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# **Luxury value perceptions that drive South African female consumers' purchase intent for luxury exotic leather accessories**

Sunette Scheepers

DISSERTATION

M Cons Sc (Clothing Management)

Supervisor: Prof H M de Klerk

November 2016



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## **Luuksewaarde-persepsies wat Suid-Afrikaanse vroueverbruikers se koopvoorneme aanspoor vir luukse, eksotiese leerbykomstighede**

Sunette Scheepers

VERHANDELING

M Cons Sc (Klerebestuur)

**Studieleier:** Prof H M de Klerk

November 2016

**Luxury value perceptions that drive South African female consumers'  
purchase intent for luxury exotic leather accessories**

by

**Sunette Scheepers**

Dissertation submitted in fulfilment of the requirements for the degree

**M Consumer Science (Clothing Management)**

in the

**Department of Consumer Science**

**Faculty of Natural and Agricultural Science**

**University of Pretoria**

November 2016

## DECLARATION

I, Sunette Scheepers, hereby declare that the dissertation hereby submitted by me is my own work for a Master's degree in Consumer Science at the University of Pretoria, and has not previously been submitted for a degree at this university or at any other tertiary institution, and that all reference material contained herein has been acknowledged.

.....

Signed: Sunette Scheepers

.....

Date

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- My sincere appreciation to the statistical consultant. Your expertise in analysing and interpreting the data is highly regarded.
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## **ABSTRACT**

### **Luxury value perceptions that drive South African female consumers' purchase intent for luxury exotic leather accessories**

**By**  
**Sunette Scheepers**

**Supervisor: Prof H M de Klerk**

**Department: Consumer Science**

**Degree: Masters in Consumer Science: Clothing Management**

The study investigated South African female consumers' purchase intent for luxury exotic leather accessories, with specific reference to exotic crocodile leather, as well as their perceived values of luxury exotic leather products and brands. A survey was conducted across South Africa that included representation of the following ethnic groups: African, White, Coloured, Asian and Indian. All the individuals surveyed were female. Consulta Research, a consumer research company, assisted the research study in collecting data. Data was collected by means of a non-probability convenient sampling method. Consulta Research distributed an online questionnaire to female participants on their database. Three hundred and thirty seven (337) usable questionnaires were completed and returned. Data analysis consisted of descriptive statistics, exploratory factor analysis, Spearman's correlation analysis and Cohen's d correlation analysis. All of the demographic and lifestyle characteristics were useful in describing the South African female consumer. The findings indicated that the majority of the respondents were not willing to spend market-related prices for genuine crocodile leather accessories. The study confirmed that luxury value perceptions may include five dimensions that are distinguished in literature, namely Social, Individual gifts, Individual pleasure, Financial, and Functional value perceptions. Functional value perceptions were found to be more important to South African respondents, although previous studies in other countries have shown that Social and Individual value perceptions are more important. According to the literature presented in the study, it was confirmed that purchasing intent is part of the decision-making process, since intention is evident in an individual's readiness to perform a given behaviour. The findings showed that South African female respondents have

a weak Purchasing intent for exotic crocodile leather accessories. The study, however, also showed that in the future at some point a substantial percentage of respondents might buy (24.00% + 18.60% + 20.70%), have the intention to buy (23.40% + 17.50% + 21.30%) and have an interest to buy (23.10% + 17.80% + 18.90%) an exotic crocodile leather accessory. A high practical significance was also found for the correlation between Purchasing intent and Functional value perceptions. This might be an indicator of the important role that functionality would play in respondents' final decision to buy or not buy an exotic crocodile leather accessory. This has implications for industry stakeholders because Functional value perceptions, according to the study, can be described as superior quality, quality assurance, high quality standards and substantive attributes and performance factors. Therefore industry stakeholders within the luxury exotic crocodile leather industry, be it suppliers, manufacturers, breeders, farmers, retailers or marketers, should take these consumer values into consideration in order to maximise the ultimate value delivered by the supply chain. Various recommendations are made based on the findings of this study, to either expand or build onto this existing research. Topics related to luxury exotic crocodile leather accessories and luxury consumers in South Africa can definitely be explored further to fill the current gap in knowledge in this field.

**Keywords:** luxury exotic leather market, luxury exotic crocodile leather accessories, luxury consumer, luxury value perceptions, purchasing intent

## OPSOMMING

### **Luuksewaarde-persepsies wat Suid-Afrikaanse vroueverbruikers se koopvoorneme aandryf vir luukse, eksotiese leerbykomstighede**

**Deur**

**Sunette Scheepers**

**Studieleier: Prof H M de Klerk**

**Departement: Verbruikerswetenskappe**

**Graad: Meesters in Verbruikerswetenskappe: Klerebestuur**

Die studie het Suid-Afrikaanse vroueverbruikers se koopvoorneme vir luukse, eksotiese leerbykomstighede, spesifiek vir eksotiese krokodilleer, ondersoek, asook hul waargenome (*perceived*) waardes van luukse, eksotiese leerprodukte en handelsmerke. 'n Opname wat verskeie rasse ingesluit het, naamlik Swart, Wit, Kleurling-, Indiese en Asiatiese Suid-Afrikaners, is regoor Suid-Afrika gemaak. Al die individue wat aan die opname deelgeneem het, was vroue. Consulta Research, 'n verbruikersnavorsingsmaatskappy, was behulpsaam met die navorsing en het gehelp om data in te samel. Data is ingesamel by wyse van 'n niawaarskynlikheids-gerieflikheidsteekproefnemings-metode. Consulta Research het 'n vraelys aanlyn versprei aan vroulike deelnemers wat op hul bestaande databasis was. Driehonderd sewe en dertig (337) bruikbare vraelyste is ingevul en terug ontvang. Data-analise het bestaan uit beskrywende statistiek, eksploratiewe faktoranalise, Spearman se korrelasie-analise en Cohen se d-korrelasie-analise. Al die demografiese en leefstylkenmerke was nuttig in die beskrywing van die Suid-Afrikaanse vroulike verbruiker. Die bevindinge het daarop gedui dat die merderheid van die respondente nie bereid was om markverwante pryse vir egte krokodilleer-bykomstighede te betaal nie. Die studie het bevestig dat luukse waardepersepsies vyf dimensies kan insluit soos in die literatuur onderskei is, naamlik Sosiale, Individuele geskenke, Individuele plesier, Finansiële en Funksionele waardepersepsies. Daar is bevind dat Funksionele waardepersepsies belangriker is vir Suid-Afrikaanse respondente, hoewel vorige studies in ander lande getoon het dat Sosiale en Individuele waardepersepsies belangriker was. Volgens die literatuur wat in die studie ondersoek is, is daar bevestig dat koopvoorneme deel vorm van die besluitnemingsproses, aangesien intensie blyk uit 'n

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individuele gereedheid om 'n gegewe gedrag uit te voer. Die bevindinge het getoon dat Suid-Afrikaanse vroulike respondente 'n swak koopintensie het vir eksotiese krokodilleerbykomstighede. Die studie het egter ook getoon dat 'n aansienlike persentasie van die respondente in die toekoms 'n eksotiese krokodilleerbykomstigheid mag koop (24.00% + 18.60% + 20.70%), die intensie mag hê om dit te koop (23.40% + 17.50% + 21.30%), en belang sal stel om dit te koop (23.10% + 17.80% + 18.90%). Daar is ook 'n hoë praktiese beduidendheid gevind vir die korrelasie tussen koopintensie en funksionele waardepersepsies. Dit mag 'n aanduiding wees van die belangrike rol wat funksionaliteit in respondente se finale besluit om 'n eksotiese krokodilleerbykomstigheid te koop al dan nie, sou speel. Dit het implikasies vir industrie-belanghebbendes omdat funksionele waardepersepsies, volgens die studie, beskryf kan word as superieure kwaliteit, versekering van kwaliteit, hoë kwaliteitstandaarde en prestasiefaktore (*performance factors*). Daarom behoort industrie-belanghebbendes binne die eksotiese krokodilleerbedryf, hetsy leweraars, vervaardigers, telers, boere, kleinhandelaars of bemerkers, hierdie verbruikerswaardes in ag te neem ten einde die uiteindelijke waarde wat gelewer word deur die aanbodketting (*supply chain*), te maksimeer. Verskeie aanbevelings word gemaak gebaseer op die bevindinge van hierdie studie, om óf hierdie navorsing uit te brei of daarop voort te bou. Onderwerpe wat betrekking het op luukse, eksotiese krokodilleerbykomstighede en op luukse verbruikers in Suid-Afrika kan nagevors word om die huidige kennisgaping op hierdie terrein te vul.

**Sleutelwoorde:** luukse eksotieseleer-mark, luukse eksotiese krokodilleerbykomstighede, luukse verbruiker, luukse waardepersepsies, koopvoorneme

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# CHAPTER ONE

## THE STUDY IN PERSPECTIVE

*In this chapter the background to the study and the research problem are introduced. An introduction to the methodology, theoretical perspective and the structure of the study are presented.*

### 1.1 INTRODUCTION AND BACKGROUND

Luxury as we know it represents a lifestyle of wealth, status and monetary value, but the term *luxury* is ultimately a difficult topic to define. Luxury is about indulging the senses (Nueno & Quelch, 1998), in the form of acquiring a product that is of a high standard (Shukla, 2011), expensive in price, exclusive in its distribution channels and that is rare (Deloitte, 2014). But traditionally, luxury goods have been defined as being luxury by how they bring prestige to the owner in merely using or displaying the luxury goods, apart from the functional utility that it provides (Husic & Cicic, 2009). The word *luxury* may be defined as “comfortable and expensive living or surroundings or something that is expensive and enjoyable but not essential” (*Oxford Dictionary & Thesaurus*, 2009). The definition of luxury, however, is continuously evolving (Yeoman, 2010), since luxury purchases are increasingly driven by ethical choices, more meaningful experiences (Euromonitor, 2016b), accessibility and aspirational purchases at good value (Euromonitor, 2016c).

As the definition of luxury evolves, so do the global make-up of luxury demand and the challenges for luxury brands (Deloitte, 2015). A noticeable trend with luxury consumers is the role tourism plays within this segment. Consumers are increasingly exposed to new and unique fashion trends made possible by overseas travel and the internet. Because of this, luxury market players are changing their approach to factor in an evolving global luxury perspective (Deloitte, 2016). There is an increase in online shopping, with 38% of consumers using online services to conduct research before making a purchase decision (Boston Consulting Group, 2015). Millennials and Generation Z are consumer groups who are increasingly becoming more influential (Deloitte, 2016); it is estimated that Generation Z will account for 40% of all consumers by 2020 (Moloi, 2016), and Millennials, as a consumer group



are able to influence other segments with their tech-savvy purchase decisions (World Economic Forum, 2016).

D'Arpizio, Levato, Zito and De Montgolfier (2015) reported that the global luxury market grew by 1-2% in real terms in 2015, which was lower than previous years. This period of lower but steady growth was due to a number of challenges including a reduction in tourism across Europe, instability in the Middle East, a challenging U.S. holiday season, and subdued economic performance in China (Klynveld, Peat, Marwick, & Goerdeler (KPMG), 2015; Bain & Company, 2016). America is the biggest contributor to the luxury market (KPMG, 2015), followed by Japan, China, Italy and France, but Chinese consumers, in particular, played an important role in the global growth of luxury spending, accounting for 31% of global purchases ahead of Americans (24%) and Europeans (18%) (D'Arpizio *et al.*, 2015).

South Africa's luxury industry has demonstrated stable growth during 2015, despite the state of the local economy (Euromonitor, 2016a). The current perception among investors is that South Africa is well-positioned to assist Africa to untap its luxury market (Euromonitor, 2016a). In South Africa, tourism plays a major role in the luxury market (Wise, 2014) as seen in the increase of foreign visitors and their advantage over a weaker South African currency (Euromonitor, 2015).

Leather goods, a key commodity in the luxury industry, is currently considered the top-performing luxury category, where accessories remain the biggest personal-luxury-goods category, and the fastest growing (D'Arpizio *et al.*, 2015). According to Bain & Company, the 2015 global market for luxury leather accessories (handbags and purses etc.) amounted to €43 billion (Mellery-Prat, 2015). Exotic Leather is a term that refers to leather that is not cowhide or bovine. Exotic skins that are currently being used are Nile crocodile, Ostrich, Lizard, Whip Snake and Python (Cape Cobra, 2015). Exotic leather is seen as a symbol of status and features in the luxury accessory industry as a staple product (Mendal, 2015). It is seen that more fashion labels such as Kering, LVMH and Hermes are pushing into the accessories (shoes, handbags purses etc.) business for control of a luxury leather market (Mellery-Prat, 2015).

Exotic leather, specifically crocodile skin, is manufactured in South Africa, but only a small percentage of these skins are sold locally, with 90% of South African crocodile skins being consumed by fashion houses in Europe and Japan (Van Rooyen, 2012). International companies such as Louis Vuitton, Hermes, Coco Chanel, Prada and Gucci are creating luxury goods and accessories that are sold at a substantial premium (Mendal, 2012), and this may represent a lost opportunity for the South African exotic leather industry. South Africa does not just have a luxury market that currently falls within the top ten of Africa's luxury opportunity index (Mhlanga, 2014), but also has the most developed luxury retail sector in Africa and it is continuing to grow (Deloitte, 2014). However, little is known about the South African consumer and their buying behaviour, specifically within the luxury exotic crocodile leather sector, and gaining more insight may be vital to capitalise on the opportunity to create value locally in the luxury leather market and establish exotic leather brands that can compete internationally (Cape Cobra, 2013; The Responsible Ecosystems Sourcing Platform (RESP), 2014; Exotic Leather South Africa (ELSA), 2016).

ELSA (Exotic Leather South Africa) has formed a partnership with The Department of Trade and Industry (DTI) and with the University of Pretoria as a technology partner in order to help industry participants find new markets in and outside of South Africa (Exotic Leather South Africa (ELSA), 2016). New brands need to be established that can compete on an international level. The ultimate goal is to change the perception of South Africa in this particular segment as not just a source of raw hides but also as a supplier of high quality tanned exotic leather end products (Cape Cobra, 2013; RESP, 2014; ELSA, 2016).

In luxury consumption, decisions on what to buy depend on the consumers' motivations, where a more sophisticated set of motivators are at play (Vigneron & Johnson, 2004; Wiedmann, Hennigs & Siebels, 2009; Amatulli & Guido, 2011; Shukla, 2012). Motivation is a basic consumer behaviour concept and is considered the driving force within people that spurs them into action to purchase a product (Lindquist & Sirgy, 2003:235; Hawkins, Best & Coney, 2004:367; Solomon & Rabolt, 2004:111; Evans, Jamal & Foxall, 2009:6). Purchasing behaviour is the result of consumers making decisions which involve the identification of a need or a want. This then leads to a search for information to assist in decision making, and

the evaluation of a final set of alternatives leading to an informed purchase decision (Hawkins *et al.*, 2004:27; Schiffman & Kanuk, 2007:83). There are emotional and psychological benefits that come with a product and that drive consumption. Hawkins *et al.* (2004:362) explain that “products are not bought, but rather consumers are buying motive satisfaction”. As part of the decision-making process, motivational development can be identified where motivation is based on a need and the individual feels forced to purchase a product with the hope to satisfy that need (Schiffman & Kanuk, 2007:83). Purchase intent exists because of a need that can possibly be satisfied and signifies the motives of a consumer to deliberately make an effort when carrying out a purchasing behaviour (Spears & Singh, 2004).

Luxury consumption also involves purchasing a product or brand that represents value to the consumer and their reference group (Vigneron & Johnson, 2004; Wiedmann *et al.*, 2009; Amatulli & Guido, 2011; Shukla, 2012). Luxury values are related to a particular set of beliefs that guide consumers in selecting, evaluating and buying certain luxury products (Wiedmann *et al.*, 2009). As different values are found in different cultures, it is possible for two individuals to have the same beliefs but with differing values, may not purchase the same products (Evans *et al.*, 2009:28-30; Solomon & Rabolt, 2004:130). Values can be categorised under internal factors such as quality, exclusivity, craftsmanship and timeless/classic, and other values are categorised under external factors relating to aesthetics, brand visibility, customisation, being cool or sexy (Boston Consulting Group, 2015). Furthermore, as part of luxury consumer behaviour, consumers’ perception of luxury value is an important factor (Wiedmann, Hennigs & Klarmann, 2012). Luxury value perceptions can be described as value-based drivers for luxury consumption that affect the buying behaviour of the luxury consumer. Studies have identified four value dimensions, which serve as constructs of motivations for luxury consumption (Wiedmann *et al.*, 2012; Nwankwo, Hamelin & Khaled, 2014). These value dimensions include social, individual, functional and financial aspects, and each of the dimensions can be described by specific antecedents (Hennigs, Wiedmann, Klarmann, Strehlau, Godey, Pederzoli, Neulinger, Dave, Aiello, Donvito, Taro, Taborecha-Petrovicova, Santos, Jung & Oh, 2012; Wiedmann *et al.*, 2012). The social dimension, which is also referred to as the interpersonal dimension by other researchers (Vigneron & Johnson, 1999, 2004), can be described as either ‘conspicuous’ or ‘prestige perceptions’ which include

the need for esteem, status and superiority (Vigneron & Johnson, 2004; Wiedmann *et al.*, 2012). Individual dimensions, also known as personal dimensions (Vigneron & Johnson, 1999, 2004), can be described as ‘self-identity’ and ‘hedonic perceptions’ that relate to the consumer’s need for aesthetics, beauty and sensuality, design and sophistication (Wiedmann *et al.*, 2012). Usability, quality and uniqueness are aspects that have to do with the functional dimension of value perceptions, with exclusivity, rarity, product superiority and performance as underpinning signifiers. Financial dimensions are price and value related and concern monetary aspects (Vigneron & Johnson, 2004; Wiedmann, Hennigs & Siebels, 2007; Wiedmann *et al.*, 2009, 2012; Hennigs *et al.*, 2012; Shukla, 2012). Various studies on luxury value perception have contributed to the global viewpoint on luxury consumption behaviour (Wiedmann *et al.*, 2012), and can be utilised to assist in defining the local luxury consumer.

## **1.2 RESEARCH PROBLEM**

South Africa is a model for many other African economies (Euromonitor, 2016a), and is currently seen as the most developed luxury retail sector of all African countries, with a promising emerging economy where the appetite for luxury products are strong and growing (Deloitte, 2014). With a faster growing number of consumers buying luxury goods and services (Euromonitor, 2016a), luxury consumers are changing in the way they purchase luxury brands and products along with the evolving definition of what luxury means to them (Deloitte, 2015). Values vary across the globe (Evans *et al.*, 2009:30) and so do luxury value perceptions, as consumption differs across cultures (Wiedmann *et al.*, 2009).

Within the South African luxury market, the exotic leather industry is facing challenges in the losses associated with exported raw hides (Van Rooyen, 2012) and the possibility of generating revenue by selling end products instead of just selling or exporting raw crocodile leather in bulk (Department of University Relations, 2015; Exotic Leather, 2015). The opportunities presented by the current growth in the international luxury market are driving efforts to provide high quality, internationally accepted research throughout the value chain of exotic leather production, with an initial focus on crocodile skin (ELSA, 2016).

In recent years, South Africa has expanded its focus on the exotic luxury leather industry, due to the loss of opportunity to benefit from the exotic skins through the tanning, design and manufacturing process (Cape Cobra, 2013; RESP, 2014). However, it is not clear how females in South Africa perceive value within the exotic luxury leather industry. Evidence of South African female consumers' luxury value perceptions that drive their purchasing intent for exotic luxury leather accessories is lacking. Evidence of this kind would be useful for distinguishing the driving factors for the local luxury consumer, which would be beneficial for market-related communication in an emerging luxury market in South Africa. The benefit of knowing more about the luxury consumer and the South African market may also allow key players to make informed decisions to invest in initiatives that may stimulate growth.

### **1.3 JUSTIFICATION**

This research document forms part of a larger study that is being conducted by The University of Pretoria and ELSA (Exotic Leather South Africa) to gather detailed and insightful information about the luxury consumer market in South Africa in order to serve the exotic leather (crocodile) industry. Critical elements of this investigation include research on product demand and luxury exotic leather product consumption, with specific reference to the underlying luxury value perceptions and motives that underpin the purchasing intent of consumers. The purpose therefore of investigating the luxury value perceptions that drive purchasing intent of luxury exotic leather products is to add knowledge that can benefit the individual stakeholders of this local supply chain, including industry bodies, government, suppliers, manufacturers, retailers, as well as marketers in a way that is conducive to achieving the ultimate goal of enhancing the level of value creation within local contexts (RESP, 2014; Department of University Relations, 2015; ELSA, 2016).

Since information is limited about how South Africa's luxury consumers' perceive value (a critical motivator behind the purchase of exotic leather products), this study will aim to provide insight and useful information that may help local industry players to better understand how to brand South African exotic leather products and to market these brands locally. Studies on luxury value perceptions that have been conducted across the globe are unique to each country (Hennigs *et al.*, 2012; Wiedmann *et al.*, 2012), therefore luxury value

perception research and purchasing intent information within a South African context are urgently needed.

## **1.4 THEORETICAL FRAMEWORK**

### **1.4.1 Consumers' buying behaviour**

Consumers' purchasing decisions, as part of their cognitive processes, involve the gathering and processing of information from the world and influential stimuli around them (Solomon & Rabolt, 2004:352). There are however certain external and internal factors that influence an individual's consumption behaviour. External factors such as culture, demographics, social status, reference group, family, and response to marketing activities, as well as internal factors such as the consumers' perception, learning and memory, motives, their personality, emotions and attitude (Hawkins *et al.*, 2004:27-29,474) would affect their consumption behaviour. Hawkins *et al.*'s (2004:27) conceptual model of consumer behaviour illustrates the different stages in the decision-making process, namely problem recognition, search for information, evaluation and selection between the available alternatives, purchase as well as the post-purchase process. As part of the decision-making process, purchasing intent is captured in the motivations that influence behaviour (Ajzen, 1991). Since purchasing intent precedes the behaviour of actually purchasing a product or a brand (Ajzen, 1991; Wee, Ariff, Zakuan & Tajudin, 2014), intentions do not always lead to purchasing behaviour, for example a consumer might have the intention to purchase a product, but insufficient budgets can prevent purchases from happening (Spears & Singh, 2004). Intentions are however the best predictors of behaviour, since intention is the cognitive representation of an individual's readiness to perform a given behaviour (Wang, 2014).

### **1.4.2 Motives**

Motivation is a basic concept in consumer behaviour that serves as a driving force for people to make decisions to purchase or not purchase a product (Solomon & Rabolt, 2004:111; Hawkins *et al.*, 2004:367). Certain needs spur the actions linked with a range of other variables like emotions, feelings and mood (Lindquist & Sirgy, 2003:237). Motivation, explained through the cognitive approach, suggests that consumer behaviour is based on the processing

and interpretation of information, often resulting in purchasing behaviour (Hawkins *et al.*, 2004:355).

### **1.4.3 Values**

Values vary across the globe (Evans *et al.*, 2009:30) and can be described as beliefs that guide consumers in evaluating products or brands before making a purchasing decision (Wiedmann *et al.*, 2009; Shukla, 2012). A differentiation between needs, motives and values was made by Mahrt (2010), defining values as long-term goals or underlying patterns that reflect needs. Mahrt (2010) goes on to suggest that motives are more situational and short-term and are a translation of the values consumers place on products or brands. Values thus refer to desirable goals that motivate actions (Schwartz, 2006).

