies and the wider business environment within which they contributed, and explained how the fact that the business environment and their markets had matured had changed the way innovation was

achieved. In the past, innovation had been achieved by a company having “first-movers’ advantage” through early entrance within a specific industry. The last decade had seen technological advances and rapid economic growth which had given rise to new entrants. This put additional pressure on traditional business models therefore forcing the change. Due to the increase in competition, companies increased the speed of innovation by being more open to partnering with other companies which could hold useful resources or complementary skill sets (Burdon et al., 2015). Furthermore, as indicated by Parris, Bouchet, Peachey and Arnold (2016), due to the opportunity of increasing revenue, marketing managers were compelled to develop loyal relationships with both potential and existing customers through service innovations.

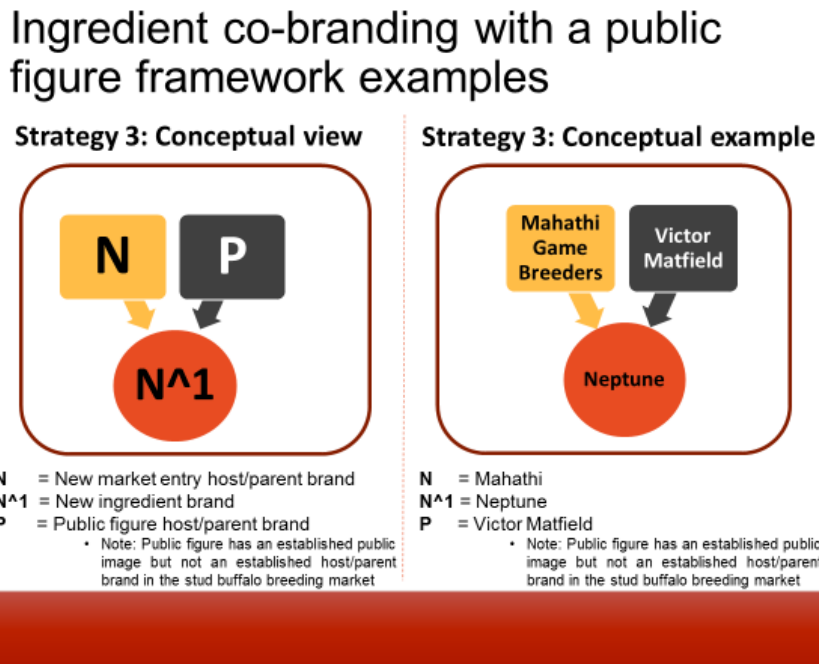
It was evident from the above literature that, through innovation, partnering with a public figure would provide an opportunity to gain resources and complementary skills, be it public awareness or business connections. Nagji and Tuff (2012) considered innovation in the current market to be instrumental to success and found that it played a significant positive role in small and flexible new market entrants that didn’t suffer the bureaucracy that plagued large companies (p. 68). Thus, ingredient co-branding with a public figure should leverage off this knowledge about effective partnering to create a brand and have a more innovative model by strategic public figure selection.

In 2012, Keel and Nataraajan identified the need for continuing research in celebrity marketing and brand development. Since then, studies have touched on various aspects such as return on celebrity endorsed products (June et al., 2016), celebrity co-branding partnering (Illicic & Webster, 2013) and brand transfer by the perceived image of the celebrity (Muda et al., 2014). The focus of this study on the sub-strategy of ingredient branding was to identify if current market players in the stud buffalo breeding industry perceived strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry to have a positive influence on the customer purchase intention towards new market entry.

While research has yet to explore the stud buffalo breeding market for ingredient co-branding and specifically new entrants partnering with public figures, examples of such business practices are not uncommon. The most prominent examples of ingredient co-branding with public figures in the stud buffalo breeding market are business tycoon Johan Rupert, Deputy President Cyril Ramaphosa (Kruger, 2013) and former Springbok rugby captain Victor Matfield (Mahathi, 2015). Figure 1 in Chapter 1 illustrated different ingredient

branding strategies including ingredient co-branding with a public figure, and Figure 5 below shows a conceptual diagram of industry examples.

Figure 5: Ingredient Co-Branding with Public Figure Industry Examples



Source: Burelli (2016)

2.6 The South African Stud Buffalo Breeding Market

The South African stud buffalo breeding market has been seen as unique in the game industry, as individuals are allowed full property rights to buffalo. Buffalo breeding and hunting for the sake of revenue go hand in hand, with hunting believed to be responsible for forming the foundation of the South African private wildlife industry. All prices in the wildlife industry have been determined by the hunting market (Janovsky, 2016). In Southern Africa, the law changed during the 1960s and 1970s, giving landowners ownership of specified wildlife to generate revenue from hunting, which resulted in a drive to convert livestock ranches to game ranches (Lindsey, Roulet & Romañach, 2007). The hunting market in South Africa is made up of international trophy hunters and local hunters (both for venison and trophy). The estimated figures of international trophy hunters have been estimated at 8 950 visitors per annum (average estimated spend per visit R138 000) and 200 000 (average estimated spend per hunter per annum R31 000) local hunters. The industry's turnover has been projected at R7.5 billion, and consistent growth per annum has been forecasted on

account of the legality of land, wildlife ownership, decline in international hunting locations and the weak rand in relation to foreign currency (Janovsky, 2016).

When comparisons were made with regard to trophy hunting in other Sub-Saharan African countries, it was identified that 23 countries within Sub-Saharan Africa permitted trophy hunters. South Africa had the largest hunting industry at 45.6% of the Sub-Saharan African market. This measurement was calculated on weightings related to the number of safari operators, visiting hunters, animals shot and revenues generated (Lindsey et al., 2007). Lubout (2015) pointed out that in South Africa game farms were required to have boundary fences for them to obtain exemption licences to legally own the animals within the boundaries, adding that the boundary perimeters restricted natural wildlife migration, genetic diversification and increased inbreeding, which had a negative effect on trophy size. The hunting industry has two main record-keeping organisations for trophies, namely Rowland Ward and SCI. Since the 1980s records have shown a gradual decline in trophy size and trophies recorded which, in Lubout's (2015) view, could be attributed to generations of uncontrolled and unplanned trophy hunting leading to the decreased population of long-horned bulls. The knock-on effect resulted in the smaller-horned bulls breeding the future generations.

This conundrum was identified by the wildlife industry and led to the formation of the live game breeding market. The goal of the live game market was to get different genetics to prevent inbreeding and find higher trophy quality that could form the breeding nucleus. The first official commercial game auction was held in the 1960's but only in 1987 did the Department of Agriculture, Forestry and Fisheries (DAFF) recognise wildlife ranching as an independent agricultural activity. Simpson (2012) noted that South Africa had over 10 000 privately owned game farms over 20 million hectares of land and was home to more than 16 million animals. In 2016, Lubout estimated that the wildlife industry growth was in double digits with a forecasted figure of reaching a turnover of R100 billion in the next ten years. The live game sales industry (a portion of the wildlife industry) has seen the use of two sales channels: public auctions, or private sales off the game farms, with the live game industry in South Africa having grown from R94 million in 2007 (Carruthers, 2008) to over R1.8 billion in 2014 (Cloete, 2015).

Wildswinkel, one of the prominent game auction houses in South Africa, conducted an analysis to review the turnover of their top two live game auctions until September 2016. The result was a total of R496 million, broken down at R283 million for Thaba Tholo Game

Farm and R213 million for Stud Game Breeders (Wildswinkel, 2016). These amounts, involving only two auctions of one auction house in the South African industry constituted 30% of the turnover total of R1.8 billion as forecasted in 2014 for 2016. Considering that these sales were both private and auction (approximately 20% sold at auction), the updated projected live game sales figure is over R10 billion per annum (Janovsky, 2016). The growth in the hunting industry has therefore seen a positive dependent growth factor on the breeding market in order to gain improved genetics and the availability of a higher standard of trophy animals.

The literature review progressed from the broader hunting and live game breeding industry of South Africa to a more closely focused view on the stud buffalo breeding market. The South African stud buffalo breeding market is also unique in the area of breeding and disease control when compared to any other game species, and thus historical background is required to comprehend the market growth and exorbitant prices per animal. Laubscher and Hoffman (2012) explained that the African buffalo, subspecies the Cape Buffalo (*Syncerus Caffer*), occurred throughout Southern African and that it was a natural carrier of two diseases namely foot-and-mouth disease and corridor disease, which are both deadly to cattle but not to buffalo. Due to foreign livestock introduction to South Africa, most of the buffalo population were infected with additional diseases such as bovine tuberculosis and bovine brucellosis, affecting both buffalo and cattle.

Phillips (2013) explained that, prior to 1996, only a small population of South African buffalo called the Addo (a geographic region in South Africa) buffalo were “disease-free”. The South African national beef cattle herd was projected at between 13 and 14 million head, with a projected 80% of the total buffalo population carrying disease. The risk potential of a disease outbreak into the cattle industry with disastrous economic effect saw the establishment of a redline in South Africa in 1996 that zoned different regions where buffalo could not be stocked or transport across (Laubscher & Hoffman, 2012). This formed part of the reason why a “disease-free” buffalo project was pioneered by the South African National Parks Board (SANPARKS) in the same year, which involved taking diseased buffalo and isolating the offspring in the early stages to eliminated disease. The key reasons were to increase “disease-free” buffalo numbers because many buffalo herds had gone extinct due to over-hunting, the rinderpest epidemic and the exclusion from cattle ranching areas. Additionally there was the drive to preserve the buffalo genetics of the Kruger National Park (Laubscher & Hoffman, 2012). The “disease-free” buffalo breeding projects ran successfully from 1996,

and were closed in 2011 as the six years were seen as time enough to reach sufficient “disease-free” buffalo numbers that could breed amongst themselves and along with the Addo nucleus and “disease-free” buffalo imported from zoos around the world. When the projects were closed, there were 28 official “disease-free” buffalo breeding projects both public and private (Laubscher & Hoffman, 2012). With the closure of the “disease-free” buffalo breeding projects there was naturally a contraction in supply in line with the rule of limited supply with high demand, so the price of these animals increased and many farmers started stocking their farms with “disease-free” buffalo in areas where historically the redline had restricted transportation or stocking. Due to the unique game ownership laws in South Africa which allow individuals full property rights to buffalo, the “disease-free” buffalo trade and genetic enhancement have grown rapidly developing the South African stud buffalo breeding market (Spillane & Crowley, 2015). According to Ramsay (2016), all buffalo farms in South Africa were required to register with the Directorate of Animal Health at DAFF, and of the number of buffalo farms that were registered (not necessarily stocked) 2 345 were “disease-free” and 160 “infected”.

Dr Paul Lubout, head genetic advisor and managing director of Wildlife Stud Services, suggested that the “disease-free” buffalo market seemed to be divided between commercial herds and stud herds. The commercial herds are of a lesser quality targeting consumers in the hunting market, whereas the stud herds were for breeding high genetics targeting the live auction market (personal communication, 3 October 2016). As there is no formal divide or accredited stud association, the current study used the definition that all “disease-free” buffalo breeders were considered stud breeders.

Today the South African stud buffalo breeding market is populated by breeders looking for characteristics such as regular calving intervals, horn size, body mass, shape, and DNA testing to prevent inbreeding (Spillane & Crowley, 2015). Media reports have highlighted how key public figures such as Deputy President Cyril Ramaphosa, in 2012, bid on a buffalo cow for R18 million but was outbid, and how in 2013 prominent business tycoon Johan Rupert bought a buffalo bull for R40 million (Kruger, 2013), thereby bringing the buffalo breeding industry into the spotlight. The previously mentioned sale of ingredient brands Horizon at R175 million (George, 2016) and Inala at R168 million (Graham, 2016) also added to the increasing prominence of the industry.

2.7 Conclusion to the chapter

This chapter started by introducing the challenging role of the marketing manager and the strategic choices that need to be made when developing a new brand, including business environment costs implications for new brand development. Secondly, brand development and new market entrants were reviewed from a broad holistic view. Definitions and strategies with regard to brand architecture and the brand relationship spectrum were described with a proposed new structure including ingredient branding strategies such as ingredient co-branding with an established brand, and ingredient co-branding with a public figure. Lastly, the history and the unique features of the South African stud buffalo breeding market were described to provide context.

Despite the increasing number of financial and media reports on high stud buffalo prices, the double-digit growth figures annually (Laubscher & Hoffman, 2012) and the fact that real-world examples of ingredient branding and co-branding partnerships exist for the stud market, little research has been done to examine the role of ingredient branding in isolation and ingredient co-branding partnerships for new entrants in the stud market. In response, this study has therefore attempted to help address the void in terms of the stud buffalo breeding market in South Africa.

