



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA



GORDON INSTITUTE
OF BUSINESS SCIENCE

University of Pretoria

CONSUMER BEHAVIOUR OF THE BLACK MIDDLE CLASS WITHIN THE PASSENGER VEHICLE MARKET IN SOUTH AFRICA

Desagen Moodley

A research project submitted to the Gordon Institute of Business
Science, University of Pretoria, in partial fulfilment of the requirements
for the degree of Master of Business Administration.

November 2007

Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.

The objective of this research study was to determine the factors that influence the decision-making process of the black middle class when purchasing a passenger vehicle in South Africa.

Results of the study confirmed that the steps in the decision making process were followed by this segment of the population. Further analysis resulted in establishing both the product and situational factors that played a vital role in influencing the purchase decision.

It was concluded that the majority of the black middle class, purchase vehicles primarily out of necessity and circumstances. Information sources including but not limited to influential family members were extensively used by this segment, resulting in an informed decision. This study also established that extensive alternative evaluation of vehicle brand options were conducted by the black middle class. Risks factors were also determined which suggested a strong weighting towards financial implications of such a decision. The majority confirmed that that they were satisfied with their choices and the value derived from their purchases.

It was concluded that the same or a similar process of decision-making would be followed by the black middle class when purchasing a passenger vehicle.

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

Desagen Moodley
241125

14 November 2007

- To Lord Shiva for entering and seating himself permanently in my heart.
- To my supervisor Ricardo Machado, for his guidance, openness and inspiration in enabling me to focus on the completion of this research project.
- To the staff of the Information Centre for sourcing academic literature from the different universities.
- To my fellow MBA classmates for helping to distribute my survey and their support during the course of this research.
- To all the respondents for their time and effort in completing the survey.
- To the friends and family members that have offered advice and guidance during this study.
- To my parents Steve and Sally for their ongoing academic and spiritual support.
- To my brothers, Devan and Darisen for the exceptional and everlasting history we share and create.
- Finally, a special thank you, to my wife, who I owe a huge debt of gratitude to, for always being there, and for the many sacrifices and ongoing care, love, support and drive during the course of this study.

For Thanusha, for illuminating my life!



CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM	1
1.1 INTRODUCTION	1
1.2 RESEARCH TITLE	1
1.3 BACKGROUND TO THE RESEARCH PROBLEM.....	1
1.4 RESEARCH PROBLEM	5
1.5 RESEARCH OBJECTIVES	7
1.6 CONCLUSION AND LAYOUT OF THE STUDY.....	9
 CHAPTER 2: LITERATURE REVIEW.....	 10
2.1 INTRODUCTION	10
2.2 UNDERSTANDING CONSUMER BEHAVIOUR	11
2.3 CUSTOMER DECISION MAKING PROCESS	17
2.4 UNDERSTANDING CONSUMER BEHAVIOUR DIFFERENTLY	24
2.5 THE ROLE OF POSSESSIONS.....	27
2.6 LIVING STANDARDS MEASURES (LSM)	30
2.7 UNDERSTANDING CONSUMER BEHAVIOUR DIFFERENTLY	33
2.8 WHAT DOES MIDDLE CLASS MEAN?	35
2.9 LSMs AND THE BLACK MIDDLE CLASS.....	37
2.10 THE AFFLUENT BLACK MIDDLE CLASS	39
2.11 CONCLUSION.....	45
 CHAPTER 3: RESEARCH QUESTIONS	 48
3.1 INTRODUCTION	48
3.2 RESEARCH QUESTION 1	48
3.3 RESEARCH QUESTION 2	48
3.4 RESEARCH QUESTION 3	49
3.5 RESEARCH QUESTION 4	49
3.6 RESEARCH QUESTION 5	49
3.7 CONCLUSION.....	49
 CHAPTER 4: RESEARCH METHODOLOGY	 51
4.1 INTRODUCTION	51
4.2 UNITS OF ANALYSIS	53
4.3 POPULATION	53
4.4 SAMPLING METHOD.....	54
4.5 SAMPLING SIZE	56
4.6 DATA COLLECTION	58
4.7 DATA ANALYSIS	60
4.8 LIMITATIONS OF THE STUDY	61
4.9 CONCLUSION.....	62

CHAPTER 5: RESULTS	63
5.1 INTRODUCTION	63
5.2 SURVEY RESULTS	63
5.2.1 DEMOGRAPHIC INFORMATION	64
5.2.2 VEHICLE INFORMATION	65
5.2.3 PROBLEM RECOGNITION - RESEARCH QUESTION 1	77
5.2.4 INFORMATION SEARCH -RESEARCH QUESTION 2	85
5.2.5 ALTERNATIVE EVALUATION- RESEARCH QUESTION 3	99
5.2.6 PURCHASE- RESEARCH QUESTION 4	104
5.2.7 POST PURCHASE- RESEARCH QUESTION 5	111
5.3 CONCLUSION	117
 CHAPTER 6: DISCUSSION OF RESULTS	 118
6.1 INTRODUCTION	118
6.2 RESEARCH QUESTION 1	118
6.3 RESEARCH QUESTION 2	120
6.4 RESEARCH QUESTION 3	123
6.5 RESEARCH QUESTION 4	126
6.6 RESEARCH QUESTION 5	128
6.7 CONCLUSION	129
 CHAPTER 7: CONCLUSION	 130
7.1 INTRODUCTION	130
7.2 SUMMARY OF KEY FINDINGS	131
7.3 RECOMMENDATIONS TO STAKEHOLDERS	134
7.4 RECOMMENDATIONS FOR FURTHER RESEARCH	135
7.5 CONCLUSION	135
 WORD ANALYSIS	 137
 REFERENCES	 144
 APPENDIX A	 149
 APPENDIX B	 151
 APPENDIX C	 163

Table 1.1 - New Vehicle Sales	3
Table 2.1 - SAARF Universal LSM® Variables	31
Table 2.2 - Comparative Spending Power of Black Diamonds	39
Table 2.3 - Affluent Black Middle Class Segmentation	41
Table 4.1 - Average Demographic Profile of the Sample.....	58
Table 5.1 - Average Demographic Profile of the Sample	64
Table 5.2 - What brand of vehicle do you own now?.....	65
Table 5.3 - Passenger Cars New Vehicle Sales Statistics	67
Table 5.4 - Age when first vehicle was purchased	68
Table 5.5 - In what year was the vehicle purchased?	70
Table 5.6 - How long have you had your vehicle?	71
Table 5.7 - What brand of vehicle did you have previously?	72
Table 5.8 - Percentage of net disposable income spent	74
Table 5.9 - Which bank do you finance your vehicle with?	75
Table 5.10 - Problem versus desire to have something new	77
Table 5.11 - The Specific Factor that influenced the purchase	79
Table 5.12 - Marketing as an influencer	80
Table 5.13 - Was your choice based on the need to primarily change the brand?	81
Table 5.14 - Was your purchase in response to the vehicle's age?	82
Table 5.15 - How often do you change your vehicle?	83
Table 5.16 - How many different sources of information did you use?	86
Table 5.17 - What vehicle information sources did you use?	87
Table 5.18 - Do you believe you had all the information to make your decision?	88
Table 5.19 - How many brand choices were you considering?	89
Table 5.20 - Did you evaluate all brand alternatives you planned to?	91
Table 5.21 - How many dealerships did you visit before the purchase?	92
Table 5.22 - How many different brands of dealerships did you visit?	93
Table 5.23 - Risk Factors when purchasing the vehicle	95
Table 5.24 - How many people were influential in the choice?.....	96
Table 5.25 - Who was influential in the choice of vehicle?	97



Table 5.26 - How would you rate the level of personal influence?	98
Table 5.27 - What was the main reason for buying the vehicle?	99
Table 5.28 - What influenced your choice of brand?	100
Table 5.29 - Length of deliberation	101
Table 5.30 - Top 5 Product Factors	102
Table 5.31 - Top 5 Situational Factors	103
Table 5.32 - Did you understand the purchase transaction process?.....	104
Table 5.33 - Indication of level of involvement in the purchase decision	106
Table 5.34 - Will you purchase the same branded model in future?	107
Table 5.35 - What alternative brand would you buy?	108
Table 5.36 - Have you ever cancelled a deal?	109
Table 5.37 - Reasons for cancelling the purchase of the vehicle	110
Table 5.38 - Satisfaction levels of the decision	111
Table 5.39 - Does the current vehicle match your expectations?	112
Table 5.40 - How will you progress in future decisions?	114
Table 5.41 - Reason for brand choice	115
Table 5.42 - Do you believe your vehicle is value for money?	116
Table 5.43 - Time frame from thinking to delivery	117

Figure 2.1 - Customer Decision Making Process.....	19
Figure 2.2 - Sub stages of the Post Purchase Step.....	22
Figure 2.3 - Affluent Black Middle Class Segmentation.....	36
Figure 5.1 - Passenger Cars New Vehicle Sales Statistics.....	67
Figure 5.2 - Age when first vehicle was purchased.....	69
Figure 5.3 - In what year was the vehicle purchased?.....	70
Figure 5.4 - How long have you had your vehicle?.....	71
Figure 5.5 - Percentage of net disposable income spent.....	74
Figure 5.6 - Which bank do you finance your vehicle with?.....	76
Figure 5.7 - Problem versus desire to have something new.....	78
Figure 5.8 - Marketing as an influencer.....	80
Figure 5.9 - Was your choice based on the need to primarily change the brand?..	81
Figure 5.10 - Was your purchase in response to the vehicle's age?.....	82
Figure 5.11 - How often do you change your vehicle?.....	84
Figure 5.12 - How many different sources of information did you use?.....	86
Figure 5.13 - Do you believe you had all the information to make your decision?..	88
Figure 5.14 - How many brand choices were you considering?.....	90
Figure 5.15 - Did you evaluate all brand alternatives you planned to?.....	91
Figure 5.16 - How many dealerships did you visit before the purchase?.....	92
Figure 5.17 - How many different brands of dealerships did you visit?.....	93
Figure 5.18 - Risk Factors when purchasing the vehicle.....	95
Figure 5.19 - How many people were influential in the choice?.....	96
Figure 5.20 - How would you rate the level of personal influence?.....	98
Figure 5.21 - Length of deliberation.....	101

Figure 5.22 - Did you understand the purchase decision on process?.....	105
Figure 5.23 - Indication of level of involvement in the purchase decision.....	106
Figure 5.24 - Will you purchase the same branded model in future?.....	107
Figure 5.25 - Have you ever cancelled a deal?.....	109
Figure 5.26 - Satisfaction levels of the decision.....	112
Figure 5.27 - Does the current vehicle match your expectations?.....	113
Figure 5.28 - How will you progress in future decisions?.....	114
Figure 5.29 - Do you believe your vehicle is value for money?.....	116
Figure 5.30 - Time frame from thinking to delivery.....	117

LIST OF ABBREVIATIONS IN ALPHABETICAL ORDER

AMPS	All Media and Product Survey
BBBEE	Broad Based Black Economic Empowerment
EBA	Elimination by Aspects
EEA	Employment Equity Act
FMCSA	Ford Motor Corporation of South Africa
GDP	Gross Domestic Product
GMSA	General Motors South Africa
LSM	Living Standards Measure
NAAMSA	National Association of Automobile Manufacturers in South Africa
SAARF	South African Advertising Research Foundation
UCT	University of Cape Town
UNISA	University of South Africa
VW	Volkswagen

CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 INTRODUCTION

Chapter One provides an introduction to the research which includes but is not limited to, the title along with the background to the research problem. The research problem will then be examined, followed by the research objectives. The layout of the study concludes the chapter.