### **1.4.4 Cognitive processes relevant to consumer decision making regarding luxury items**

From a luxury perspective, decision-making processes are similar to traditional consumer decision-making processes (Hawkins *et al.*, 2004:18; Nwankwo *et al.*, 2014), but involve more sophisticated psychological needs (Amatulli & Guido, 2011). These different sets of motives and needs can be described as underlying specific personal and social factors which play a role in the decision-making process (Nwankwo *et al.*, 2014). Luxury consumers, according to Vigneron and Johnson (1999) buy luxury products to satisfy a need for pleasure, perfection, exclusivity and rarity, as well as a way to gain esteem and image (Nia & Zaichkowsky, as quoted in Mills & Hume, 2013). Hennigs *et al.* (2012) state that the main motivator among luxury consumers is 'to impress others', and that psychological benefits overall distinguish products that are luxury and non-luxury (Wiedmann *et al.*, 2009; Hudders, 2011).

### **1.4.5 Luxury value perceptions**

During the internal cognitive processes, formed perceptions assist the consumer in making judgements (Lennon & Davis, 1989). Consumers' perceived values in particular influence their purchasing behaviour (Hennigs *et al.*, 2012), and can be explained by looking at four luxury value dimensions of luxury consumption (Wiedmann *et al.*, 2012). Earlier work by Vigneron and Johnson (2004) proposed that luxury consumption can be defined by looking at two

luxury dimensions, namely: social motivations and individual motivations. These two constructs of motivations for luxury consumption are interrelated (Vigneron & Johnson, 1999; Amatulli & Guido, 2011; Nwankwo *et al.*, 2014). However, according to Wiedmann *et al.* (2007, 2009, 2012), there are four primary dimensions which are influential aspects of an individual's perception of luxury value. An extension on these conceptual frameworks was made by suggesting that luxury value perceptions and motives for luxury brand and product consumption should include functional and financial aspects to social and individual dimensions.

Wiedmann *et al.*'s (2007, 2012) model of luxury value perceptions define each of the four luxury value dimensions and the impacting antecedent constructs. Social value perceptions representing antecedents are prestige and conspicuous values. The antecedents for individual value perceptions are self-identity, hedonic and materialistic values; for functional value perceptions it is usability, quality, and uniqueness; and for financial value perceptions, price value is an antecedent construct.

The social dimension represents the outer-directed consumption preferences where social pressures arise from family and other reference groups (Shukla, 2011). Conspicuous value and prestige value are antecedents of social value perceptions. Conspicuous value focuses on the display of wealth where prestige value relates to the consumers' desire to gain prestige from purchasing products that contain attributes that would enhance their status (Hennigs *et al.*, 2012; Wiedmann *et al.*, 2012).

Individual value perceptions include the "... importance of consumptions directed towards satisfying the self ..." (Shukla, 2012), which represents the self-identity value. Hedonistic consumers focus on an intangible, emotional fulfilment when purchasing products. They are more concerned with their feelings and thoughts (Vigneron & Johnson, 1999). Materialistic consumers use possessions to signal to others their own idea of who they are, thus relying on external cues when displaying in public places (Hennigs *et al.*, 2012; Shukla, 2012; Wiedmann *et al.*, 2012).



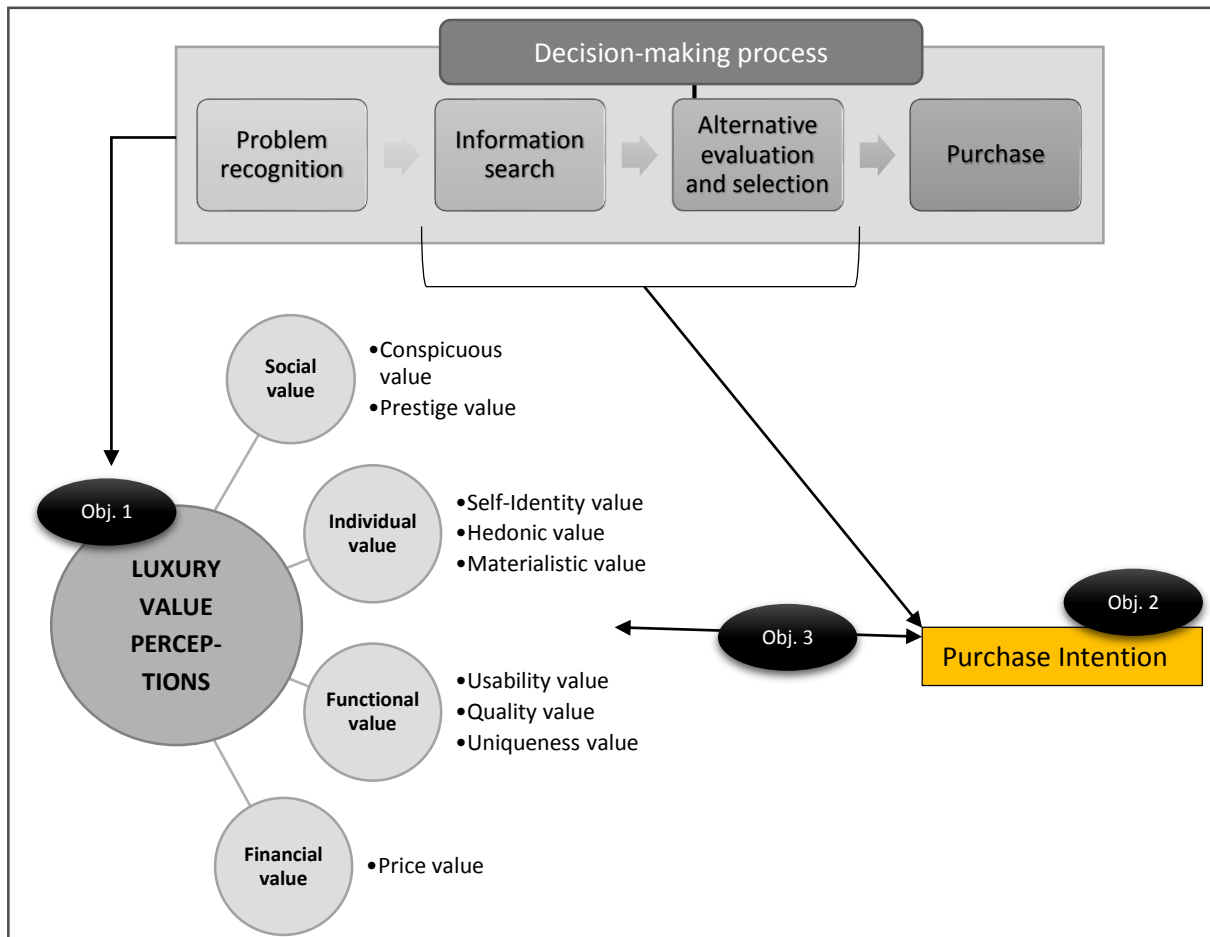
Functional values represent the perceived utility of a product and whether it can perform its inherited function. Consumers expect luxury products to be of good quality, to be usable and have a uniqueness to it that sets it apart from other products (Wiedmann *et al.*, 2009; Hennigs *et al.*, 2012; Shukla, 2012). Uniqueness in the luxury goods market is dominant, especially in the fashion industry. The result of this is the consistent presentation and expectation of new designs (Shukla, 2012; Wiedmann *et al.*, 2012).

Financial values concern the price of a product (Wiedmann *et al.*, 2012). Luxury products are generally higher in price in comparison to regular brands, so when a product or brand is perceived as expensive, it can be seen as more valuable. With this price premium, luxury products automatically focus on quality where consumers will be willing to sacrifice to obtain the product (Hennigs *et al.*, 2012; Shukla, 2012).

## **1.5 CONCEPTUAL FRAMEWORK**

Using the classification of the decision-making process found in literature (Hawkins *et al.*, 2004:27) and the theoretical perspective which includes the luxury value perception dimensions by Wiedmann *et al.* (2012), a schematic conceptual framework was formulated for this study. The need to comprehend the decision-making process and luxury value perceptions within a South African context, formed the basis of the research aim and objectives. Consumer needs during the decision-making process make up important motivators for the consumption of a product or a brand (Schiffman & Kanuk, 2007:83). However, consumption is behavioural, and intentions are good indicators of behaviour and often lead to behaviour, depending on the motivation (Ajzen, 1991; Wang, 2014). Luxury consumption, however, involves a more sophisticated set of needs (Amatulli & Guido, 2011), which are influenced by factors such as value perceptions. Luxury consumers' perceived values include four dimensions, namely Social, Individual, Functional and Financial (Wiedmann *et al.*, 2012).

The following schematic conceptual framework, based on the relevant literature, was developed in order to direct the study:



**Figure 1.1: Schematic conceptual framework**

The schematic conceptual framework (Figure 1.1) assisted in guiding the objectives and sub-objectives of this study.

## 1.6 RESEARCH AIM AND OBJECTIVES

The aim of the study is to explore and describe the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather accessories. The focus will be on exotic crocodile leather products and accessories, including handbags and purses.

The specific objectives of this study are:

**Objective 1:** To determine which important value perceptions drive South African females' purchasing intent for luxury exotic leather accessories, specifically relating to:

**Sub-objective 1:** To determine Social value perceptions

**Sub-objective 2:** To determine Individual value perceptions

**Sub-objective 3:** To determine Functional value perceptions

**Sub-objective 4:** To determine Financial value perceptions

**Objective 2:** To determine South African female consumers' purchasing intent for luxury exotic leather accessories

**Objective 3:** To determine the relationship between South African female consumers' value perceptions and their purchasing intent for luxury exotic leather accessories

## **1.7 RESEARCH METHODOLOGY**

### **1.7.1 Research design**

The study used a quantitative research design, descriptive and exploratory in nature, setting out to gain information about a topic on which only limited or no research has been done (Welman & Kruger, 2005:18-19; De Vos, Strydom, Fouché & Delpont, 2014:95). A questionnaire was developed to explore and gather data pertaining to the luxury value perceptions and purchasing intent of South African female consumers. The questionnaire was electronically distributed by a consumer research company, Consulta Research.

### **1.7.2 Sample and sampling method**

A non-probability, convenient sampling method was applied to female respondents across South Africa that included representation of the following ethnic groups: African, White, Coloured, Indian and Asian. A South African consumer research company, Consulta Research, assisted in the sampling process which commenced in January 2016 and concluded in March 2016. The study involved South African females 18 years and older. The research company extended an invitation to 3000 individuals listed on their database who fell within the targeted age group. Three hundred and thirty seven usable questionnaires were collected. A convenient sampling method was viable for the study, because samples were selected that suited the relevant characteristics from locations that were convenient to the researcher (Kumar, 2011:206; De Vos *et al.*, 2014:231-233). This study's sampling method does not

enable the results and conclusions to be generalised beyond the sample unit used (Welman & Kruger, 2005:63).

### **1.7.3 Measuring instrument**

A self-administrated structured questionnaire was used as the measuring instrument. The questionnaire had a combination of closed questions, scaled questions and statements (Welman & Kruger, 2005:142; De Vos *et al.*, 2014:198-201). The questionnaire developed for this study contained seven sections (A – G), namely demographics and consumer lifestyle information; luxury value perceptions questionnaire; traceability information questionnaire; purchasing intent questionnaire, subjective knowledge questionnaire; objective knowledge questionnaire, and country of origin. This questionnaire assisted three simultaneous studies contributing information and insight into luxury consumption for luxury exotic crocodile leather accessories. Sections A, B and D are relevant to this current study. The measuring instrument made use of scales that were pre-tested in other countries testing the same constructs. There were two main constructs, with the first construct consisting of four components, and being measured in Section B in this current study. A four-point Likert-type scale adapted from a previously developed scale by Hennigs *et al.* (2012) tested the first construct, namely luxury value perceptions. The components that were tested using 22 statements were Functional, Financial, Social and Individual value perceptions. An adapted version of an existing scale from Spears and Singh (2004) tested the second construct, namely purchasing intent. This was a five-point Likert-type scale which was part of Section D in the study. Section D made use of three statements to test the construct.

### **1.8 DATA ANALYSIS**

Quantitative data, as part of the data collection process, was captured and coded by the consumer research company, Consulta Research. The research company assigned scores to the responses to the questions, and all the coded information was compiled on electronic excel spreadsheets. The captured data was then analysed by a statistician using descriptive statistics. Frequencies, percentages, means and standard deviations were calculated. Inferential statistics such as Cronbach's alpha values and Factor analysis were performed

(Wegner, 2013:7). Furthermore, Spearman's correlation as well as Cohen's d correlation analysis were used to test the strength of relationships as set out in objective 3 of the study (Weinberg & Abramowitz, 2002:139; Gravetter & Forzano, 2012:411; De Vos *et al.*, 2014:95, 252).

## **1.9 ELIMINATION OF ERROR**

As part of eliminating errors within the study, validity was increased by ensuring the use of an instrument that tested what was needed to be tested (Gravetter & Forzano, 2012:107; De Vos *et al.*, 2014:172). The questionnaire contained adapted scales from previous studies conducted in other countries, testing luxury value perceptions (Hennigs *et al.*, 2012) and purchasing intent (Spears & Singh, 2004). A pilot study was employed to eliminate ambiguous and unclear questions (face validity).

Reliability is the extent to which gathered data can be generalised to different measuring occasions and measuring tests (Welman & Kruger, 2005:139). By using a professional institution named Consulta Research, standardised conditions and instructions were maintained during data collection. A consistent scoring procedure was also kept while data was being captured. Cronbach's alpha was calculated to test reliability, after quantitative data was collected and coded from the completed questionnaires.

## **1.10 ETHICS**

The Ethics Committee of the Faculty of Natural and Agricultural Sciences at the University of Pretoria provided approval for this study and the measuring instrument. In view of the ethical requirements, as identified by De Vos *et al.* (2014:115-118) such as voluntary participation, the data was kept confidential, the respondents were not harmed in any way and the participants were thoroughly informed about the nature and purpose of the study.

## **1.11 OUTLINE OF THE STUDY**

The dissertation consists of six chapters, namely:

*Chapter 1:* The study in perspective

This chapter introduces the context for the study by means of a discussion about the background of the research topic. Important elements of the chapter include: the problem statement, justification for the research, and the overall objectives of the study. The research methodology and data analysis are briefly discussed, and a list of concepts used in the study, as well as limitations to the study are also included.

#### *Chapter 2: Literature review*

In this chapter a review is presented of the literature addressing the needs of this study, focusing on the background of the luxury market both internationally and in South Africa, and the South African and international exotic leather industry, with specific focus on crocodile leather accessory production.

#### *Chapter 3: Theoretical framework*

This chapter provides the various theories that the research is based on. It briefly discusses the social-cognitive perspective of the study and the consumer purchase decision-making process. The luxury consumer will be looked at in terms of their consumer decision-making process, motives, values and luxury value perceptions, which will be used to structure the conceptual framework and the research objectives.

#### *Chapter 4: Research methodology*

A conceptual framework is drawn up, together with the objectives and sub-objectives of the study. A description of the research design, the research objectives in line with the aim of the study, the sample framework and sampling procedures for the study, the development of the questionnaire, data collection procedures and data analysis are discussed in this chapter. The quality of the research is also explained in terms of the validity and reliability of the data collection techniques, and ethics regarding data collection is addressed.

#### *Chapter 5: Results*

In this chapter the data analysis and results of the study are presented using various tables and figures. These are then interpreted and discussed, with possible explanations. A summary of major findings is also addressed in this chapter. The data is interpreted and presented as

per the objectives. The findings of the study are briefly discussed and linked to past literature and theory.

*Chapter 6: Conclusions, implications and recommendations*

In this chapter conclusions are made regarding the study as a whole. Theoretical and practical implications are discussed with reference to the different industry players. Recommendations are suggested for further studies, concluding with a discussion of the limitations to this study.

## CHAPTER TWO

### REVIEW OF LITERATURE

*In order to understand the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather accessories, an understanding of the global and local luxury markets as well as the purchasing decision-making processes of luxury consumers is needed. This literature review begins with an overview of the global and South African luxury markets and then includes a review of the global and local exotic leather industries.*

#### 2.1 LUXURY

The word *luxury* is derived from the Latin word *luxus* which means indulgence of the senses, with little consideration of the cost (Nueno & Quelch, 1998). Shukla (2011) observes that the word *luxury* refers to any product of a high standard, but that it is difficult to define because of the human elements and value recognition issues involved. In addition, a study by Vigneron and Johnson (1999) suggests that the term *luxury* relates to the higher end of what prestige brands offer. These prestige brands are categorised into three levels, namely 'Upmarket', 'Premier' and 'Luxury'.

Before the luxury market can be investigated, an understanding is needed of how luxury products and luxury brands are perceived. As explained by Deloitte (2014), luxury products are often associated with one or more of the following elements:

- Expensive pricing
- Distribution through exclusive channels
- Involvement in branding that is perceived as premium
- Products that are manufactured using rare or expensive material

Essentially, what these elements share are perceived qualities of scarcity and exclusivity which consumers value. These elements also represent a general view of what luxury products are; however, it is important to note that consumer perception is pivotal in



determining how luxury products are defined and not all of these above-mentioned elements need necessarily be present for a product to be considered luxurious (Deloitte, 2014).

## **2.2 GLOBAL LUXURY MARKET**

According to D'Arpizio (Bain & Company, 2014), the global luxury market has grown and as a result luxury goods over the years have taken on new meaning, including a 'new normal' status. Yeoman (2010) points out that the way luxury is defined is continuously evolving and the modern idea of luxury has developed to include new considerations. For example, consumers are finding it increasingly important to purchase luxury products which represent an ethical choice and will have a bias towards purchasing products that they believe have been sourced and manufactured in an ethical manner. Euromonitor (2016b) are of the opinion that luxury consumers are in a search for more meaningful luxury experiences. In addition, middle-class consumers are evolving into newly affluent shoppers and with greater exposure to Western cultures, habits, needs and tastes, they are seeking accessible luxury brands and aspirational purchases at good value (Euromonitor, 2016c). This shows that the perception of luxury has evolved to be more than just a materialistic choice and now includes aspirational, accessible and democratised considerations (Yeoman, 2010).

Findings from a study by Keller, Magnus, Hedrich, Nava and Tochertermann (2014) indicate that more luxury brands are addressing the consumers' needs for affordable luxury products by offering lower prices in the luxury segment. Lower price points thus make these luxury items more accessible (Deloitte, 2014). An increase in accessibility of exclusive luxury products is relevant as this research explores the potential for South Africa to become a more involved player, from both a local and international perspective, in the value chain that produces luxury end products. To understand the opportunity for South African players, it is important to note that economic growth in developed markets has been constrained in recent years and the global luxury goods sector is largely saturated in a number of key markets. However, prospects in developing markets are better where demand for luxury goods is on the increase as disposable incomes and living standards rise. This class of individual is spending heavily on a range of luxury goods such as apparel and leather goods, watches and jewellery, and fragrances (Transparency Market Research, 2016).

### 2.2.1 Global luxury market performance

Overall, the luxury market grew by 13% at current exchange rates in 2015, compared to 2014 with a total revenue of €250 billion; however, this represented an increase of only 1% – 2% in real terms. This is lower than in the past and demonstrates the current challenges of managing the impact of currency fluctuations on market volatility as well as the changes to global tourism patterns (D'Arpizio *et al.*, 2015).

The Americas were the biggest global region for personal luxury goods purchases (KPMG, 2015), contributing €79 billion of the €85 billion regional market. This was more than the next four largest regions combined, which include Japan, China, Italy and France. However, dollar strength had a significant impact on revenue generated from tourism and market growth in real terms was limited (D'Arpizio *et al.*, 2015).

A weaker Euro supported growth in Europe, which was largely driven by US and Chinese tourists who flocked to the region that has become known as the “the world’s largest in-season outlet” (D'Arpizio *et al.*, 2015). Chinese consumers, in particular, played an important role in global growth of luxury spending, accounting for 31% of global purchases ahead of Americans (24%) and Europeans (18%). Interestingly, the continuation of Chinese consumer spending abroad accounts for 80% of their purchases. The depreciation of the euro also helped support growth in sales within Mainland China, which has become the third largest region for global luxury sales in 2015, behind the US and Japan (D'Arpizio *et al.*, 2015).

According to a more recent article, global growth has entered an era of lower but steady growth in 2015 (KPMG, 2015) within the global personal luxury goods market, and this continued into 2016, due to a number of challenges which included a reduction in tourism across Europe, instability in the Middle East, a challenging U.S. holiday season and subdued economic performance in China (Bain & Company, 2016). With the global luxury market becoming more established over the years, ten segments are now recognised in the luxury industry (D'Arpizio *et al.*, 2015), namely the following:

1. Personal luxury goods (which includes luxury exotic leather goods/accessories)
2. Luxury hospitality

3. Luxury cruises
4. Designer furniture
5. Fine food
6. Fine wines and spirits
7. Cars
8. Yachts
9. Private Jets
10. Fine Art

Personal categories grew at 3% in real terms, retaining the leading position in 2015 and accounting for 30% of the luxury market. Growth was less in the next largest categories which saw apparel revenue increase by 2% in real terms and hard luxury contract by 3%. Jewellery was a strong performer within the hard luxury segment which demonstrated growth of 6% in real terms. Watch sales on the other hand decreased by 6% in real terms, partly due to oversupply in Asia. High-end shoes grew at 4%, while leather goods grew at only 2% within the Accessory segment (D'Arpizio *et al.*, 2015).

For a company to qualify as a luxury company, the majority of their sales (50% or more) should originate from the sales of luxury goods products. These products should fall within the four categories of luxury goods, which are designer apparel (ready-to-wear), handbags and accessories, fine jewellery and watches, and cosmetics and fragrances (Deloitte, 2014). The contribution of these luxury products to the global luxury market is huge, since luxury fashion brands which are categorised as either couture, ready-to-wear or accessories, account for the strongest product growth and the largest proportion of luxury goods sales (Fionda & Moore as cited in Miller & Mills, 2011). D'Arpizio (Bain & Company, 2014) describes the current global luxury market as more mature, and more steadied and united than in the past, which enables industry players to respond faster to changing consumer demands than ever before.

### **2.2.2 Trends in the global luxury market**

Important trends in the global luxury market have been identified by various research companies. Luxury consumers in countries such as Japan, Korea, England, America, Germany,

Italy, China, France and Brazil have indicated that values described as ‘intro’ values play an important role in how the characteristic of luxury is defined (Boston Consulting Group, 2015). These ‘intro’ values include quality, exclusivity, craftsmanship and timeless aspects, as compared to ‘extro’ values which include adorned aesthetics, brand visibility, and appearing ‘cool’ or ‘sexy’. Therefore, one of the ways to capture future growth within the Leather sector, is to provide luxury consumers with craftsmanship and brand specialisation (Boston Consulting Group, 2015).

Considering the modern definition of *luxury* and the fact that the global make-up of luxury demand is changing, Deloitte (2015) identifies three significant challenges for luxury brands. The first of these is the impact of technology and how this affects the way the modern luxury consumer, who uses an array of technologies to inform their purchasing decision-making process, engages with luxury brands (KPMG, 2015). Secondly, luxury brands are under increasing pressure to understand the evolving consumer profile and how this impacts buying behaviours and preferred channels. Finally, luxury brands are having to evolve their strategies in a way that does not compromise their history but would rather build on their existing brand equity which would help support long-term strategic and financial performance (Deloitte, 2015).