Chapter 3: Research Propositions

3.1 Introduction

The previous chapter shed light on the complexities associated with brand development for new market entrants, with specific focus on ingredient brand strategies for new market entrants developing a brand. Given the infancy of ingredient branding and the challenges associated with brand development, the research aimed to understand the effectiveness of ingredient branding strategies on customers' purchase intention towards new market entrants in the stud buffalo market developing a brand. This section provides the research objectives with reference to the stud buffalo breeding market, followed by a list of propositions identified from the literature review, forming the basis of this study.

3.2 Research objectives

Objective 1: To establish the degree to which ingredient branding for a new market entrant's host and ingredient brands has a positive influence on customer purchase intention.

Objective 2: To establish the degree to which the ingredient co-branding strategy between a new market entrant and a well-known brand in the industry has a positive influence on customer purchase intention.

Objective 3: To establish the degree to which the ingredient co-branding strategy between a new market entrant and a well-known public figure has a positive influence on customer purchase intention.

3.3 Propositions

In conjunction with and support of the literature on ingredient branding spill-over effects creating an increase in customer purchase of either the host or ingredient brand (Swaminathan et al., 2012) and positive influence on customer purchase intention (Helm & Özergin, 2015), Proposition 1 was formulated:

Proposition 1: Ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

In support of the literature on mutual value creation in component co-branding relationships (Cassia et al., 2015), customers' purchasing process on novel versus known brands (Reimann et al., 2012) and the investigation into a low or non-existent brand benefiting from

ingredient co-branding with a well-known established brand (Baumgarth, 2004; and Cordeiro et al., 2016), Proposition 2 was formulated:

Proposition 2: A strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry brand in the same industry will have a positive influence on the customer purchase intention towards the new market entry.

In conjunction with Proposition 2 and support of McCormick's (2016) investigation into the use of celebrities to influence purchase intent of consumers, Proposition 3 was formulated:

Proposition 3: A strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry brand will have a positive influence on the customer purchase intention towards the new market entry.

Chapter 4: Research Methodology

4.1 Introduction

The research approach, design, unit of analysis, population, sampling, data collection, data analysis, reliability and validity, ethical clearance and limitations of the research are detailed in this chapter.

A set of propositions was formulated to explore stud buffalo breeders' views on the effect of different brand strategies for new market entrants. Interviews were conducted with participants who met the criteria, after which descriptive statistics were used to produce an accurate representation of the population (Saunders & Lewis, 2012).

Three types or subsets of branding strategies were used, namely ingredient branding, ingredient co-branding with a well-known established brand and ingredient co-branding with a public figure. These three strategies were tested individually. The traditional single-host branding strategy was ranked to compare its effectiveness in relation to the ingredient branding strategies.

4.2 Approach

A deductive approach was used where the theoretical propositions were tested by using a research strategy specifically designed for the purpose of testing (Saunders & Lewis, 2012). The five sequential stages of deductive research were used: Firstly the propositions were formulated from the literature on ingredient branding, then operationalised by explaining real life examples in the stud buffalo breeding market, after which the research attempted to answer the questions through a specifically designed survey questionnaire. The fourth stage comprised the analysis of the results in order to as a final stage confirm the theory or modify it in light of the findings (Saunders & Lewis, 2012).

4.3 Design

The study used primary quantitative data from a structured pre-planned survey questionnaire to gain valid information on buffalo breeders' views on ingredient brand strategies for new market entrants wanting to develop a brand.

Saunders and Lewis (2012) described quantitative data as data consisting of numbers or data that are quantified whereas qualitative data are non-numerical data that have not been quantified. A quantitative approach was deemed more suitable for this study to understand

the participants' views on the interaction between customer purchase intention and ingredient branding strategies for a new market entrant. The results obtained were measurable and quantifiable.

Primary data was collected through a closed-survey questionnaire in face-to-face personal interviews with the participants, providing the researcher with comparable and context-specific data (Saunders & Lewis, 2012). This was deemed preferable to the use of secondary data derived from information collected by other researchers for a different study.

The use of face-to-face personal interview survey questions was selected because the visual materials used in certain instances to explain the different marketing techniques could be clarified more effectively in face-to-face interviews. The possibility that questionnaires sent electronically might produce a lower response rate contributed to the decision to use personal interviews.

A cross-sectional time dimension was used as the South African stud buffalo breeding market was examined in the current time as in a snapshot and not over an extended period of time. This time dimension was used rather than a longitudinal approach where an event is looked at over an extended period of time and is normally used to study change over time (Saunders & Lewis, 2012).

4.4 Unit of Analysis

The unit of analysis is the major entity analysed in a study (Zikmund, Babin, Carr & Griffin, 2010). In this study, the unit of analysis was the individual stud buffalo breeder in the sample.

4.5 Population

Saunders and Lewis (2012) defined the population of a study as "the complete set of group members that meet the requirements of the study" (p. 12). In this study, the population comprised all "disease-free" buffalo breeders in South Africa. The following population classification was used:

- Owners currently breeding with African buffalo, subspecies the cape buffalo (*Syncerus caffer*)
- Certified by a veterinarian that the buffalo tested negatively to all required tests per the South African regulations and were considered "disease-free" from foot-and-mouth disease, corridor disease, bovine tuberculosis and bovine brucellosis
- Had to have a WR farm number to confirm registration (see explanation below)

- Had to own both a buffalo bull and a buffalo cow (Therefore a minimum of two buffalo were required to constitute a herd and at least one of each gender to meet the classification)
- As there is no formal divide or accredited stud buffalo association in South Africa, the current study considered all breeders of “disease-free” buffalo as stud breeders

All buffalo farms in South Africa are required to register with the Directorate of Animal Health at DAFF. A specific WR number is allocated to each farm once certain regulations have been met by the farm, allowing the farm to legally farm buffalo (Ramsay, 2016). The WR database of all numbers was initially identified by this study as the population. However, upon further investigation the numbers were not credible or reliable as the database included all farms that had been approved to carry buffalo, which did not necessarily mean that all those farms had stocked buffalo. In many cases, farmers would get certification with a long-term view of eventually entering into the stud buffalo breeding market and in other instances certain farms bypassed the certification altogether due to a disregard for the law. It was therefore not possible to obtain a complete list of the intended population, and a different avenue had to be followed.

4.6 Sampling Method and Size

The sampling method chosen was non-probability convenience sampling supplemented with snowball sampling. When a complete list of the population is not available and it is impossible to select a sample from the population using the random sampling probability technique, non-probability sampling is used (Saunders & Lewis, 2012). As explained above, there was no complete list of South African stud buffalo breeders available thus the sampling technique adopted was non-probability convenience sampling.

The absence of a list resulted in snowball sampling, where an initial member sample identifies subsequent members. At the time of the study, the researcher was part of the stud buffalo industry and contacted a few breeders known to him, after which he was referred from one breeder to the next. This, coupled with media reports on key industry leaders and observation by the researcher during a pre-interview tour, ensured that the selected research population and sample was valid and fit the purpose of the study.

A total sample size of 27 was deemed sufficient for this study. Delice (2010) noted that sample size depended on the research topic, population, aim of the research, analysis techniques, sample size in similar research and the number of the subgroups in the sample,

and that most quantitative theses had sample sizes of under 50. He concluded that the end decision on the size should reflect the quality of the sample.

4.7 Data Collection

The measurement instrument used to collect the data was a survey questionnaire used in face-to-face personal interviews. The final questionnaire comprised 11 questions, of which the first five referred to the background of the buffalo breeder and the other seven to ingredient branding strategies and new market entrants. The questionnaire asked questions on a five-point Likert scale from “Strongly disagree” (1) to “Strongly agree” (5). Prior to the data collection a pilot questionnaire was used to test both the questions and their construct validity, so that all problems identified during the pilot study could be resolved prior to the actual research being conducted (Saunders & Lewis, 2012). The questionnaire evolved through several phases of validation before the final questionnaire was approved. The first version was sent to two subject matter experts in research design to edit and comment, which yielded pilot questionnaire Version 2. This was then sent to a number of buffalo breeders for evaluation. Their comments were discussed with the subject matter experts, yielding the third and final version of the questionnaire which was subsequently used in the data collection. To gather the data, the researcher conducted a field trip over a period of ten days, using Thabazimbi, Tzaneen and Johannesburg as field bases.

Please refer to Appendix 1 to view the final version of the questionnaire.

4.8 Data Analysis

Data preparation is regarded as crucial and includes validating the data collected, coding responses to questions, entering the data into a data file and cleaning the data. In this study the data collected from the questionnaires were loaded into a Microsoft Excel Spreadsheet and later transferred to an IBM Statistical Package for Social Science (SPSS) Version 23 for analysis. The guidelines for missing data as provided by Schafer (1999) were followed to determine whether a response question was included in the final analysis. All 27 cases were included as none of the data missing were more than the 5% cut-off.

4.8.1 Descriptive statistics

According to Zikmund et al. (2010), descriptive statistics provide a summary of data in the form of frequency distributions, measures of central tendency and dispersions, and

definitions for frequency, mean, median and standard deviation. These are critical for the researcher to understand the state of the measurement.

Several types of descriptive statistics were employed in the study. For the nominal data, which included the demographic information, a frequency analysis was conducted to understand the profile and response of the respondents. For the ordinal data, mean scores with their standard deviation were computed, and additionally also the skewness and kurtosis to characterise the frequency distribution (Diamantopoulos, 2005).

4.8.2 T-test

The one-sample t-test was used to determine whether a samples mean was aligned to the population mean. In this study, the mean used in the 5-point Likert scale was 3.00, and the one-sample t-test was used to analyse the propositions by looking at the respondents' mean for the question against the study mean of 3.00.

4.9 Reliability and Validity

Validity and reliability are important in the design and execution of any research. In this study, the term validity was used as explained by Diamantopoulos and Schlegelmilch (2000) and Saunders and Lewis (2012).

Subject validity deals with the bias which may result in selection of a research subject that may be unrepresentative of the research population. Snowball sampling, in this case referral from one buffalo breeder to the next, the media reports on key industry leaders, and observation by the researcher during a pre-interview tour ensured that the sample was valid and fit the purpose of the study.

Face validity relates to the extent to which the measurement seems to capture the essence of the research aim. To ensure face validity, the questionnaire was presented to two subject matter experts in research design who checked the alignment of the questions to the research objectives. In addition, as explained earlier, a pilot study was conducted to ensure that each potential participant would not only understand the questions but would also be able to answer them. Instead of leaving participants to self-administer the questionnaire thereby allowing room for misinterpretation, the questionnaire was administered by the researcher to ensure that they fully understood the purpose of the study.

Saunders and Lewis (2012) defined reliability as the extent to which the data collection method and analysis procedure have produced consistent findings throughout a study.

Some of the critical factors considered in the course of the research were subject error, subject bias, observer error and observer bias. The following list details the consideration given to the areas that might have threatened the reliability of the study:

- Subject bias: Prior to each interview, the researcher explicitly stated that there were no right or wrong answers and that all data would be confidential in terms of who responded and in what way.
- Observer error: The researcher allowed the respondents to read the questions to minimise the possible bias due to the researcher asking the questions in a specific way
- Observer bias: The data was analysed and interpreted in a consistent way to reduce bias in the findings or conclusions

4.10 Ethical Clearance

The research received ethical clearance from the GIBS ethics committee. The respondents were informed of the objectives and purpose of the study and gave informed consent to participate in the survey. They understood that their response would be kept confidential and anonymous.

Please refer to Appendix 2 for the ethical clearance approval letter.

4.11 Limitations of Study

The research study had potential limitations that needed to be considered and accounted for. They are highlighted below:

4.11.1 Inadequate generalisability

The South African stud buffalo breeding market is a new industry with limited data, resulting in the absence of an active list of breeders (other than the WR database which is only the registered farms but not necessary breeders) of the entire population so non-probability snowball sampling was implemented. This limited the study in terms of the referrals and might have a skewed effect on the representation of the population, as in a snowball sample breeders were likely to identify other buffalo breeders similar to themselves thus resulting in a homogeneous sample. The researcher could therefore not forecast or guarantee that all elements of the buffalo breeding population were present in the sample. Despite this, an attempt was made to have a sample that was as inclusive as possible. This resulted in the

sample's including breeders with a diverse length in years of experience, ranging between less than two years and more than ten years in buffalo stud breeding. Furthermore, it included small buffalo breeders with a herd of fewer than ten buffalo as well as large breeders of more than 100 buffalo. Moreover, the sales channels of these buffalo breeders were wide, from "Private only" to "Auction only" to a combination of the two.