1.2 RESEARCH TITLE

Consumer Behaviour Of The Black Middle Class In The Passenger Vehicle Market In South Africa.

1.3 BACKGROUND TO THE RESEARCH PROBLEM

The buying power of the black middle class (defined in Chapter Two) draws a significant amount of interest given that this fast growing segment of the population is driving much of the country's economic growth. In 2006, an extra R60 billion rand was injected into the economy by the fast growing affluent African middle class (Naidoo, 2007). According to the Black Diamond 2007 survey, the black middle class is estimated to have an annual spending power of R180 billion. A report published by Research Surveys (2005) confirms that there has been a 368% increase in black households within the upper income bracket (i.e. those that earn R154,000 + per annum) between 1998 and 2004.

UNISA's Bureau of Market Research supports the above view, and estimates that the total buying power of black people as a proportion of total personal disposable income in the economy doubled between 1960 and 2003 to 46%, while that of whites dropped from 69 to 41 percent (Mawers 2004).

As the black population has become more affluent due to an improved social and economic climate, there has been a dramatic rise in their consumer spending (Mawers 2004).

This consumer spending by the middle class perspective is generally associated with the accumulation of assets i.e. property, homes, cars and electronics. The black middle class is no exception to this generalisation, especially when it comes to the purchase of assets with a high degree of social appeal, such as cars.

The results of a study conducted by the Unilever Institute of Strategic Marketing confirms the above statement, in that it reveals that the black African share of vehicle ownership has risen from 29% to 42% from 1994 to 2005 (Mataboge, 2005).

According to the report published by the National Association of Automobile Manufacturers in South Africa (NAAMSA), local sales within the new car market increased by an average of 4.8% year on year from 2004 (Vermeulen, 2006).

The motor manufacturing industry has seen record growth over the last four years.

This is highlighted below.

Table 1.1 New Vehicle Sales 1999-2007.

	1999	2000	2001	2002	2003	2004	2005	2006	2007
CARS									
Domestically Produced									
Local Sales	159 944	172 373	172 052	163 474	176 340	200 264	210 976	220 000	230 000
Exports (CBU)	52 347	58 204	97 599	113 025	114 909	100 699	113 899	145 000	150 000
Total Domestic Production	212 291	230 577	269 651	276 499	291 249	300 963	324 875	365 000	380 000
NAAMSA	29 426	51 749	67 008	68 128	70 919	100 889	165 869	175 000	185 000
Non-NAAMSA	25 000	10 000	12 500	10 000	11 000	26 500	43 023	69 000	70 000
Total Car Imports	54 426	61 749	79 508	78 128	81 919	127 389	208 892	244 000	255 000
TOTAL LOCAL CAR MARKET	214 370	234 122	251 560	241 602	258 259	327 651	419 868	464 000	485 000

Source: NAAMSA Industry Vehicle Sales 2006.

This has resulted in an increase in employment within the auto industry by 1664 jobs in the second quarter of 2006 (Vermeulen, 2006).

The exponential rise in the spending power of the black middle class, its high contribution to the gross domestic product within South Africa and the massive increases in car sales across the black middle class draws a significant amount of attention. This includes, but is not limited to the sales and marketing departments of automobile manufacturers in South Africa, who question how to gain access and be able to constantly influence this market as part of their strategic agenda.

It is uncertain as to whether vehicle manufacturers fully understand the consumer behaviour, increasing buying power and future potential of the emerging black middle class within the passenger car segment across the motor vehicle industry. The Journal of Marketing (2006) tends to support this statement by reporting that journalists, marketers and media owners have not seized the opportunity that exists with 79,3% of the population being black (Mawers 2004).

Vehicle manufacturers in South Africa have previously marketed to an existing white customer demographic, either because of income disparities or the exclusion of the black population under apartheid. In light of this, catalysing progress by way of marketing campaigns into this market segment has been slow. This has resulted in very little emphasis on demographic changes and/ or the dynamic changes in consumer behaviour within this industry.

However the exponential rise in the spending power of the black middle class has raised awareness as these manufacturers are now attempting to understand the consumer behaviour of the black middle class and are subsequently reviewing their strategies to capture more of this growing market. Purchasing a vehicle is generally seen as an infrequent purchase that involves complex decision-making. As such purchasing a passenger vehicle is viewed as a high involvement purchase.

Understanding what influences consumers' decision-making is critical for marketing strategies. These strategies are designed to influence consumers' affect and cognition.

Peter and Olson (2005), define affect as the feelings about stimuli and events, such as whether a consumer likes or dislikes a product. Cognition refers to consumers thinking, such as their beliefs about a particular product (Peter and Olson, 2005).

It is evident that these strategies must ultimately result in overt (directly observed) behaviour to have value for a company (Peter and Olson, 2005).

The consumer decision-making process in terms of whether to purchase a passenger vehicle or not is an important moment for most marketers. Examining the process to establish the factors that drive decision-making is vital in gaining an insight into consumer behaviour. Consumer behaviour according to Schiffman and Kanuk (2000) is not just about making a purchase decision or the act of purchasing, it also includes the full range of experiences associated with consuming the product.

1.4 RESEARCH PROBLEM

The basis of the research will focus primarily on understanding the decision making process of the black middle class within the passenger vehicle market. This will include, but not be limited to, each step of the decision-making process, as well as both the product and situational variables that drive the consumer behaviour of this segment of the population.

Given the above, the more fundamental question to be answered will be the relevance and or role of these product and situational factors in decision-making and the resultant choices.

In addition to what factors drive the purchase process, the rationale for the type of vehicle selected and purchased will be investigated. The post purchase experience in relation to the impact on the life style of the black middle class, when purchasing a passenger car will also be explored.

In researching the consumer behaviour of the black middle class, elements will be identified that may be of significant value to the marketing functions of the motor vehicle industry. It is anticipated that this report could contribute to the existing body of knowledge on the spending power of the black middle class as well as advance the knowledge on consumer behaviour of the black African middle class, specifically across the motor vehicle industry.

The University of Cape Town's (UCT) Unilever Institute of Strategic Marketing, as well as media survey companies such as Markinor, Research Surveys and similar market research companies, conduct research into consumer behaviour. It is evident from a report published by Jekwa (2007) that these surveys were never meant to identify broad economic and social trends. In essence these studies were market analyses aimed at fine tuning existing campaigns to a group of black consumers that is not fully understood, and despite their best intentions and efforts for the emerging black middle class, the analyses are incorrect on many levels.

It is uncertain as to whether vehicle manufacturers fully understand the consumer behaviour, increasing buying power and future potential of the emerging black middle class within the passenger car segment across the motor vehicle industry. The Journal of Marketing (2006) tends to support this statement by reporting that journalists, marketers and media owners have not yet seized the opportunity that exists with 79,3% of the population being black (Mawers 2004).

1.5 RESEARCH OBJECTIVES

The primary objective of this study is to investigate the consumer decision-making process of the black middle class in purchasing a passenger motor vehicle.

The secondary objectives linked to the customer decision making process are to:-

- Determine what factors result in the need to purchase a passenger vehicle by evaluating the problem recognition step of the decision-making process.
- Ascertain the sources as well as different types of information used during the information search step and the impact of this during the decision making process of the black middle class.
- Establish the product (brand, colour, performance, etc) and situational variables (e.g. interest rates, dealer location and reputation) that are important to the black middle class when purchasing a passenger vehicle during the alternative evaluation step of the decision making process.

- Evaluate the purchase step and illustrate the impact of this on the decision making process.
- Evaluate the decision making process, and the satisfaction of the product, post-purchase.

1.6 CONCLUSION AND LAYOUT OF THE STUDY

In this chapter, the topic was introduced along with the background and the research problem. An overview was presented of the passenger vehicle market sales. The research objectives were also stated.

Hence, this research will cover factors that influence the decision making process in the purchase of passenger vehicles and the impact of, and link into understanding, the consumer behaviour of the black middle class.

This chapter will be followed by Chapter Two which provides a theoretical background to the research in the form of a literature review that forms the basis for the study. The consumer decision making process as such will be explicitly explained. The literature will include but not be limited to, key definitions such as living standards measure, middle class and what does it mean to be black?

Chapter Three concisely sets out the research hypothesis. The four hypotheses to be tested cover the pre-decision activity, both product and situational attributes

respectively and finally the post-graduate study. Definitions of the above mentioned terms that are covered in the hypotheses will also be presented.

The Research Methodology will be covered in Chapter Four. Details of the unit of analysis, sample size and sampling method will be expressed. The data collection process along with the research instrument used will be specified. This will be followed by both the process of data analysis and the limitations of the study.

The results are illustrated in Chapter Five. This chapter includes the sample of the results, tables, graphs and figures. These are then linked to the hypotheses detailed in Chapter Three.

Chapter Six follows with a discussion of the results in terms of the research hypothesis. An in-depth insight into the findings in terms of the context of the study is presented. Finally, Chapter Seven, the conclusion, highlights the main findings of the research. Recommendations to stakeholders on the findings as well as highlights for future research studies will be presented.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The literature review offers the theoretical background to the research including definitions, frameworks, concepts and models. Definitions of what constitutes consumer behaviour, along with the consumer decision-making process, will be articulated. Further to the above, a different view of consumer behaviour will be offered along with the role and value of possessions. An insight into Living Standards Measures (LSM) will be covered. Definitions of “black” and “middle class” will also be stated. The literature will examine where the black middle class fits into the LSM category and how this is segmented. Included is an insight into the Black Diamond study as conducted by UCT’s Unilever Institute of Strategic Marketing.

The emerging black middle class has of late become the focus of much research in the private sector given the ownership, status and increase in purchasing power of the black population as outlined in the introduction. The emergence of the affluent black middle class may be attributed to the sanctioned increased employment ratio. This sanction can be primarily attributed to the formulation of state labour policies such as affirmative action covered in the Employment Equity Act (EEA) and economic ownership in the form of the Broad Based Black Economic Empowerment Act (BBBEE). These government acts are not the only pieces of

socio-economic legislation to address past racial imbalances in employment and economic distribution however.

In light of the above mention sanction there has been a 334% increase in black graduates over the last 14 years in both the public and private sector (Van der Berg, Nieftagodien and Burger, 2003). Expenditure patterns amongst black households in comparison to other race groups were highlighted by Van der Berg et al (2003), who indicate that Gross Domestic Product (GDP) growth has risen from 1.9% in 2001 to 5% in 2005, despite static or even slightly declining purchasing patterns of the South African white population.

2.2 UNDERSTANDING CONSUMER BEHAVIOUR

Peter and Olson (2005, p. 5) quote Consumer Behaviour as defined by the American Marketing Association as the “Dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives.” In other words, consumer behaviour involves thoughts and feelings people experience and the actions they perform in consumption processes as well as the environment that influences the above.