### **The Millennial Generation**

Millennials or Generation ‘Z’ (born between the early 1980s and 2000) are becoming an increasingly influential segment, and luxury brands understand the need to adapt in order to appeal to these technologically-savvy consumers (Luxury Institute, 2016). It is estimated that by 2020 Generation Z will account for 40% of all consumers, so it is important for luxury brands to establish a connection that will bear fruits as the buying-power of this generation grows (Moloi, 2016). Millennials are also seen as more knowledgeable than previous generations and are able to influence other segments in the way they use technology to make purchasing decisions (World Economic Forum, 2016).

### **Travel and tourism**

Luxury goods consumer revenue from tourists continues to be a critical driver of spending as well as growth within the sector, currently accounting for 40% of the personal luxury market (Deloitte, 2016). A key indicator is the spending patterns of Chinese consumers who contribute to 31% of global luxury purchases, spending only 20% locally within Mainland China (D'Arpizio *et al.*, 2015). These consumers are also driving volume growth and are becoming more influential as their earnings increase. Finally, the number of consumers travelling from emerging markets is expected to grow significantly over the next 15 years, which represents a meaningful opportunity for luxury brands (Deloitte, 2016).

## **Technology**

Technology has significantly influenced the lives of shoppers through the convenience of finding information and engaging with brands and products (Luxury Society, 2015). Today's consumers use a range of devices and are more connected than ever before, and this trend is having a significant impact on the way consumers choose luxury products and is forcing luxury brands to adapt (Deloitte, 2016). An implication of this trend is the growth in E-commerce witnessed within the segment which has nearly doubled since 2012, driven largely by the accessories and fashion categories (D'Arpizio *et al.*, 2015)

The convenience of available information on luxury products is making consumers more responsive to online channels when considering purchase (Luxury Society, 2015). Research shows that 38% of consumers use online services to conduct research as preliminary steps towards purchasing a luxury product (Boston Consulting Group, 2015). Online shopping in China for instance is very common among young consumers, which should be factored in when luxury brands decide on new or revised marketing and sales strategies (Price Waterhouse Cooper (PWC), 2015).

## **2.3 THE SOUTH AFRICAN LUXURY MARKET**

According to Euromonitor, Africa's luxury retail sales have reached 4 billion US dollars in 2014, with an estimated growth of 31.2% by 2019, placing Morocco and South Africa at the top of Africa's luxury list (Bloomberg 2015). Emerging markets around the world account for 30% of the luxury goods sales, and five of the 10 are based on the African continent (CNBC Africa,

2015). They showcase great potential for wealth creation (Mhlanga, 2014), and South Africa is fortunate enough to fall within the top five of Africa’s luxury opportunity index (Table 2.1).

**Table 2.1: Property24’s report on the top 10 luxury opportunity index in Africa**

(adapted from Mhlanga, 2014)

Country	Rank
Qatar	1
UAE	2
Saudi Arabia	3
Ghana	4
USA	5
Kenya	6
Nigeria	7
South Africa	8
Zimbabwe	9
Mexico	10

According to Klynveld Peat Marwick Goerdeler (KPMG) (2015), it is important to note that should a luxury brand expand into Africa, product and consumer differentiation should be carefully considered since differences in consumer preferences are embedded in cultural and religious spheres. In South Africa the participation of women (particularly women from the black population) has helped boost volume sales in the retail industry, especially around the periods of festivities or Ceremonial days (St Valentine’s Day). Significant transformation in demographic splits were seen as the female population across all the age groups grew. A 3% CAGR (Compound Annual Growth Rate) were recorded for the middle-aged female population (25-29 year old and 31-39 year old age ranges) from 2007 until 2012 (Business in South Africa, 2015). More females reached higher education which lead to the increase in volume sales. South African magazines are playing an influential role in communicating fashion trends and brand images, and local female celebrities trending on TV, have proven to

be influences in reaching a female audience across the country (Business in South Africa, 2015).

South Africa is a model for many other African economies and Africa is witnessing faster growing number of consumers buying luxury goods and services (Euromonitor, 2016a). Recent reports have indicated that Luxury in South Africa posted stable growth during 2015 – despite the adverse state of the local economy – and is likely to remain a key market for luxury brands to enter Africa (Euromonitor, 2016a). The Knight Frank Wealth Report 2016 (Writer, 2016) adds that the population of rich individuals is expanding and will continue to grow, but at a slower pace. The report specifies that an increase of Ultra High Net Worth Individuals (UHNWI) in South Africa is expected to rise by 41% by 2025. Johannesburg has 23 000 dollar millionaires and 320 Ultra High Net Worth Individuals (UHNWI). Cape Town has 8 900 dollar millionaires and 121 Ultra High Net Worth Individuals (UHNWI) (Writer, 2016). (Millionaires are defined as persons with a net worth of over US\$1 million, and UHNWIs as having a net worth of over US\$30 million).

South Africa is currently seen as the most developed luxury retail sector of all African countries, with a promising emerging economy where the appetite for luxury products is strong and growing (Deloitte, 2014). Aspirational consumers in South Africa are driving value sales of luxury products, where specifically female participation have been the key reason (Business in South Africa, 2015). However, Shukla (2011) observed that because of the rapid growth of the global luxury brands market, researchers are extending the knowledge on luxury consumer behaviour, but not enough has been researched to fully understand the topic, so considering the growing state that South Africa currently finds itself in, the luxury market and the luxury consumer are in need of fresh South African definitions.

Tourism plays a major role in South Africa's luxury market. South Africa provides accessible luxury goods to well-travelled global consumers (Wise, 2014). There is an increase in demand from foreign visitors, who capitalise on the weaker SA currency by buying products at lower prices than what can be found in their own countries. This has served as a driving force for the steady growth in luxury goods in 2014 (Euromonitor, 2015). Luxury products are also

enticingly more attractive due to the existing tax rebates to visitors in South Africa, and there was a stable growth during 2014, despite a weaker SA currency (Euromonitor, 2015).

A STANLIB research report (STANLIB is a multi-specialist investment company in South Africa) found an increase in the interest of international retailers in South African malls since 2014 (Mhlanga, 2014). As it has become the norm for retailers of luxury products to be housed in one common area, this finding bodes well for South African markets. Most of South Africa’s luxury retailers can be found in three major shopping malls, one in Cape Town, the V&A Waterfront, and the others in Johannesburg, namely Sandton City and Hyde Park shopping malls. Currently, with greater numbers of women being actively involved in South Africa’s economy, and embracing global fashion trends, luxury accessory sales have increased locally (Euromonitor, 2015). Some shopping malls in South Africa feature high-end luxury brands, which it may be because of an increase in a highly status-conscious local consumers (PWC, 2012). On 13 May, 2015, Sandton City in Johannesburg launched Diamond Walk, “one of Africa’s definitive luxury destinations” (Property24, 2015), where world renowned luxury brands like Prada, Dolce & Gabbana, Giorgio Armani, Burberry, Ermenegildo Zegna, Jimmy Choo, Tod’s, Arque Champagne Crescent, Louis Vuitton and Gucci now have stores. This initiative has made Sandton City an even more attractive destination for international luxury brands as well as tourists from Africa, Europe, America and Eastern countries (Sandton City, 2015; Property24, 2015).

Key trends and developments identified so far in the South African luxury goods industry are (Table 2.2):

**Table 2.2: Key trend in the South African luxury goods industry  
(adapted from Euromonitor, 2015)**

<ul style="list-style-type: none"> <li>• SA’s Limited income growth restricts market expansion of luxury goods</li> </ul>
<ul style="list-style-type: none"> <li>• Global fashion trends are continuing to influence South Africans</li> </ul>
<ul style="list-style-type: none"> <li>• The market is dominated by global trends</li> </ul>
<ul style="list-style-type: none"> <li>• Boutiques remain the most popular retail channel for luxury products across South Africa</li> </ul>
<ul style="list-style-type: none"> <li>• Despite a weakening of the local currency, luxury goods show stable growth</li> </ul>



<ul style="list-style-type: none"> <li>• Luxury products targeting female consumers continue to see growth in sales volume</li> </ul>
<ul style="list-style-type: none"> <li>• The luxury market remains fragmented across most categories</li> </ul>
<ul style="list-style-type: none"> <li>• Upmarket shopping malls attract luxury retailers</li> </ul>
<ul style="list-style-type: none"> <li>• Expectations of stable growth over the forecast period</li> </ul>

## 2.4 CURRENT STATE OF THE GLOBAL EXOTIC LEATHER INDUSTRY

Belleau, Nowlin, Summers and Xu (2001) and Mendal (2016) argue that exotic leather has returned to fashion – not just as a fashion statement but as a symbol of status. Belleau *et al.* (2001) maintain that exotic leather within the leather industry is also a very important category that luxury brands should consider. Exotic Leather is a term that refers to leather that is not cowhide or bovine. Exotic skins that are currently being used are Nile crocodile, Ostrich, Lizard, Whip Snake and Python (Cape Cobra, 2015). Leather’s popularity in fashion accessories continues to play a role in the luxury fashion industry (Mendal, 2015). Further studies also indicate that luxury leather accessories has grown with 18% since 2003 (D’Arpizio *et al.*, 2015), which now represents about 30% of the overall personal luxury goods market (Mellery-Prat, 2015).

Mellery-Prat (2015) indicated that the leather industry has always been an influential economic force. The American leather industry exported many raw hides in the late 1990s, owing to the level of demand for exotic leather apparel products in Asia and Europe. These two regions target women primarily. On an international level, crocodile leather trade averaged 1.57 million hides per year, including 47% classic skins and 53% caiman skins between 2011 and 2013 (Caldwell, 2015). These skins are legally exported from 30 countries (Crocodile Specialist Group, 2016). The Global Financial Crisis experienced in 2009 – 2010 had a declining effect on the demand for crocodilian products, although the highest quality products remained strongly in demand (Caldwell, 2015; Crocodile Specialist Group, 2016). The main species in international crocodile leather trade are *C. niloticus* (Africa), *C. siamensis* (Thailand, Vietnam, Cambodia), *C. porosus* (Australia, Papua New Guinea, Indonesia, Malaysia, Singapore, Thailand), *C. novaeguineae* (Papua New Guinea, Indonesia), *C. acutus*

(Colombia, Honduras), *C. moreletii* (Mexico), *C. crocodilus* (Colombia, Bolivia), *C. yacare* (Brazil, Argentina, Bolivia), *C. latirostris* (Argentina), and *A. mississippiensis* (USA) (Crocodile Specialist Group, 2016). According to Caldwell (2015), all crocodylians are listed in either Appendix I or Appendix II of The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES). CITES regulates international trade, which can only happen if facilities are registered as “CITES-registered captive breeding operations” (Crocodile Specialist Group, 2016). CITES was first formed in the 1960s, with the aim to work hand in hand with governments to ensure that international trade in specimens of wild animals and plants is not threatening their survival. CITES provides voluntary signed-up countries (known as Parties) with a framework where each country has to adopt its own domestic legislation to ensure an implementation of CITES at a national level. A licensing system is used to authorize all import, export and re-export of species covered by the Convention. Three Appendices are available listing species covered by CITES and also listed according to the degree of protection they need (CITES, 2016).

## **2.5 THE SOUTH AFRICAN EXOTIC LEATHER INDUSTRY**

### **2.5.1 SA as an exporter of raw material**

A small percentage, less than 10%, of South African crocodile skins that are manufactured locally are sold locally, whereas 90% of South African crocodile skins are consumed by fashion houses in Europe and Japan (Van Rooyen, 2012). According to Mendal (2012), South Africa’s biggest export market is currently Asia, China, and the European and Japanese luxury markets, known for their luxury branded products like Louis Vuitton, Hermes, Coco Chanel, Prada and Gucci. Asia and China use the lower grade crocodile skin that do not meet the high quality standards and requirements of the European luxury brands, to produce lower-end, non-branded leather products and accessories (Iwuoha, 2015; Crocodile Specialist Group, 2016).

The consequence of the high export percentage in raw hides is a loss of opportunity for South Africa to benefit from its hides through the tanning, design and manufacturing process (Van Rooyen, 2012; Cape Cobra, 2013; The Responsible Ecosystems Sourcing Platform (RESP), 2014). According to Van Rooyen (2012) and Spector (2013), an estimated 500 000 crocodiles

were farmed with in South African crocodile farms in 2011 (Van Rooyen, 2012; Iwuoha, 2015), and commercial exports of crocodilian skins specifically reached 57,298 in 2011 (Caldwell, 2015). Seventy seven thousand four hundred and seventy three (77 473) such skins were exported in 2012, and in 2013, 58 055 skins were reported to be imported for commercial purposes, from countries such as Mozambique, Kenya, Namibia and Uganda (Caldwell, 2015). Recently, Jacobson (2015) stated that the net annual income in the crocodile industry is R250 million and the aim is to grow to over a billion in the next five years.

The European luxury market today consumes between 80 000 and 100 000 African Nile crocodile skins a year, and as predicted by analysts, 7-8% growth in the luxury goods, which includes crocodile leather goods, is expected in the next three years (Iwuoha, 2015). The most favoured skin currently is the Nile crocodile skins according to Van Rooyen (2012), as the quality of the skins needs to be super-grade skins, which South Africa is producing only in small numbers. Fashion houses are competitive in this regard. Europe's standards are exceptionally high when it comes to the grading of the skin's size and quality requirements. It is unfortunately the case that most South African suppliers do not meet these high standards (Mendal, 2012). The rating scale of the crocodile skins on the international market is strictly regulated by the Convention on International Trade in Endangered Species (CITES). It is because of these strict trade regulations and high quality demands that skins from wild crocodiles are excluded, with the intention of eventually saving the crocodile population worldwide (Iwuoha, 2015).

### **2.5.2 Challenges in the SA exotic leather industry**

The challenge for South Africa is in the possible losses associated with exported raw hides. Van Rooyen's (2012) discussion with SACIA (South African Crocodile Industry Association) regarding the exported skins proved that the crocodile leather industry is highly susceptible to changes in the South African economy. Big losses occurred during the recession since the profitability of the industry is dependent on the exchange rate.

Another challenge currently in South Africa in an attempt to transform the exotic leather industry and promote sustainability and transparency, is the lack of skills to successfully

produce super-grade crocodile skins and end products that are on par with the requirements of the luxury goods industry. Some of the goals and outcomes of the exotic leather industry are to establish institutions, develop skills, and develop strategic marketing plans to position South Africa in the international market. Also, to develop legislative frameworks that will provide traceability – a key factor towards achieving sustainability throughout the value chain, and impacting both the buyer and the consumers (Cape Cobra, 2013; RESP, 2014). Projects are already being planned to determine whether it will be possible to identify the source of every crocodile skin used in finished leather products and that this be recorded and traced. The goal is to develop a global traceability system by the end of 2016. According to Stefan van As, the Chairman of ELSA and CEO of Le Croc, a South African crocodile breeding farm and tannery, funding has already been given to promote sustainable growth in an attempt to increase the competitiveness of the South African crocodile industry. Currently the luxury goods consumer also has an increased awareness of the environment and social, economic and animal welfare impacts. The positive pressure that this applies through awareness helps to improve information about the source and supply chains of global brands (The Responsible Ecosystems Sourcing Platform (RESP), 2014).

In addition, South Africa is facing challenges to keep global clients happy. Currently inefficient permitting procedures are a main cause behind long delays in the trade in crocodile skins and products, as well as the poor traceability of the crocodile skins. As the global demand for reptile skins and luxury leather goods continues to grow, South Africa needs to improve poor compliance and regulations which are major factors in depriving communities of the crocodile skin trade as well as potentially threatening the survival of the species in this industry (Responsible Ecosystems Sourcing Platform (RESP), 2014).

Pit Süssmann, SACIA's acting Chairman at the time, mentioned that the task facing the niche industry was to improve the quality of crocodile skins from existing farms, and not to increase the number of farms (Mendal, 2012). The challenge with this, however, has proven to be a difficult task considering South Africa's battle, since 2003, to regain and rebuild a reputation of producing quality skins (Cape Cobra, 2013). The advantage that Africa, especially South

Africa has, is the fact that the Nile crocodile species survives well in captivity and their skins are very popular and highly sought after in the luxury leather market (Iwuoha, 2015).

### **2.5.3 The role of the DTI in the exotic leather industry**

The Department of Trade and Industry (DTI) is working towards pushing South Africa into a global leadership position within the crocodile industry. In the context of what is happening globally, where Zimbabwe has long been the regional leader in producing crocodile skins (Department of University Relations, 2015), South Africa's focus is on investing in initiatives to start producing and exporting crocodile leather end products that can compete globally (ELSA, 2016). Currently South Africa is missing out on 90% of the value chain and sustainability of the local industry (Van Rooyen, 2012).

The DTI has been trying to improve the market share, exports, raw leather resource beneficiations and new technology application by facilitating the development of the leather and footwear sector (Davies, 2014). A recent report confirmed that a decision was made by government about investing in initiatives to start producing and exporting crocodile end products. South Africa, who is already a big exporter of crocodile leather as raw hides, can benefit from this as it can add a lot of value by producing end products which are more profitable. As a result, jobs will also be created in the local crocodile industry. The Department of Trade and Industry, in collaboration with the University of Pretoria, initiated the development of a crocodile cluster in order to manage all these efforts (The Responsible Ecosystems Sourcing Platform (RESP), 2014; Department of University Relations, 2015). ELSA is a non-profit association composed of industry members who deal with the crocodile trade and in effect represents the value chain. Seed funding is mainly provided by the government, collaborating with the DTI (Department of Trade and Industry) and the University of Pretoria (The Responsible Ecosystems Sourcing Platform (RESP), 2014; ELSA, 2016).

### **2.5.4 Captive breeding – a quality-related issue**

Captive breeding in Africa, according to Bolton (1989), started off as insignificant in commercial production, and has remained such until recently. In South Africa, captive Nile crocodiles were bred in 1979 in Natal, for restocking purposes. Captive breeding took off as a

result of these restocking efforts. Today the Nile crocodile remains predominantly the most common species to breed within South Africa and Africa. The species can grow to a length of about 6 meters and can weigh up to 400 kgs (Iwuoha, 2015). The Nile crocodile is the second largest crocodile breed after the saltwater crocodile, and it is highly valued because of its boneless underbelly and soft leather (Iwuoha, 2015).

Crocodile farming refers to any facility that breeds and/or grows crocodilians for commercial purposes. Crocodile ranches, on the other hand, are facilities that collect eggs, hatchlings and juveniles who generally have a lower chance of survival until adulthood. According to CITES, three production systems apply to crocodilians, namely ranching, captive breeding and wild harvest (Crocodile Specialist Group, 2016).

South Africa's crocodile farmers have gone through a few improvement stages to ensure that crocodiles in captivity are treated appropriately according to the SA National Standards (S&V African Leather, 2012). South Africa's crocodile farmers are not challenged in their farming abilities, but more on the issue around cruelty, which remains a sensitive topic for both producer and buyer. The farmers can choose between two systems to farm crocodiles, namely single pens or free-range. Single pen farmers have encountered more issues relating to animal cruelty, but overall the South African farmers' aim is to keep producing better skins because of its value in quality.

Kew and Roberts (2013) reported on how difficult it is to find crocodile products in the pristine conditions that the industry and consumer expect. It is the difficult task of the breeders to keep crocodiles from scratching or biting each other as they are raised together from hatchlings. The farmers' main focus is to breed with crocodiles that produce high quality exotic leather for local and international fashion and luxury industries. The farmers are under pressure to produce defect-free skins (without scratch marks), because that is what the fashion houses insist on. One of the most commonly mentioned international brand names that supports the South African exotic leather suppliers is Louis Vuitton (S&V African Leather, 2012).

South Africa currently has a few core industry players who are manufacture orientated, producing crocodile leather end products locally, namely Via la Moda (Johannesburg) and Cape Cobra (Cape Town). These businesses have showrooms and websites where products can be viewed (Jordan, 2011). Lorenzi, near Sun City in Gauteng, is also in the business of selling leather end products, but is more retail oriented. Lorenzi goods are sold in outlets within the V&A Waterfront, Nelson Mandela Square, Sun City and Sandton. Le Croc is a crocodile tannery and breeding farm that supplies manufacturers with luxury exotic leather skins. Le Croc's main focus is the Nile crocodile (*Niloticus*) leather. Today Le Croc's leather is well accepted and respected by the top fashion houses in the world (Le Croc, 2015). A few crocodile farmers who are well known in South Africa include Lalele Crocodile farm, Izintaba, Lubbestlust Crocodile Farm, and Le Croc (Cape Cobra, 2014; Jacobson, 2015; Lalele Crocodile Farm, 2016; Le Croc, 2015).

### **2.5.5 Luxury exotic leather brands in South Africa**

Apart from being suppliers of raw crocodile leather, South African companies Cape Cobra and Via la Moda are also producers of luxury leather accessories (belts, wallets, handbags, purses etc). These two companies are producing high quality end products that have gained a good reputation around the world (Cape Cobra, 2015, Via la Moda, 2016). Cape Cobra's products are locally sourced and manufactured in Cape Town. Their bags are produced for fashion houses and have been worn by Jennifer Lopez, Sandra Bullock, Charlene Wittstock, the Princess of Monaco and Anne Hathaway. Cape Cobra's crocodile bags start at a price of R40 000, with wallets fetching R1 500, and a larger, finer crocodile bag would be in the region of R65 000 (Cape Cobra, 2012). The existing situation of end products being exported where value has been created within the South African crocodile industry, is therefore evident as seen in the business efforts of these two South African companies. However, opportunities are necessary to increase the level of end product creation.

Hanneli Rupert, daughter of Johann Rupert, is one of South Africa's designers who has taken South African raw hides and transformed them into world-class lines. Her work has been applauded in international markets – a great start for her recently launched brand, Okapi. Hanneli has invested in job creation, supporting local manufacturing and where necessary,

purchasing machinery to do so (Southern Africa Luxury Association (SALA), 2012). Cape Cobra supplied Hanneli with skins for one of her Okapi luxury exotic handbag ranges (Cape Cobra, 2012). It is evident in Hanneli's endeavours that exclusively South African luxury exotic leather designs and accessories are welcomed internationally.

Jordan (2011) reported that there was a comeback of crocodile skins on the catwalk. Kew and Roberts (2013) confirm the rising demand of luxury accessories that are made from crocodile skins. The manufacturer for the catwalk collection happened to be Cape Cobra, who supplied skins for Micheal Kors' 2011 fashion show (Cape Cobra, 2012). In addition, some encouraging information about South African fashion is that it has developed over the years into an internationally recognisable ensemble, including designers Gavin Rajah and Malcolm Kluk. It was the work of Precious Moloji Motsepe, wife of billionaire Patrice Motsepe, who created AFI (Africa Fashion International). This African platform serves the local labels and enables African couturiers to flourish within the fashion industry (SALA, 2012).

## **2.6 SUMMARY**

South Africa has a growing luxury market with the ability to make room for truly South African exotic leather branded products that can be sold locally and/or internationally. By looking further into developing skills and facilities to produce luxury leather end products, South Africa can contribute more to the current state of the economy.

The luxury market falls within a specific market segment, which encompasses a unique set of needs considering the demographics, lifestyles and socioeconomic background of this group (Hawkins *et al.*, 2004:18). The South African luxury consumer's shopping and consumption behaviour within the luxury leather industry have not been fully investigated yet, and therefore requires further research into the underlying dimensions of luxury consumer decision making and behaviour. South African female luxury consumers' behaviour patterns will be focused on in the following chapter.