4.11.2 Limitation of geographical location

The research was specifically focusing on the South African stud buffalo breeding market and was therefore limited in its geographic location.

4.11.3 Sample size

Due to time and financial restraints, the researcher could only complete 27 interviews. Despite this, the sample was aligned with Delice's (2010) finding that most quantitative theses had a sample size of under 50.

4.11.4 Quantitative study

The research took the form of a quantitative study that involved numerical data, or data where the values were measured in some way (Saunders & Lewis, 2012). This allowed for increased insight into the effect of ingredient brand strategies on brand development for new market entrants, and the effect on customer purchase intention in the South African stud buffalo breeding market. The method required much interpretation and analysis. The limitation was that, without qualitative research, many findings could not be further investigated in order to discover and garner more concrete insights.

Chapter 5: Results

5.1 Introduction

The previous chapter explained the research methodology used to test the three propositions outlined in Chapter 3. The current chapter will review the characteristics of the sample and present an evaluation of the propositions through a one-sample t-test statistical analysis. This will be done by comparing the mean score of each proposition with the average overall score, followed by a concluding stance on the proposition statements.

5.2 Characteristics of the sample

Five biographic variables were used to characterise the sample in this study namely age group, tenure as a buffalo breeder in South Africa, the size of participants' buffalo herds, the size in hectares of participants' buffalo operations, and the current sales channel used by participants to sell their buffalo. Most of the participants (48%) were in the 45+ years age group with the majority (41%) having had more than ten years' experience in the South African stud buffalo breeding industry. Forty-one percent of the respondents had more than 100 buffalo in their herd, and the majority (67%) were breeding on more than 1000 hectares. The respondents mainly sold their stud buffalo through "Private with a portion of auction" (45%).

See Appendix 3 for an illustration of the distribution of each variable.

5.3 Normality of the data

The data for the correlation was tested to determine whether it was normal or non-normal (Table 2), with both the Kolmogorov Smirnov and Shapiro-Wilk tests showing significance ($p < 0.05$) indicating non-normality of the data. The emphasis was on the Shapiro-Wilk test, as the sample size was less than 2000. Tests that rely on normal data are known as parametric, and since the data for the inferential statistics was non-normal, non-parametric tests were employed. The Kruskal Wallis H was therefore used instead of the one-way ANOVA to determine the difference between the groups, and the Pearson Chi-square was used as this test is robust and usable for both parametric and non-parametric data. The statistical test used to evaluate the replies was a t-test. The mean score of the responses were compared to the average overall score of 3.00 (neutral) to see if there was significant support for the proposition statement or not.

Table 2 illustrates the normality of the data for survey questions 6-10.

Table 2: Normality of the data

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
6. Ingredient branding (host brand and ingredient brand) is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market	.266	26	.000	.790	26	.000
7. Traditional single-host branding is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.	.289	26	.000	.845	26	.001
8. For new market entrants in the South African stud buffalo breeding market, the type of branding strategy mainly influences buyers' purchase intention	.438	26	.000	.625	26	.000
9. For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with an established well-known brand will influence buyers' purchase intention positively.	.289	26	.000	.717	26	.000
10. For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with a public figure will influence buyers' purchase intention positively.	.235	26	.001	.837	26	.001
a. Lilliefors Significance Correction						

5.4 Findings

The results that follow are reported in terms of the propositions that were identified from the literature review in Chapter 2.

5.4.1 Proposition 1

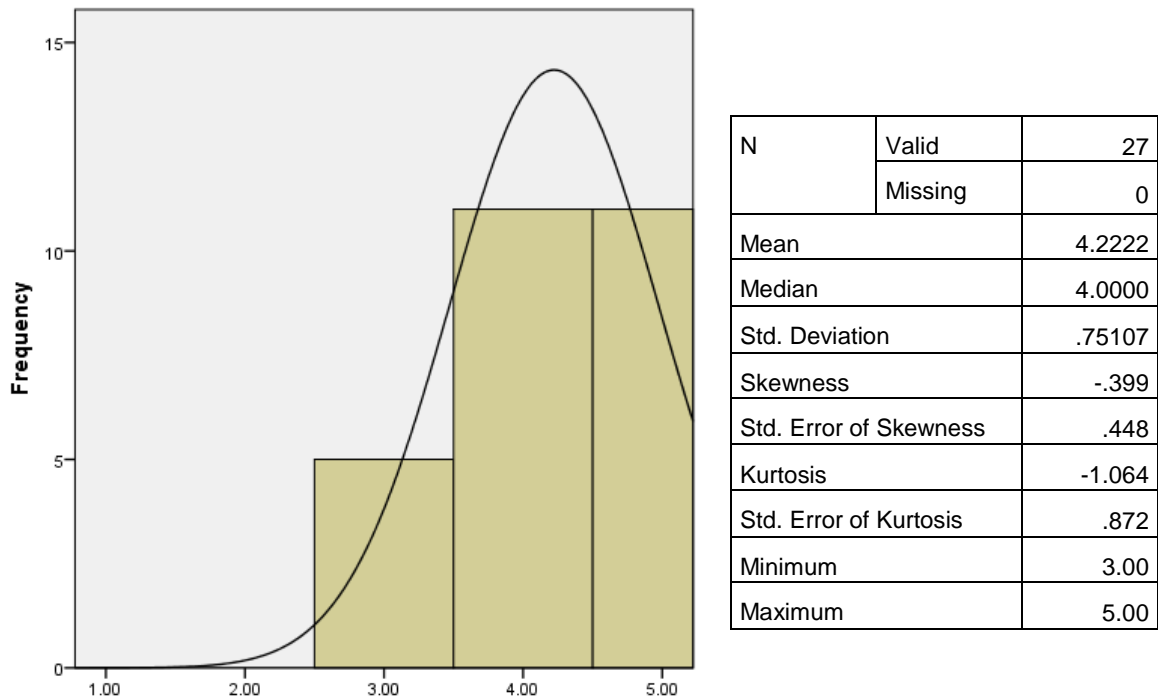
Proposition 1: Ingredient branding will have a positive influence on customer purchase intention towards new market entrants for both the host and ingredient brand.

The survey statement for Proposition 1 (Question 6) read as follows:

“Ingredient branding (host brand and ingredient brand) is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.”

In response to this statement, all 27 participants agreed that ingredient branding was the most effective branding strategy for new market entrants. The mean score was 4.22 with a standard deviation of 0.75. The median was 4.0, indicating that the central point for this statement was at “Agree”. The distribution of the data was negatively skewed with a value of -0.399 , indicating that most of the values were in the high range (“Agree” and “Strongly agree”) and the tail towards the disagreement range. The kurtosis was found to be at -1.064 , indicative of mesokurtic distribution, which is close to the normal distribution (Figure 6).

Figure 6: Frequency distribution and descriptive statistics on ingredient branding as a branding strategy for market entrants in the South African stud buffalo breeding market



Additionally, a one-sample t-test statistical analysis was used, comparing the mean score with the average overall score of 3.00. The results are illustrated in Table 3 below.

Table 3: Difference between mean score and average overall score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Ingredient branding (host brand and ingredient brand) is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market	27	4.2222	.75107	.14454

For the above statement regarding ingredient branding being the most effective branding strategy for new market entrants in the South African stud buffalo breeding market, the mean of 4.22 (SD = 0.75107) was higher than the mean average test value of 3 (based on the 5-point Likert Scale). The confidence interval of the difference can be seen in Table 4 below.

Table 4: Confidence interval

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Ingredient branding (host brand and ingredient brand) is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market	8.456	26	.000	1.22222	.9251	1.5193

The results for the above statement were statistically significantly higher than the normal value, $t(26) = 8.456, p = .000$.

5.4.2 Proposition 2

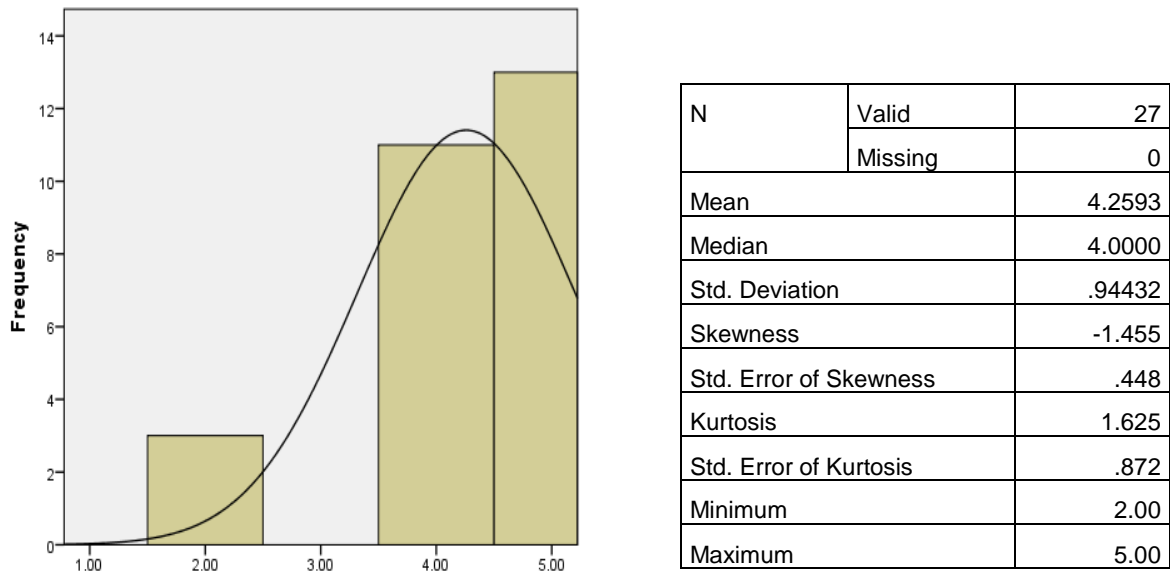
Proposition 2: A strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry brand will have a positive influence on the customer purchase intention towards the new market entry.

The survey statement for Proposition 2 (Question 9) read as follows:

“For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with an established well-known brand will influence buyers’ purchasing behaviour positively.”

Figure 7 below illustrates the response for Proposition 2. The mean score was 4.25 (SD = .944). The skewness was negative at -1.455, indicating that the data was highly skewed towards the “Agreed” and “Strongly agreed” range. This result was in support of Proposition 2.

Figure 7: Frequency distribution and descriptive statistics on ingredient co-branding with an established well-known brand



Additionally, a one-sample t-test statistical analysis was used, comparing the mean score with the average overall score of 3.00. The results are illustrated in Table 5 below:

Table 5: Difference between mean score and average overall score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
For new market entrants in South African stud buffalo breeding market, ingredient co-branding with an established well-known brand will influence buyers' purchasing behaviour positively.	27	4.2593	.94432	.18173

This statement had a mean of 4.26 (SD = 0.94432), which was higher than the mean average test value of 3 (based on the 5-point Likert Scale). The confidence interval of the difference can be seen in Table 6.

Table 6: Confidence interval

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
For new market entrants in South African stud buffalo breeding market, ingredient co-branding with an established well-known brand will influence buyers' purchasing behaviour positively.	6.929	26	.000	1.25926	.8857	1.6328

The score for this statement was statistically significantly higher than the normal value, $t(26) = 6.929$, $p = .000$.

The findings indicated that ingredient co-branding through strategic brand partnership between a well-known brand and a new market entry will have a positive influence on customer purchase intention towards a new market entrant.