Consumer behaviour as defined by Schiffman and Kanuk (2000, p 5) “focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.”

According to Sheth, Mehta and Newman (1999), consumer behaviour are the mental and physical activities undertaken by household and business customers that result in decisions and actions to pay for, purchase and use products and services.

Mental activities included in the definition above involves assessing the suitability of a product or service brand, making inferences about a product or service's qualities from advertising information, and evaluating actual experiences with the product. Physical activities including visiting stores, reading consumer reports, talking to salespeople, and issuing a purchase order Sheth et al (1999).

Sheth et al (1999), go on to add that a customer is a person who plays a role in the consummation of a transaction with the marketer or an entity. There are at least three customer roles that can be performed, that of buyer, payer and user. The usage of the term (consumer) is seen more in textbooks than in practice.

The theory of planned behaviour, despite it being postulated in the early 1990s which could make it passé is still relevant. The above theory is an extension of the theory of reasoned action by Ajzen and Fishbein, 1980. The theory of planned behaviour has as a central factor the individual's *intention* to perform a given behaviour (Ajzen, 2002). Intentions are assumed to capture the motivational factors that influence behaviour provided that the behaviour in question is under volitional control. The performance of the behaviour is also dependant on non-motivational factors such as opportunities and resources, which together with the intention (motivation) to perform the behaviour results in success (Ajzen,1991).

The essence of this is that perceived behavioural control together with behavioural intention, can be directly used to predict behavioural achievement. The theory of planned behaviour is not merely about predicting behaviour however, but explaining it (Ajzen,1991). At the heart of this is the notion is that beliefs are formed about an object by associating it with certain attributes.

Lagrosen (2001) notes that customer behaviour research originated from a rational perspective. The rational perspective of customer behaviour research deals with the purchase of products only to satisfy actual needs.

More recently though, this one sided view has been replaced by more varied approaches that take into consideration the level of involvement and the influence of the environment, relations and social situation (Lagrosen 2001).

The argument put forward here is that customers no longer purchase products only to satisfy their needs but to express their personality and seek affirmation. This is especially true for more conspicuous items like cars. Social situations and events are seen as opportunities for consumers to exhibit their new purchases, particularly flamboyant purchases such as cars.

The experiential view first articulated by Hirschman in 1982 builds on the evolutionary nature of understanding customer behaviour. This is made evident by the fact that he postulates that the rational choice of consumer behaviour has evolved to a focus on irrational buying needs.

These irrational buying needs are addressed through what Hirschman (1982) argued as fun, fantasies and feelings (experiential view). In essence, the enjoyment offered by a product and the resultant feeling of pleasure play a vital role in consumer decision-making and consumption. In contrast, the information processing model views the consumer as a logical thinker who solves problems with purchasing decisions.

It is noteworthy however that Hirschman (1982) did indicate that while the conventional view of understanding customer behaviour is useful and still prevails, the experiential view supplements and enriches the understanding of consumer behaviour by creating a broadened view.

Much consumer research has focused on the tangible benefits of conventional goods and services (passenger vehicles) that perform utilitarian functions based on relatively objective features. However the experiential perspective explores the symbolic meanings of more subjective characteristics such as cheerfulness, sociability, elegance (Hirschman, 1982).

Teare (1998) suggested that the expectation of customers' are fed by the needs, motives and preferences that fuel the decision process. Therefore gaining insight into these needs, motives and preferences form a vital part of developing better ways of communicating value propositions and delivering satisfying experiences to customers.

The majority of consumer research has been hypothetical constructs. The definition of a construct as put forward by the American Heritage dictionary (2007) cites it as a concept, model, or schematic idea. The Oxford Dictionary (2003) indicates that the term is often used in sociology to refer to any theoretical concept. Examples of constructs include motivation, perception, learning, personality, attitudes and attitude change, social class, reference groups, cognitive dissonance and risk taking (Blackwell, 1970). These constructs are of significance even though each plays a limited role because consumer behaviour and decision making is influenced by a variety of factors interacting in complex ways. Yet few comprehensive models however, specifying construct interrelationships have been designed (Blackwell 1970).

One of the best known models of consumer behaviour which explains interactions, the theory of buyer behaviour, is that of Howard and Sheth which was first postulated in 1968. In practical terms, between the inputs (stimuli that the consumer receives from his or her environment) and outputs (the consumer's actions, as observable results of the input stimuli) of decision-making are the 'constructs', which are the processes which the consumer goes through to decide upon his or her actions. Howard and Sheth (2000) group these into two areas:

- perceptual - those concerned with obtaining and handling information about the product or service.
- learning - the processes of learning that leads to the decision itself.

In light of the above research, the consumer decision-making process is a process that the consumer goes through.

The pre-purchase stage of the decision process stated by Teare (1988) involves the customer's preference structure; information search behaviour, prior product experience, the extent of product involvement, the feeling of perceived risk (in the context of decision-making, risk is related to uncertainty about the product, particularly the financial and psycho-social consequences of the product purchased), the extent of role specialisation and the role of the decision rules in choice.

The relevance of the above impacts on the consumer decision-making process prior to the act of implementing the purchase decision. While a consumer's purchasing behaviour is determined by their characteristics, understanding how consumers buying behaviour unfolds ultimately impacts on how communications are structured and offered such that they resound with customers' decision making processes.

Blackwell's (1970) view, although dated, is later supported by Teare (1998), whereby the extent of information seeking and the importance of information sources vary from one type of decision to another as well as across products. Blackwell goes on to argue that the research to date suggests that the traditional convenience, specialty, and shopping goods typology has too wide an inter-category variation in behaviour. Future efforts using alternative conceptual

schemes or empirically derived conclusions should increase the progress of consumer research.

Teare (1998) goes on to add that continuous qualitative research is necessary to probe unconscious reason and behaviours. This view is keenly supported by Lagrosen (2001, p. 351) who postulates that Qualitative methods such as focus group interviews as well as in-depth interviews are a great source of knowledge and are practical and economically feasible". It has therefore been recommended that the use of several methods in combination, so called triangulation offers a more comprehensive picture in understanding customer behaviour.

The view presented by Lagrosen (2001), lends support to that of Teare (1998), who has emphasised that through these models the array of factors that influence consumer decision making have been established.

Now that a basic understanding of consumer behaviour has been illustrated, it is imperative that the consumer decision-making process is examined as it forms the paradigm for this study.

2.3 CUSTOMER DECISION-MAKING PROCESS

Sheth et al (1999) states that in individual decision-making, the three customer roles (buyers, payers and users) could all be played by a single individual, or each could be played by a different individual.

The buyer is the person who participates in the procurement of the product from the marketplace. The payer is the person who performs the role of financing the purchase and also imposes the relatively inflexible budget limits. The user role is the person who actually uses and derives the benefits or performance derived from the product or service.

As customers, each of the above role players face choices which call for decisions. Hence customer decisions are decisions customers make in the marketplace as buyers, payers and users.

Typically these decisions include *whether* to purchase, *what* to purchase, *when* to purchase, from *whom* to purchase and *how* to pay for it (Sheth et al, 1999). Whether to purchase something is the first level of decision that entails weighing alternative uses of money and time resources. Sheth et al (1999) go on to add that the product / service level choice is both a *whether* to and *what* to purchase decision.

Mental budgeting is an important aspect of customer behaviour particularly at the decision making level. Mental budgeting is defined as “the idea that customers mentally set aside budgets for product categories which guides their subsequent behaviour as customers” (Sheth et al, 1999 p. 518). The budget limit is relatively inflexible and as such imposes some self discipline on the user, whose needs and wants can sometimes be infinitely expandable as noted by Teare (1998) earlier.

Sheth et al (1999) illustrate that the customer makes another *what to purchase* decision in the form of a brand choice.

Figure 2.1 Customer Decision-Making Process



Source: Sheth, Mittal and Newman (1999, p. 529)

The process of customer decision making as shown in Figure 2.1 consists of five steps.

Step 1 - Problem recognition is a realisation by the customer that he or she needs to buy something to get back to the normal state of comfort - physically and psychologically. The problem recognition occurs due to an internal cue which comes from one's motives being in a state of unfulfillment or from external stimuli evoking these motives. Internal cues are states of discomfort, either physical or psychological (hunger and boredom, respectively). External stimuli are marketplace information items that lead the customer to realise a problem.

Step 2 – Information search involves the customer's search for information about various alternative ways of solving the problem. It is interesting to note that Sheth et al (1999) indicate that not every brand in existence of the product type is considered, but only a select subset of brands. The sources of information used depends on the customer's search strategy i.e. the pattern of information acquisition customers utilise to solve their decision problems. The information search stage involves several determinants such as perceived risk, involvement, familiarity and expertise, and functional versus expressive nature of products.

Perceived risk is the degree of loss (amount at stake) in the event that the wrong choice is made. Involvement on the other hand is defined as the perceived importance of the product or service. Familiarity and expertise is as a result of prior information acquisition and prior personal experience. The notion of functional versus expressive nature of products highlights the distinction that some products are bought primarily for their physical performance, whereas others are bought primarily or significantly for their social image or for their hedonic utilities (sensory enjoyment).

Step 3 – Alternative evaluation deals with how customers use the information gathered to arrive at a choice from several alternatives. These steps are referred to as "choice models".

There are two broad categories of choice models; compensatory and non-compensatory. In the compensatory model, the customer arrives at a choice by

considering all of the ~~attributes~~ and mentally trading off the alternative's perceived weaknesses on one or more attributes for its perceived strength on other attributes. An attribute is a quality or characteristic inherent in something or someone (American Heritage Dictionary 2007).

There are several non-compensatory models which makes it slightly more complex, however four are most common which include conjunctive, disjunctive, lexicographic and elimination by aspects.

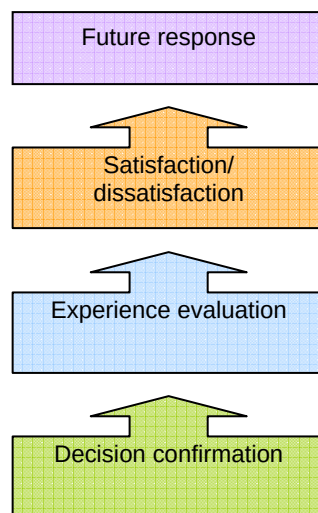
- The conjunctive model emphasises that the customer begins by setting the minimum cut-offs on all salient attributes.
- The disjunctive model entails trade-offs between aspects of choice alternatives.
- In the lexicographic model attributes of alternatives are rank-ordered in terms of importance.
- The elimination by aspects (EBA) model is similar to the lexicographic model but with one importance difference being that the customer rates the attributes in the order of importance and in addition, defines cut-off values.

The outcome of these evaluation processes is the identification of a preferred brand and the formation of purchase intent. Such a purchase intent is then implemented by the actual purchase act.

Step 4. – This is the purchase stage, whereby the customer makes the purchase of the product. Implementing the purchase entails arranging the terms of the transaction, seeking and obtaining the transfer of the title or ownership from the seller, paying for the product and receiving possession of the product.