## CHAPTER THREE

### THEORETICAL FRAMEWORK

*This chapter deals with the theoretical perspective of this study. A discussion on consumer behaviour and decision-making processes is given. Luxury consumers' value perceptions and purchasing intent are also presented.*

#### 3.1 INTRODUCTION

The exploration into the local and global exotic leather industries in the previous chapter served the important purpose of adding context to the research focus and providing the reader with insight into global market trends and local considerations within the luxury industry. The previous chapter also highlighted the fact that opportunities exist for local exotic leather industry players to become more involved in the luxury goods value chain by developing and selling luxury leather products that cater for consumers' needs. To build on this foundation, it is crucial that the drivers of consumer purchasing behaviour are explored in order to further understand the factors that drive consumers' purchasing decisions, so as to capitalise on the opportunity within the local luxury exotic leather industry. This will be the focus of Chapter 3.

This study adopts a social-cognitive perspective, studying South African female consumers' exotic leather purchasing behaviour.

A social-cognitive perspective assumes that:

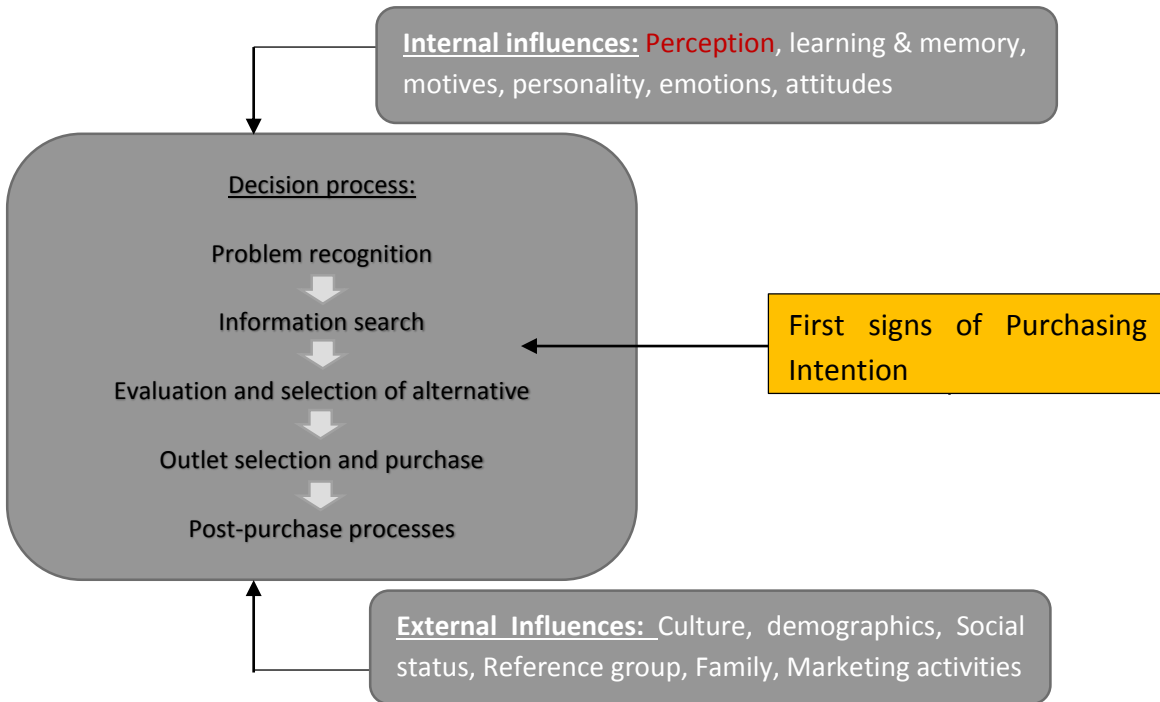
- Consumers are confronted with many products (including alternatives) and have to find ways to organise the information they receive in order to make sense of their environment.
- Consumers place importance on making informed decisions in order to be satisfied when the product is used.

- The decision-making process can be complex and comprehensive, especially when consumers are not familiar with the products in question or do not regularly buy these products.
- The consumer decision-making process involves many internal as well as external factors that influence the perception of value and purchasing intent and the final decision to ultimately make a purchase.

### **3.2 CONSUMERS' BUYING BEHAVIOUR**

The purchase decision-making process is a cognitive process where information from a consumer's environment and various related stimuli are gathered and processed to inform a decision. In general, the decision-making process involves the identification of a problem that arises from a need, and the subsequent cognitive steps that consumers take to establish a suitable solution to the problem in satisfying the identified need. This is followed by a search for additional information, followed by an evaluation of a final set of alternatives. Once this has taken place, an informed decision can be made (Solomon & Rabolt, 2004:352; Hawkins, Best & Coney, 2004:500-503).

There are various external factors that affect the purchasing behaviour of consumers, including but not limited to culture, demographics, social status, reference group, family and response to marketing activities. Internal influences also play an important role. These include factors such as the consumer's perception, learning and memory, motives, personality, emotions and attitude (Hawkins *et al.*, 2004:27-29,474; Amatulli & Guido, 2011). According to Hawkins *et al.* (2004:27), the decision-making process can be broken down into different stages, namely problem recognition, search for information, evaluation and selection between available alternatives, outlet selection and purchase, and finally, the post-purchase process (Figure 3.1). Although this study focuses on intention rather than behaviour, it is necessary to explain the decision-making process in its entirety in order to place 'intent' within the correct stage of the model.



**Figure 3.1: Model of Consumer Behaviour (Hawkins *et al.*, 2004:27)**

### **Problem recognition**

Problem recognition is based on the identification of a need, with an intention to satisfy it (Hawkins *et al.*, 2004:504). Typical needs associated with luxury goods such as exotic leather accessories, include the need to feel beautiful, the need for esteem and the need for status (Lindquist & Sirgy, 2003:237; Amatulli & Guido, 2011). The identification of an unsatisfied need drives the consumer into action in the hope of achieving a certain level of satisfaction (Hawkins *et al.*, 2004:506).

### **Information search**

The tension created by an unsatisfied need acts as motivation for a consumer to research possible ways of resolving the problem, and the consumer will conduct research about the product of interest that is perceived to provide an adequate solution. Searching for information is both a mental and a physical effort involving internal and external information sources (Hawkins *et al.*, 2004:524). Without a motive to purchase a product, there can be no intent (Ajzen, 1991); therefore intentions indicate that an individual has motives to

deliberately make an effort to carry out a purchasing behaviour (Spears & Singh, 2004). This stage can almost be viewed as the first sign of purchasing intent.

### **Evaluation and selection of alternative**

Following on from the initial phase of problem recognition and preliminary research, a consumer will often investigate possible alternatives in the interest of making an informed decision to choose what is considered to be the best personal choice (Hawkins *et al.*, 2004:557).

This involves additional research, followed by the evaluation of the identified products which are then compared to each other. External influences (culture, demographics, social status, reference group, family, marketing activities) and internal influences (perception, learning and memory, motives, personality, emotions, attitudes) play an important role in this part of the decision-making process (Hawkins *et al.*, 2004:588), impacting on purchasing intent in either a positive or negative way (Ajzen, 1991). If the intent to purchase remains or increases at this point, the next step will involve the selection of the brand and the outlet where to make the purchase.

Considering the variety of possible internal and external influences that impact the purchasing intentions of consumers (Ajzen, 1991), it is clear that consumers purchase products for a variety of reasons (Hawkins *et al.*, 2004:362). For luxury consumers, these reasons can often include the desire for gratifying the senses, pleasure and prestige etc. (Amatulli & Guido, 2011; Hudders, 2011). Two individuals can therefore purchase the same product but with completely different motivations, clearly highlighting how a deep underlying value system could affect the lifestyle choices of an individual, and this can be linked to a personal, social and cultural value system (Solomon & Rabolt, 2004:127-131; Hawkins *et al.*, 2004:430; Evan, Jamal & Foxall, 2009:28). Together values, needs and motives contribute to purchasing intentions, and in many cases, purchasing behaviour (Mahrt, 2010).

### **Outlet selection and purchase**

According to Hawkins *et al.* (2004:588-589), consumers will generally go through the same process when selecting an outlet as in the case of selecting a brand. It is suggested that consumers select the brand first and the outlet second. In the process of making a purchasing decision, the importance of convenience of store location is pointed out, together with the right image and service (Hawkins *et al.*, 2004:588-589).

### **Post-purchase**

During the post-purchase phase the consumer will determine the level of satisfaction that the product has provided, which will either result in a reduction of tension where the consumer is satisfied, or in the case of dissatisfaction, the consumer may decide to source an alternative product in the hope of satisfying the remaining need (Hawkins *et al.*, 2004:27).

### **Purchasing intent**

It is established that purchasing intent exists because of a need that can possibly be satisfied (Ajzen, 1991) and that signifies that a consumer is motivated to deliberately make an effort to carry out a purchasing behaviour in the interest of satisfying the specific need (Spears & Singh, 2004). Purchasing intent, rather than purchasing behaviour, is concerned with the intention of obtaining a luxury product, which may lead to, and is often a good indicator (Ajzen, 1991) of, purchasing behaviour (Hung, Chen, Peng, Hackley, Tiwusakul, & Chou, 2011). Spears and Singh (2004) talk about favourable intent, where the strength of the intentions with respect to the situation predicts the behaviour, and as Ajzen (1991) suggests, the stronger the intention, the stronger the likelihood of the behaviour. Intention and behaviour are however not always congruent, as a consumer might have the intention, but lack the resources to purchase a product. According to Ajzen (1991), money is one of the factors that represents people's actual control over behaviour, along with time, skills and cooperation of others. Ajzen's (1991) Theory of Planned Behaviour (TPB) stated that behavioural intentions are indications of a consumer's readiness to perform a given behaviour, and can be assumed to be an immediate antecedent of behaviour (Wee *et al.*, 2014). Figure 3.2 presents the Theory of Planned Behaviour (TPB) and is used to illustrate that intentions precede behaviour; it also suggests that intentions are drivers of actual behaviour (Ajzen, 1991; Wang, 2014).

Ajzen (1991) suggests that an individual's intentions capture the motivational factors that influence a behaviour and indicate the level of willingness with which an individual is going to try to perform a behaviour.

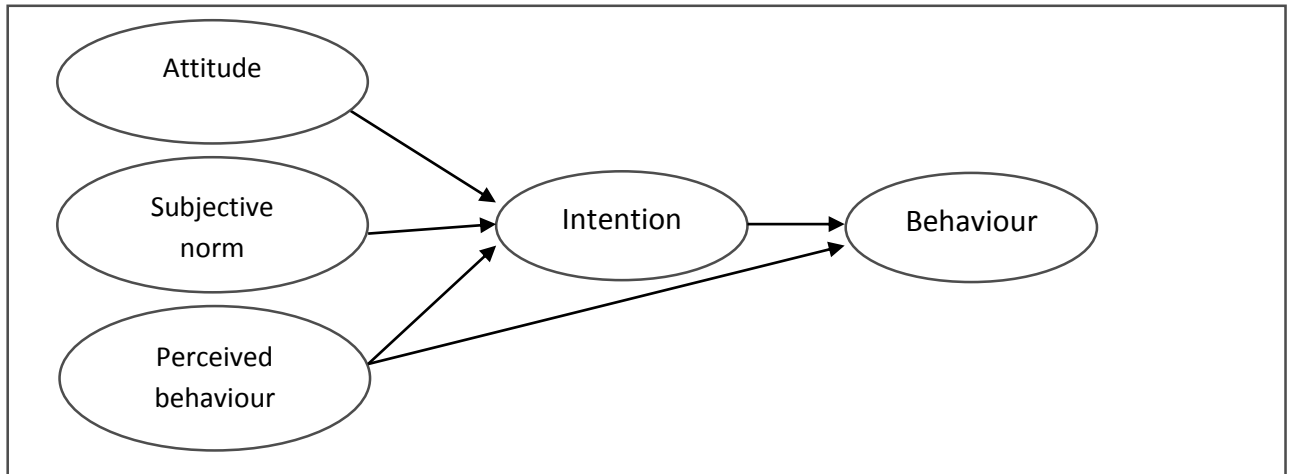


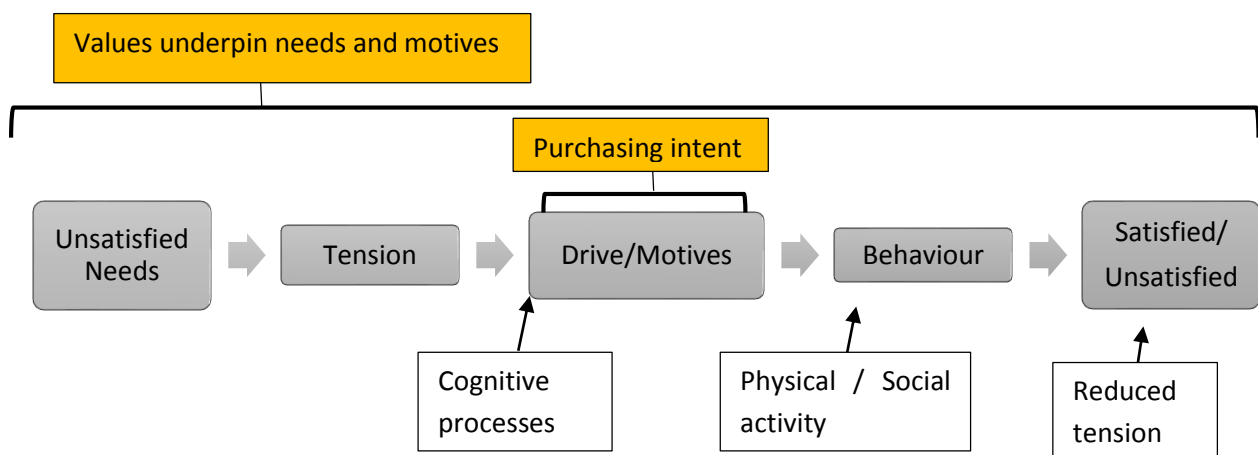
Figure 3.2: Theory of Planned Behaviour (TPB) (Ajzen, 1991)

### 3.3 MOTIVES

Motivation is a basic concept in consumer behaviour; it is the driving force within people that spurs them into action, resulting in their purchasing or buying a product in the hope of satisfying a specific need or want (Lindquist & Sirgy, 2003:235; Solomon & Rabolt, 2004:111; Evans *et al.*, 2009:6; Hawkins *et al.*, 2004:367). Motivation as it stands is linked to a range of variables such as emotions, feelings and mood, and these are tied to purchasing decisions (Lindquist & Sirgy, 2003:235). According to Solomon & Rabolt (2004:111), all individuals have needs which can be segmented into two categories: innate needs and acquired needs. Innate needs are commonly referred to as basic needs which all individuals share, regardless of resources or culture. Such needs include food, security and shelter. Acquired needs, also known as psychogenic needs, are considered to be secondary needs that people learn in response to their environment and culture (Schiffman & Kanuk, 2007:83; Solomon & Rabolt, 2004:111). These secondary needs include individuality, status, ambition, sophistication, self-esteem, prestige, affection, power and learning (Hawkins *et al.*, 2004:362-263; Schiffman & Kanuk, 2007:83). Understanding the nature of these needs, especially those that have a significant impact on consumer behaviour, is of immense value to marketers who are

responsible for developing strategies to attract the targeted consumer and are required to communicate in a way that appeals to the identified consumers' values and needs. Hawkins *et al.* (2004:362) state that "products are not bought, but rather consumers are buying motive satisfaction". It is the emotional and psychological benefits associated with a product that drive consumption and not purely the inherent functional benefits. In addition, the purchasing decisions of consumers can be based more on the perceived psychological and social benefits associated with the purchase of a product rather than the tangible functionality (Evans *et al.*, 2009:24). It is suggested that this points to a higher level of need satisfaction (Evans *et al.*, 2009:24).

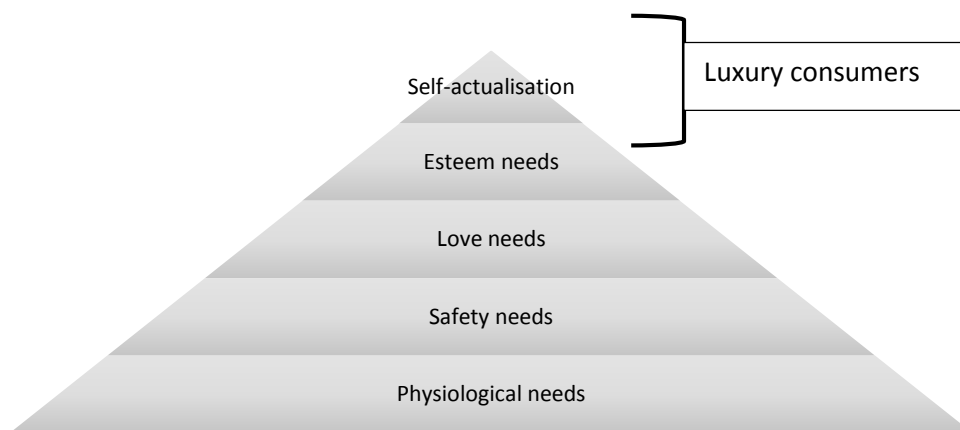
A closer look at purchasing intent and motives, and where these elements fall within the decision-making process, in conjunction with the motivational processes, is captured in Figure 3.3. The model of motivational processes explains how motivation is based on a need-induced tension that serves as a driving force, prompting an individual to purchase a product in the hope of being satisfied, which subsequently reduces tension (Schiffman & Kanuk, 2007:83).



**Figure 3.3: Model of motivational processes (adapted from Schiffman & Kanuk, 2007:83)**

Certain behaviour models explain the process of motivation with the aim of predicting consumer behaviour. Maslow's hierarchy of needs includes biogenic and psychogenic needs (Solomon & Rabolt, 2004:117). Maslow describes the order of motivational development as follows: physiological, safety, social, love, esteem and self-actualisation (Figure 3.4) (Solomon & Rabolt, 2004:117). The hierarchy merely acts as a guide to indicate how consumers needs'

can be met at different times in their lives, as priorities evolve and consumption patterns change (Evans *et al.*, 2009:11-12; Solomon & Rabolt, 2004:117-118; Lindquist & Sirgy, 2003:237-238; Schiffman & Kanuk, 2007:97-99). As for luxury consumers, more sophisticated psychological needs are at play and are evident in how luxury products bring prestige to the owner, with utility of lesser concern for them (Amatulli & Guido, 2011). Luxury is associated with expensive lifestyle choices which are further associated with wealth, status, comfort and exclusivity.



**Figure 3.4: Maslow's hierarchy of needs**

(adapted from Hawkins *et al.*, 2004:356 and Lindquist & Sirgy., 2003:237)

### 3.4 VALUES

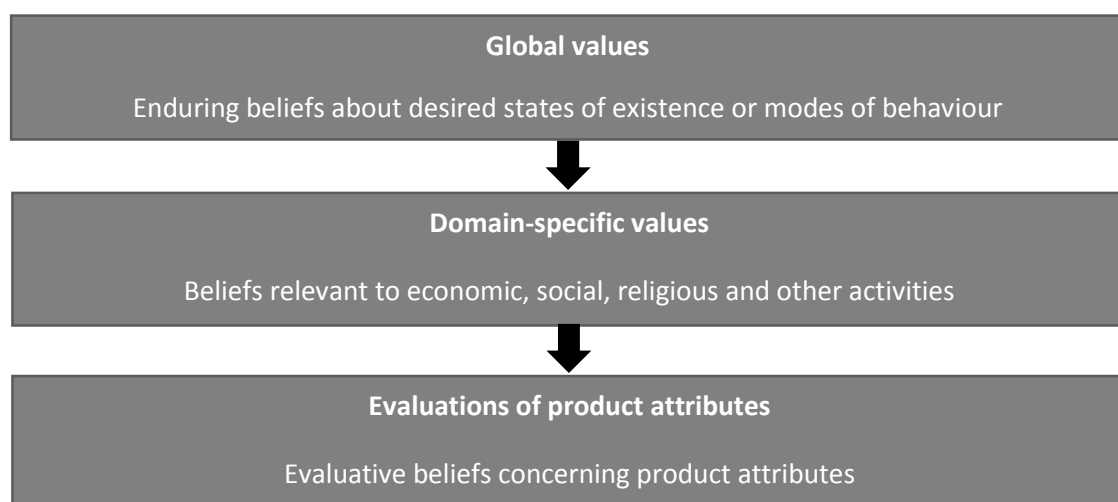
Mahrt (2010) clearly distinguishes between needs, motives and values; an individual's values are related to their long-term goals or underlying patterns in life and are a reflection of an individual's needs. Motives, on the other hand, are more situational and short-term, and precede actual behaviour. Consumers' actions reflect the values they place on things such as products or brands they try to acquire. This is then translated into motives to purchase, resulting in buying behaviour. Values refer to desirable goals that motivate actions (Schwartz, 2006), but are ultimately core beliefs (Vriens & Ter Hofstede, 2000) that affirm what is desirable (Hawkins *et al.*, 2004:45) and that can be linked to both needs and motives (Mahrt, 2010).

Values are variables that can be either constant or subject to change (Mahrt, 2010), but in essence are traits that you are not born with. Values are learned, or passed on from previous



generations (Evans *et al.*, 2009:28-30). Different values are found in different cultures (Solomon & Rabolt, 2004:130), and so cultural differences cause differences in consumer behaviour (Hawkins *et al.*, 2004:40). Vriens and Ter Hofstede (2000) define consumer values as relatively stable conditions as well as beliefs that have a strong motivational impact on consumers' buying behaviour. Generally two individuals do not necessarily share the same beliefs even though they may purchase the same product. The consumer's individual, social and cultural values ultimately affect their decision-making behaviour. Core values can be found in different cultures and they differ all around the world. People value different attributes such as achievement, success, competence, respecting old age or status (Evans *et al.*, 2009:28-30; Solomon & Rabolt, 2004:130), as well as, for instance, different attributes in a luxury product or a brand such as premium quality, recognisable style, reputation, and the fact that it has limited accessibility (Hung *et al.*, 2011). Consumers that are motivated by personal values are in a process of going beyond externally imposed criteria (Amatulli & Guido, 2011), but Hung *et al.* (2011) stated that motivations to purchase a luxury product are the results of the product attributes. Product attributes are indications of emotional, experiential and symbolic values. "... High-level needs approach the status of values, which are critical determinants of behaviour ..." (Evans *et al.*, 2009:28).

A model of consumer value systems illustrates the values in a hierarchical arrangement, indicating three different levels in Figure 3.5 below:



**Figure 3.5: Consumer value system (Evans *et al.*, 2009:29)**

As illustrated by the figure above, the purchasing decisions of consumers can be influenced by different types of values (Wiedmann *et al.*, 2012), and these values can be revealed when researchers explore findings on consumers' perceptions such as product attributes (Evans *et al.*, 2009:31). Consumers purchase luxury products or brands, based on what they believe luxury is and how their perception of luxury value influences their purchase behaviour (Hennigs *et al.*, 2012). This is one of the ways to identify consumers' motives and their value-based drivers.

### **3.5 COGNITIVE PROCESSES RELEVANT TO LUXURY CONSUMER DECISION MAKING**

When approaching consumer buying behaviour from a luxury perspective, the stages of the decision-making process are very similar to those of the traditional consumer decision-making process. The process begins with the identification of a need, which is followed by a search for a product that may possibly satisfy the identified need. Next, the potential alternatives are evaluated and compared. This is then followed by a purchasing decision and a post-purchase analysis (Solomon & Rabolt, 2004:352; Hawkins *et al.*, 2004:27). Where the decision-making process involving luxury products differs is in the fact that a different set of values, motives and needs are at play (Hawkins *et al.*, 2004:18) and these are influenced by specific underlying individual and social factors during the decision-making process (Nwankwo *et al.*, 2014). Hennigs *et al.* (2012) believe that the main motivator among luxury consumers is 'to impress others', and that the psychological benefits of acquiring a product play a far greater role in the purchase of luxury products compared to non-luxury products (Hudders, 2011; Wiedmann *et al.*, 2009).