5.4.3 Proposition 3

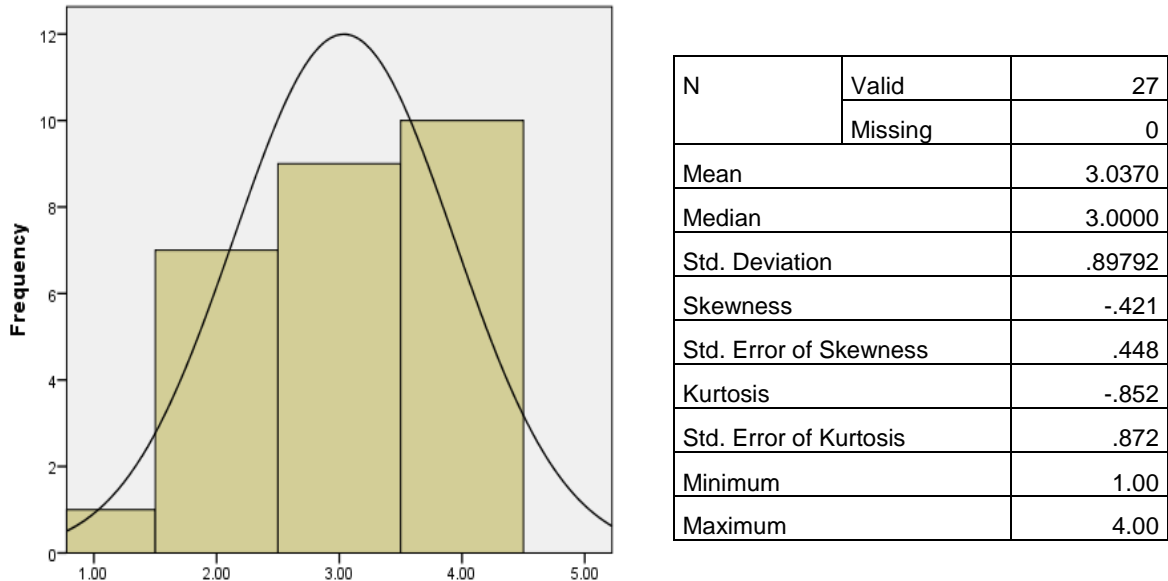
Proposition 3: A strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry will have a positive influence on the customer purchase intention towards the new market entry.

The survey statement for Proposition 3 (Question 10) read as follows:

“For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with a public figure will influence buyers’ purchasing behaviour positively.”

Figure 8 presents the distribution and descriptive statistics on ingredient co-branding with a public figure. There was a spread distribution between disagree, neutral and agree (2-4), with a mean score of 3.03 (SD = .897). This was indicative of contrasting views among the participants.

Figure 8: Frequency distribution and descriptive statistics on ingredient co-branding with a public figure



A breakdown of the frequencies is provided in Table 11. The distribution on the Likert scale indicates 37% (N =10) of the respondents at “Agree”, with 26% (N =7) at “Disagree”. A further 33%(N= 9) were “Neutral” on whether ingredient co-branding with a public figure would positively influence the customer purchase intention towards new market entrants.

Table 7: Frequency distribution of ingredient co-branding with a public figure

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Disagree	1	3.7	3.7	3.7
	Disagree	7	25.9	25.9	29.6
	Neutral	9	33.3	33.3	63.0
	Agree	10	37.0	37.0	100.0
	Total	27	100.0	100.0	

Additionally, a one-sample t-test statistical analysis was used, comparing the mean score with the average overall score of 3.00. The results are illustrated in Table 8 below.

Table 8: Difference between mean score and overall score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with a public figure, will influence buyers' purchasing positivity.	27	3.0370	.89792	.17281

This statement had a mean score of 3.04 (SD = .89792), which was .04 higher than the mean average test value of 3 (based on the 5-point Likert Scale). The confidence interval of the difference can be seen in Table 9 below.

Table 9: Confidence interval

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
For new market entrants in the South African stud buffalo breeding market, ingredient co-branding with a public figure will influence buyers' purchasing positivity.	.214	26	.832	.03704	-.3182	.3922

This statement was not statistically significant, with a p value $>.05$: $t(26) = .214$, $p = .832$. Based on the outcome of the responses, these findings can be regarded as inconclusive in terms of whether ingredient co-branding with public figure was influencing customer purchase intention positively for a new market entry in the South African stud buffalo breeding market.

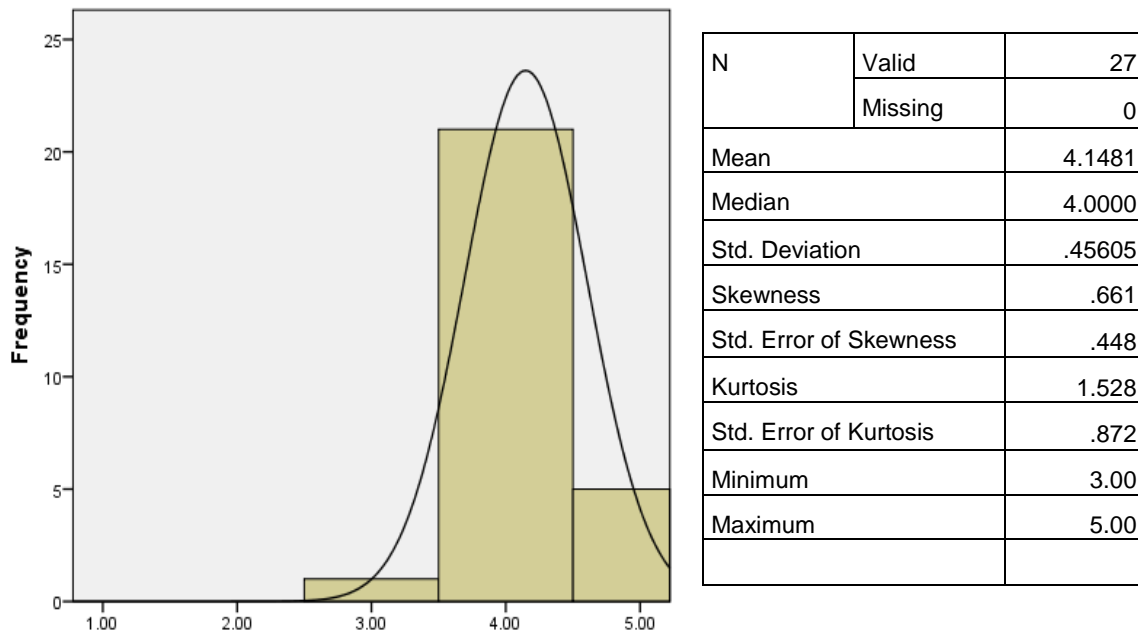
5.4.4 Influence of ingredient branding on customer purchase intention

Participants were provided with the following general statement (Question 8) to obtain their views on the influence of the type of branding strategy on consumer purchase intention towards new market entrants:

“For new market entrants in the South African stud buffalo breeding market, the type of branding strategy mainly influences buyers’ purchase intention.”

Figure 9 presents the results for the above statement, showing a mean score of 4.15 (SD = .456). This score indicates that most participants selected “Agree”. A skewness value of 0.661 was found, indicating that the data was moderately skewed. The kurtosis of the data indicated a value of 1.528, which meant that the data was mainly distributed in the same region, in this case at 4.0 for “Agree”.

Figure 9: Frequency distribution and descriptive statistics on type of branding strategy



Additionally, a one-sample t-test statistical analysis was used, comparing the mean score with the average overall score of 3.00. The results are illustrated in Table 10 below:

Table 10: Difference between mean score and average overall score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
For new market entrants in the South African stud buffalo breeding market, the type of branding strategy mainly influences buyers' purchase intention	27	4.1481	.45605	.08777

The mean of 4.15 (SD = 0.45605) was higher than the mean average test value of 3 (based on the 5-point Likert Scale). The confidence interval of the difference between the mean score and average overall score can be seen in Table 11.

Table 11: Confidence interval

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
For new market entrants in the South African stud buffalo breeding market, the type of branding strategy mainly influences buyers' purchase intention	13.082	26	.000	1.14815	.9677	1.3286

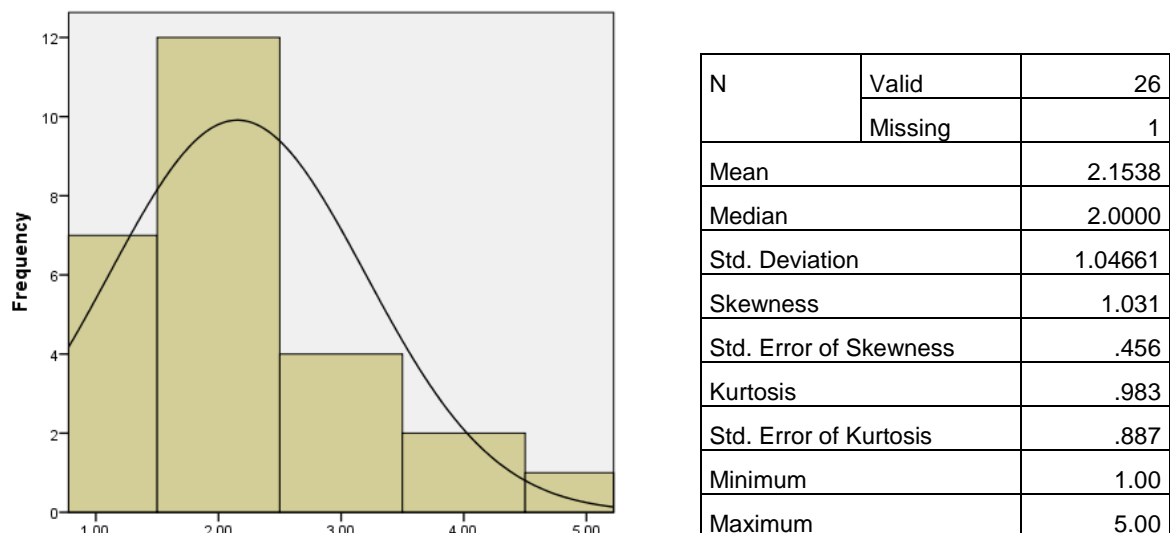
The results for this statement were statistically significantly higher than the normal value, $t(26) = 13.082, p = .000$.

With the participants agreeing that the type of branding strategy was important for purchase intention, traditional single-host branding was evaluated as an alternative to ingredient branding. The survey statement for single-host branding (Question 7) read as follows:

“Traditional single-host branding is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.”

Figure 10 presents the frequency distribution and descriptive statistics of the results:

Figure 10: Frequency distribution and descriptive statistics on traditional single-host branding as a strategy



Out of 27 respondents, 26 answered this question. The results showed a mean score of 2.15 (SD= 1.047). There was positive skewness with a value of 1.031, which was indicative

that most of the responses were in the “Strongly disagree” and “Disagree” range with the minority in the “Agree” range.

Additionally, a one-sample t-test statistical analysis was used, comparing the mean score with the average overall score of 3.00. The results are illustrated in Table 12 below:

Table 12: Difference between mean score and average overall score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Traditional single-host branding is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.	26	2.1538	1.04661	.20526

This statement had a mean score of 2.15 (SD = 1.04661), which was lower than the mean average test value of 3 (based on the 5-point Likert Scale). The confidence interval of the difference can be seen in Table 13 below.

Table 13: Confidence interval

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Traditional single-host branding is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.	-4.122	25	.000	-.84615	-1.2689	-.4234

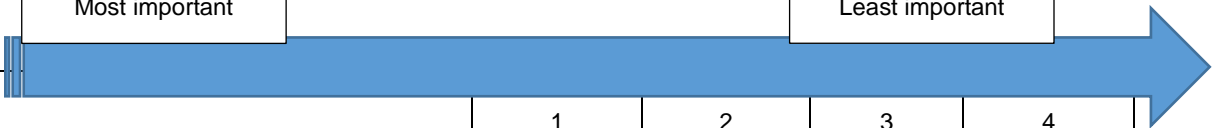
The test value of this statement was statistically significantly lower than the normal value, $t(25) = -4.122$, $p = .000$.

In Question 6 (ingredient branding) and Question 7 (single-host branding) of the survey, two branding strategies for new market entrants in the buffalo stud breeding were compared. The findings revealed that most respondents preferred ingredient branding as the more effective strategy for new market entrants to influence purchase intention positively, as compared to the traditional single-host branding strategy.

5.4.5 Overall view of brand development strategy for a new market entry

At the end of the questionnaire, the participants were requested to rank the branding strategies according to the degree to which they were seen to influence customer purchase intention positively, with 1 being the most important and 4 the least important. Table 14 provides the distribution profile of the influencer rankings. Notably, there were no participants who believed that ingredient co-branding with an established public figure was the most important influencer for customer purchasing, at the same time no participant believed that ingredient co-branding with an established well-known brand was the least important influencer. The majority, 70% (N=19), indicated that ingredient co-branding with an established well-known brand was the most likely to influence customer purchase intention positively, followed by ingredient branding by 63% (N=17) of the participants.