Step 5 – Post-purchase experience. It is important to note that the customer's decision process does not end with the purchase. The post-purchase process includes four steps: decision confirmation, experience evaluation, satisfaction or dissatisfaction, and future response (exit, voice, loyalty).

Figure 2.2 Sub-stages of the Post Purchase Step



Source: Sheth, Mittal and Newman (1999, p. 548)

The figure above is a line diagram of the post purchase sub-stages. This is explained below in detail.

- Decision confirmation is the experience of an intense need to confirm the wisdom of that decision.
- Experience evaluation involves being conscious of the consumption experience, appraising and relishing it continually. This is generally associated with being enthusiastic about products. Cars present a good example of conscious evaluation during and after use. This is clearly made evident during car shows on television.
- Satisfaction or dissatisfaction involves the outcome from the experience. The theory indicates that satisfaction or dissatisfaction stems respectively from the confirmation or disconfirmation of actual performance versus expected performance.
- Future response: exit, voice and loyalty, follow from the experience of satisfaction or dissatisfaction. As such, customers have three possible responses: exit, voice, or loyalty. Exit involves changing the brand in question and never buying the brand again. The result is that the consumer has to go through the decision-making process all over again. Voice is generally associated with dissatisfied customers who may complain and then decide to exit or continue depending on the response received. Loyalty means that the customer buys the same brand repeatedly.

According to Sheth et al (1999) consumer behaviour is determined by an individual's character, demographics and motives.

An individual's character is the combination of qualities, traits or features that distinguishes one person from another (American Heritage Dictionary, 2007).

Demographics refer to the characteristics of human populations and population segments, especially when used to identify consumer markets. Demographics from a marketing perspective is normally defined as a target market which is a combination of socioeconomic factors such as age, income, sex, occupation, education, family size and the like (Barron's Dictionary, 2000). Demographics are a very important aspect of media planning in matching the media with the market.

Motives according to the American Heritage Dictionary (2007), is defined as an emotion, desire, physiological need, or similar impulse that acts as an incitement to action.

Understanding the consumers' decision-making process offers marketers and others the opportunity to structure and communicate their offerings in a manner that reverberates with consumers during this process.

2.4 UNDERSTANDING CONSUMER BEHAVIOUR DIFFERENTLY

Consumers tend to be rather unpredictable and as such are notoriously difficult to understand (Langford and Schultz, 2006). Further to that consumer's preferences and values are complex, often rooted in factors unbeknown to even themselves. It is therefore justified to state that consumers say one thing and then act in ways that appear contradictory. Langford and Schultz (2006) adopted the above view,

following research undertaken in 2009, the statistical analysis showed no correlation between brands favoured and the actual purchase patterns. This clearly demonstrates that knowing what consumers think and say is not the same as knowing how they will react to changes in product attributes or marketing messages.

Knowing the minds of consumers is only useful if it deepens one's understanding of their intentions, behaviour and how to affect it.

Dodd et al (1998) offer a narrow approach in understanding consumer behaviour by making reference to the influence of people on individual behaviour. His view focussed on customer behaviour in fashion retailing. Hence the theory has limited applications but does offer a useful framework with which to understand both collective large scale movements in trends and fashion cycles, as well as the individual decision-making processes employed in the adoption of a particular style. The highlight of examining consumer behaviour in this context is the ability to categorise consumers in terms of their purchasing behaviour, and that differentiating consumer groups has proven popular in the search for competitive advantages (Dodd et al, 1998).

Many theorists seek to explain consumer behaviour which has resulted in varying views and differing approaches.

The view offered by Marsden (1998) presents a fascinating paradigm for understanding customer behaviour that speaks of contagion as opposed to conscious choice. In psychological terms, “contagion”, as defined by the American Heritage Dictionary (2007), refers to the spread of a behaviour pattern, attitude or emotion/ emotional state from person to person or group to group through suggestion, propaganda, rumour or imitation. The challenge presented by Marsden (1998) is that explaining consumer behaviour in terms of psychological needs and wants of an internal self does not really explain customer behaviour at all, it just moves down the tedious road of infinite regression. Traditional techniques for understanding consumer behaviour and motivations are often based on a highly rationalised conception of the human mind. In other words, it is assumed that consumers consciously choose whether or not to adopt a particular product or service. Marsden (1998, p. 365) indicated that “An alternative approach based on contagion rather than conscious choice is more appropriate for understanding, explaining and predicting customer behaviour”.

In hoping to understand consumer behaviour, it is important to gain some understanding of the meanings that consumers attach to possessions given the consumer’s use of possessions to develop and maintain a sense of self-concept Belk (1988). The sense of self is a broad topic. It is however generally viewed as, how we define who we are. The formal definition of sense of self refers to the conscious reflective personality of a person (Wikipedia Encyclopaedia, 2007).

Consumers are surrounded by objects, and they use possessions every moment of the day. A large portion of people's time is spent acquiring goods or working to pay for them. Everyday discourse is frequently focused on products. Given the centrality of things in consumers' lives, it seems useful to question what meaning these things have and why are they so valued (Richins 1994).

The relationship between the sense of self and the role of possessions is important to understanding consumer behaviour says Belk (1988).

2.5 THE ROLE OF POSSESSIONS

A key to understanding what possessions mean is recognising that, knowingly or unknowingly, intentionally or unintentionally, we regard our possessions as part of ourselves (Belk 1988).

Tuan (1980) in Belk (1988, p.139) argues that "Our fragile sense of self needs support, and this we get by having and possessing things because, to a large degree, we are what we have and possess". That we are what we have is perhaps the most basic and powerful fact of consumer behaviour (Belk 1988).

The above premise is not new one. According to James (1890) in Belk (1988, p.139), "If we define possessions as things we call ours then we are the sum of our possessions".

The argument is complemented by the notion that the sense of self reaches a level of triumphant emotion if one's possessions wax (increase) and prosper. Should these possessions dwindle and die away, then the sense of self feels cast down, says Belk (1988). Belk (1988) argues therefore that possessions are an important component of sense of self and that it is relevant to the question of how we define who we are. Direct evidence of this as noted by Belk (1988) is found in the nature of self perceptions. In addition, evidence suggests that a diminished sense of self occurs when possessions are unintentionally lost or stolen.

From the above, one can deduce that the role of possessions, are a key factor in defining the self and creating a sense of identity. This is one school of thought as outlined by Belk (1988).

The value of possessions according to economics literature, places them within the context of exchange or trade; a goods value to a consumer is represented by the price s/he is willing to pay.

From a marketing standpoint goes Richins (1994) on to add that while value is examined from an exchange context, there is a slightly different perspective in that it emphasises consumers' perceptions of value. In this context, value is most frequently conceptualised as involving a relationship between quality received for price paid.

Richins (1994) provides a differing analysis in which quality is but one among several types of value that accrue from a marketplace exchange.

In essence, Richins (1994) argues that the value of possessions resides in their meanings. The implications of this meaning is important in understanding consumer behaviour.

Richins (1994) goes onto add that while such an approach might be appropriate for some possessions, there are several reasons to believe that economic value cannot fully capture the actual value of many of the objects owned by consumers.

It is a commonly held tenet that people have differing patterns of consumption, and value the attainment of possessions in different lights and progress through various life stages. The South African Advertising and Research Foundation's (SAARF) life stages are defined as progressing from being single to married with no children, married with young children, married with older children, married middle-aged with no children at home and older families (SAARF Lifestages 2007).

These life stages include consumers with differing purchasing habits and people dynamics. In attempting to make sense of the various segments much insight has been derived across each of these regarding the allocation of resources, changes in consumer behaviour and values. The Living Standards Measure is once such segmentation tool.

2.6 LIVING STANDARDS MEASURE (LSM)

The South African Advertising Research Foundation's (SAARF) Living Standards Measure (LSM) has become the most widely used marketing research tool in Southern Africa.

According to Haupt (2006), when thinking about any population it is important to understand that although people are very diverse, they do have certain commonalities. What is required from a market segmentation tool such as the LSM is to create an index that will differentiate between people with different behaviour patterns and group together those people with similar behaviours. The LSM index was designed to profile the market into relatively homogeneous groups (SAARF, 2006). It is based on a set of marketing differentiators which group people according to their living standards, using criteria such as degree of urbanisation and ownership of cars and major appliances (assets). LSMs bring together groupings of people out of the total population continuum into contiguous and sometimes slightly overlapping groups.

Essentially, the LSM is a wealth measurement based on standard of living rather than income. In 2001 following extensive analysis of the LSM, the joint SAARF Councils voted to implement the new SAARF Universal LSM® from the All Media and Products Study (AMPS) 2006, based on universally applicable variables only.

AMPS is a comprehensive and sophisticated survey product that covers all traditional media as well as products and services.

The SAARF LSM variables are presented in Table 2.1 which shows the total number of variables used to determine a person's LSM category. This has been extended from 20 to 29 variables to give finer definition to the scale. The LSM categories are calculated using these variables.

Table 2.1 SAARF Universal LSM® Variables

1	Hot running water	16	Less than 2 radio sets / household
2	Fridge/freezer	17	Hi-fi/music centre
3	Microwave oven	18	Rural outside Gauteng/W.Cape
4	Flush toilet in/outside house	19	Built-in kitchen sink
5	No domestic in household	20	Home security service
6	VCR	21	Deep freezer
7	Vacuum cleaner/floor polisher	22	Water in home/on plot
8	No cell phone in household	23	M-Net/DStv subscription
9	Traditional hut	24	Dishwasher
10	Washing machine	25	Electricity
11	PC in home	26	Sewing machine
12	Electric stove	27	Gauteng
13	TV set	28	Western Cape
14	Tumble dryer	29	Motor vehicle in household
15	Home telephone		

Source: South African Advertising Research Foundation Living Standards Measure (2007)

In the new SAARF Universal LSM, the population continuum is divided into ten groups, i.e. LSM levels from 1 at the bottom end, to 10 at the top.

Appendix A includes a “Do-it-Yourself LSM Classification” assessment that is used for establishing LSM categories.

A common view taken in the South African market is that LSMs are the 'polite' way of talking about race. However, this was never the aim and race has never been used as part of the LSM at all. It is true that initially LSMs did correlate highly with race, with most blacks falling into LSM 1 to 6, and the higher LSMs being multiracial. This, however, is because LSMs reflect the reality of South Africa - they weren't created to obscure it but to reflect it.

Another misconception is that LSMs can be used as a psychographic or attitudinal measure. LSMs can tell a marketer that those in LSM 10 for example, have more commodities than others.

It is important to remember that the SAARF Universal LSM is only one possible way of segmenting the South African market and that there are many other ways which could and should be considered for the best definition of the target market in South Africa.

The use of the LSM tool forms the basis in terms for determining the level at which vehicle ownership is prevalent. This is particularly relevant for this study, as it offers a possible insight into establishing the LSM level that could signify the beginning of the middle class.

Given the fact that this study has as its target population the black middle class, it is befitting that the definition of each of these terms are illustrated.

2.7 WHAT DOES MIDDLE CLASS MEAN?

While the focus of this study is the black middle class, other socio-economic class levels need to be made mention of in order to understand the distinction and contextualise what it means to be middle class.