As discussed in section 3.3, Maslow's hierarchy of needs was explored in order to demonstrate that needs evolve from physiological to being more concerned with higher-level needs known as the self-actualisation phase (Evans *et al.*, 2009:12). A more sophisticated set of psychological needs is evident with luxury consumers (Amatulli & Guido, 2011). In this phase individuals invest their money, time and talents in activities that can be described as leisure activities and creative pastimes. In essence these activities are meaningful in how they help to develop individuality and personality (Evans *et al.*, 2009:12).

### 3.6 LUXURY VALUE PERCEPTIONS

In cognition, perceptions are formed which inevitably assist the consumer in making judgements (Lennon & Davis, 1989). Consumers' perceived values are therefore assigned in the process of judging a product or brand. Research indicates that the self and the external world have an influence on an individual's luxury brand or product consumption behaviour (Hung *et al.*, 2011; Vigneron & Johnson, 1999, 2004), which can be either social (interpersonal) motivations or personal (individual) motivations. These constructs of motivations and value-based drivers for luxury consumption are interrelated (Amatulli & Guido, 2011; Nwankwo *et al.*, 2014) and explain why consumers choose to either buy or avoid particular products (Wiedmann *et al.*, 2012). Different consumer values influence consumers' purchase choices (Wiedmann *et al.*, 2012).

**Table 3.1: Five value dimension framework (adapted from Vigneron & Johnson, 1999 and Hung *et al.*, 2011)**

<u>Value perceptions</u>	<u>Antecedents</u>
Social	Conspicuous value
Social	Unique value
Social	Social value
Individual	Emotional value
Individual	Quality value

Vigneron and Johnson (1999, 2004) suggested that luxury consumption can be defined by looking at these two constructs, namely social and individual (Table 3.1). The framework proposed to explain the luxury-seeking consumers' decision-making process. As illustrated in Table 3.1, research on the topic of luxury value perceptions also include social and individual dimensions that are further explained by using specific values as antecedents or predictors (Hung *et al.*, 2011).

These values are useful to understand the influence of the self and the external world, when considering the distinctive needs they would satisfy.

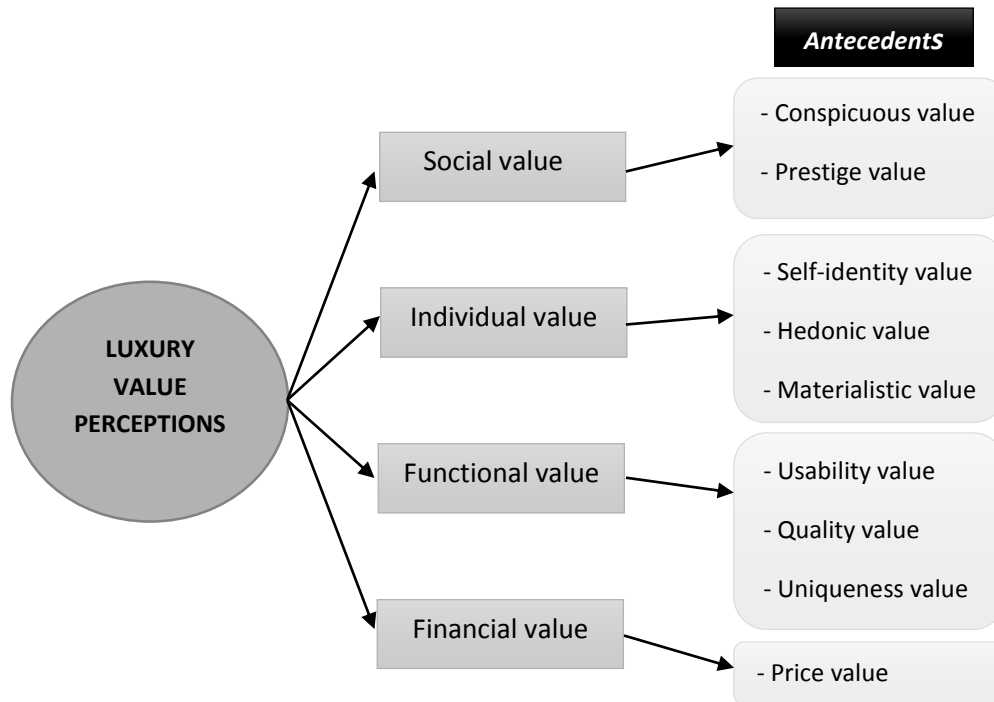
**Conspicuous value:** Esteem needs, a need for status, superiority, self-respect, need for prestige, exclusivity, purchase of high-cost items to signify wealth (Lindquist & Sirgy, 2003:237; Vigneron & Johnson, 2004; Hawkins *et al.*, 2004:356).

**Uniqueness value:** Exclusivity, rarity, uniqueness (Vigneron & Johnson, 2004; Hawkins *et al.*, 2004:356). Consumers' need for uniqueness, according to Bian and Forsythe (2012), is a critical part of luxury consumers' expressing their individuality as they purchase luxury brands or products.

**Social value:** Belongingness, desire for love, friendship, affiliation, group acceptance (Hawkins *et al.*, 2004:356), the need to enhance their "self-concept" (Vigneron & Johnson, 1999).

**Emotional value:** Esteem needs grouped together with a need for pleasure, need for aesthetics and sensuality, need to feel beautiful, need for glamour (Lindquist & Sirgy, 2003:237; Hawkins *et al.*, 2004:356). The onus is on the individual alone for fulfilment such as self-respect (Vigneron & Johnson, 1999).

**Quality value:** Need for greater quality of product, product performance and product superiority, need for craftsmanship, design and sophistication (Vigneron & Johnson, 2004; Lindquist & Sirgy, 2003:237). The need for quality can be linked to either the intrinsic qualities of a product (design, textiles, construction and finishes), its functional use (durability), or its formal qualities (colour, texture, line and proportion) (De Klerk & Lubbe, 2004). Wiedmann *et al.* (2007, 2009, 2012) provide additional research on value-based drivers of luxury consumers, suggesting that luxury value perceptions and motives for luxury brand consumption are tied together under luxury value, and should include functional and financial aspects in addition to social and individual influences. Each luxury value perception identified by Wiedmann *et al.* (2012) can be described by the antecedents illustrated in Figure 3.6.



**Figure 3.6: Dimensions of luxury value perception (adapted from Hennigs *et al.*, 2012; Wiedmann *et al.*, 2012)**

### Social values

The underpinning motivations of the interpersonal effect are social (external) motivators, such as conspicuousness or prestige value (Wiedmann *et al.*, 2012). It is visible in the consumer’s need for a higher social value and wanting to be part of a social class of higher stature; the ‘bandwagon effect’ is a similar approach (Vigneron & Johnson, 1999, cited in Nwankwo *et al.*, 2014). According to Ko and Megehee (2012), the ‘bandwagon effect’ refers to how the increase of product consumption is caused by a rising demand for the product. In other words, the consumer jumps on the ‘bandwagon’ in order not to feel ‘left behind’. Consumers guided by uniqueness as a motivation regard a product of a higher value and prestige as if it is considered scarce in that only a few people own the particular item – this is also known as the ‘snob effect’. Conspicuous consumption entails ‘Veblenian’ consumers considering premium price above all as the most important factor when assigning prestige to a product (Veblen, 2005; Husic & Cicic, 2009). Placing price as an indicator of luxury or prestige items usually serves the purpose of impressing others. Veblen describes conspicuous

consumption as the act of preferring more expensive goods over cheaper ones even though they are functionally comparable (Veblen, 2005:49).

### **Individual values**

A customer's personal orientation towards luxury consumption is captured under individual values and includes materialism, hedonism and self-identity (Wiedmann *et al.*, 2012). According to Nwankwo *et al.* (2014), individual (personal) values make up the main driving force behind purchasing intention for luxury goods. Hedonism and perfectionism, together with traditional views of luxury consumption such as exclusivity, quality and higher social status, are seen as the main personal motives. Hedonistic consumers focus on an intangible, emotional fulfilment when purchasing products. They are more concerned with their feelings and thoughts. Perfectionist consumers place high importance on quality and product superiority, rather than a high premium on price. It is more about their perception of the product's quality (Vigneron *et al.*, 1999; Nwankwo *et al.*, 2014; Husic & Cicic, 2009). According to Nwankwo *et al.* (2014), value dimensions concern intrinsic beliefs that affect behaviour, whereas the motivation element represents fulfilment of specific needs depending on the product.

### **Functional value perception**

The Functional dimension addresses basic utilities and product benefits, including elements such as quality, uniqueness, usability, reliability and durability (Wiedmann *et al.*, 2007, 2009, 2012). Hung *et al.* (2011) suggest that quality is the main contributor to assist in satisfying consumers' needs to fulfil functional value. Attributes of a product and the desire for superior quality are the most noticeable features of luxury products and also act as strong motivations for purchasing a luxury product (Hung *et al.*, 2011; Truong & McColl, 2011). In addition, the physical attributes of a luxury product, such as uniqueness and quality, are indicators that enhance the level of desirability for the product (Kim, Kim & Lee, 2010). Quality, according to De Klerk and Lubbe (2004), includes physical and performance dimensions. The belief that the product's physical properties will allow for a desired performance outcome, is what consumers base their decisions on. Physical properties influence the performance

characteristic, and include intrinsic and formal qualities. Intrinsic qualities of a product are associated with the design of the product, the textile used to make the product, the construction or the way the product has been put together and the finishes applied to either enhance, embellish or protect the product. Formal qualities of a product include colour, line, form, texture and proportions.

### **Financial value perception**

The financial dimension concerns monetary aspects, for example price and discount. When the value of a luxury product is measured in monetary terms, it then reflects a consumer's motivations in what was sacrificed to obtain the product (Wiedmann *et al.*, 2007, 2009, 2012).

The findings of the various luxury consumption behaviours have revealed that results are diverse and as the four dimensions contribute to an international luxury consumption behaviour (Wiedmann *et al.*, 2012), they can be utilised to provide a great amount of insight into the growing South African luxury market and the luxury consumer.

### **3.7 SUMMARY**

The purpose of this chapter was to explore elements of the theoretical framework that will help in understanding the underlying drivers of purchasing behaviour. To do this, Hawkins *et al.*'s (2004) decision-making process was discussed which highlighted the fact that the method of deciding to make a purchase involves a number of steps. A key part within this decision-making process was the identification of purchasing intent which is not seen as purchasing behaviour. It is a stage in the process where the consumer has the intention to obtain a product or brand rather than owning it.

In the light of luxury consumption, motives and values were addressed in conjunction with the consumer's needs and value perceptions. Different types of luxury value perceptions influence consumers' purchase choices and were explained by using a four-dimensional model developed by Wiedmann *et al.* (2012). Wiedmann *et al.*'s (2012) four-dimensional model explains luxury consumptions through consumer perceptions of social, individual, functional and financial value dimensions of luxury.

## CHAPTER FOUR

### RESEARCH DESIGN AND METHODOLOGY

*This chapter contains the conceptual framework and research objectives as well as a description of the quantitative nature of the research design. A discussion on the sample framework and sampling procedures, the development of the questionnaire, the data collection procedures, and the data analysis follow. Further explanation of the quality of the research in terms of validity and reliability of data collection techniques, as well as ethical issues are lastly presented.*

#### 4.1 INTRODUCTION

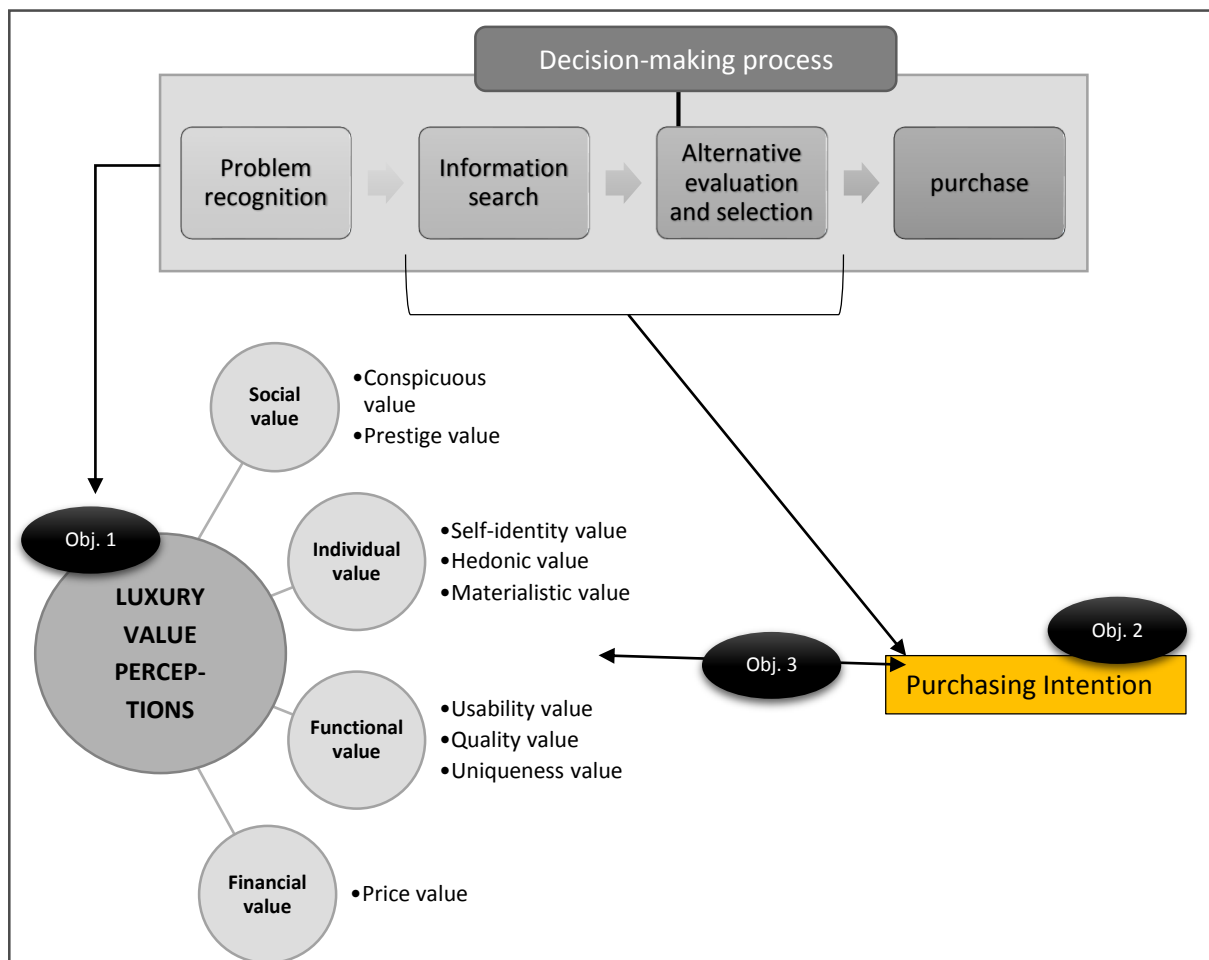
In order to direct the study, a schematic conceptual framework was formulated for this study. Figure 1.1 presents this framework and can be seen below. The framework made use of the classification of the decision-making process as found in the literature (Hawkins *et al.*, 2004:27), and the theoretical perspective which includes the luxury value perception dimensions by Wiedmann *et al.* (2012). The need to comprehend the decision-making process and the value-based drivers within a South African context, formed the basis of the research aim and objectives. During the decision-making process, the needs of consumers make up important motivators that drive them towards consumption (Schiffman & Kanuk, 2007:83). The decision-making process, however, involves the gathering and processing of information from their environment and various stimuli that could lead to the decision to purchase a product or a brand (Solomon & Rabolt, 2004:352; Hawkins *et al.*, 2004:500-503). With regard to consumption, values are one of the influential factors of luxury consumers' purchasing choices (Wiedmann *et al.*, 2012). The key drivers of perceived values among luxury consumers can be explained by looking at four dimensions, namely Social, Individual, Functional and Financial (Hennigs *et al.*, 2012; Wiedmann *et al.*, 2012). Purchasing intent is part of the decision-making process and is evident in how a consumer indicate readiness to perform a given behaviour, which is evident in their search for information about the product (Ajzen, 1991). Ultimately, purchasing intentions precede purchasing behaviour (Wang, 2014), which



is also seen as a good indicator of buying behaviour (Ajzen, 1991). Purchasing behaviour and luxury value perceptions are influenced by the four value dimensions (Wiedmann *et al.*, 2012) and can be used to explore and describe the South African luxury consumer.

The schematic conceptual framework assisted in guiding the objectives and sub-objectives of this study.

The aim of the study is to explore and describe the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather accessories. The focus will be on exotic crocodile leather products and accessories including handbags and purses.



**Figure 1.1: Schematic conceptual framework**

The specific objectives of this study were:

**Objective 1:** To determine which important value perceptions drive South African females' purchasing intent for luxury exotic leather accessories, specifically relating to:

**Sub-objective 1:** To determine Social value perceptions

**Sub-objective 2:** To determine Individual value perceptions

**Sub-objective 3:** To determine Functional value perceptions

**Sub-objective 4:** To determine Financial value perceptions

**Objective 2:** To determine South African female consumers' purchasing intent for luxury exotic leather accessories

**Objective 3:** To determine the relationship between South African female consumers' value perceptions and their purchasing intent for luxury exotic leather accessories

## 4.2 RESEARCH DESIGN

A survey design that was quantitative in nature was used for this research study. The intention was to explore and describe the correlations between variables. Exploratory research entails gaining information about a topic where only limited or no research has been done (Welman & Kruger, 2005:23; De Vos *et al.*, 2014:95). Descriptive research shares similarities with exploration but in essence strives to describe the characteristics of a particular group of individuals (Gravetter & Forzano, 2012:196; Kreuger & Neuman, 2006:23 as cited in De Vos *et al.*, 2014:95).

For this study the survey design was an appropriate tool to describe and explain luxury value perceptions (Functional, Financial, Social and Individual value perceptions) and purchasing intent. The survey was in the form of a self-administered, structured questionnaire. Data was analysed through numerical measurements and calculations. Since the study tested relationships between two variables, namely value perceptions and purchasing intent, this study could be described as correlational research (Gravetter & Forzano, 2012:591; De Vos *et al.*, 2014:96).

This research approach is characterised by deductive reasoning as the research began with theoretical points of view, as discussed in both the literature review and the theoretical frameworks (Gravetter & Forzano, 2012:158; De Vos *et al.*, 2014:48).

## **4.3 RESEARCH METHODOLOGY**

### **4.3.1 Sampling**

#### **4.3.1.1 Unit of analysis**

The unit of analysis for this study was South African females older than 18 years. The study included South African citizens with a household income of R25 000.00 or more per month. Currently, South Africa's biggest target consumer group with regard to luxury accessories, is female. With larger numbers of women that are more actively involved in the economy, embracing global fashion trends, luxury accessories sales locally have increased (Euromonitor, 2015). This study therefore explored females' purchasing decisions for luxury exotic leather accessories. The criteria used to gather the data were compiled to suit the research goal. The respondents to the questionnaire included representatives from the following ethnic groups African, White, Coloured, Indian and Asian.

#### **4.3.1.2 Sampling strategy**

This study involved a non-probability convenient sample, requesting 3 000 questionnaires in order to get a sufficient amount of feedback. Three hundred and thirty seven (337) completed questionnaires were returned. A well-known, reputable consumer survey company assisted with the research by providing a targeted database that consisted of a carefully selected group of respondents from across South Africa. The research company build in checks and balances to ensure that the survey comply with the prerequisites. The advantage of using the consumer survey company was that an investigative research could be conducted across South Africa in the time frame available, reaching respondents who fit the criteria for the study. A convenient sampling technique enabled the researcher to select samples that were most easily available and that suited the relevant characteristics from locations that were convenient to the researcher (Kumar, 2011:206; De Vos *et al.*, 2014:231-233). Because of this the study is limited in that results cannot be generalised to include the broader South African female population. The sampling procedure for this study involved questionnaires being sent out electronically. The sampling process commenced in January 2016 and was concluded in March 2016. Respondents were given a deadline for returning the completed questionnaires.

#### **4.3.1.3 Data collection process**

A consumer research company Consulta Research assisted in contacting and communicating with the female respondents. An invitation was extended to all the female individuals on the research company's database who fell within the targeted age group. The research company was briefed on the purpose of the study as well as the questionnaire. A structured questionnaire (Addendum A) that assisted three simultaneous studies was developed. Three sections (Sections A, B and D) were relevant to this particular study.

In order to encourage respondents to complete the questionnaire, a leather handbag was included as an incentive and was part of a random draw which was only open to respondents who submitted the completed questionnaire. Electronic surveys enable the researcher to capture data straight onto an electronic computerised database, instead of transferring data from paper questionnaires, eliminating the use of paper and limiting mistakes. The advantages of the electronic survey process is that there is minimum costs involved, since there is no traveling required and respondents can complete the survey in their own time (De Vos *et al.*, 2014:190).

#### **4.3.1.4 Measuring instrument**

In this study, a self-administrated structured questionnaire, in the English language, was used. The questionnaire assisted three studies in gathering data, exploring the South African female consumer within the luxury exotic crocodile leather industry, containing seven sections (A-G). Sections A, B and D, were relevant to this current study (Table 4.1). The first part, section A, incorporated demographic and lifestyle information such as age, ethnic background, income level, willingness to buy an authentic/genuine leather handbag, willingness to buy an authentic/genuine leather purse, information source, and how often respondents travel overseas. Section B included a value perception scale adapted from Hennigs *et al.* (2012) that had been pre-tested in four countries. It was a four-point Likert-type scale with indicators "strongly disagree", "disagree", "agree" and "strongly agree".

**Table 4.1: Structure of the questionnaire**

SECTION	CONSTRUCTS MEASURED	MEASURING INSTRUMENT	QUESTION NUMBERS
A	Demographics and psychographics (Age, Ethnic background, Income level, An authentic/genuine leather handbag, An authentic/genuine leather purse, information source, How often do you travel overseas)		V1 – V7
B	Luxury value perceptions	Hennigs <i>et al.</i> (2012) value perception scale = 4-point Likert scale: 1 = strongly disagree, 4 = strongly agree	V8 – V29
C	Traceable information		V30 – V45
D	Purchasing intent	Spears & Singh's (2004) purchasing intent scale = 5-point Likert scale: 1 = never, 5 = definitely	V46 – V48
E	Knowledge – subjective knowledge		V49
F	Knowledge – objective knowledge		V50 – V59
G	Country of origin		V60 – V66

Likert-type scales test multi-dimensional attitudes and responses of the participants to certain items, using a collection of statements concerning the attitudinal object (Welman & Kruger, 2005:150). The scale tested four items, namely financial value perceptions, functional value perceptions, individual value perceptions, and social value perceptions. The values of Cronbach's alpha for the four items in Hennigs *et al.*'s (2012) study were 0.61, 0.70, 0.88 and 0.85 respectively. Cronbach's alpha reflected internal consistency. According to Salkind (2010:159), reliability is achieved when the coefficients are 0.7 or higher, and when it has a value of 0.90 it is considered a high coefficient. Section D included three statements from Spears and Singh (2004)'s purchasing intent scale that gauged the consumer's purchasing intent for luxury exotic crocodile leather accessories. Female respondents were asked to indicate on a five-point Likert-type scale their level of intention ranging from "never", "maybe", "not sure", "probably" to "definitely". The Cronbach's alpha calculated for the original scale was 0.97 (Spears & Singh, 2004).