Table 14: Distribution profile of the ranking of the influencers



	1	2	3	4
	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)
Single-host branding	1 (3.7)	2 (7.4)	9 (33.3)	15 (55.6)
Ingredient branding	7 (25.9)	17 (63.0)	3 (11.1)	0 (0.0)
Ingredient co-branding with an established well-known brand	19 (70.4)	5 (18.5)	2 (7.4)	1 (3.7)
Ingredient co-branding with a public figure	0 (0.0)	5 (18.5)	12 (44.4)	10 (37.0)

The results for mean ranking by importance are provided in Table 15. Based on the mean ranking and using the median, it is evident that ingredient co-branding with an established well-known brand was ranked as the main positive influence on customer purchase intention, followed by ingredient branding, single-host branding and then ingredient co-branding with a public figure.

Table 15: Rank of importance of type of brand development on purchase intention

Single-host branding	3.4074	.79707	4.0000	3
Ingredient branding	1.8519	.60152	2.0000	2
Ingredient co-branding with an established well-known brand	1.4444	.80064	1.0000	1
Ingredient co-branding with a public figure	3.1852	.73574	3.0000	4

These results indicate that ingredient co-branding with a public figure was regarded as the most minimal influencer of purchase intention, whereas ingredient co-branding with an established well-known brand was viewed as the main influencer to positively impact customer purchase intention.

5.5 Summary and conclusion

Twenty-seven respondents within the buffalo breeding industry completed the questionnaire. These respondents included breeders from different age groups and with different sizes of stud buffalo herds (from fewer than 10 to more than 100) and operational farm sizes (from 100 hectares to more than 1000 hectares). These participants had experience in the breeding industry for between less than two years and more than 10 years, and their sales channels included auction, private and a combination of the two channels.

There were three propositions in this study, focusing on the effect of branding strategy and specifically ingredient branding on customer purchase intention towards new market entrants:

- Proposition 1: Ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand
- Proposition 2: A strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry will have a positive influence on the customer purchase intention towards the new market entry.
- Proposition 3: A strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry will have a positive influence on the customer purchase intention towards the new market entry.

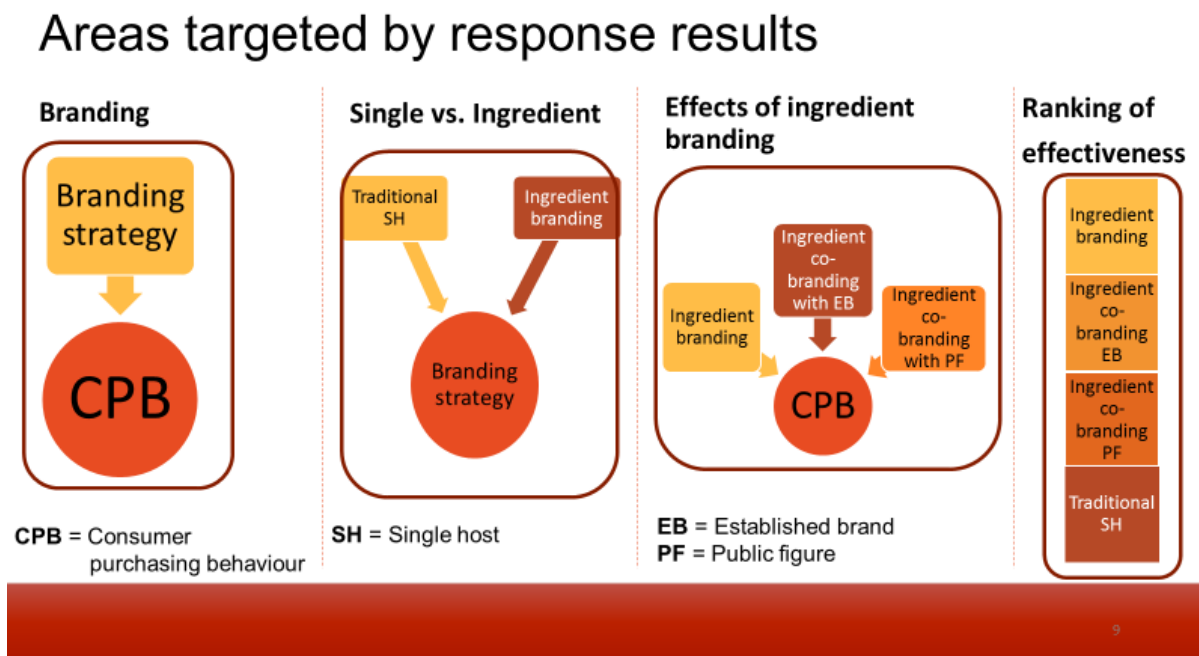
The results indicated that Proposition 1 and 2 were accepted but that Proposition 3 was inconclusive.

Chapter 6: Discussion of Results

6.1 Introduction

Chapter 5 presented the results of the study regarding the effect of three types of ingredient branding on customer purchasing behaviour towards new entries in the South African stud buffalo breeding market. The results on the effectiveness of traditional single-host branding were also presented, as well as the results on a ranking of the four branding strategies. This chapter will comment on the results from Chapter 5 in terms of the research propositions and other main areas as shown in Figure 11 below.

Figure 11: Main areas in terms of results



Source: Author's own

The conclusion on each proposition will be compared to the findings of the research studies discussed in the literature review. The findings for each proposition and other main areas will be reviewed separately in an introduction, discussion of results and summary.

6.2 Branding strategies

6.2.1 Introduction: Branding strategies

Syedghorban et al. (2015) stated that marketing and specifically branding were historically seen as of limited importance and though subsequent research has shown the importance

of branding in customer decision-making, the researcher wanted to establish the degree to which the type of branding strategy had an influence on customer purchase intention, specifically in the context of the South African stud buffalo breeding market. The study took the view that a company's brand identity was one of the most important intangible assets for the company (Vlachvei et al., 2012) and that it would therefore be a significant contributor in customers' decision to purchase. This thinking supported Vukasov's (2012) view that a high-quality, well-established brand ensured a competitive advantage, and Athanasopoulou et al.'s (2015) that such a brand would contribute to a company's higher rate of return (Athanasopoulou et al., 2015).

6.2.2 Discussion of Results: Branding strategies

Figure 9, followed by the one-sample t-test (Table 10), presented the degree to which respondents agreed that for new market entrants in the South African stud buffalo breeding market the type of branding strategy influences customer purchase intention. The results indicated support for the statement, as the average response was "Agree". The lowest score was neutral to the statement but this was minimal and the highest score was "Strongly agree". The response was positively skewed towards "Agree" and distributed in the same agreement region. The statistical analysis t-test confirmed that, in most of the respondents' view, the type of branding strategy was one of the main influences in customer purchase intention. This result is aligned with findings by Tiwari and Singh (2012) in terms of a company utilising branding strategies with the goal of building a well-known brand image and Vlachvei et al.'s (2012) findings that a company's brand is a significant success determinant to its competitive advantage. It also aligns with what Athanasopoulou et al. (2015) highlighted as the benefits that a brand can create namely greater customer loyalty, less vulnerability to competitors' marketing strategies, higher rate of return, reduction in price sensitive of customers to price increases, higher support of middlemen or auction houses and higher success of marketing promotions, all which contribute to the competitive advantage.

The importance of the type of branding on customers' purchase intention could contribute to the fact that branding is one of the differentiating strategies a new entrant can use. The company's branding strategy will affect the new entrant in a variety of ways such as increased demand in the market, diverting demand from original players, or a combination, taking into account that not all companies within an industry are affected the same way (Ozsomer & Cavusgis, 1999). The state of the industry environment will have an impact on

the type of strategy that is chosen for a new market entrant, as there are different associated benefits and negatives for each environment (Walter et al., 2016). Furthermore, the strong agreement on the importance of the type of branding chosen due to its having an effect on customer purchase intention could be attributed to what Melewar and Nguyen (2015) stated in their warning that marketers should not be adopting one theoretical branding strategy or concept model but should consider ambidexterity branding which should help achieve greater brand development performance. The results of the current study are aligned to the concept of brand architecture (Aaker & Joachimsthaler, 2000) highlighting the need to effectively understand the type of branding used, as this will impact the brand development effectiveness.

6.2.3 Summary: Branding strategies

With the current market complexity marketers face (Aaker & Joachimsthaler, 2000), branding strategies have become a determinant of a company's success (Vlachvei et al., 2012). Given the results in Chapter 5, companies need to explore different options when selecting a branding strategy.

In summary, the importance of the type of branding on customer purchase intention can be attributed to:

- Competitor differentiation (Vlachvei et al., 2012)
- Significant contributor to a company's competitive advantage (Vukasovic, 2012)
- Potential for greater customer retention (Athanasopoulou et al., 2015)
- The high cost and risk of developing a new brand (Koksal, 2014)
- Different industry conditions which have a variation of impact to new market entrants (Walter et al., 2016)
- The need for an integral understanding of brand architecture (Aaker & Joachimsthaler, 2000).

With the participants agreeing that the type of branding strategy was important for customer purchase intention, the next direction the study took was to identify the effectiveness of specific ingredient branding strategies for new market entrants brand development, leading to the first proposition.

Proposition 1: Ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

6.3 Ingredient Branding

6.3.1 Introduction: Proposition 1

Moon and Sprott (2016) suggested that ingredient branding has received relatively little attention. This could be due to ingredient branding being a relatively new strategy under branding (Kotler & Pfoertsch, 2010).

Proposition 1 explored the relationship between ingredient branding and potentially positive customer purchase intention towards new market entrants for both the host and ingredient brand. The benefits of ingredient branding were considered, specifically in terms of an increase in purchase of either the host or ingredient brand (Swaminathan et al., 2012) and positive influence on consumer purchase intention (Helm & Özergin, 2015).

6.3.2 Discussion of Results: Proposition 1

Question 6 and Question 7 in the questionnaire consisted of contrasting statements related to ingredient branding and traditional single-host branding to improve the validity of the concluding results. Figure 6 and the single sample t-test (Table 3) presented the results for Question 6, indicating the degree to which respondents agreed that an ingredient branding strategy was the more effective branding strategy for new market entrants in the South African stud buffalo breeding market. The analysis found that the average response to the statement was “Agree”, the lowest score was for “Neutral” and the highest score was for “Strongly agree”. The response was negatively skewed towards “Agree” and “Strongly agree” and distributed in the agreement region. The statistical analysis through the t-test confirmed the respondents’ agreement that ingredient branding was the most effective branding strategy for new market entrants in the South African stud buffalo breeding market.

Figure 10 and the ensuing t-test (Table 12) presented the response to Question 6, which measured the degree to which respondents agreed or disagreed that the traditional single-host strategy was the more effective branding strategy for new market entrants in the South African stud buffalo breeding market. The results indicated that the respondents disagreed with the statement. The statistical analysis through the t-test confirmed their disagreeing with the statement, as most of the responses were in the “Disagree” and “Strongly disagree” range.

Through these two questions, two branding strategies for new market entrants in the buffalo stud breeding were contrasted. The findings revealed that the respondents viewed ingredient branding as the more effective strategy to influence customer purchase intention positively for new market entrants, as compared to the traditional single-host branding strategy. The reason for these results could largely have been influenced by the perceived advantages and credibility associated with ingredient branding involving top performing companies in the South African stud buffalo breeding market. These advantages could include the positive “spill-over” effect on each individual brand, increasing the attractiveness of both the host and ingredient brand (Erevelles et al., 2008) and improving awareness of the ingredient brand as part of the host brand (Kotler & Pfoertsch, 2010).

The strategic advantages can result in improved brand recognition and market share for both the host brand and ingredient brand (Swaminathan et al., 2012) which is aligned with the study of positive impact on a customer’s purchase intention towards both the ingredient and host brand. The benefit of ingredient branding in the stud buffalo breeding industry and the reason for the positive response in the study seems to be aligned to Giakoumaki et al.’s (2016) argument that the higher the importance of the advertised ingredient as an attribute of the host product, the greater the advertising effects on customer purchase intention. In the stud buffalo breeding market, the ingredient is of high interest due to the genetic potential of large horn size which is currently driving the market. The world record horn length in Rowland Ward’s record books is 64 inches shot by a Mr Cabera (Ward, 2016), and the current living stud buffalo bull with the longest horns, Horizon, measures 55 inches (George, 2016). This shows that the ingredient brand is of high importance in the perception that the ingredient will produce offspring of high genetic quality in terms of horn length and fertility, aligning with Giakoumaki et al.’s (2016) view on ingredient branding.