As such the definition of lower, upper and middle class will be respectively expressed.

The meaning of “class” is a social stratum whose members share certain economic, social or cultural characteristics. This origin of a class based society which has a deep rooted history in Europe during the Industrial Revolution will not be examined further, as it is out of scope of this study and as such one would question its relevance (American Heritage Dictionary, 2007).

Lower class is defined as the working people with the least money that occupy the lowest socio-economic position in a society. A common term is the working class or blue collar workers (American Heritage Dictionary, 2007).

Upper class refers to the highest socio-economic class in a society (American Heritage Dictionary 2007). This term generally refers to those members of society that own the means of production, distribution and the institutions that make it possible for them to maintain that level of economic control.

Substantive wealth one could argue could define what is perceived as the elite (American Heritage Dictionary, 2007).

Middle class is a term that is often used but is rarely explicitly defined. This is partly due to the fact that social hierarchies and their definitions vary.

The term middle class in South Africa refers to status rather than the social class. However if one was to rank this in terms of class, it would fall between the nobility and peasantry (Cashell, 2007).

There are many factors that can define the middle class of a society. These factors include but may not be limited to money, behaviour, and heredity. Money has recently been used to define the level in the social hierarchy. The middle class are distinguished from the lower/ working class by occupation and education.

Middle class refers to the socio-economic class between the lower class and the upper class, usually including professionals, highly skilled labourers and lower and middle management (Cashell 2007).

People are judged to be middle class more by their degree of economic independence, consumption habits, physical conditions and education levels rather than their relationship to the means of production. In light of this one could loosely apply the term “white collar workers” to the middle class. For the purposes of this study the above mentioned categorisation of people into the middle class as a definition would apply (Cashell 2007).

The definition of a class-based society as well as what it means to be middle class can be traced back to Europe. The definition of black from a racial context is more rooted in South African political history.

2.8 WHAT DOES IT MEAN TO BE CATEGORISED AS BLACK?

Who is a Black South African? This naïve question has become a never-ending quest in South Africa when seeking to differentiate the different shades of black that exist. Socio-political analysts argue in indisputable terms that “Black” refers to groups of people that were previously known as Bantu, Coloured or Indian (Malinga 2005).

The above view in terms of the definition is one that is relatively dominant across the various labour legislations in South Africa.

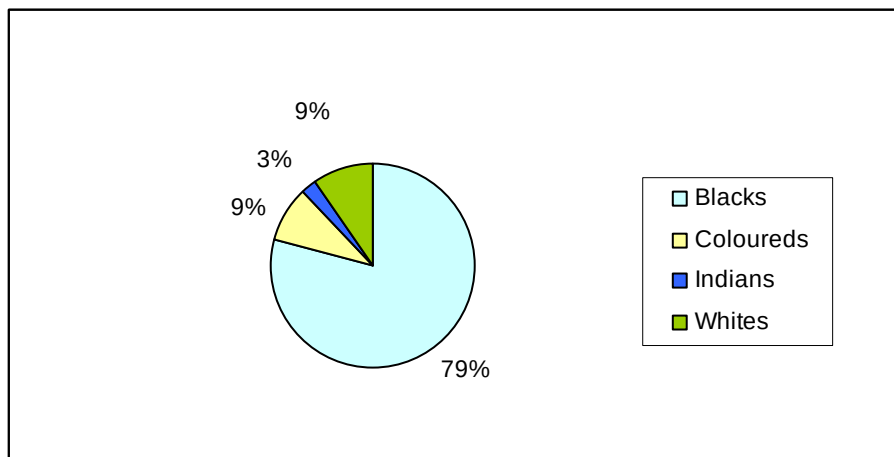
The Employment Equity Act (EEA) No 55 of 1998 defines “black people” as a generic term that includes African, Coloured and Indians.

“Black people” as defined by the Broad-Based Black Economic Empowerment Act (BBBEE) of 2003 is noted as generic term that includes “Africans, Coloureds and Indians”.

'Right-wingers' argue for a more purist approach to defining different races in South Africa. Arguments are against a "one-size-fits-all" type of definition (Malinga 2007).

In keeping with the purists' approach, the vast majority of statistics on population demographics illustrate four race groups. Interesting to note is that it is common that the generic definition of Black is not used in these instances.

Figure 2.3 South African Population (46.6 million) by Race



Source: South Africa at a Glance 2005-2006

For the purpose of this study the purist approach will be adopted whereby Black will be defined as what was previously known as Bantu and more recently what the EEA and BBBEE refer to as African as part of their generic definition of Black.

In the definitions cited above of the LSM classifications, middle class and black can now be merged to formulate the notion of where the black middle class fits into the LSM categories as well as the levels which demonstrate vehicle ownership.

2.9 LSMs AND THE BLACK MIDDLE CLASS

While most blacks were initially categorised as falling in LSM levels 1-6, the rise of the black middle class has no doubt graduated many into a much higher level.

Black ownership of vehicles has contributed positively towards many being categorised into upper LSM levels.

While income was not considered in the LSM tool, it is vital as a variable, particularly given the nature of the asset being purchased. According to the LSM classification vehicle ownership only begins at LSM level 6. It is therefore relevant to begin at this point.

According to AC Nielsen (2006), the SAARF Universal LSM level 6 indicates that about one in ten South Africans own a car. Level 6 accounts for 12.5% of the adult population defined as aged 16 and over. At this level, the average household income stands at R3,897 per month (SAARF 2006).

6.3% of the adult population has some form of insurance. At this level only one third of the 6.7% own a vehicle and nearly half have some form of insurance. Average household income climbs to R5,859 (SAARF 2006).

LSM level 8, which accounts for 5.8% of the population, has an average household income of R8,053 per month. Vehicle ownership as well as some form of insurance product increases to approximately half of this group (SAARF 2006).

LSM level 10 (4.9% of the population) has the large majority owning a vehicle with an average household income is R15,931 per month (SAARF 2006).

It is evident that it is difficult to precisely segment the black population according to a specific LSM level in terms of vehicle ownership given the varying levels of vehicle ownership across LSM level 6 to 10.

In light of the overlap of LSM levels which includes all race groups, it proves difficult to offer a precise illustration of where the affluent black middle class fits into the LSM categories. The Black Diamond study conducted by UCT's Unilever Institute has managed to segment this affluent class. It may then be useful to review what could arguably be the affluent black middle class and in doing so define this segment of the black population.

2.10 THE AFFLUENT BLACK MIDDLE CLASS

Black diamonds are South Africa's fast growing, affluent black African middle class and given that this segment accounts for 12% of black consumers and 54% of black buying power is extraordinary (Simpson 2007).

Table 2.2 illustrates the point above in tabular format which illustrates the comparative spending power of the Black Diamonds in relation to white South Africans as well as the total black South Africans.

Table 2.2 Comparative Spending Power of Black Diamonds

Annual Claimed Buying Power	Last Quarter 2005 Estimate	First Quarter 2007 Estimate
Whites	R 230 billion	R 235 billion
Blacks: Total	R 300 billion	R 335 billion
Black Diamonds	R 130 billion	R 180 billion

Source: Simpson (2007)

This segment if not already will become the target market of the future. (Simpson, 2007). A stable and growing middle class is important for sustaining the economy and country.

According to Simpson (2007), this segment consists of several layers of people: the segment consists of:-

- wealthy or well-salaried people,
- people in "suitable" occupations who are not so well-off,
- well-educated people still on the upward climb,
- younger people with a very positive and go-getting view on life who still have the time, energy, desire and drive to better themselves.

Mataboge (2006) estimates that there are about two million people aged 18 years and over who fit into the Black Diamond segment in South Africa's metropolitan areas, with approximately a quarter of these live in suburbia and about three-quarters live in the townships. But where they live is not always a reflection of their mindsets, especially when it comes to their roots and origins.

It is this group that is responsible for some R130 billion (22%) of the claimed annual R600 billion in cash buying power that the total of all South Africans have (Research Surveys, 2006). This figure has grown by 30% from 130 billion at the end of 2005 to 180 billion in 2007 as illustrated in Table 2.2 above and Chapter One (Simpson 2007).

This new middle class (Black Diamond) market has been segmented by UCT's Unilever Institute of Strategic Marketing into four super-segments that can be further divided into seven sub-segments. The table below illustrates the segmentation which is followed by the explanation.



Table 2.3 Affluent (Diamond) Segmentation according to Collective Spending Power – 2005

Affluent Black Middle Class Categories. Super-segment	Sub- segment	Age	Marital Status as a Majority Indicator	Population of this segment	Percentage as a representation of the Black Diamond Population	Buying Power per segment	Buying Power in Rands
Establisheds		35-49	Married	780 000	39%	58%	75 billion
	<i>Status Quo</i>	<i>Oldest in the group</i>	<i>Married</i>	<i>355 000</i>	<i>18%</i>	<i>22%</i>	<i>28 billion</i>
	<i>Future Focus</i>	<i>Professionals</i>	<i>Single/ Married</i>	<i>425 000</i>	<i>21%</i>	<i>36%</i>	<i>47 billion</i>
Young Families		Less than 35	Single/ Married	444 000	22%	20%	25 billion
	<i>Status Quo</i>	<i>Not defined</i>	<i>Single</i>	<i>240 000</i>	<i>12%</i>	<i>7%</i>	<i>9 billion</i>
	<i>Future Focus</i>	<i>Not defined</i>	<i>Single/ Married</i>	<i>200 000</i>	<i>10%</i>	<i>13%</i>	<i>17 billion</i>
Start-Me-Ups		18-29	Single	430 000	21%	19%	28 billion
	<i>Status Quo</i>	<i>Not defined</i>	<i>Single</i>	<i>270 000</i>	<i>14%</i>	<i>11%</i>	<i>14 billion</i>
	<i>Future Focus</i>	<i>Not defined</i>	<i>Single/ Married</i>	<i>160 000</i>	<i>8%</i>	<i>8%</i>	<i>11 billion</i>
Mzansi Youth		Less than 25	Single	350 000	18%	3%	4 billion
Total				2 004 000	100%	100%	132 billion

Source: Mataboge (2006)

The table above offers a segmented view of the affluent black middle class.

The four super segments are:-

- The Establisheds
- Young families
- Start-Me-Ups
- Mzansi Youth.

Each of these has two sub-segments except for the last segment (Mzansi Youth).

This is illustrated below.

- **The Established** are mainly 35 to 45, who are married with school-going children. They are the wealthiest and best educated. They consist of 780 000 people (39% of the Black Diamonds), contributing 58% of the Black Diamond buying power or R75 billion (Mataboge 2006).

There are two-sub-segments of the Establisheds.

a. Those preferring the *status quo* - the oldest group, with strong township roots (though 19% live in the suburbs), comfortable and settled and the most conservative in their money management. They consist of 355 000 people (44% of the Established, 18% of the Black Diamonds), contributing 22% of the buying power at R28 billion (average monthly income R6,900) (Mataboge 2006).

b. Those with a *future focus* - the most affluent group with many professionals, highly optimistic and driven, with a greater propensity to invest in property and be more financially active. They have the highest car ownership and consist of 425 000 people (56% of the Established, 21% of Black Diamonds) contributing 36% of the buying power at R47 billion (average monthly personal income R10,000). A third live in suburbs (Mataboge 2006).