### **Pre-testing the instrument**

A pilot study of 20 respondents was run to pre-test the questionnaire prior to the final data collection. This process aided in testing the length of the questionnaire, it helped in clarifying ambiguous questions, with addressing face and construct validities, and ensuring the relevance to the purpose of the study (Welman & Kruger, 2005:141).

### 4.3.2 Operationalization

**Table 4.2: Operationalization of research constructs/objectives**

<b>Objective 1: To determine which important value perceptions drive South African females' purchasing intent for luxury exotic leather accessories, specifically relating to</b>					
<b>SUB-OBJECTIVES</b>	<b>INDICATORS</b>	<b>DIMENSIONS</b>	<b>RELATIVE QUESTIONS</b>	<b>MEASURING INSTRUMENT</b>	<b>STATISTICAL ANALYSIS</b>
1.1 Functional value perception for exotic leather accessories	Usability Quality Uniqueness	Functional	Section B: V11, V2, V18, V24	Value perceptions: Hennigs <i>et al.</i> (2012) value perception scale = 4-point Likert scale: 1 = strongly disagree, 4 = strongly agree	Descriptive statistics: - Means - Percentages - Frequencies - Standard deviation Inferential statistics: - Cronbach's alpha - Factor analysis
1.2 Individual value perception for exotic leather accessories	Self-identity Hedonic Materialistic	Individual	Section B: V10, V13, V14, V19, V20, V25, V29		
1.3 Social value perception for exotic leather accessories	Conspicuous Prestige	Social	Section B: V8, V15, V16, V21, V22, V26, V28		
1.4 Financial value perception for exotic leather accessories	Price	Financial	Section B: V9, V17, V23, V27		
<b>Objective 2: To determine South African female consumer's purchasing intent for luxury exotic leather accessories</b>					
	<b>INDICATORS</b>	<b>DIMENSIONS</b>	<b>RELATIVE QUESTIONS</b>	<b>MEASURING INSTRUMENT</b>	
	Purchasing intent Exotic leather accessories	Purchasing intent Exotic leather accessories	Section D: V46, V47, V48	Purchasing intent: Spears & Singh's (2004) purchasing intent scale = 5-point Likert scale: 1 = never 5 = definitely	Descriptive statistics: - Means - Percentages - Frequencies - Standard deviation
<b>Objective 3: To determine the relationship between the South African female consumer's value perceptions and purchasing intent for exotic leather accessories</b>					
	<b>INDICATORS</b>	<b>DIMENSIONS</b>	<b>RELATIVE QUESTIONS</b>	<b>MEASURING INSTRUMENT</b>	
	Functional, Individual Pleasure, Individual Gifts, social and financial value perceptions; Purchasing intent	Functional value, Individual Pleasure value, Individual Gifts value, Social value and Financial value; Purchasing intent	Objective 1 versus 2 See dimensions above	The relationship between the exotic luxury female consumer's value perceptions and purchasing intent for exotic leather accessories: Spearman's correlation analysis (Weinberg & Abramowitz, 2002:139): -1 - 0 - +1 Cohen's d correlation analysis (Cohen, 1988)	Inferential statistics: - Spearman's correlation coefficient - Cohen's d correlation coefficient

### 4.3.3 Data analysis and data presentation

The completed questionnaires (337) were coded and Consulta converted the responses in the form of an excel data sheet, before the statistical analysis commenced. The coded questionnaires were captured by a statistician recommended by the Consumer Science Clothing Department. The data was checked to make sure that there were no entry errors.

Descriptive statistics involved the analysis of all the data, with frequency distributions determining the number of respondents for the demographic categories, the respondents' value perceptions, as well as their purchasing intent. The level of importance of the value perceptions and purchasing intent was also established. The final components, namely Functional, Individual Pleasure, Individual Gifts, Social and Financial value perceptions, as well as purchasing intent were grouped with data that represented each one. An aggregate score was calculated for each component through the means and the standard deviation of the variable groups. Standard deviations show how much the respondents of the sample group differed from the mean value for the group, expressed in numerical quantities (Wegner, 2013:79). The strength of the constructs in terms of their importance to the consumers was determined, using the aggregate score in the means procedure. The mean can also be referred to as the average which in this case is applied to numeric data (Wegner, 2013:64; De Vos *et al.*, 2014:96).

Inferential statistics offered a more powerful analysis, testing genuine patterns and correlations (Wegner, 2013:7). Exploratory factor analysis was done to analyse respondents' value perceptions (Leedy & Ormrod, 2005:274), and Cronbach alpha coefficients were then calculated. This was done to verify internal consistency of the data, i.e. reliability for internal consistency. A cut-off point of  $\alpha = 0.60$  (Zikmund & Babin, 2010:248) was adopted. A Spearman's correlation was run on the luxury value perceptions and purchasing intent to determine the strength of the relationship as well as to test the direction and significance of the relationship (Gravetter & Forzano, 2012:411). A correlation coefficient is a proportion that lies between  $-1$  and  $+1$  only, and the correlation coefficient is represented as  $-1 \leq r \leq +1$  (Wegner, 2013:307). Cohen's *d* correlation analysis was performed to determine the practical significance of the effect size, where  $d \geq 0.20$  indicate a small effect size,  $d \geq 0.50$  a medium

size effect and  $d \geq 0.80$  a large size effect (Cohen, 1988). In addition, SPSS software was used for Statistical analysis.

#### 4.4 MEASURES TO ENSURE QUALITY OF DATA

##### 4.4.1 Validity

**Validity** refers to the extent to which a measuring instrument or test adequately reflects what is intended to be measured (Gravetter & Forzano, 2012:107; De Vos *et al.*, 2014:172). There are four types of validity, namely content validity, face validity, criterion validity, and construct validity. Prior to the data collection process, content validity and face validity are usually established, and after the implementation of the measuring instrument, criterion validity and construct validity are established (De Vos *et al.*, 2014:172). **Content validity** was ensured by how well the content of the survey questionnaire represents the concepts being measured in the study (De Vos *et al.*, 2014:173). **Face validity** is used to assess whether the measurement technique measures what is intended to be measured (Gravetter & Forzano, 2012:108). The items in the questionnaire should cover the full range of issues at hand (Kumar, 2011:180; De Vos *et al.*, 2014:173). A comprehensive literature review was done on previously tested models and related concepts. A pilot study preceded the actual data collection process in order to eliminate any unclear questions. Validity was increased by using standardised and acknowledged scales to test all the concepts.

**Criterion-related validity** deals with the ability of a selected measurement or test to correctly predict the variable that is to be identified (Welman & Kruger, 2005:137; De Vos *et al.*, 2014:174). This study ensured criterion-related validity by initially providing an extensive literature review to consider all the aspects around the study topic. **Construct validity** refers to the degree to which a measuring instrument successfully measures the theoretical constructs within a research study (Welman & Kruger, 2005:135). Scales and measuring instruments that have been pre-tested in other countries were adapted and used for this study (Hennigs *et al.*, 2012; Spears & Singh, 2004). Likert-type scales are mostly used in research surveys involving consumer values (De Vos *et al.*, 2014:212).

##### 4.4.2 Reliability



In order to further ensure **reliability**, a dependable, consistent, stable, truthful measuring instrument was developed. The following were considered to increase the reliability of this study's measures (De Vos *et al.*, 2014:177):

- A professional, trusted and reputable institution, Consulta, headed the data collection process.
- The literature review served as a comprehensive background on the constructs and theories used in the study in order to eliminate vagueness and ambiguity.
- The analysis criteria prescribed standardised conditions and instructions under which the survey tests were to be taken and also ensured that all respondents meet the requirements before completing the questionnaire.
- Consistent scoring procedures were maintained during data capturing.
- A pilot study that acted as preliminary planning before the application of the final questionnaire enabled the elimination of ambiguous and unclear questions.
- Cronbach's coefficient alpha ( $\alpha$ ) was calculated on the items in the final study to establish internal reliability.
- Participation was voluntary and confidential.
- A transmittal letter accompanied the questionnaire which explained the purpose of the study.

#### **4.5 ETHICAL CONCERNS**

Social research fundamentally involves human participants. Researchers have the responsibility to the individuals as well as to the discipline of science to report accurate and honest research (Gravetter & Forzano, 2012:71). The obligation to protect the subjects against any harm, physically or emotionally, was fulfilled (De Vos *et al.*, 2014:115). Subjects who partook in the study were thoroughly informed about the reasons for the study prior to participation.

The Ethics Committee of the Faculty of Natural and Agricultural Sciences of the University of Pretoria was consulted before conducting the research. The research proposal and questionnaire were approved before data collection. Plagiarism was avoided by referencing

and acknowledging intellectual ownership of all information used for the study. A detailed reference list is included at the end of this document (De Vos *et al.*, 2014:293).

### **Collecting information**

The Questionnaire was sent out electronically to the respondents. Respondents were not exposed to unreasonable discomfort, harm, risks, or violations of their human rights. The request to complete the questionnaire was accompanied by an explanation on the relevance and usefulness of the research (Kumar, 2011:244-46; De Vos *et al.*, 2014:115-116).

### **Seeking consent**

During recruitment, all respondents were notified regarding voluntary participation and were not forced to participate in this research. Willingness and informed consent from the respondent were a priority before the research was conducted (Gravetter & Forzano, 2012:78). They were allowed to withdraw from the study at any point in time (De Vos *et al.*, 2014:117). Contact details remained confidential and were only used during the event of the random draw.

### **Maintaining confidentiality**

Confidentiality was guaranteed as well as treating the respondents' input with respect considering the voluntary nature of their involvement. Respondents were not pressured in any offensive way to complete questionnaires. The respondents were not forced to answer any questions that made them feel uncomfortable (Gravetter & Forzano, 2012:78; De Vos *et al.*, 2014:118).

## **4.6 SUMMARY**

The aim of this chapter was to describe the research methods and procedures used for the study. The development of the questionnaire based on the objectives, the collection of the data and the presentation thereof, as well as the ethical and quality issues, were discussed. The next chapter discusses the results and statistical findings of the study.

## CHAPTER FIVE

### RESULTS

*Chapter 5 presents the results of the study. All the findings were based on the aim of the study which was to explore and describe the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather products with the focus on exotic crocodile leather accessories. The questionnaire was distributed to female respondents and again gathered electronically, totalling 337 in number. It was required for all the respondents to have South African citizenship. The findings include demographics, luxury value perceptions and purchasing intent data and will be discussed and explained.*

#### 5.1 PROFILE OF THE SAMPLE

This section within the questionnaire dealt with the demographic data gathered from the respondents (N = 337). Section A contained questions V1 to V7, with V1 enquiring the age of the respondent, V2 enquiring whether the respondents were South African citizens, V3 enquired about their ethnicity, V4 enquired about the respondents' income, V5.1 and V5.2 enquired about the amount they are willing to pay when purchasing a handbag or a purse, V6 enquired their source of information, and V7 asked how often the respondents travel overseas.

##### 5.1.1 Demographic data

Table 5.1 presents the demographic data of the female respondents. Percentages were used to show the response distribution. The age category was classified into six groups, 18-25 yrs, 26-35 yrs, 36-45 yrs, 46-55 yrs, 56-65 yrs and 65 yrs+. The majority of the respondents (59.40%), were between the ages of 36 and 55 yrs (24.90% + 33.50%), with the 46-55 group presenting the highest percentage (33.50%). The findings show that the majority of the respondents fell within an age bracket where one can assume that a stable income is maintained which enables the respondents to purchase luxury products or brands.

All the respondent of the study were South African citizens: 14.2% were African, the majority (69.70%) were White, 6.20% were Coloured, 5.60% Indian, 0.90% Asian, and 3.30% of the respondents preferred not to state their ethnicity. The profile of the sample shows that respondents represented South Africa’s diverse population with respect to ethnic background, although the sample was predominantly white.

The findings revealed that a substantial number of respondents (42.50%) reported a monthly household income of between R40 000.00 and R100 000.00, while only a small percentage (6.80%) reported a monthly household income of more than R100 000.00. Most of the respondents therefore were in an income bracket that could have enabled them to purchase an exotic leather accessory. It is interesting to note that almost a fifth (19.00%) of the respondents preferred not to reveal their monthly household income.

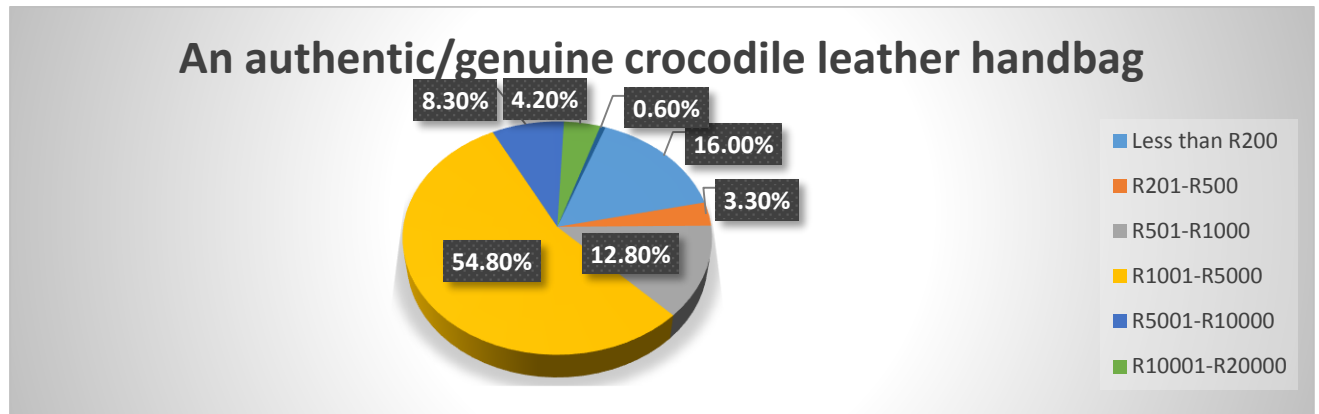
**Table 5.1: Demographic data**

Categories in questionnaire	Percentage (%)
<b>Age in years</b>	
18-25	2.10
26-35	19.00
36-45	24.90
46-55	33.50
56-65	16.90
65+	3.60
<b>Ethnic background</b>	
African	14.20
White	69.70
Coloured	6.20
Indian	5.60
Asian	0.90
Prefer not to say	3.30
<b>Monthly household income</b>	
R25 001 – R40 000	31.80
R40 001 – R60 000	22.60
R60 000 – R100 000	19.90
R100 000 +	6.80
Prefer not to say	19.00

**N = 337**

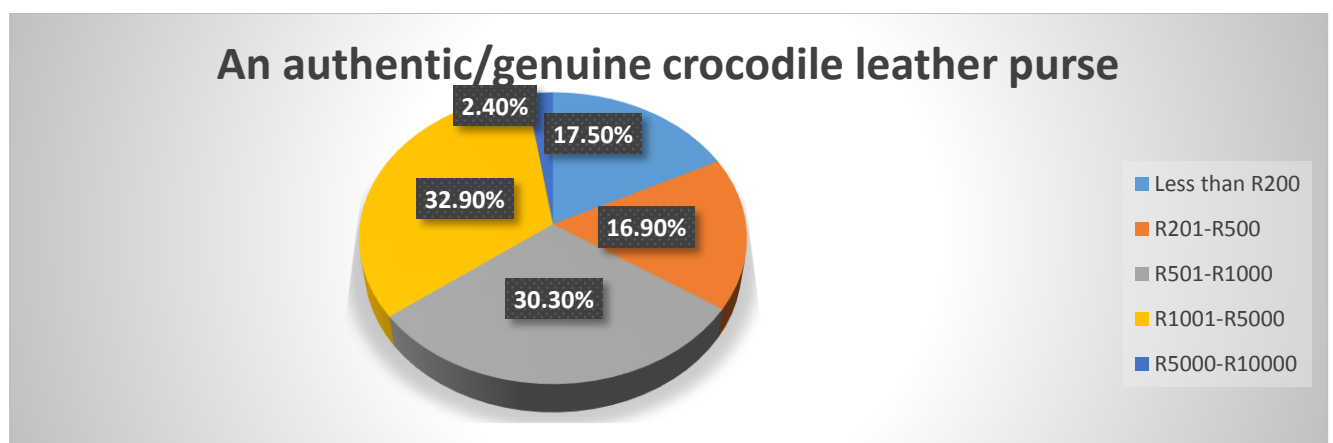
### 5.1.2 Lifestyle and behavioural information

Figure 5.1 presents the findings of the respondents' willingness to spend money on an authentic/genuine crocodile leather handbag. Most of the respondents (54.80%) were willing to spend only R1 001.00 – R5 000.00 on a crocodile leather handbag. Only 0,60% of the respondents were willing to pay R20 000.00 – R50 000.00 for an exotic crocodile leather handbag.



**Figure 5.1 Willingness to spend on an authentic/genuine leather handbag (N = 337)**

Information illustrated in Figure 5.2 indicates that the largest number of respondents (32.90%) were willing to pay R1 001.00 – R5 000.00 for an authentic/genuine leather purse, whereas 30.30% of the respondents were willing to pay between R501.00 R1 000.00. A total of 16.90% of the respondents were willing to pay only R201.00 to R500.00 and 17.50% R200.00 and less. It is clear that most of the respondents were not willing to spend market-related prices for a genuine crocodile leather handbag or purse.



**Figure 5.2 Willingness to spend on an authentic/genuine leather purse (N = 337)**

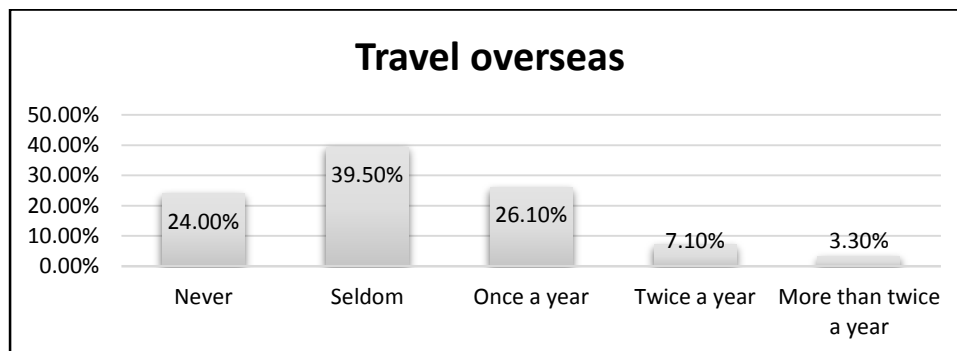
Table 5.2 presents the fashion information sources of the respondents. The respondents mostly gained information from in-store displays (247), 172 respondents used the internet as a source of information, 161 respondents used fashion magazines, 117 used social media, 115 used friends as a source of information, and 20 gained information from other sources.

**Table 5.2: Information source**

Categories in questionnaire	Frequencies
Fashion Magazines ( <i>Elle, Harper, etc.</i> )	161
Internet	172
Social media (Facebook, twitter, etc.)	117
In-store displays	247
Friends	115
Other	20

(N = 337)

Figure 5.3 shows the results for how often the respondents travel overseas. Of all the respondents, about 24.00% never travel overseas, the majority (39.50%) seldom travel overseas, about 26.00% of them travel once a year, while only 7.10% travelled twice a year, and 3.30% more than twice a year. The majority of the respondents who never or seldom travel overseas (39.50% + 24.00% = 63.50%) are therefore less exposed to overseas markets.



**Figure 5.3 How often do you travel overseas? (N = 337)**

## 5.2 RESULTS OF THE OBJECTIVES

The results are explained in this part of the chapter, according to the study's research objectives. Objective 1 with its four sub-objectives investigated South African female consumers' Functional value perceptions (sub-obj. 1), Individual value perceptions (sub-obj.

2), Social value perceptions (sub-obj. 3), and Financial value perceptions (sub-obj. 4) about luxury exotic leather accessories. Secondly, objective 2 determined the female consumers' purchasing intent for luxury exotic leather accessories, and lastly objective 3 explored the relationship between the female consumer's value perceptions and purchasing intent for luxury exotic leather accessories.

### **5.2.1 Objective 1: To determine which important value perceptions drive South African females' purchasing intent for luxury exotic leather accessories, specifically relating to Functional (sub-obj. 1), Individual (sub-obj. 2), Social (sub-obj. 3), and Financial (sub-obj. 4) value perceptions**

Section B in the questionnaire, which included questions V8 to V29, investigated objective 1, determining South African female consumers' value perceptions for luxury exotic leather accessories. An existing scale of Hennigs *et al.* (2012) was used. The data presented in Table 5.3 indicates the results of the factor analysis.

The outcome of the initial factor analysis identified five factors, as seen in Table 5.3, instead of the four factors of the original scale. One item, V9, 'Few people own a true luxury product', did not load on any factor and was omitted for further analysis. Factor loadings equal or greater than 0.50 are generally considered practically significant (Trochim, 2005:68-70). Some of the items had loadings lower than 0.50. The factors were then subjected to further reliability testing, and Cronbach's alpha, eigenvalues and the percentage variance were determined, after which the decision was taken to keep all remaining items and to accept the five-factor scale. Cronbach's alpha values of 0.84, 0.63, 0.84, 0.52, and 0.83 indicated internal consistency within the factors.

All seven items of Hennigs *et al.*'s (2012) social scale were assembled as factor 1 in this study, named Social. All four items of the original functional scale assembled as factor 2 in this study, were named Functional. Item 9 of the original financial scale was, as explained, omitted for further analysis. The remaining three factors were assembled as factor 4 in this study, named Financial.

**Table 5.3: Factor analysis of luxury value perceptions for luxury exotic leather accessories**

Statement	Factor				
	Factor 1 Social	Factor 2 Functional	Factor 3 Individual: Gifts	Factor 4 Financial	Factor 5 Individual: Pleasure
V22: It is important to know what others think of people who use certain luxury brands or products.	0,843				
V21: I like to know what luxury brand and product make good impressions on others.	0,760				
V26: I am interested in determining what luxury brands/products I should buy to make good impressions on others.	0,654				
V16: I pay attention to what types of people buy certain luxury brands or products.	0,642				
V15: To me, my friends' perceptions of different luxury brands or products are important.	0,582				
V8: It is important that others have a high opinion of how I dress and look.	0,473				
V28: If I were to buy something expensive, I would worry about what others would think of me.	0,382				
V12: I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand/product.		0,884			
V11: The superior product quality is my major reason for buying a luxury brand/product.		0,590			
V18: I am inclined to evaluate the substantive attributes and performance of a luxury product rather than listening to the opinions of others.		0,349			
V24: A luxury brand/product that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.		0,305			
V25: I view luxury brand/product purchases as gifts for myself to celebrate an occasion that I believe is significant to me.			-0,833		
V29: As a whole, I may regard luxury brands/products as gifts that I buy to treat myself.			-0,814		
V10: I view luxury brand/product purchases as gifts for myself to celebrate something that I do and feel excited about.			-0,631		
V23: A luxury product cannot be sold in supermarkets.				0,535	
V27: Luxury products are inevitably very expensive.				0,476	
V17: Truly luxury products cannot be mass-produced.				0,403	
V14: Purchasing luxury clothing makes me feel good.					-0,772
V19: Wearing luxury clothing gives me a lot of pleasure.					-0,623
V13: I derive self-satisfaction from buying luxury products.					-0,592
V20: When I am in a bad mood, I may buy luxury brands/products as gifts for myself to alleviate my emotional burden.					-0,304
<b>Mean</b>	2.09	3.18	2.88	2.91	2.62
<b>Std. Deviation</b>	0.54	0.47	0.65	0.54	0.65
<b>% Variance explained (Total: 57.80%)</b>	28.40	11.50	7.00	6.10	4.80
<b>Cronbach alpha</b>	0.84	0.63	0.84	0.52	0.83
<b>Eigen values</b>	6.20	2.50	1.50	1.30	1.10



The Hennigs *et al.* (2012) scale's individual factors were divided into two factors in this study. V10, V25 and V29 assembled as factor 3 in this study, named Individual Gifts, while V13, V14, V19 and V20 assembled as factor 5, named Individual Pleasure. It is interesting to note that in their first attempt to cluster luxury value perceptions, Wiedmann *et al.* (2009) had nine factors in their individual value dimension, one of which was called "Self-directed pleasure" and another was called "Self-gift giving".