Moon and Sprott (2016) summarised the benefits of ingredient branding as increased profits of a brand, whereas Tiwari and Singh (2012) noted two aspects which were important to the results received by the respondent in this study namely brands’ co-branding ability and consumers’ reduced price sensitivity. Ingredient co-branding will be further detailed in Proposition 2 and 3, but it is important to note that ingredient co-branding will not be possible without an ingredient branding strategy. The benefits of ingredient co-branding were highlighted in the literature review and will be further reviewed, however, these benefits might be the direct reason for the positive response to ingredient branding as it provides the foundation for the development of a robust ingredient co-branding strategy.

The second topic discussed by Tiwari and Singh (2012) was that of ingredient branding contributing to the reduction of consumer price sensitivity. This could explain the acceptance of the exorbitant prices that have been seen in the stud buffalo breeding market, showing alignment between the literature, business, and the results of this study.

The positive response to ingredient branding and the negative response to traditional single-host brand strategy could also be attributed to the brand value profile. As previously mentioned, in their study on the effect of a brand with or without ingredient branding Pfoertsch et al. (2007) identified 12 key attributes of branding and found a 92% improvement in the attributes when ingredient branding was applied. The key attribute perceived by this researcher was the perceived high quality of the host and ingredient brand, resulting in a positive influence on customer purchase intention. This positive influence on the customer purchase intention will therefore impact on the improved profitability of the brand and the company (Moon & Sprott, 2016).

6.3.3 Summary: Proposition 1

The literature reviewed in Chapter 2 highlighted that ingredient branding would result in benefits for both the host and ingredient brand. The summarised benefit was improved brand profitability (Moon & Sprott, 2016) due to a number of contributing factors which positively affected customer purchase intention towards the host and ingredient brand. As past studies on ingredient branding were mainly related to the physical product production industry (Helm & Özergin, 2015), this study aimed to uncover if the perceived umbrella positives for ingredient branding would be applicable to the stud industry. This was found to be true for the South African stud buffalo breeding market, as the results without exception supported the position that breeders viewed ingredient branding as an effective brand development strategy for a new market entrant for both the host and ingredient brand. The results of this study are a reflection of what has been happening in the business environment and are aligned to studies by Moon and Sprott (2016), Tiwari and Singh (2012), Helm and Özergin (2015) and Giakoumaki et al. (2016). The investigation into traditional single-host branding provided further support for the results as it was found that this form of branding was seen as a less effective brand development strategy for new market entrants.

The results succeeded in supporting the first proposition that ingredient branding has a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

Proposition 2: Strategic brand partnership through ingredient co-branding between a well-known brand and new market entry will have a positive influence on the customers' purchase intention towards a new market entry.

6.4 Ingredient Co-Branding with an Established Well-Known Brand

6.4.1 Introduction: Proposition 2

Branding literature is seen as mature but little research on branding co-creation has been done (Hajli et al., 2016). The subject of co-branding and ingredient co-branding has been described as a complex marketing strategy that is encountered in various industries and markets due to its strategic importance (Chiambaretto et al., 2016). When reviewing the ingredient co-branding literature, positive and negative perceptions of this branding strategy were encountered, with benefits and challenges noted.

Proposition 2 related to ingredient co-branding and specifically the customer purchasing process on novel versus known brands (Reimann et al., 2012), the possibility that a low or non-existent brand would benefit by ingredient co-branding with a well-known established brand (Baumgarth, 2004; and Cordeiro et al., 2016), and the perceived gap in terms of the South African stud buffalo breeding market. The strategic brand partnership through ingredient co-branding between a well-known brand and new market entry was explored to determine if this would have a positive influence on the customers' purchase intention towards a new market entry.

6.4.2 Discussion of Results: Proposition 2

Figure 7 and the ensuing single-sample t-test (Table 5) presented the results of the degree to which respondents agreed that strategic brand partnership through ingredient co-branding between a well-known brand and a new market entrant would have a positive influence on the customers' purchase intention towards the new market entry. The results indicated that the response was in agreement with the statement, with the score showing an average response of "Agree". The lowest score was "Neutral" and the highest score "Strongly agree". The response was negatively skewed to "Agree" and "Strongly agree" and distributed in the same agreement region.

These findings align with Moon and Sprott's (2016) study where the advantage a new market entrant gains from knowledge-sharing through mutual cooperation between the independent host brands was detailed. A new market entrant in the stud buffalo breeding market will

benefit from knowledge already gained by the established host brand's knowledge based on past experiences and lessons learnt, and the marketing and branding strategy will be one that has been tried and tested successfully. This will put the new market entrant ahead of a similar competitor trying to enter the market in isolation and having to begin the steep learning curve of trial and error within the South African stud buffalo breeding market. The benefit to the existing host brand can be explained through Chiambaretto et al.'s (2016) statement that ingredient co-branding protects host firms' market, as the established host brand will sell a share of his ingredient brand to the new market entrant thereby eliminating possible competition.

The results are also aligned with the advantageous effect of ingredient co-branding on customer purchase intention, which will be realised through double-marginalisation benefits and advertising support benefits (Erevelles et al., 2008). The cost of advertising the ingredient brand can be looked at through alternative lenses. Both these lenses are effective and beneficial to the host brands partnered in the ingredient co-branding strategy. The first lens would be cost reduction by the individual host brands in advertising the ingredient brand, as the cost would be shared by all the parties involved with the same effect. The second lens would be to keep the cost at the normal budget per host brand, thus getting a bigger budget for the ingredient brand which, if effectively used, will get greater exposure and greater purchase intention by the customers.

The positive response to ingredient co-branding between a well-known brand and a new market entrant furthermore aligns with Swaminathan et al.'s (2012) study, where the positive spill-over effect on brand image transfer was mentioned as one of the benefits of ingredient co-branding. This is also applicable to the stud buffalo breeding market where a new market entrant will be associated with the established host brand. It allows for a reduction in time to develop a quality brand and creates an instantaneous presence. The existing host brand, in turn, will have greater market reach because it will have double exposure in the industry in terms of the ingredient brand, and both the host brands will add to the customer purchase intention.

The results were, however, counter to findings by Chiambaretto et al. (2016), where some key challenges of ingredient co-branding were noted and according to which the results would be expected to negatively influence customer purchase intention. These challenges included inter-company collaboration, unpredictable customer perceptions and reduced competitiveness or uniqueness (Chiambaretto et al., 2016, p. 2).

Despite these perceived negatives, results showed that the respondents in this study were in favour of ingredient co-branding, which could be attributed to some of the perceived benefits in Chiambaretto et al.'s (2016) four quadrants as illustrated in Figure 3. The South African stud buffalo breeding market is perceived as being in the top right quadrant associated with hybrid co-operative branding between direct competition. The short-term view is associated with high benefits due to the infancy of the stud buffalo industry but the long-term view is associated with high risks as the ingredient co-branding is between direct competition (Chiambaretto et al., 2016). As the stud buffalo breeding market is a relatively young industry, the results in this study indicated that the high positive values associated with ingredient co-branding outweighed the negatives.

6.4.3 Summary: Proposition 2

The concluding reasoning in terms of the results of the almost unanimous positive response to ingredient co-branding is that market conditions are favourable to the ingredient co-branding strategy due to its infancy, with benefits being realised by both the new market entrant and the established host brands. The perceived benefit to the new market entrant was knowledge obtained from the host (Moon & Sprott, 2016), positive spill-over effects co-branding with brand image transfer from the established brand to the new market entrant (Swaminathan et al., 2012), and customers' purchasing process on novel versus known brands (Reimann et al., 2012). The benefits to the established host brand included protection of their competitive positions (Chiambaretto et al., 2016) and the financial freedom to reduce capital tied up in one ingredient animal with the potential to diversify, speculate in other genetics and grow their breeding operations. The mutual benefit realised by both the new entrant and the established host brand is the double-marginalisation benefits and advertising support benefits (Erevelles et al., 2008).

The results succeeded in supporting the proposition that a strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry will have a positive influence on customer purchase intention towards the new entrant.

Proposition 3: Strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry will have a positive influence on customer purchase intention towards the new market entry.

6.5 Ingredient Co-Branding with a Public Figure

6.5.1 Introduction: Proposition 3

Studies on ingredient co-branding with a public figure were reviewed in Chapter 2, and Proposition 3 was then formulated to include a brand development strategy for a new market entrant by strategically partnering with a public figure through ingredient co-branding. A public figure was defined as not currently invested in the South African stud buffalo breeding market but known publicly due to other attributes such as political rank, or being a business tycoon or sporting success. The term celebrity was defined as a well-known public individual (Erfgen et al., 2015). The use of celebrities in marketing and as a brand development strategy has been described as an international phenomenon (Zhou & Whitla, 2013). The ingredient co-branding strategy with a public figure is a marketing model which is defined as a celebrity entrepreneur-cum-endorser (part owner and endorser of an ingredient brand) (Muda et al., 2014). There were mixed results on the return on investment regarding celebrity-endorsed products (June et al., 2016), and opposing views on the use of a public figure in marketing.

Proposition 3 related to ingredient co-branding between a new market entrant and a public figure, and as a key component of this study looked at an alternative for an established host brand in the ingredient co-branding strategy. The strategic brand partnership through ingredient co-branding between a well-known public figure and new market entry was therefore explored to determine if this would have a positive influence on the customer purchase intention towards the new market entry.

6.5.2 Discussion of Results: Proposition 3

Figure 8 and the ensuing single-sample t-test (Table 8) presented the results of the degree to which respondents agreed that strategic brand partnership through ingredient co-branding between a public figure and a new market entry would have a positive influence on customer purchase intention towards the new market entry. The results fluctuated between “Disagree”, “Neutral” and “Agree”. The average response was “Neutral”. This fluctuation was indicative of a contrasting view among the participants.

The response is aligned with June et al.'s (2016) mixed results on the return on investment with regard to celebrity endorsed products. The success of an ingredient co-branding strategy for brand development with a public figure depends largely on the consumer and more specifically the consumer identity. The mixed response is highly likely to be attributed to the interdependence between a consumer's identity and a celebrity, and the fixated relationship with celebrities where this identity relationship can vary from mild emotional curiosity to celebrity worship (Ilicic & Webster, 2015, p. 167). A high level of attachment will be more beneficial for a marketer using an ingredient co-branding strategy with a public figure. This inconclusiveness of the results is further supported by Ilicic and Webster's reference to both the positives and the negatives when using a public figure as a strategic partner through ingredient co-branding.

Muda et al.'s (2014) statement was that celebrity selection in the marketing and brand-building strategy had the potential to create an image for a brand through meaning transfer by the perceived image of the celebrity. This could be a partial explanation for the inconclusive response to the statement related to ingredient branding between a new market entrant and a public figure in that when looking at the public figures used in the stud buffalo breeding industry, they are mostly business tycoons from a variety of other industries. An alternative explanation could be that business tycoons were the only individuals with the financial backing that could make a substantial investment into ingredient co-branding and therefore were not chosen for their being public figures but rather for their financial position. The latter reason was further supported by Burdon et al. (2015) who noted that companies had increased the speed of innovation by being more open to partnering with other companies which could hold useful resources or complementary skill sets which in this case might be financial backing. This contrasting view between a public figure and a financial backer might point to the reason for the inconclusive results.

The fact that 33% of the respondents indicated their disagreement in terms of ingredient co-branding between a new market entrant and a public figure having a positive impact on customer purchase intention towards a brand development, could be attributed to what June et al. (2016) described as the potential of public controversy and the loss of public brand recognition being a critical factor to consider.

Yet, in contradiction to June et al.'s (2016) view, Sääksjärvi et al.'s (2016) findings showed that a positive celebrity exposure could for some brands have negative effects on purchase intention and that negative celebrity exposure might be the more effective choice. An

industry example of the latter could be the negative media reports when former union boss Cyril Ramaphosa bid R18m for a buffalo, and how this did not deter the Phala Phala brand as it has since grown from strength to strength.

An additional risk highlighted was the perceived fit between the celebrity brand and host brand (Ilicic & Webster, 2013). The stud buffalo breeding market is unique and in its infancy, thus to get a public figure that fits with the host brand is not a simple task. A sport stadium or sport equipment would be natural to use with a celebrity sports star in a co-branding strategy, yet for the stud buffalo breeding market there is no default and the lack of strategic fit might be the explanation for the inconclusive response.

6.5.3 Summary: Proposition 3

This study's inconclusive results for Proposition 3 align with June et al.'s (2016) mixed results on the return on investment with regard to the use of a public figure in ingredient co-branding. Considering the contradicting views on the advantages and disadvantages of ingredient co-branding between a well-known public figure and a new market entry, Keel and Natarajan (2012) stated the need for greater and continued research on celebrity marketing to develop a brand.