- **Young families** - According to Mataboge (2006), most of this predominantly more female group have young children, mostly under the age of six. Half are single, a third live with their parents and they consist of 440 000 people (22% of Black Diamonds contributing 20% or R25 billion of the segment's buying power).

Again, two sub-segments emerge:

- a. Those preferring the *status quo* - the group with the strongest township roots (though 18% live in the suburbs), the least financially savvy and least well-educated with a strong female slant. They consist of 240 000 people (55% of the Young Family segment, 12% of the Black Diamonds), contributing 7% of the buying power at R9 billion (average monthly personal income of R3,400) (Mataboge 2006).
- b. Those with a *future focus* - they are better educated, mostly in full-time employment and are the most goal-orientated segment with the highest propensity for financial risk and interest in (suburban) property. They have the highest need for credit and consist of 200 000 people (45% of the Young Family segment, 10% of Black Diamonds) contributing 13% of the buying power at R17 billion (average monthly personal income of R7,200). 81% still live in the townships but many of these will move to suburbia as soon as they can (Mataboge 2006).

- **Start-Me-Ups** says Mataboge (2006) are youngsters starting out and on the way up: most are single and childless and in the 18 to 29 year age group with a male and white-collar job bias. They like fun and parties and they make up 430 000 people (21% of Black Diamonds) and contribute 19% or R28 billion in terms of buying power.

The two sub-segments here are as follows:

- a. Those preferring the *status quo* - a strongly male group, 78% live in the townships and will probably stay there (even suburb dwellers have a strong township orientation). They are the least optimistic group and are less well-educated with a strong Johannesburg bias. They consist of 270 000 people (63% of the Start-Me-Ups, 14% of the Black Diamonds), contributing 11% of the buying power at R14 billion (they have an average monthly personal income of R 4,700).
- b. Those with a *future focus* - gender is more even in this group. They are better educated with better jobs - most work full-time - and are very positive about their future, with an understanding of investments and financial risks. They consist of 160 000 people (37% of the Start-Me-Ups, 8% of Black Diamonds) contributing 8% of the buying power at R11 billion (average monthly personal income of R6,000) (Mataboge 2006).

- **Mzansi Youth** – this last segment is primarily young, single students with low incomes (R800) and living with their parents. However, they are very optimistic, physically the fittest and the most active with clear plans to further their education. They enjoy the lack of restrictions that they find in the townships. They make up 350 000 people (18% of Black Diamonds) but contribute just 3% of the buying power (Mataboge 2006).

Black Diamonds have been identified as the target market of the future. Therefore understanding heterogeneity and different mindsets is vital particularly as they will probably become more complex and fragmented in the future, (Mataboge 2006).

2.11 CONCLUSION

The impact of the theory of consumer purchasing behaviour and consumer decision-making, as well as the notion of what drives the choices of the black middle class in not only selecting a motor vehicle but what impact and symbolism that choice represents and has on their lifestyle and psyche, will form the basis of the research and is the primary objective of this study.

Choice influences how passenger motor vehicles are marketed and the impact it has on organisations being able to transform themselves to service the black middle class in understanding not only their spending power but what are the influences and the rationale for certain product offerings.

The challenge would therefore be to determine how the black middle class formulate and reach the choices they make of passenger motor vehicles and the symbolic representation of products they purchase and the impact of these on their lifestyles given the meaning, role and value motor vehicles have come to have in the new found luxury of a middle class lifestyle.

Taking into consideration both the definition of the SAARF LSM levels and what constitutes the affluent Black middle class, it is evident that the range of this segment of the black population in terms of economic power as well as vehicle ownership is extensive.

Therefore, the conclusion would result in the income per month of what constitutes the black middle class as ranging from R3,400 per month (LSM level 6) to R10,000 and above per month (Establisheds and the Future Focus Group). Vehicle ownership across LSM levels 6-10 will raise the profile of this targeted demographic and as such be a differentiating factor that will no doubt attract attention from marketers and the like.

It is important to note that while this may be the range of the emerging black middle class, it is fair to assume that the upper echelons of this segment as noted in LSM level 10 would be the sample of the population that would be predominantly vehicle owners due to affordability constraints given the cost implications of such an asset.

Following from this it is reasonable to assume that this segment would engage in general purchasing decisions more often given the relatively higher levels of disposable income and the historical statistically verified buying power as demonstrated above.

In Chapter Three we will examine the research questions.

CHAPTER 3: RESEARCH QUESTIONS

3.1 INTRODUCTION

The aim of the research as pointed out in Chapter 1 is to understand the decision making process of the black middle class within the passenger vehicle market and to establish the product and situational variables that influence this segment of the population in purchasing a passenger vehicle.

Chapter Three states the precise purpose of the research, which is defined using research questions. According to Zikmund (2003), a research question is the researcher's translation of the business problem into a specific need for inquiry.

3.2 RESEARCH QUESTION 1

What are the factors that occur during the problem recognition step of the decision making process that contribute to the need to purchase a passenger vehicle?

3.3 RESEARCH QUESTION 2

What are the sources and types of information used during the information search step and the impact of this on the black middle class in influencing this segment to purchase a passenger vehicle?

3.4 RESEARCH QUESTION 3

What are the product (brand, colour, performance, etc) and situational factors (e.g. interest rates, dealer location and payment period) that influence the black middle class when purchasing a passenger vehicle?

3.5 RESEARCH QUESTION 4

What are the significant aspects during the purchase step of the decision making process that have influenced as well as contributed positively to the purchase experience of the black middle class?

3.6 RESEARCH QUESTION 5

What are the elements that are seminal in the post purchase experience and how does this impact on future decisions by the black middle class to purchase a passenger vehicle?

3.7 CONCLUSION

It is envisaged that the traditional method of understanding customer behaviour i.e. variables that relate to customer demographic data, past consumer behaviour and the passenger car industry's familiarity of the customer, may continue to apply.

This research will test the research questions whether this is in fact true or whether the emergence of the black middle class has fundamentally altered the perception of what drives consumer decision making when purchasing passenger vehicles.

Hypotheses were not used as tests due to the absence of two or more variables that are needed to test for relationships, variances in means/median or causal effects. There are no dependant or independent variables which makes it difficult to test any hypothesis.

From a marketing perspective the question that requires most attention will undoubtedly be, 'What product and situational factors drive decision making of the black middle class within the passenger vehicle market?' Factors that impact the decision making process during the problem recognition, information search step and post-purchase step will be also be investigated.

The above questions have been expanded into a research questionnaire which will be discussed in Chapter Four, which examines the research design.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

The research design as defined by Zikmund (2003) is the master plan specifying the methods and procedures for collecting and analysing the needed information. It is the framework or blueprint that plans the action for the research project.

The goal of this study was to investigate whether there are significant situational or product factors that influence the decision-making process of the unit of analysis in question.

In order to achieve the objectives of the research, a quantitative research methodology was followed.

Quantitative research is the systematic scientific investigation of properties and phenomena and their relationships. Neill (2006) defines quantitative research as the collection of numerical and statistical data. The objective of quantitative research is to develop and employ mathematical modes and theories pertaining to natural phenomena (Neill, 2006).

Statistics is the most widely used branch of mathematics within quantitative research. Quantitative research using statistical methods typically begins with the collection of data based on theory, followed by the application of descriptive or inferential statistical methods.

In opinion surveys, responses are asked about structured questions and their responses are tabulated. This was the approach followed in this study.

Quantitative methods are research methods dealing with numbers and anything that is measurable. Counting and measuring are common forms of quantitative methods with the result of the research being a number or a series of numbers. These are often presented in tables, graphs or other forms of statistics (Wikipedia 2007). This study was conducted using the above quantitative method.

The reason why a qualitative approach was not followed was due to the fact that qualitative results are more difficult to aggregate and therefore make systematic comparisons. It can also be difficult to replicate research due to the lack of structured design or standardised procedures (Neill 2006).

Bryne (2001) in Neill (2006, p.1) defines qualitative research as “inquiries of knowledge that are outside the framework prescribed by the scientific method, as well as assumptions or inferential statistics”.

Qualitative studies usually achieve a greater level of depth and detail than quantitative techniques, however fewer subjects tend to be studied resulting in the study being more difficult to generalise (Neill 2006).

Quantitative methods allow for a broader study, involving a greater number of subjects, enhancing the generalisation of results (Neill 2006).

The study was guided by a basic and not an applied research approach. According to Zikmund (2003), basic or pure research attempts to expand the limits of knowledge. Basic research is done to discover more about a given theory or to discover more about a certain concept and as such is research directed toward the increase of knowledge, the primary aim being a greater knowledge or understanding of the subject under study.

A review of the literature was done to investigate relevant sources. Literature (secondary data) by varying theorists and researchers, that was designed and used for purposes of a differing nature was gathered and reviewed. Despite the diverse purposes for which the literature was designed, it did however provide a starting point in terms of drawing on linkages with past theoretical research and frameworks.

Primary data was then collected. The exploratory research technique employed was the most common method of generating primary data i.e. via a survey in the form of a questionnaire.

4.2 UNITS OF ANALYSIS

The units of analysis according to Welman and Kruger (2004) are the elements or members of a population. In this research project the unit of analysis is the black middle class.

For the purposes of this study, as defined in the literature review, Black was defined as what was previously known as Bantu and more recently what the EEA and BBBEE refer to as African as part of their generic definition of Black.

The definition of middle class as cited in the literature review, refers to people who are judged to be middle class by their degree of economic independence, consumption habits, physical conditions and education levels rather than their relationship to the means of production.

4.3 POPULATION

Population as defined by Zikmund (2003) is a complete group of entities sharing some common sets of characteristics. The population in this study was the black middle class within South Africa. This has been defined in Chapter Two.

Population element refers to an individual member of the population. In this case it was each respondent to the questionnaire.

4.4 SAMPLING METHOD

Sampling involves any procedure that uses a small number of items or a portion of a population to formulate a conclusion regarding the whole population (Zikmund, 2003).

The sampling type used was chosen as a non-probability, convenient and purposive sampling. The snowball sampling procedure was also followed.

According to Zikmund (2003) non-probability sampling is defined as the probability that any particular member of the population being chosen is unknown.

Convenient sampling refers to sampling by obtaining people who are most conveniently available. This was used in order to obtain a large number of completed questionnaires quickly and economically.

Purposive or judgement-sampling was also used, despite concerns about the sample being less than fully representative. This was done in order to target the specific requisite demographic sample.

Snowball sampling was selected in light of the reduced sample size and costs. Zikmund (2003) defines snowball sampling as a sampling procedure in which initial respondents are selected by probability methods and additional respondents are obtained from information provided by the initial respondents. While this technique was used to locate rare populations, it must be noted, that this was not a favoured choice given the possibility of bias entering the study because a person suggested by someone in the sample has a higher probability of being similar to the first person.



4.5 SAMPLE SIZE

According to Zikmund (2003) the sample is a subset or relatively small fraction of the total number of elements in the population.

The statistical determination of sample size requires knowledge of:-

- the variance of the population
- the magnitude of acceptable error
- the confidence interval.