The means of the five factors vary between 2.09 and 3.18 with acceptable standard deviations between 0.47 and 0.65. The percentage variance as explained is 57.80%, which is also acceptable. The following applied for purposes of interpretation of the means (M):

$M \geq 3.5$ : Very important/strong value perception

$M \geq 3 < 3.5$ : Important value perception

$M \geq 2 < 3$ : Weak value perception

$M \geq 1 < 2$ : Not important value perception

### **Functional value perceptions**

This factor consisted of four items that reflect the importance the respondents placed on superior product quality, the emphasis placed on quality assurance over prestige, on their inclination to evaluate the substantive attributes and performance rather than listening to the opinions of others, and the importance of their own quality standards in their purchasing behaviour.

The results show that Functional ( $M = 3.18$ ) was an important value perception ( $M \geq 3 < 3.5$ ,  $SD = 0.47$ ) for the respondents (Table 5.4), specifically in that they emphasize quality assurance rather than prestige when considering purchasing a luxury product ( $M = 3.34$ ), and that superior product quality is the major reason for them when buying a luxury product ( $M = 3.22$ ).

### **Individual value perceptions**

In this study the original Individual factor split into two factors, namely Individual pleasure and Individual gifts.

- Individual pleasure

This factor consisted of four items that reflect the importance that respondents placed on self-satisfaction when buying a luxury product, on purchasing luxury clothing that makes them feel good, on wearing luxury clothes because of the pleasure that they experience, and on buying a luxury product in order to get rid of an emotional burden.

According to the results, Individual pleasure ( $M = 2.62$ ) was a weak value perception ( $M \geq 2 < 3$ ,  $SD = 0.65$ ) for respondents (Table 5.4). Respondents indicated that they did not derive high self-satisfaction when buying a luxury product ( $M = 2.96$ ), that purchasing luxury clothing did not necessarily make them feel good ( $M = 2.80$ ), that wearing luxury clothing did not give them so much pleasure ( $M = 2.87$ ), and that they do not buy luxury products in order to alleviate them of an emotional burden ( $M = 2.10$ ).

- Individual gifts

Three statements were included in this factor which reflected the importance that the respondents placed on purchasing luxury items as a gift for themselves to celebrate significant occasions, on buying a luxury brand or product to treat themselves, and on purchasing luxury brands or products as a gift for themselves to celebrate something that they do and feel excited about.

The results show (Table 5.4) that Individual gifts ( $M = 2.88$ ) was a weak value perception ( $M \geq 2 < 3$ ,  $SD = 0.65$ ). Respondents did not necessarily view luxury brand or product purchases as gifts for themselves to celebrate what they do and feel excited about ( $M = 2.94$ ), nor did they view product purchases as gifts for themselves to celebrate an occasion that they believed was significant to them ( $M = 2.85$ ), and did not as a whole regard luxury brands or products as gifts that they would buy to treat themselves ( $M = 2.84$ ).

### Social value perceptions

The Social value perception factor had seven items that all tested the respondents' viewpoints on the importance of others, others' opinions, as well as respondents' concerns about impressing others with their luxury products and purchases.

Results for the Social value perception ( $M = 2.09$ ) show that it was a weak value perception ( $M \geq 2 < 3$ ,  $SD = 0.54$ ) for respondents (Table 5.4), specifically that it was not important to them what others think of those who use certain luxury brands or products ( $M = 1.99$ ), that they bought luxury products that would impress others ( $M = 1.92$ ), and that they would worry about what others would think when they bought something expensive ( $M = 1.85$ ).

### **Financial value perceptions**

This factor has three items that tested the respondents' Financial value perception, namely, their views on the statement that luxury products are inevitably very expensive, that they cannot be mass-produced and that they cannot be sold in supermarkets.

The results reveal that Financial ( $M = 2.91$ ) was a weak value perception ( $M \geq 2 < 3$ ,  $SD = 0.54$ ) for the respondents (Table 5.4), with only the statement that true luxury products cannot be mass-produced with an "important" score of  $M = 3.00$ .

The findings presented in Table 5.4 show that Functional value perceptions, with the highest mean score average of 3.18, are the most important and the only important luxury value perception of the respondents. Social values carried the lowest mean score of 2.09.



**Table 5.4: Luxury value perceptions of respondents**

Construct	Statement in questionnaire	Strongly disagree (%)	Disagree (%)	Agree (%)	Strongly agree (%)	Missing (%)	Strongly disagree + Disagree (%)	Strongly agree + Agree (%)	Mean	Std. Deviation
Functional V24	A luxury brand/product that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	5.3	13.9	50.0	30.5	0.3	19.2	30.8	3.06	0.81
Functional V11	Superior product quality is the major reason for buying a luxury brand/product.	2.4	7.4	55.9	34.0	0.3	9.8	34.3	3.22	0.68
Functional V18	Inclined to evaluate the substantive attributes and performance of a luxury product rather than listening to the opinions of others.	2.1	8.6	65.7	23.4	0.3	10.7	23.7	3.11	0.63
Functional V12	Place emphasis on quality assurance over prestige when considering the purchase of a luxury brand/product.	0.9	5.3	52.7	40.8	0.3	6.2	41.1	3.34	0.62
<b>Average</b>		2.7	8.8	56.1	32.2	0	11.5	32.5	3.18	0.47
Individual: Pleasure V20	When I am in a bad mood, I may buy luxury brands/products as gifts for myself to alleviate my emotional burden.	25.7	44.7	23.1	6.2	0.3	70.4	29.3	2.10	0.86
Individual: Pleasure V13	I derive self-satisfaction from buying luxury products.	9.8	25.4	50.3	14.2	0.3	35.2	64.5	2.69	0.83
Individual: Pleasure V14	Purchasing luxury clothing makes me feel good.	6.2	23.4	53.8	16.3	0.3	29.6	70.1	2.80	0.78
Individual: Pleasure V19	Wearing luxury clothing gives me a lot of pleasure.	3.6	22.5	57.1	16.6	0.3	26.1	73.7	2.87	0.72
<b>Average</b>		11.3	29.0	46.1	13.3	0.3	40.3	59.4	2.62	0.65
Individual: Gifts V25	I view luxury brand/product purchases as gifts for myself to celebrate an occasion that I believe is significant to me.	5.0	21.9	55.9	16.9	0.3	26.9	72.8	2.85	0.76
Individual: Gifts V29	As a whole, I may regard luxury brands/products as gifts that I buy to treat myself.	6.2	18.0	60.7	14.8	0.3	24.2	75.5	2.84	0.75
Individual: Gifts V10	I view luxury brand/product purchases as gifts for myself to celebrate something that I do and feel excited about.	4.4	16.3	59.5	19.5	0.3	20.7	79.0	2.94	0.73
<b>Average</b>		5.2	18.7	58.7	17.1	0.3	23.9	75.8	2.88	0.65
Social V8	It is important that others have a high opinion of how I dress and look.	13.3	31.1	43.8	11.5	0.3	44.4	55.3	2.54	0.86
Social V16	I pay attention to what types of people buy certain luxury brands or products.	25.7	44.1	24.0	5.9	0.3	69.8	29.9	2.10	0.85
Social V21	I like to know what luxury brand and product make good impressions on others.	18.3	52.4	24.9	4.1	0.3	70.7	29.0	2.15	0.76
Social V15	To me, my friends' perceptions of different luxury brands or products are important.	19.8	56.7	18.6	4.4	0.3	76.5	23.0	2.08	0.75
Social V26	I am interested in determining what luxury brands/products I should buy to make good impressions on others.	26.3	58.9	10.7	3.8	0.3	85.2	14.5	1.92	0.72
Social V22	It is important to know what others think of people who use certain luxury brands or products.	21.9	59.5	15.4	3	0.3	81.4	18.4	1.99	0.70
Social V28	If I were to buy something expensive, I would worry about what others would think of me.	25.7	65.4	6.8	1.8	0.3	91.1	8.6	1.85	0.61
<b>Average</b>		21.6	52.6	20.6	4.9	0.3	74.2	25.5	2.09	0.54
Financial V23	A luxury product cannot be sold in supermarkets.	3.0	37.3	39.6	19.8	0.3	40.3	59.4	2.77	0.80
Financial V27	Luxury products are inevitably very expensive.	1.5	23.7	49.7	24.9	0.3	25.2	74.6	2.98	0.74
Financial V17	Truly luxury products cannot be mass-produced.	1.8	20.7	53.3	24.0	0.3	22.5	77.3	3.00	0.72
<b>Average</b>		11.9	41.0	33.3	13.6	0.3	52.9	46.9	2.91	0.54

**N = 337**

## 5.2.2 Objective 2: To determine South African female consumers' purchasing intent for luxury exotic leather accessories

Table 5.5 presents the findings from Section D of the questionnaire, with question V46 to V48 exploring the female respondents' purchasing intent for luxury exotic leather accessories. An adapted scale from Spears and Singh (2004) was used in the questionnaire to investigate objective 2. A five-point Likert-type scale was used ranging from “never” and “maybe”, “not sure”, “probably” to “definitely”.

The following applied for the interpretation of the means (M).

$M \geq 4.5$ : Strong purchasing intent

$M \geq 3.5 < 4.5$ : Above average purchasing intent

$M \geq 2 < 3.5$ : Weak purchasing intent

$M \leq 2$ : Very weak – no purchasing intent

Results show that the respondents in this study had a weak purchasing intent for exotic crocodile leather accessories, with an aggregate mean score of 2.46, although quite a big standard deviation of 1.29.

The majority of the respondents reported that they would never at some point buy an exotic crocodile leather accessory (31.70%), ( $M = 1.26$ ), or at some point have the intention to buy an exotic crocodile leather accessory (31.70%), ( $M = 1.29$ ), or at some point have a purchasing interest in an exotic crocodile leather accessory (32.00%), ( $M = 1.32$ ).

Only 4.70% of the respondents at some point will ‘definitely’ buy an exotic crocodile leather accessory, 5.90% will have at some point the intention to ‘definitely’ buy an exotic crocodile leather accessory, and 8.00% will have at some point ‘definitely’ a purchasing interest in an exotic crocodile leather accessory.

**Table 5.5: Means and Standard Deviation for purchasing intent**

Construct	Statement in questionnaire	1 - Never (%)	2 - Maybe (%)	3 - Not sure (%)	4 - Probably (%)	5 - Definitely (%)	Missing (%)	Mean	Standard Deviation
Purchase intent v46	At some point buy an exotic crocodile leather accessory	31.70%	24.00%	18.60%	20.70%	4.70%	0.30%	2.43	1.26
Purchase intent v47	At some point have the intention to buy an exotic crocodile leather accessory	31.70%	23.40%	17.50%	21.30%	5.90%	0.30%	2.46	1.29
Purchase intent v48	At some point have a purchasing interest for an exotic crocodile leather accessory	32.00%	23.10%	17.80%	18.90%	8.00%	0.30%	2.48	1.32
<b>Average</b>		<b>31.80%</b>	<b>23.50%</b>	<b>17.97%</b>	<b>20.30%</b>	<b>6.20%</b>	<b>0.30%</b>	<b>2.46</b>	<b>1.29</b>

**N = 337**

It is however encouraging that a substantial percentage of respondents might in the future at some point buy an exotic crocodile leather accessory (24.00% + 18.60% + 20.70%) or at some point have the intention to buy an exotic crocodile leather accessory (23.40% + 17.50% + 21.30%) or at some point have a purchase interest to buy an exotic crocodile leather accessory (23.10% + 17.80% + 18.90%).

### **5.2.3 Objective 3: To explore the relationship between the female consumer's value perceptions and their purchasing intent for luxury exotic leather accessories**

Spearman's correlation coefficient was used to measure the strength of the correlation between the South African female consumer's value perceptions and purchasing intent for luxury exotic leather accessories, as described by Statistics Solutions (2016). A total of 337 respondents were involved in the calculation of the Spearman's correlation analysis.

**Table 5.6: Spearman's correlation coefficient of the relationship between the female consumer's value perceptions and purchasing intent for luxury exotic leather accessories (Statistics Solutions, 2016)**

(r)	Strength
0.0 < r < 0.19	Very weak
0.20 < r < 0.39	Weak
0.40 < r < 0.59	Moderate
0.60 < r < 0.79	Strong
0.80 < r < 1.0	Very strong

If  $r = 0.55$  it suggests a moderate positive correlation and  $r = -0.55$  a moderate negative correlation

**Table 5.7: Spearman’s correlation coefficient of the correlation between the female consumer’s value perceptions and purchasing intent for luxury exotic leather accessories**

		Purchase intent	
Spearman's rho	Social value perceptions	Correlation coefficient	0.281*
		Sig. (2-tailed)	0.000
		N	337
	Functional value perceptions	Correlation coefficient	0.113
		Sig. (2-tailed)	0.038
		N	337
	Individual Gift value perceptions	Correlation coefficient	0.252*
		Sig. (2-tailed)	0.000
		N	337
	Individual Pleasure value perceptions	Correlation coefficient	0.314*
		Sig. (2-tailed)	0.000
		N	337
	Financial value perceptions	Correlation coefficient	0.040
		Sig. (2-tailed)	0.469
		N	337

\*Correlation is significant at the 0.01 level (2-tailed)

Table 5.7 presents the Spearman’s correlation coefficient values. It shows that there was a highly significant ( $p \leq 0.01$ ) positive relationship that is weak (refer to Table 5.6) between Purchase intent and Individual pleasure ( $r = 0.314$ ,  $N = 337$ ,  $p = 0.000$ ), and a positive, very weak, yet significant relationship ( $p \leq 0.05$ ) between Functional value and Purchase intent ( $r = 0.113$ ,  $N = 337$ ,  $p = 0.038$ ). A positive weak, yet highly significant relationship ( $p \leq 0.01$ ) was also evident between Purchase intent and Social value perceptions ( $r = 0.281$ ,  $N = 337$ ,  $p = 0.000$ ), as well as between Purchase intent and Individual gifts ( $r = 0.252$ ,  $N = 337$ ,  $p = 0.000$ ). There was no significant relationship between Financial value and Purchase intent.

From what was discovered using Spearman’s correlation procedure, it is evident that the correlations were weak. As the size of the sample could have influenced the Spearman results, it was therefore decided to also calculate Cohen’s  $d$ . This can be used when comparing two

means and is simply the difference in the two groups' means divided by the average of their standard deviations. This was done in order to measure how practically significant the size of the effects were. Table 5.8 presents the general guidelines when interpreting the effect sizes.

**Table 5.8: Interpretation of  $r$  and  $d$  effect (Cohen, 1988)**

Relevant effect size ( $r$ )	Effect size threshold	Relevant effect size ( $d$ )	Effect size threshold
$\geq 0.10$	Low	$\geq 0.20$	Small
$\geq 0.30$	Medium	$\geq 0.50$	Medium
$\geq 0.50$	High	$\geq 0.80$	Large

**Table 5.9: Cohen's  $d$  analysis on the relationship between the female consumer's value perceptions and purchasing intent for luxury exotic leather accessories**

	$d$	Effect size ( $r$ )
<b>Social value</b>	-0.40	-0.20
<b>Functional value</b>	0.70	0.30
<b>Individual gifts value</b>	0.40	0.20
<b>Individual pleasure value</b>	0.10	0.10
<b>Financial value</b>	0.40	0.20

N = 337

Examining the results presented in Table 5.9, Cohen's effect size  $d$  suggested a medium practical significance (refer to Table 5.8) for the correlation between Purchase intent and Functional value perceptions ( $d = 0.70$ ), and a lower (small) practical significance for the correlation between Purchase intent and Individual gifts, Financial and Social value perceptions ( $d = 0.40$  in all three cases).

### 5.3 DISCUSSION AND INTERPRETATION

The purpose of the study was to explore and describe the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather products, with specific focus on exotic crocodile leather accessories. Vriens and Ter Hofstede (2000) define consumer values as relatively stable conditions as well as beliefs that have a strong motivational impact on consumers' buying behaviour. All trade-offs are made against these values. The first objective of the study was to determine the importance of South African females' value perceptions that drive their purchasing intent for luxury exotic leather



accessories, relating to sub-objective 1: Social value perceptions; sub-objective 2: Individual value perceptions, which were divided up into Individual pleasure and Individual gifts; sub-objective 3: Functional value perceptions; and sub-objective 4: Financial value perceptions.

There were five luxury value perceptions identified in this study, namely Social value, Individual pleasure value, Individual gifts value, Functional value, and Financial value. The study drew insight from the theoretical models of Hennigs *et al.* (2012) and Wiedmann *et al.* (2007, 2009, 2012). Their work involved aspects of four value perceptions, namely Financial value, Functional value, Social value, and Personal value (Individual), as well as antecedents of the these four dimensions that are determinants of luxury brand or product consumption. Conspicuous value and Prestige value are antecedents of Social value perceptions; Self-identity, Hedonic, and Materialistic values are antecedents of Individual value perceptions; Usability, Quality and Uniqueness value are antecedents of Functional value perceptions; and Price is an antecedent of Financial value perceptions.

In the current study one value perception stood out as most important to the South African female consumers, namely Functional. According to the model of luxury value perceptions by Hennigs *et al.* (2012), Functional dimensions include basic utilities and product benefits, such as the quality, uniqueness, usability, reliability and durability of a product.

Statements within the questionnaire that tested Functional values, questioned the respondents' view on superior quality, quality assurance, high quality standards, and substantive attributes and performance. Quality and product attributes and performance were therefore important indicators of the functional value. What stood out as most important in terms of functional value aspects was that the respondents' expected luxury brands or products to be of high quality and would not consider to purchase a product or brand if it did not adhere to luxury quality standards. This is in accordance with Hung *et al.*'s (2011) work, namely that quality is the main contributor to assist in satisfying consumers' needs to fulfil functional value.

Quality can be assessed by looking at two dimensions relating to attributes, namely the physical dimension and the performance dimension. The physical dimension has to do with

the product itself and influences the performance dimension, which has to do with what the product can do. When consumers consider buying a product, they base their decisions on their belief that the physical properties of the product allow for a desired performance outcome. Physical attributes can further be explained by intrinsic properties which include the design of an exotic crocodile leather accessory (is it practical or usable), the textile used to construct or decorate the accessory (is it durable and does it keep its appearance), the construction or how well the accessory is made, and the finishes applied to the accessory (the aesthetic appearance) (De Klerk & Lubbe, 2004). Most consumers, especially those who buy a product that is rare, do not have the knowledge to evaluate the physical attributes to predict important performance qualities (such as quality, uniqueness, usability etc.) that they desire, and therefore have to rely on external information, such as available product information or even brand name, that can assure them that the product possesses the necessary physical attributes (such as perfect construction, a genuine textile, etc.) that would satisfy their need for performance attributes (quality, uniqueness, etc.), and in the end meet their important value perceptions (in this case functional value perceptions (Hung *et al.*, 2011; Truong & McColl, 2011)).

Respondents in this study therefore would want an exotic leather handbag or purse to give them concrete pleasure in the sense that it must be practical, functional, big enough etc. Kim *et al.* (2010) and Truong and McColl (2011) found superior quality and functionality to be important motivators in both Western and Asian consumers' luxury consumption behaviour.

According to Vigneron and Johnson (1999), luxury brand-oriented consumers were defined by not only their interest in buying pleasure, perfection, exclusivity and rarity as a means to gain esteem and image, but also by the fact that psychological benefits or 'impressing others' served as the main motivator among luxury consumers (Wiedmann *et al.*, 2009; Hudders, 2011; Hennigs *et al.*, 2012). Contrary to this, the current study indicated that quality, performance and attributes (functional value) were the main drivers to the female consumers in this study.

The second objective explored the South African female consumers' purchasing intent for luxury exotic leather accessories. Purchasing intent, according to Hung *et al.* (2011), has to do

with the intention to obtain a luxury brand or product instead of owning it. Purchasing intentions also focus on intent rather than behaviour, and as part of the consumer decision-making process, the first signs of intent is when consumers show interest by seeking information about the product or brand (Hawkins *et al.*, 2004:27). However, in the current study Purchasing intent for luxury exotic leather accessories among South African consumers was weak, which is an indication that they would, due to many reasons, most probably not buy an exotic crocodile leather handbag or purse. One reason might be the price that is not affordable for them (most of the respondents were not willing to pay market-related prices for an exotic crocodile leather handbag or purse).

The third objective of the study explored the correlation between luxury value perceptions and Purchasing intent for luxury exotic leather accessories; for instance, were Functional value perceptions significantly related to the purchasing intent? Functionality, which was the only important luxury value perception for respondents in this study, had the highest, although medium, practical significant correlation with purchasing intent. According to Nkwankwo *et al.* (2014), important personal values are the driving forces behind purchasing intentions for luxury goods. Although the current study did not measure causality, the practical significant correlation between purchasing intent and the important functional luxury value perceptions, might be an indicator of the important role that functionality would play in the respondents' final decision to buy or not to buy an exotic crocodile leather handbag or purse.

#### **5.4 SUMMARY**

In this chapter it was determined that respondents valued functionality as an important dimension with regard to luxury products. It was further determined that the respondents had a weak purchasing intent for luxury exotic leather accessories, with functionality having the highest, although medium, practical significant correlation with respondents' purchasing intent. Conclusions on the findings and the managerial implications are presented in the next chapter.

## CHAPTER SIX

### CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

*In this chapter, the study's conclusions are presented in relation to the objectives, managerial and the theoretical contributions of the study. An evaluation of trustworthiness and the limitations to the study are discussed; a few recommendations are also made for future studies.*

#### 6.1 INTRODUCTION

The purpose of this study was to explore and describe luxury value perceptions that drive female South African consumers' purchasing intent for luxury exotic leather accessories, specifically exotic crocodile leather products. A social-cognitive perspective guided the theoretical framework of the study. Literature that covered the consumer's decision-making process, including consumer motives and value perceptions within a luxury context as well as purchasing intent, was discussed as points of departure (Chapter 3). The results and the interpretations thereof were then presented in Chapter 5.

In this chapter, the conclusions related to the objectives and the findings are given. The methodology of the study and the theoretical contributions of the study will also be evaluated, concluding with limitations and recommendations for future studies.