The results on the proposition that a strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry would have a positive influence on the customers' purchase intention towards the new market entry were inconclusive.

6.6 Rank Order of Ingredient Brand Strategies

6.6.1 Introduction: Rank order

Prior to concluding the discussion on the propositions and ingredient branding strategies specifically, the rank order of the type of branding strategy in terms of its effect on customer purchase intention toward new market entrants was reviewed. The importance of branding strategies and especially ingredient branding strategies was discussed throughout the study. Though the discussion on each proposition has been concluded, a last important area warrants discussion namely ranking the importance and/or effectiveness of the three types of ingredient branding strategies and the traditional single-host brand strategy for a new market entrant in developing a brand.

6.6.2 Discussion of Results: Rank order

In Table 13, the results of the respondents' ranking the importance of brand development strategies' influence on customer purchase intention can be seen, with 1 being the most important and 4 the least important. The strategic branding options which the respondents could choose from were ingredient branding, ingredient co-branding with an established well-known brand, ingredient co-branding with an established public figure, and single-host branding. The results from most important to least important are listed below:

1. Ingredient co-branding with an established well-known brand
2. Ingredient branding
3. Single-host branding
4. Ingredient co-branding with a public figure

Not one respondent viewed ingredient co-branding with an established public figure as the most effective strategy to influence customer purchasing intent positively, neither did any view ingredient co-branding with an established well-known brand as the least effective strategy. As illustrated in Table 14, a large majority (70%) of respondents indicated that ingredient co-branding with an established well-known brand was the most important branding strategy, followed by ingredient branding at 63%).

6.6.3 Summary: Rank order

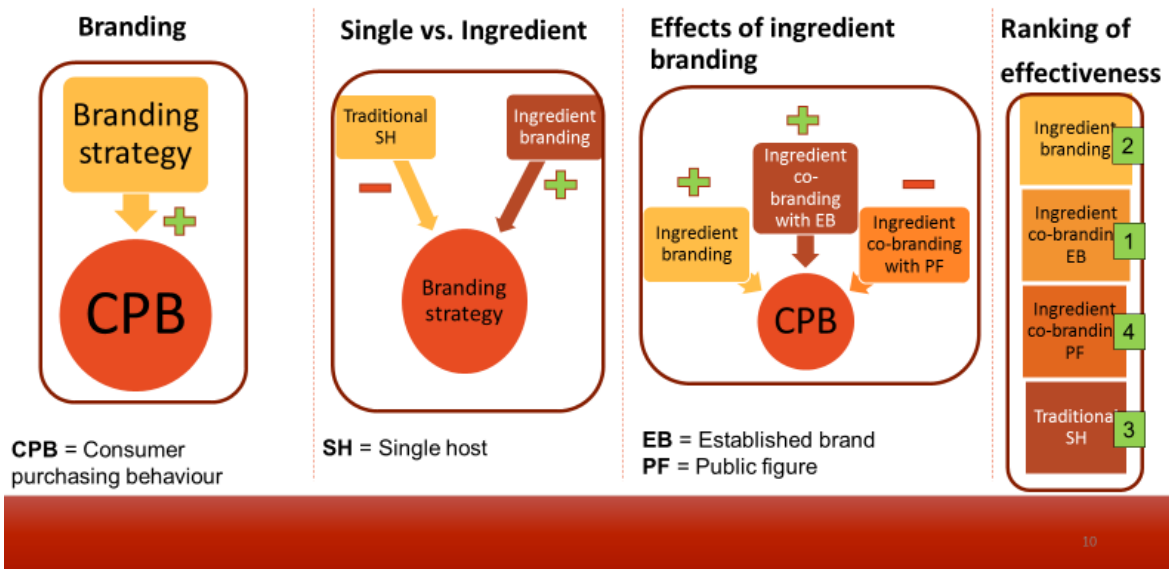
The results for the ranking of the strategies were unequivocal. This rank order will be helpful for new market entrants wanting to enter a market for the first time with the goal of developing a quality brand.

6.7 Conclusion to the chapter

In this chapter, the results presented in Chapter 5 were analysed and explained, and substantiated by the academic literature reviewed in Chapter 2. Three propositions were presented, with the first two being accepted and the last one being inconclusive. The results in addition highlighted the effectiveness of ingredient branding strategies on customer purchase intention towards new market entrants developing a brand. Figure 12 below provides a summary of Figure 11, introduced at the beginning of Chapter 6, with results added.

Figure 12: Concluding Response Results

Concluding areas on response results



Source: Author's own

Chapter 7: Conclusion

7.1 Introduction

The aim of this chapter is to combine all the results, discussions and interpretations presented in the previous two chapters into a cohesive set of findings. Recommendations for future business implementation, limitations of the research and suggestions for future research will also be provided.

7.2 Research Background, Objectives and Propositions

Although the subject of brand development and ingredient branding specifically continues to be highly topical, ingredient branding has received relatively little attention to date (Moon & Sprott, 2016), and there is an even greater gap for sub-strategies under ingredient branding such as ingredient co-branding (Swaminathan et al., 2012). The aim of this study was to establish the effectiveness of ingredient branding strategies on customer purchase intention towards new market entrants developing a brand in the South African stud buffalo breeding market. This was done through primary data collected in a closed-survey questionnaire during face-to-face interviews with stud buffalo breeders in South Africa. The study was quantitative in nature, with the following research objectives specifically aimed at the stud buffalo breeding market:

1. To establish the degree to which ingredient branding for a new market entrant's host and ingredient brand has a positive influence on customer purchase intention
2. To establish the degree to which the ingredient co-branding strategy between a new market entrant and a well-known brand in the industry has a positive influence on customer purchase intention.
3. To establish the degree to which the ingredient co-branding strategy between a new market entrant and a well-known public figure has a positive influence on customer purchase intention.

In line with the objectives, the research propositions formulated from the literature review were as follows:

Proposition 1: Ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

Proposition 2: A strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry brand in the same industry will have a positive influence on the customer purchase intention towards the new market entry.

Proposition 3: A strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry brand will have a positive influence on customer purchase intention towards the new market entry.

7.3 Key Findings and Recommendation

As highlighted in the objectives and propositions, the study examined three specific forms of brand development strategies namely the ingredient brand strategy, ingredient co-branding between a new market entrant and a well-known brand, and ingredient co-branding between a new market entrant and a public figure. The study then ranked the importance of the three ingredient branding strategies and the traditional single-host brand strategy for a new market entrant in the South African stud buffalo breeding market. The findings were discussed firstly through general branding findings, and then by focusing on each proposition.

7.3.1 General Branding Findings

- From a holistic branding point of view, the study found that the type of branding strategy used by a new market entrant will have a strong influence on customer purchase intention. This is aligned to various branding studies pertaining to the importance of branding on the success and competitive advantage of a business (Vlachvei et al., 2012; Vukasovic, 2012; and Athanasopoulou et al., 2015).
- From a comparative strategic choice perspective, the study found that ingredient branding was perceived as being more effective than the traditional single-host branding strategy. This response can be attributed to the improved business profits as a result of implementing ingredient branding in the buffalo stud industry, and is aligned to findings by Moon and Sprott (2016), Tiwari and Singh (2012), Helm and Özergin (2015) and Giakoumaki et al. (2016).

7.3.2 Findings for Proposition 1 – Ingredient Branding Strategy

- A foundation was laid in terms of branding strategies as an important influencing factor for customer purchase intention towards new market entrants, and of ingredient branding being more effective than traditional single-host branding. The

study found that ingredient branding as a strategy for a new market entrant was the most effective branding strategy to positively influence customer purchase intention towards both the host and the ingredient brand. This is aligned to Swaminathan et al.'s (2012) mention of numerous benefits associated with using an ingredient brand strategy, specifically the spill-over effects of ingredient branding creating an increase in purchase of either the host or the ingredient brand, as well as Helm and Özergin's (2015) findings regarding the positive influence of ingredient branding on consumer purchase intention.

- The findings were therefore in support of the first proposition, namely that ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

7.3.3 Findings for Proposition 2 – Ingredient Co-Branding Strategy with a Well-Known Brand

- The study found that ingredient co-branding between a new market entrant and an established well-known brand in the same industry will have a positive influence on customer purchase intention. This is aligned to findings by Chiambaretto et al. (2016), Moon & Sprott (2016) and Erevelles et al. (2008), highlighting the benefits of knowledge transfer, reduced cost, double margin profits and improved competitive advantage.
- The findings were therefore in support of the second proposition, namely that strategic brand partnership through ingredient co-branding branding between a well-known brand and a new market entry brand will have a positive influence on the customer purchase intention towards the new market entry.

7.3.4 Findings for Proposition 3 – Ingredient Co-Branding Strategy with a Public Figure

- The study was inconclusive regarding the degree to which an ingredient co-branding strategy between a new market entrant and a well-known public figure will have a positive influence on customer purchase intention. These findings reflect the contrasting views and mixed results in the literature on the return on investment with regard to the use of public figures in marketing (June et al., 2016).
- Because of the participants' conflicting views on strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry having a positive influence on the customer purchase intention towards the new market entry, the findings in terms of the third proposition were inconclusive.

7.3.5 Findings for Rank of Importance

- During the interviews with the participants they were asked to rank the effectiveness of the different ingredient branding strategies and the traditional single-host strategy.

The ranking, from most important to least important, was as follows:

1. Ingredient co-branding with an established well-known brand
2. Ingredient branding
3. Single-host branding
4. Ingredient co-branding with a public figure

7.4 Possible contribution to the Literature

The study could contribute to the marketing literature within brand development, especially from a new market entrant's perspective. The type of branding strategy was viewed by participants as having a strong influence on customer purchase intention thereby emphasising the importance of brand development. This supports Vlachvei et al. (2012) and Athanasopoulou et al.'s (2015) stance that brand development is an important factor of the marketing strategy and that it has strong potential to improve profitability and customer purchase intention. In a comparison between the effect of an ingredient branding strategy and a traditional single-host branding strategy, participants viewed the ingredient branding strategy as the one to influence customer purchase intention towards new market entrants more positively. This supports Swaminathan et al.'s (2012) findings namely that ingredient branding has a positive influence on customer purchase intention towards new market entrants for both the host and ingredient brand.

A strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry was found to have a positive influence on customer purchase intention towards the new market entry. This result supported the research done by both Chiambaretto et al. (2016) and Moon and Sprott (2016) in terms of ingredient co-branding creating advantages for the host brand through potential brand image transfer, a common set of values and increased customer base, all of which will improve customer purchase intention resulting in increased profitability. The strategic brand partnership through ingredient co-branding between a well-known public figure and a new market entry was found to be inconclusive with regard to a positive influence on customer purchase intention towards a new market entry. This finding is aligned to June et al.'s (2016) mixed results on the return on investment in terms of to the use of public figures in marketing.

7.5 Recommendation for Future Research and Business Implementation

A brand is a new entrant's unique identity, designed and used with the goal of building a well-known brand image (Tiwari & Singh, 2012). The marketing manager is faced with a complex marketing environment, made more complicated by the high cost of developing a new brand (Aaker & Joachimsthaler, 2000). With limited research done on ingredient branding strategies (Moon & Sprott, 2016) due to ingredient branding identified as a relatively new strategy under branding (Kotler & Pfoertsch, 2010), the following recommendations flow from the findings of this study:

7.5.1 Wider use of ingredient branding

Ingredient branding was previously used in a physical component orientated industry (Helm & Özergin, 2015). However, the use of ingredient branding need not be restricted to the physical component industry but can also be used across the service and stud breeding industries. As evident in the findings of the current study, the use of ingredient branding is effective in developing a brand in the stud buffalo breeding market and improving customer purchase intention. This could be extended to similar stud breeding industries, from stud livestock to domestic animals.

7.5.2 Recognition of benefits for host

Ingredient co-branding between a new market entrant and an established well-known brand should not only be looked at as a benefit to the new market entrant only but rather as mutually beneficial for both parties, including cost and advertising support benefits (Erevelles et al., 2008).

7.5.3 Company partnerships

The current complexity of the market (Aaker & Joachimsthaler, 2000) is further complicated by the speed of innovation (Burdon et al., 2015). As evident in the study and in support of Burdon et al. (2015), for companies to keep up with the speed of innovation they need to be more open to partnering with other companies with potentially useful resources or complementary skill sets. An effective way to implement this partnership is through an ingredient co-branding strategy with the associated benefits as discussed earlier in the study.