The above computation was not done due to limited resources. However a sample size of 106 was received which was assumed to be reasonable to make precise estimates. A larger sample size would have been preferable given the fact that it has been proven, that as the sample size increases the magnitude of error or confidence interval decreases (Zikmund 2003). However, due to time constraints and a poor response rate, a larger sample size was not realised.

The geographical footprint of the respondents was not included; however it was assumed that the majority came from Gauteng Province given the origin of the e-mail distribution list. The questionnaire was e-mailed to all members of the MBA class, as well as friends and colleagues that fitted the targeted demographic.



The reason for this was:

- to ensure the black members of the class responded and in turn sent it to the targeted demographic.
- to ensure that those that were not part of the target population could distribute the survey to their black colleagues and friends.
- convenience and being able to disseminate the survey swiftly.

The response rate proved difficult to determine given the complexity in gauging the respondents to the survey once it passed the first tier of e-mailed recipients. The anticipated response rate was not reached despite the survey being hosted for a month.

The table below illustrates the averages of the sample population demographics derived from the survey.

Table 4.1 Average Demographic Factors of Sample

Demographic Factors	Averages
Age	31- 35 years
Marital Status	Married
Total number of adults in household	3
Total number of vehicles in household	2
Education level	Undergraduate degree
Industry sector of employment	Food and drink
Household average salary range	R 20 001 – R 25 000
Individual salary range (gross p/m)	R 15 001 – R 20 000

Source: Moodley (2007)

4.6 DATA COLLECTION

Zikmund (2003) indicates that when the survey method is utilised, some form of direct participation by the respondent is necessary during the process.

In this case the respondent participated by completing a survey questionnaire.

Primary data was collected using this method. It took approximately twenty minutes for each respondent to complete the survey. The time taken to complete the survey was determined during the pre-testing phase.

According to definitions cited by Zikmund (2003), the questionnaire formulated and employed for this study incorporated a mix of open-ended and fixed-alternative

questions, some of which were in the form of Likert scales. Determinant-choice questions along with dichotomous-alternative questions constituted the majority of the questionnaire. Requests for demographic data (age, sex, marital status, educational level etc) were also included in the questionnaire. The questionnaire introduced the topic, rationale and included a concise set of instructions for completion. Forty-four questions were included in the questionnaire.

The questionnaire was divided into two main sections. This included demographics (demographic and vehicle information) and the Customer Decision Making Process (problem recognition; information search; alternative evaluation [product and situational attributes]; purchase and finally post purchase experience.)

The decision making portion of the questionnaire was modelled according to the customer decision making process. The survey questionnaire is included in Appendix B.

The survey questionnaire was regarded as an appropriate data collection tool for the following reasons:- (Martin 2006)

- The instrument was familiar to most people.
- It could be uniformly presented to the sample group.
- It was cost effective to develop and easy to administer.
- There was no undue influence or prompting from the researcher as to what the responses should be.

From a practical standpoint the questionnaire was hosted on a survey website with the hyper-link being distributed to the targeted sample who could complete it in their own time. The benefit of this approach was the ability for respondents' data to be automatically consolidated thereby making the data analysis process uncomplicated.

4.7 DATA ANALYSIS

Descriptive statistics (mean, variance, standard deviation, skewness and kurtosis) for the entire data set were compiled using WinSTAT statistical software and then tabulated into Excel format. The data and definitions of the statistical terms are explicitly detailed in Appendix C.

The data collection method and research instrument used resulted in both descriptive and inferential statistical analysis.

According to Zikmund (2003, p.380) "There are no appropriate statistical techniques for measuring random sampling error from a non-probability sample". Given the fact that non probability sampling was used, it would stand to reason that the sampling error percentage could not be derived.

Two of the major criteria for evaluating measurements are:

- Reliability
- Validity

Reliability as defined by Zikmund (2003) is the degree to which measures are free from error and therefore yield consistent results. The question of reliability was not verified, given that no assessment of repeatability to gauge reliability was conducted.

Validity is the ability of a measure to measure what it is supposed to measure Zikmund (2003). The survey questionnaire was designed and administered according to the steps in the decision making process. This coupled with the fact that the questions were coherently structured to align to these steps, resulted in the respondents' gaining the perspective and context of what was being measured.

The data was analysed and presented in the form of charts and graphs. The findings were then applied to each step of the decision making process.

4.8 LIMITATIONS OF THE STUDY

The following limitations of this study were identified:

- **Sample Size.** One of the major limitations of this study is attributed to sample size. The limited sample size (106) tends to decrease the reliability of the data set. A greater sample size would have increased reliability.
- **Response Rate.** The availability and access to the target population as well as the ability to impact on the response rate given the anonymity of respondents due to the survey being hosted on a website.

- Sample Method: Given the fact that the sampling method was labelled as non-probability purposive sampling could result in the target population not being a true reflection of the black middle class population.
- Quantitative research methodology: The use of only the quantitative technique could limit the greater level of depth and detail that could have been derived if qualitative techniques were used. A more suitable alternative could have been a complementary mixed method approach.

4.9 CONCLUSION

The quantitative methodology followed proved to be apt for the research problem identified given that the findings can be summarised into statistically meaningful results to allow for generalisations to be made about the specific population. The presentation of the data collected and the analysis thereof, will be illustrated in Chapter 5, followed by a discussion of the results in Chapter Six.

CHAPTER 5: RESULTS

5.1 INTRODUCTION

The results of the research are presented in terms of quantitative methods. This is illustrated in the form of tables and graphs arranged in parallel to the steps in the decision making process and the research questions presented in Chapter 3.

The results presented in the tables and graphs to follow are the outcome of analysis based on frequency counts. Frequency is the number of times a particular answer was selected. Due to the number of respondents, answers to open ended questions that were the same or similar were grouped accordingly.

5.2 SURVEY RESULTS

The survey results are laid out according to the format of the questionnaire which takes into consideration the steps of the decision making process. The results per question are presented in the form of tables and figures, where applicable. The research questions as outlined in Chapter 3 are included. The results (tables and figures) including the research questions according to the decision-making process are laid out as follows:

- Demographic Information
- Vehicle Information
- Step1: Problem Recognition - Research Question 1
- Step 2: Information Search - Research Question 2
- Step 3: Alternative Evaluation - Research Question 3
- Step 4: Purchase - Research Question 4
- Step 5: Post purchase Experience- Research Question 5

5.2.1 Demographic Information

The average demographic profile of the sample was based on descriptive statistics derived from the survey. The demographic section of the questionnaire covered ten questions. The average results of the sample are highlighted in the Table 5.1.

Table 5.1 Average Demographic Profile of the Sample

Demographic Factors	Averages
Age	31- 35 years
Marital Status	Married
Total number of adults within household	3
Total number of vehicles in household	2
Education level	Undergraduate degree
Industry sector of employment	Food and drink
Household average salary range	R 20 001 – R 25 000
Individual salary range (gross p/m)	R 15 001 – R 20 000



5.2.2 Vehicle Information

Section 2 of the survey encompassed eight questions. These questions requested the respondents to detail their vehicle information. The results are illustrated in the form of tables and graphs below.

- **Vehicle Information Question 1**

Table 5.2 “What brand of vehicle do you own now?”

Frequency Distribution				
Vehicle Brands	N	Cum. N	%	Cum. %
Alfa Romeo	1	1	1.087	1.087
Audi	3	4	3.261	4.348
BMW	9	13	9.783	14.130
Chevrolet	1	14	1.087	15.217
Chrysler	1	15	1.087	16.304
Daihatsu	1	16	1.087	17.391
Fiat	3	19	3.261	20.652
Ford	6	25	6.522	27.174
Honda	3	28	3.261	30.435
Hyundai	2	30	2.174	32.609
Isuzu	1	31	1.087	33.696
Jaguar	1	32	1.087	34.783
Jeep	2	34	2.174	36.957
Kia	1	35	1.087	38.043
Land Rover	1	36	1.087	39.130
Mazda	1	37	1.087	40.217
Mercedes Benz	2	39	2.174	42.391
Mini	1	40	1.087	43.478
Mitsubishi	2	42	2.174	45.652
Nissan	3	45	3.261	48.913
Opel	11	56	11.957	60.870
Peugeot	2	58	2.174	63.043
Renault	3	61	3.261	66.304
Tata	1	62	1.087	67.391
Toyota	10	72	10.870	78.261
Volkswagen	19	91	20.652	98.913
Volvo	1	92	1.087	100.000

Question 1 asked “What brand of vehicle do you own now?”

The results as shown in Figure 5.1 indicate that the Top 3 vehicle brands identified were:

- Volkswagen - 21%
- Opel – 12%
- Toyota – 11%

It is interesting to note that only the three brands listed above resulted in a double digit percentage response rate. The rationale for the low percentage could be attributed to many reasons. One of those reasons could be the fact that there are more than fifty different brands of vehicles in South Africa, causing the market to be highly segmented.

The brand names selected as the Top 3 however are not surprising. NAAMSA's (September and October 2007) Report for passenger cars indicates that Toyota and Volkswagen (VW) dominate the sales figures. This is illustrated in Table 5.3 and Figure 5.1 below. Past figures suggest a similar trend with both Toyota and Volkswagen dominating the sales volume figures. Opel which falls under General Motors South Africa (GMSA) has been debased from the third spot it occupied in August 2007 (NAAMSA August 2007 Sales Statistics) due to new vehicle launches by both Ford Motor Corporation of South African and DaimlerChrysler.

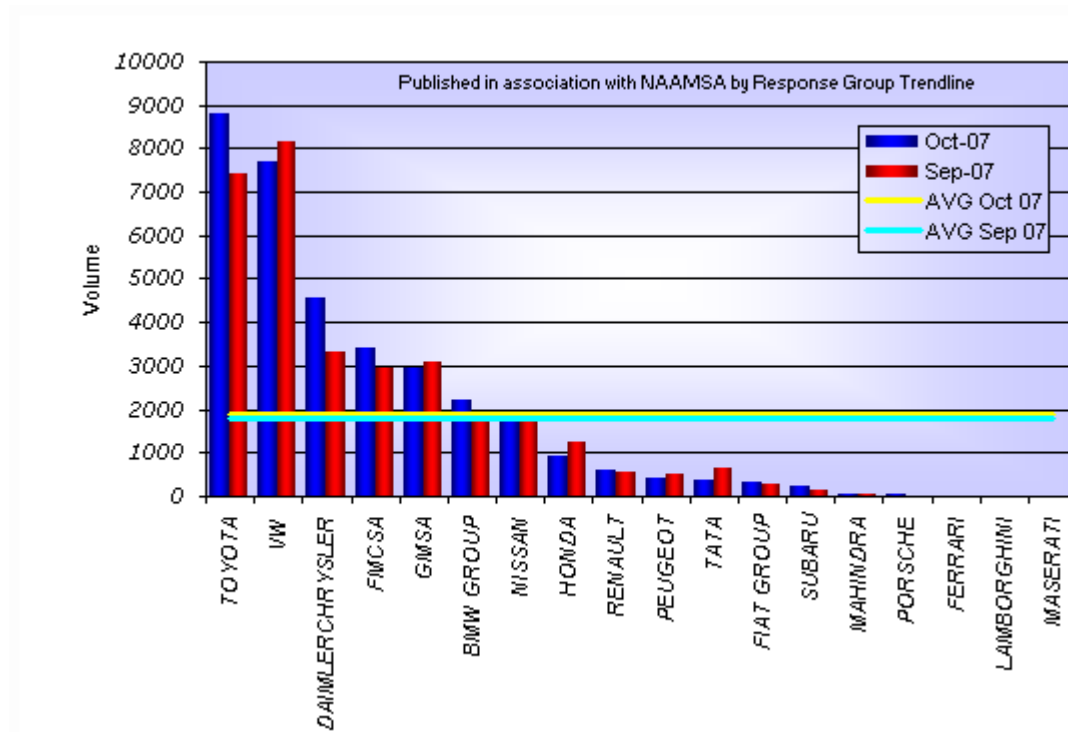


Table 5.3 Passenger Cars New Vehicle Sales Statistics – October 2007

MANUFACTURER	SALES
BMW GROUP	2199
DAIMLERCHRYSLER	4569
FERRARI	2
FIAT GROUP	312
FMCSA	3423
GMSA	2961
HONDA	915
LAMBORGHINI	2
MAHINDRA	64
MASERATI	0
NISSAN	1892
PEUGEOT	397
PORSCHE	44
RENAULT	579
SUBARU	216
TATA	357
TOYOTA	8790
VW	7691
TOTAL	34413