#### 6.2 CONCLUSIONS

Three hundred and thirty seven (337) females from across South Africa, who were above the age of 18 years, participated in this study. Twenty four point nine percent of the respondents were between the ages of 36 and 45 years, and 33.50% of the respondents fell in the age bracket 46 to 55 years. Of the study sample, 69.70% were White, 14.20% African, 6.20% Coloured, 5.60% Indian, 0.90% Asian, and 3.30% preferred not to divulge their ethnic group. All of the respondents had a monthly household income of above R25 000.00 per month, where 19.90% had a monthly household income of between R60 000.00 and R100 000.00, and 6.80% claimed to have above R100 000.00 household income per month. The study

highlighted that South African female consumers predominantly source information about exotic leather accessories from in-store displays, followed by the internet. A high percentage of respondents reported to seldom travel overseas (39.50%), 26.10% travel once a year, and 24.00% of the respondents never travel. The most that the majority of the respondents (54.80%) were willing to pay for a genuine crocodile leather handbag was R5 000.00, whereas 32.90% were willing to pay a maximum of R5 000.00 for a genuine crocodile leather purse.

### **6.2.1 Conclusions relating to Objective 1**

The first objective of the study was to determine which important value perceptions drive South African females' purchasing intent for luxury exotic leather accessories, specifically relating to:

**Sub-objective 1:** To determine Social value perceptions

**Sub-objective 2:** To determine Individual value perceptions

**Sub-objective 3:** To determine Functional value perceptions

**Sub-objective 4:** To determine Financial value perceptions

Although Wiedmann *et al.*'s (2007, 2012) scale measures four identified luxury value perceptions that drive luxury consumers' purchasing intent, five value perceptions (functional, financial, social, individual pleasure, and individual gifts) were identified in the current study, indicating that different consumer markets may perceive the value of luxury products differently. It can be concluded that only the functional luxury value perception was identified as a strong value perception that then most probably plays an important role in the exotic leather accessory purchasing behaviour of the female participants of this study.

The study pointed out the level of importance that the respondents placed on superior product quality, the emphasis placed on quality assurance over prestige, also their inclination to evaluate the substantive attributes and performance rather than listen to the opinions of others and the importance of their own quality standards in their purchasing behaviour. It can be concluded that respondents found Functional value to be more important to them when considering to purchase luxury exotic leather accessories. Social values such as others'

opinions, giving attention to what other people buy, what products make good impressions on others, other people's impressions, friends' perceptions and the effect that buying expensive products have on how others think of them, were less important.

### **6.2.2 Conclusions relating to Objective 2**

The second objective was to determine South African female consumers' purchasing intent for luxury exotic leather accessories. The findings indicated that female consumers do not have strong Purchasing intent for luxury exotic leather accessories. The respondents did, however, indicate that they might consider making a luxury exotic leather accessory purchase in the future.

### **6.2.3 Conclusions relating to Objective 3**

The third objective was to determine the relationship between South African female consumers' value perceptions and their purchasing intent for luxury exotic leather accessories. A highly practical and significant correlation was found between Purchase intent and Functional value perceptions. What this could mean is that uniqueness, quality and usability of a product are characteristics that clearly stand out to consumers as important considerations within the decision-making process.

## **6.3 MANAGERIAL IMPLICATIONS AND CONTRIBUTIONS OF THE STUDY**

The findings of this study can make an important contribution to South African retailers, brand managers and advertisers within the luxury exotic crocodile leather industry. Managers can incorporate their understanding of the consumer needs into the marketing tactics and messages such as in-store advertising, print advertising, TV advertising and social media, among others. The evidence suggests that the expectations of South African female consumers when making a decision to purchase luxury accessories tend to be focused on Functional values like quality, usability and uniqueness. Manufacturers and product designers can also take note of this, and should ensure that the values of the consumers are taken into consideration in order to maximise the ultimate value delivered by the supply chain. Quality, usability and uniqueness can be highlighted in marketing strategies or can be used to improve

products by paying attention to the design of an exotic crocodile leather accessory (is it practical or usable?), the textile used to construct or decorate the accessory (is it durable and does it keep its appearances?), the construction or how well the accessory is made, and the finishes applied to the accessory (the aesthetic appearance). All these aspects should be closely evaluated so that they are in line with what luxury consumers expect of luxury products.

Values vary across the globe, which means that marketing strategies should be adjusted based on the different consumer values within the relevant market (Evans *et al.*, 2009:30). With this in mind, the findings of this study indicate that local marketing strategies can focus more on quality assurance as well as on the substantive attributes and performance of the exotic crocodile leather accessories. According to Kim *et al.* (2010), quality in products, which is seen as part of the physical functional value of a product, can be used by marketers to increase the confidence of their consumers and so encourage purchasing intent.

According to the findings, genuine exotic crocodile leather accessories which are considered more affordable within the context of this study (R5000 or less), need to be made available to females, since the results indicated that the females surveyed were not willing to spend current market-related prices on exotic crocodile leather accessories. According to Euromonitor (2016c), the evolving middle class consumer are seeking more accessible luxury products and aspirational purchases at good value, which is in accordance with Yeoman (2010) who found that accessible aspirational considerations are an important segment of the evolving luxury consumer market. The need is therefore to adapt the offering in order to make the luxury accessories more accessible, but this also needs to be balanced with the promotion of aspirational products in order to influence and capture future sales of this evolving luxury consumer segment.

According to the discussion in Chapter 5, most consumers rely on external information to help them evaluate luxury products. Marketing efforts including product advertising could be strategized to utilise channels such as the internet and in-store displays in order to communicate with and reach the correct target segment.

As previously mentioned, the internet and in-store displays were the respondents' most preferred sources of information; therefore information specifically relating to Functional values, which include quality aspects such as design, construction, textiles used and finishes, uniqueness and usability facts, can be the focus of Internet advertising campaigns, in-store displays and product brochures.

#### **6.4 CONTRIBUTIONS TO THEORY**

The study presented here is one of the first in South Africa with the goal to define luxury value along the dimensions of consumers' perceptions of luxury accessories within the luxury exotic leather crocodile industry. Luxury value perceptions across the globe are not the same, as consumption across cultures differ (Wiedmann *et al.*, 2009). The study should provide insight into luxury value perceptions and which aspects are the most important for South African female consumers and their purchasing intent when making purchasing decisions to buy luxury exotic leather accessories.

Wiedmann *et al.*'s (2012) conceptual model encompassing the influential variables, namely Functional, Financial, Social and Individual value of luxury value perceptions, was used to examine this issue under study . The four value dimensions have various influences on an individual's behaviour and value perceptions, and so Wiedmann *et al.*'s (2012) conceptual framework can be used to identify different types of luxury consumers. This study has highlighted that Functional value perceptions were more important to the respondents. The study revealed that the respondents were not highly motivated to purchase luxury products based on the opinions of others or based on concerns about impressing others (Social value), the idea of purchasing a luxury item as a gift for themselves (Individual gifts), the importance of purchasing a luxury item to make them feel good (Individual pleasure), and the idea that luxury products are inevitably expensive (Financial value), but were rather motivated by the quality, substantive attributes and performance (Functional value) of a luxury product.

Contributions are also made to existing theory indicating the usefulness of Hennigs *et al.*'s (2012) value perception scale in the attempt to explore female consumers' perception of luxury values. According to Wiedmann *et al.* (2012), four value perception dimensions



(functional, financial, social and individual) are used to explore consumers' value-based drivers. However, this study found that the individual dimension could be subdivided into two, namely individual pleasure and individual gifts, which is in accordance with Hennigs *et al.*'s (2012) and Wiedmann *et al.*'s (2009, 2012) initial compiling of the final scale. The current study extracted five dimensions (functional, financial, social, individual pleasure, and individual gifts) that indicated that consumers of different cultures and countries may differ in respect of how they group a product's value qualities. Spears and Singh's (2004) purchase intent scale was employed and this should contribute to existing theory, highlighting the value of the scale and the contributions of the findings to purchasing intent for luxury exotic leather accessories.

## **6.5 EVALUATION OF THE RESEARCH**

Important evaluations of the research entail data analysis, quality of the study, achievement of the objectives, the research approach and strategy, the unit analysis, data collection techniques, and data analysis, in order to assist with future research studies that are similar.

### **6.5.1 Quality of the results**

Validity and reliability of the results ensured accuracy and consistency of the measurement tool and the concepts measured. By beginning the study with a comprehensive literature review and applying theories that have been used successfully before, validity and reliability were increased. Validity was ensured with the implementation of a pilot study as it assisted in pointing out any unclear and ambiguous questions. To increase reliability, a professional and reputable institution, Consulta Research, was used to head the data collection process, making sure to maintain consistent scoring procedures during data capturing. The measuring tool, a self-administered questionnaire which was distributed electronically, ensured validity by making sure the content represents the concepts of the study, utilizing standardised and acknowledged scales. Within the measuring tool, statements representing purchase intent and the different value perception constructs were sourced from previous research studies that were used and slightly adapted for this study. A transmittal letter was attached to the questionnaire, informing respondents of the purpose of the study. Cronbach's alpha was

calculated to ensure that the results were reliable. To further ensure reliability, participation was voluntary and the responses of the respondents were kept confidential.

### **6.5.2 Achievement of objectives**

The objectives of this study were all achieved. The measurement tool assisted in providing findings on female South African consumers' luxury value perceptions and purchasing intent, and the relevant relationships among the luxury value perceptions and their purchasing intent.

### **6.5.3 Research approach and strategy**

A quantitative research approach was followed for this study with the aim to explore and understand the luxury value perceptions that drive South African female consumers' purchasing intent for luxury exotic leather accessories. The survey used in this study was used for exploratory and descriptive purposes with the aim to gain information about a topic about which only limited or no research has been done (De Vos *et al.*, 2014:95; Welman & Kruger, 2005:18-19). A self-administered structured questionnaire was developed and sent out electronically in order to gather data. A trusted reputable consumer research company assisted in the data collection process.

### **6.5.4 Unit of analysis**

The unit of analysis for this study included South African female consumers of 18 years and older. The unit of analysis was reached using a consumer research company. Three hundred and thirty seven (337) completed questionnaires were collected. Ethnic groups including African, White, Indian, Asian and Coloured were represented in this study, although the majority of the sample unit were White.

### **6.5.5 Data collection techniques**

As was mentioned, a survey was done in the form of a self-administered structured questionnaire which was electronically distributed and collected. As discussed in Chapter 4, the questionnaire was an appropriate tool containing questions and statements from previous studies that tested similar constructs. The questionnaire consisted of seven sections

(Sections A – G). This questionnaire assisted three researchers in collecting raw data for three different studies relating to the luxury exotic crocodile leather industry within South Africa. Only three of the seven sections were relevant to the current study, namely Sections A, B and D. Prior to data collection, a pilot study was useful in eliminating ambiguous and unclear questions. The sampling procedure commenced in January 2016 and was concluded in March 2016. The raw data from the 337 completed questionnaire was obtained, processed and then captured, using numerical data capturing techniques. A transmittal letter accompanied the questionnaire, explaining the aim of the study and the voluntary nature of participation in the study. A leather handbag was included as an incentive and formed part of a random, lucky draw which was only open to respondents who had submitted the completed questionnaire. The privacy of the respondents was respected.

#### **6.5.6 Data analysis**

Empirical data was gathered and prepared for entry and analysis. The quantitative data collection procedure continued by coding the raw data and capturing it electronically. Statistical analyses of the captured data were completed by a statistician recommended by the University. Descriptive and inferential statistics enabled the researcher to calculate means, percentages, frequencies, and standard deviations as well as correlation coefficients and Cronbach's alpha in order to understand the characteristics of the sample.

Knowledge on the relevant literature that served as points of departure enabled the researcher, together with the advice of the study's supervisor, to draw conclusions and correct interpretations.

#### **6.6 LIMITATIONS**

Almost all the targeted females in the sample were white. This highlighted one of the limitations of this study, i.e. that it could not capture all the effects that culture and ethnicity could have had on the findings, thereby creating the opportunity for further explanatory analysis. As the sample included only female respondents, a study with similar research objectives could be conducted among male South African consumers, investigating their luxury value perceptions that drive their purchasing intent for luxury exotic leather

accessories. This study did not include the super-rich, rather those that are able to purchase affordable luxury goods that fall within the personal luxury goods segment (which includes luxury exotic leather accessories like handbags and purses etc.). A convenience sampling method was used and therefore the results cannot be generalised to the broader population.

## 6.7 RECOMMENDATIONS FOR FURTHER RESEARCH

This study can be extended to enhance the relevance of the findings:

1. One limitation is the fact that the study's sample population included a majority of white female South Africans (69.5%). In future research studies, it is recommended that ethnic groups be equally represented.
2. Luxury products are synonymous with expensive pricing, high standards, exclusivity and rarity (Deloitte, 2014). These are attractive aspects of luxury products accessible to mostly affluent consumers. The study presented female consumers with monthly household incomes starting at R25 000.00. The majority of the respondents reported a monthly household income of between R25 000.00 and R60 000.00. As an extension of the study, respondents with a higher monthly household income, and thus representing the South African affluent consumer group, should be included.
3. Research has indicated that 38% of consumers use online services to conduct research as preliminary steps towards purchasing a luxury product in countries like Italy, France, UK, Germany, US, Japan, China, Brazil, South Korea and Russia (Boston Consulting Group, 2015). For future studies, online luxury consumption in South Africa within the luxury exotic leather accessory industry, is recommended as study focus. Functional aspects of luxury exotic leather accessories are tangible attributes and therefore may be perceived differently when purchased online.
4. In the process of determining luxury consumers' purchasing intent, the study used the consumer decision-making process and highlighted intention (Ajzen, 1991; Hawkins *et al.*, 2004:27; Wang, 2014). This study's focus was therefore on needs, motives, values and value perception, bypassing other aspects within this process. Further research should be conducted to explore and investigate internal factors (attitudes) and

external factors (culture, marketing activities) (Hawkins *et al.*, 2004:27) that may influence female consumers' decision-making and purchasing behaviour.

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## ADDENDUM A: QUESTIONNAIRE



Dear

This one is for the ladies! Are you the kind of "*Fashionista*" who believes less is more or do you like to be known for your flamboyant fashion accessories? No matter your personal style, if you fancy leather, then this academic study is for you.

### **Did you know?**

"The leather industry generates more than \$53.8 billion US dollar worldwide each year."

In this short 5 minute study, we are interested in understanding your **buying behaviour** when shopping for leather products. Do you take the origin of the leather into consideration or do you perhaps find the brand name to be the deciding factor?

### **Up for grabs?**

By completing this study, you stand a chance of be awarded with a **FOSSIL leather handbag valued at R1500!**



Remember that you can also complete the questionnaire on your Smartphone or tablet and even

find it on your ConsultaPanel dash! Please be assured that all information will be kept confidential, so get started ASAP!

Ciao for now,

The ConsultaPanel Team



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What influences your leather buying behaviour? [English (South Africa)]

## Welcome to the "What influences your leather buying behaviour?" questionnaire.

Ladies, we are excited to hear your views and opinions regarding fashion!

After all "*Give a girl the right shoes and she can conquer the world*" as Marilyn Monroe once said.

We look forward to conquering all of these unanswered questions with your help!

Thank you again for your willingness to participate, please click "**Next**" to start the questionnaire.

(End of Page 1 )

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**Seeking Information.**

**Where do you seek information about the newest fashions in accessories?**

*You may choose more than one.*

- Fashion magazines (Elle, Harper, etc.)
- Internet
- Social media (Facebook, twitter, etc.)
- In-store displays
- Friends
- Other (please specify) \_\_\_\_\_

(End of Page 2 )

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**Travel Overseas.**

**How often do you travel overseas?**

- Never
- Seldom
- Once a year
- Twice a year
- More than twice a year

(End of Page 3 )

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**Section B: Statements.**

**Now please share your opinions with us regarding luxury brands and/or products.**

**Please think carefully and indicate how strongly you agree or disagree with the following statements:**

Please note the that there are no right or wrong answers.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
It is important that others have a high opinion of how I dress and look	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Few people own a true luxury product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I view luxury brand/product purchases as gifts for myself to celebrate something that I do and feel excited about	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The superior product quality is my major reason for buying a luxury brand/product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand/product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I derive self-satisfaction form buying luxury products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchasing luxury clothing makes me feel good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To me, my friends' perceptions of different luxury brands or products are important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I pay attention to what types of people buy certain luxury brands or products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Truly luxury products cannot be mass-produced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am inclined to evaluate the substantive attributes and performance of a luxury product rather than listening to the opinions of others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wearing luxury clothing gives me a lot of pleasure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(End of Page 4 )

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**Section B: Statements2.**

**Please think carefully and indicate how strongly you agree or disagree with the following statements:**

Please note the that there are no right or wrong answers.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
When I am in a bad mood, I may buy luxury brands/products as gifts for myself to alleviate my emotional burden	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to know what luxury brand and product make good impressions on others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to know what others think of people who use certain luxury brands or products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A luxury product cannot be sold in supermarkets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A luxury brand/product that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I view luxury brand/product purchases as gifts for myself to celebrate an occasion that I believe is significant to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am interested in determining what luxury brands/products I should buy to make good impressions on others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury products are inevitably very expensive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I were to buy something expensive, I would worry about what others would think of me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

As a whole, I may regard luxury brands/products as gifts that I buy to treat myself

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**Section C: Statements.**

Now let's focus on leather products, specifically a crocodile leather handbag. Even if you have no intention of buying a crocodile leather product, please imagine that you someday might and answer the following questions:

**How important would the following information be for you when you have to decide which crocodile leather handbag to purchase?**

*Please indicate the level of importance for the following statements:*

	<b>Of no importanc e</b>	<b>Somewha t important</b>	<b>Moderatel y important</b>	<b>Importan t</b>	<b>Extremel y importan t</b>
The farm the skin originates from	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The country the skin originates from	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The food that the animal was fed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The chemicals used during the tanning process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The country where the handbag was manufactured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The circumstances under which the	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



animal was  
farmed

How the animal was killed

The brand name of the handbag

The country where the brand originates from (country-of-origin)

The brand's stance on environmental issues

The brand's stance on animal cruelty

Environmental policy of the brand

Social development policy of the brand

Conservation policy of the brand

Materials that enclosures and finishes were manufactured of (e.g. real diamonds, silk, gold).

The brand's stance on child labour



(End of Page 6 )

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**Section D: Statements.**

**Please indicate in each case, your intention to buy at some point or another an affordable, exotic, crocodile leather accessory:**

**I will...**

	<b>Never</b>	<b>Maybe</b>	<b>Not sure</b>	<b>Probably</b>	<b>Definitely</b>
At some point buy an exotic crocodile leather accessory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
At some point have the intention to buy an exotic crocodile leather accessory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
At some point have a purchase interest for an exotic crocodile leather accessory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(End of Page 7 )

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**Section E.**

**Please indicate the degree of knowledge you have with regards to crocodile leather by selecting one of the options below:**

- A great deal
- Quite a lot
- A little
- Hardly anything
- Nothing

(End of Page 8 )

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**Section F.**

**Please answer the following questions as best as you can by selecting an option below:**

	<b>True</b>	<b>Not sure</b>	<b>False</b>
South Africa is known for its crocodile leather	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crocodile leather should regularly be conditioned	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country-of-origin is the most important indicator of the quality of crocodile leather products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A semi-gloss crocodile skin handbag is less durable than a high-gloss bag	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Finished crocodile leather products are only imported to South Africa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beeswax will harm crocodile leather products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crocodile leather should never be cleaned with a damp cloth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No stitched joints on a crocodile skin briefcase is an indicator of high-quality genuine crocodile leather	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The natural crocodile design on genuine crocodile leather is more regular than on stamped leather	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand name is the only indicator of genuine crocodile leather	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(End of Page 9 )

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**Section G.**

**Please indicate the level of importance of each of the following statements, that could play a role in your decision to buy or not to buy a specific exotic crocodile leather handbag:**

	<b>Of no importance</b>	<b>Somewhat important</b>	<b>Moderately important</b>	<b>Important</b>	<b>Extremely important</b>
That the country-of-origin be given	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



- That the country-of origin is an Eastern country
- That the country of origin is a Western country
- That the handbag was made in South Africa
- That the handbag was imported
- That the handbag was made in a Western country
- That the handbag was made in an Eastern country

(End of Page 10 )

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**21. What is the maximum amount that you are willing to spend on:**

An authentic/genuine crocodile leather handbag? \_\_\_\_\_

An authentic/genuine crocodile leather purse? \_\_\_\_\_

(End of Page 11 )

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## Demographics

*You're almost at the end. Please do not skip this section, our researchers live for statistical tidbits and this information is very important for the analysis of this study.*

*Demographics are used for statistical purposes only, under no circumstances will your personal details be shared with any third party.*

**Please complete / confirm your demographics below.**

### 17. Are you a South African Citizen?

- Yes
- No

Age category. **Which age category applies to you?**

*Please select the option that contains your current age.*

- < 18 Years Old
- Between 18 Years and 25 Years Old
- Between 26 Years and 35 Years Old
- Between 36 Years and 45 Years Old
- Between 46 Years and 55 Years Old
- Between 56 Years and 65 Years Old
- > 65 Years Old

Please specify your ethnicity. **Please specify your ethnicity:**

- African
- Asian
- Coloured
- Indian
- White

- Other
- Prefer not to say

Monthly household income. **Please specify your monthly household income before deductions:**

- R1 - R1000
- R1001 - R2500
- R2501 - R4000
- R4001 - R6000
- R6001 - R8000
- R8001 - R11000
- R11001 - R16000
- R16001 - R25000
- R25001 - R40000
- R40001 - R60000
- R60001 - R100000
- R100001 and more
- Prefer not to answer

(End of Page 12 )

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## ADDENDUM B: SIGNED DECLARATION OF AUTHENTICITY

UNIVERSITY OF PRETORIA  
FACULTY: Agriculture  
DEPARTMENT: Consumer Science

The Department of Consumer Science places specific emphasis on integrity and ethical behaviour with regard to the preparation of all written work submitted for academic evaluation.

Although academic personnel will provide you with information regarding reference techniques as well as ways to avoid plagiarism, you also have a responsibility to fulfil in this regard. Should you at any time feel unsure about the requirements, you must consult the lecturer concerned before you submit any written work.

You are guilty of plagiarism when you extract information from a book, article or web page without acknowledging the source and pretend that it is your own work. In truth, you are stealing someone else's property. This does not only apply to cases where you quote verbatim, but also when you present someone else's work in a somewhat amended format (paraphrase), or even when you use someone else's deliberation without the necessary acknowledgement. You are not allowed to use another student's previous work. You are furthermore not allowed to let anyone copy or use your work with the intention of presenting it as his/her own.

Students who are guilty of plagiarism will forfeit all credit for the work concerned. In addition, the matter can also be referred to the Committee for Discipline (Students) for a ruling to be made. Plagiarism is considered a serious violation of the University's regulations and may lead to suspension from the University.

For the period that you are a student at the Department Consumer Science, the declaration below must accompany all written work to be submitted. No written work will be accepted unless the declaration has been completed and attached.

I (full names): Sunette Scheepers

Student number: 13403398

Subject of the work: **Luxury value perceptions that drive South African female consumers' purchase intent for luxury exotic leather accessories**

### Declaration

1. I understand what plagiarism entails and am aware of the University's policy in this regard.
2. I declare that this dissertation is my own, original work. Where someone else's work was used (whether from a printed source, the internet or any other source) due acknowledgement was given and reference was made according to departmental requirements.
3. I did not make use of another student's previous work and submitted it as my own.
4. I did not allow and will not allow anyone to copy my work with the intention of presenting it as his or her own work.

### SIGNATURE

.....