7.5.4 Attention to short and long term implications

Business embarking on an ingredient co-branding strategy should pay special attention to the maturity of the industry and the type of co-operative branding regarding direct or indirect competition. The short-term view is associated with high benefits but the long-term view is associated with high risks as ingredient co-branding takes place between direct competition. It is imperative to take both views into account when analysing ingredient co-branding strategies. This view is aligned with Chiambaretto et al.'s (2016) suggestion that business should make use of the ingredient co-branding quadrant of benefits and risks as previously discussed, and illustrated in Figure 3.

7.5.5 Fit between public figure brand and host brand

The findings in terms of the effectiveness of ingredient co-branding between a new market entrant and a public figure align with June et al.'s (2016) mention of mixed results on the return on investment with regard to the use of public figures. The use of a public figure is largely context-specific with a high risk regarding the perceived fit between the public figure brand and the host brand (Ilicic & Webster, 2013), and business should consider the perceived fit between their brand and the public figure when evaluating ingredient co-branding with a public figure.

7.5.6 Rank order

In looking at the effectiveness of the ingredient branding strategies in terms of their influencing customer purchase intention positively, the study found that the brand development strategy viewed as most important for the South African stud buffalo breeding market in this regard was ingredient co-branding with an established well-known brand as the main influencer, followed by ingredient branding, single-host branding and lastly ingredient co-branding with a public figure. New market entrants should consider this ranking when making a strategic brand development choice.

7.6 Limitations

- Representation of the population: There is no complete record of all the South African stud buffalo breeders in South Africa, thus a list of the whole population was unobtainable. Non-probability convenience sampling supplemented with “snowballing” was implemented.

- Participation bias: The research was based on responses by stud buffalo breeders and was subject to the respondents' possible bias and prejudices.
- Applicability of findings: Although the literature in the study broadly covered key characteristics of different markets and industries, the study was limited to South Africa and the specific context to the South African stud buffalo breeding market. This is not representative of the entire ingredient branding market, and generalisation of these findings might not be applicable to other industries or even the international stud buffalo breeding market.
- Research method: The research took the form of a quantitative study that involved numerical data or data where the values were measured in some way (Saunders & Lewis, 2012). The limitation is that without qualitative research, many findings could not be further investigated to discover and garner more concrete insights.

7.7 Implications for future research

This study explored the effect of ingredient brand strategies as a form of brand development for new market entrants. Buffalo breeders who were classified as current sellers and buyers were approached. A more extensive study could have included potential new buyers to get their perspective on the effectiveness of ingredient branding as a strategy from the viewpoint of a potential entrant to the existing market with the intention to purchase. This would have allowed for comparison and contrast between the two groups (existing breeders and new entrants) which would have increased the insight into ingredient branding, and might be a subject for future research.

The focus of the study was ingredient branding in the stud buffalo breeding market. There is an opportunity to extend this study to other similar industries such as the stud sable or roan market from the game industry or stud livestock from the cattle, sheep or goat market.

The literature review referred to financial reports mentioning exorbitant prices for certain ingredient co-branding partnerships (Graham, 2016; and George, 2016). This study focused on the effectiveness of ingredient branding on customer purchase intention, but a future study could explore the cost associated with ingredient branding and the return on investment (ROI) of the various ingredient strategies, adding to the business knowledge on budgeting and reviewing the economic trade-off of capital investment in terms of the percentage ROI of other branding strategies.

7.8 Conclusion

Moon and Sprott (2016) indicated that not much research has been done on ingredient branding, with even fewer studies focusing on additional sub-strategies under ingredient branding such as ingredient co-branding (Swaminathan et al., 2012). Kotler and Pfoertsch (2010) mainly attributed this to ingredient branding being a relatively new marketing strategy.

The results of this study found that the type of branding strategy used by a company will impact their customers' purchase intention, thereby reinforcing the importance of branding strategies for a new market entrant. With the current market complexity that marketers are faced with (Aaker & Joachimsthaler, 2000), branding strategies have become a significant contributor to a company's success in terms of competitive advantage (Vlachvei et al., 2012). From an ingredient branding perspective, the results supported the proposition that ingredient branding will have a positive influence on the customer purchase intention towards new market entrants for both the host and ingredient brand.

Ingredient co-branding was looked at from two separate strategic partnerships which were: strategic partnerships through ingredient co-branding between a well-known brand and a new market entry, and secondly strategic partnership through ingredient co-branding between a well-known public figure and a new market entry. The findings indicated that strategic brand partnership through ingredient co-branding between a well-known brand and a new market entry will have a positive influence on customer purchase intention towards a new market entry. However, the results were inconclusive with regard to strategic brand partnership through ingredient co-branding between a well-known public figure and new market entry having a positive influence on customer purchase intention towards the new market entry.

Through further analysis the positive influence on customer purchase intention by the ingredient branding strategies and the traditional single-host brand were ranked in order of importance. Ingredient co-branding with an established well-known brand was ranked as the main influencer, followed by ingredient branding, traditional single-host branding and lastly ingredient co-branding with a public figure. This aligned with the findings related to the research propositions.

Overall, the findings successfully addressed the objectives and propositions of the study by providing brand development insight specifically into ingredient branding strategies. From a generic view the findings provided brand development insight into ingredient branding for

companies looking to enter a market for the first time. Lastly, from a context-specific perspective, the findings provided brand development insight into ingredient branding for companies looking to enter the South African stud buffalo breeding market.

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Appendices

Appendix 1 - Questionnaire

**Gordon Institute
of Business Science**
University of Pretoria

Good day,

Thank you for participating in this survey.

This survey is conducted as one of the requirements for an MBA programme at the Gordon Institute of Business Science. The research will examine ingredient branding strategies for new entrants in the South African stud buffalo breeding market. Our interview is about the different forms of ingredient brand strategies employed in the stud buffalo breeding market and the effectiveness of these strategies for new market entrants on the purchasing behaviour of consumers.

The interview is expected to last about 25 minutes, and will help us to understand how South African new market entrants in the stud buffalo breeding industry can develop a quality brand.

Your participation is voluntary and your identity will be kept confidential. While anonymity of participants can be assured, data cannot be confidential. By completing this survey, you indicate that you voluntarily participated, you may withdraw at any time without penalty. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher name: Kyle Burelli

Email: kgb@francolinhill.co.za

Cell phone: 072 070 59 46

Supervisor name: Dr Clive Corder

Email: monicac@icon.co.za/cliveco@icon.co.za

Cell phone: 082 655 67 40

Consent:

Respondent's Signature: _____

Number of Questionnaire: ____

Questions:

1. Please indicate in which of the following categories your age falls?

Under 18	18-30	31-44	45+	No response

2. Please indicate for how many years you have been a stud buffalo breeder?

Less than 2	2-5	6-10	More than 10

3. Please indicate the size (no. of animals) of your current buffalo herd?

Less than 10	10-50	51-100	More than 100

4. Please indicate what size, in hectares, your stud buffalo breeding operation is?

Less than 100	101-500	501-1000	More than 1000

5. Please indicate your current sales channel used to sell your stud buffalo?

Private only	Private with a portion of auction	Approximately equal private and auction	Auction with a portion of private	Auction only

Please rate the following statements on a scale of 1 to 5 where:

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

6. Ingredient branding (host brand and ingredient brand) is the most effective branding strategy for new market entrants in the South African stud buffalo breeding market

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

7. Traditional single-host branding is the most effective branding strategy for new market entries in the South African stud buffalo breeding market.

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

8. For new market entries in the South African stud buffalo breeding market, the type of branding strategy mainly influences buyers' purchase intention.

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

9. For new market entries in the South African stud buffalo breeding market, ingredient co-branding with an established well-known brand will influence buyers' purchasing behaviour positively.

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

10. For new market entries in the South African stud buffalo breeding market, ingredient co-branding with a public figure will influence buyers' purchasing behaviour positively.

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

11. Rank the factors on their importance that mainly influence the buyers' intention with 1 being most important and 4 being least important.

Factors	Rank
Single-host branding	
Ingredient branding	
Ingredient co-branding with an established well-known brand	
Ingredient co-branding with a public figure	

Appendix 2: Ethical Clearance Approval

Dear Kyle Burelli

Protocol Number: **Temp2016-01783**

Title: **Ingredient brand strategies for new entrants in the South African stud buffalo breeding market**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

Appendix 3: Differences in demographic information of the sample

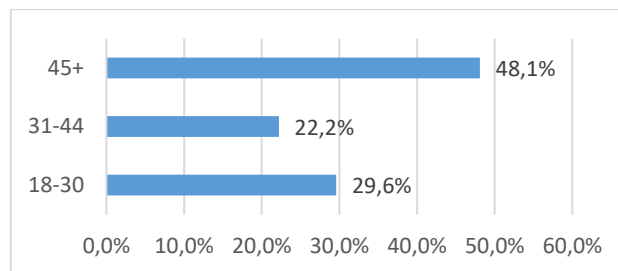
Kruskal-Wallis H test

As the data was not normal and therefore in violation of the assumptions of ANOVA, the Kruskal-Wallis H test was used as an alternative non-parametric test to test the differences in the demographic information concerning the breeders' age, years in buffalo breeding, size of buffalo herd, size of buffalo breed operation and current sales channels. The Kruskal-Wallis H test provided the mean rank order of the different groups within the variables, and the chi-square (χ^2) and level of significance. A p-value of $<.05$ was used to indicate the significance of the differences.

Age group

Most of the participants (48%) were in the 45+ years age group followed by the 18-30 years' age group (30%) (see Figure A below).

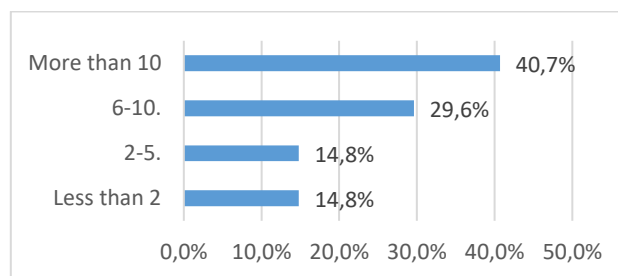
Figure A: Age group of participants



Tenure as a stud buffalo breeder in South Africa

The results on the years of experience the participants had as stud buffalo breeders in South Africa showed the majority at 41% with more than 10 years' experience, while 30% indicated that they had from 6-10 years' experience (see Figure B below).

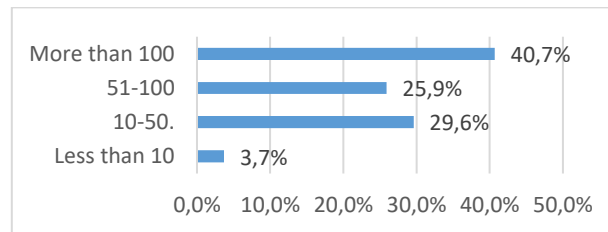
Figure B: The tenure of participants as stud buffalo breeders in South Africa



Size of current buffalo herd

The results on the size of the breeders' herds showed that most of the respondents had more than 100 buffalo in their herd representing 41% (N=11) of the sample, followed by 30% (N=8) having between 10-50 buffalo. The lowest two groups had between 51-100 buffalo at 26% (N=7), and 3.7% (N=1) had fewer than 10 buffalo in their herd (see Figure C below).

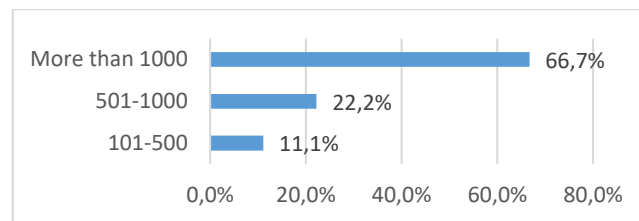
Figure C: Size of participants' stud buffalo herds



Size in hectares of participants' stud buffalo breeding operation

The results related to the size in hectares of the participants' stud buffalo breeding operations showed the majority breeding on more than 1000 hectares at 67% (N=18), followed by between 501-1000 hectares at 22% (N=6), and the smallest portion of the participants breeding on between 101-500 hectares at 11% (N=3) (see Figure D below).

Figure D: Size in hectares of participants' stud buffalo breeding operations



Current sales channel used by participants to sell stud buffalo

The results showed that the majority, 45% (N=12), sold their stud buffalo through "Private with a portion of auction". An equal percentage of participants sold through "Auction with a portion of private" and "Approximately equal between private and auction" at 22% (N=6), respectively. Participants selling through "Private only" were 7% (N=2) and participants that sold "At auction only" constituted 3% (N=1) (see Figure E below).

Figure E: Current sales channel used by participants to sell stud buffalo