Source: NAAMSA (2007)

Figure 5.1 Passenger Cars New Vehicle Sales Statistics – October 2007





Source: NAAMSA (2011),

• Vehicle Information Question 2

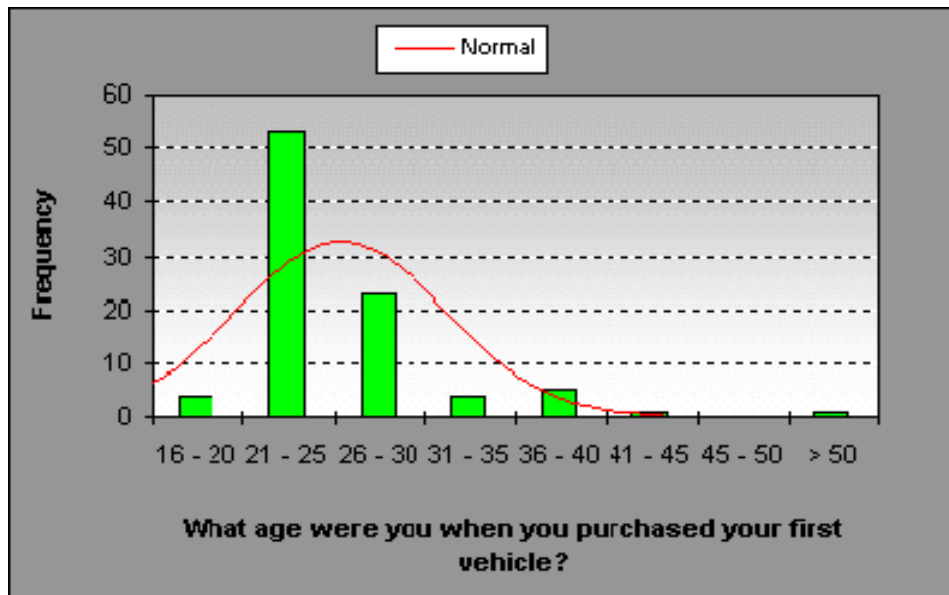
Question 2 revolved around “What age were you when you purchased your first vehicle?” Table 5.4 and Figure 5.2 below illustrate the distribution of ages. 58% of the sample indicated that they had purchased their first vehicle between 21 and 25 years of age. This could suggest that the affluent black consumer is likely to purchase their first vehicle once they have completed their studies or joined the economically active population, which normally occurs between the ages of 21 and 25 when first vehicles are purchased.

Interesting to note is that only 11% of this population purchased their first car after 30 years of age. The average age when the first vehicle was purchased was between 26 and 30 years.

Table 5.4 “What age were you when you purchased your first vehicle?”

Age when first vehicle was purchased	Frequency	Percent	Cumulative Percent
16 - 20	4	4.40	4.40
21 - 25	53	58.24	62.64
26 - 30	23	25.27	87.91
31 - 35	4	4.40	92.31
36 - 40	5	5.49	97.80
41 - 45	1	1.10	98.90
45 - 50	0	0.00	98.90
> 50	1	1.10	100.00

Figure 5.2 – Q2 Histogram



- Vehicle Information Question 3**

“In what year was the vehicle purchased?” Table 5.5 and Figure 5.3 illustrate that 65% of the respondents indicated that they purchased their vehicle between 2003 and 2007. This means that the sample’s vehicles are less than a year but not more than 4 years old. This draws us to the conclusion that the majority of the sample own vehicles that are new or fairly new which ties into the vehicle sales figures as highlighted in Chapter One.

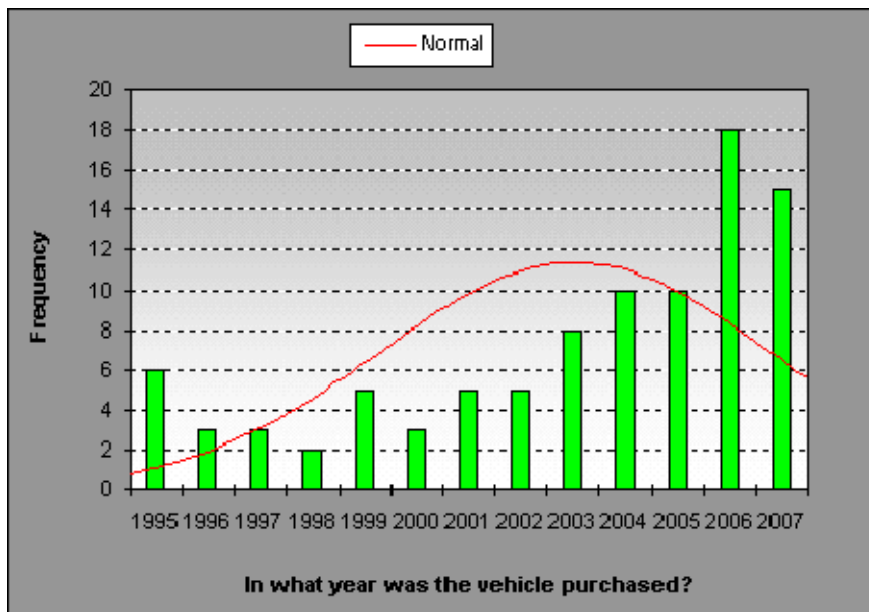
The majority (20%) of the sample purchased their vehicle in 2006.



Table 5.5 “In what year was the vehicle purchased?”

	Frequency	Percent	Cumulative Percent
In what year was the vehicle purchased?			
1995	6	6.45	6.45
1996	3	3.23	9.68
1997	3	3.23	12.90
1998	2	2.15	15.05
1999	5	5.38	20.43
2000	3	3.23	23.66
2001	5	5.38	29.03
2002	5	5.38	34.41
2003	8	8.60	43.01
2004	10	10.75	53.76
2005	10	10.75	64.52
2006	18	19.35	83.87
2007	15	16.13	100.00

Figure 5.3 – Q3 Histogram



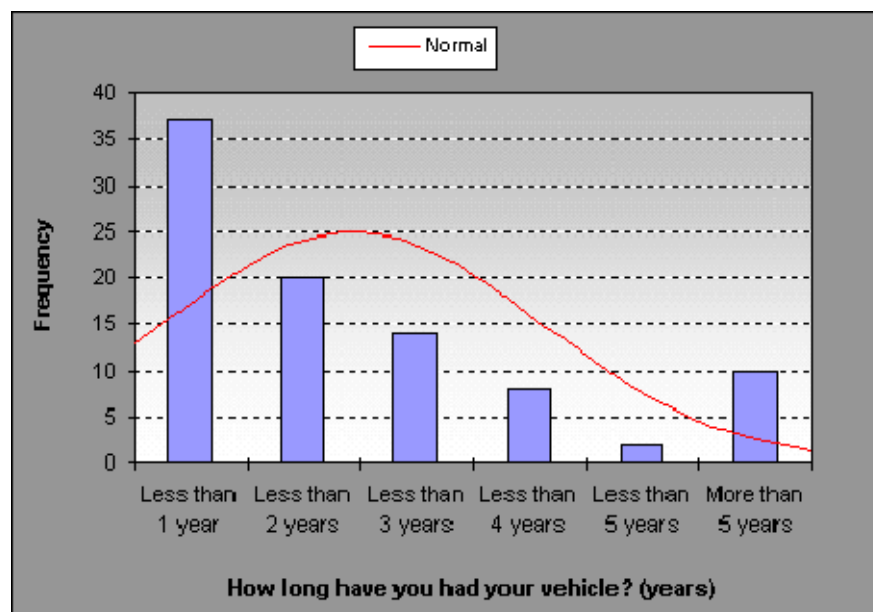
• Vehicle Information Question 4

Question 4 asked “How long have you had your vehicle?” 63% of the sample indicated that they had ownership of their vehicles for less than 2 years. This is demonstrated in Table 5.6 and Figure 5.4. This supports the assumptions that affluent black vehicle owners are more likely to drive new vehicles (recent purchases). Interestingly, 11% of the sample has had their vehicle for more than 5 years. The average period of ownership is less than 2 years.

Table 5.6 “How long have you had your vehicle?”

	Frequency	Percent	Cumulative Percent
How long have you had your vehicle? (years)			
Less than 1 year	37	40.66	40.66
Less than 2 years	20	21.98	62.64
Less than 3 years	14	15.38	78.02
Less than 4 years	8	8.79	86.81
Less than 5 years	2	2.20	89.01
More than 5 years	10	10.99	100.00

Figure 5.4 – Q4 Histogram



• Vehicle Information Question 5

Table 5.7 “What brand of vehicle did you have previously?”

Frequency Distribution				
Brand of vehicle previously owned?	N	Cum. N	%	Cum. %
Alfa Romeo	1	1	1.370	1.370
Aston Martin	1	2	1.370	2.740
BMW	6	8	8.219	10.959
Chevrolet	2	10	2.740	13.699
Daihatsu	1	11	1.370	15.068
Fiat	5	16	6.849	21.918
Ford	3	19	4.110	26.027
Honda	5	24	6.849	32.877
Isuzu	1	25	1.370	34.247
Jeep	1	26	1.370	35.616
Kia	1	27	1.370	36.986
Lamborghini	1	28	1.370	38.356
Mazda	1	29	1.370	39.726
Mercedes Benz	1	30	1.370	41.096
Mitsubishi	2	32	2.740	43.836
Nissan	2	34	2.740	46.575
Opel	5	39	6.849	53.425
Proton	1	40	1.370	54.795
Renault	3	43	4.110	58.904
Subaru	1	44	1.370	60.274
Toyota	10	54	13.699	73.973
Volkswagen	19	73	26.027	100.000

Question 5 dealt with “What brand of vehicle did you have previously?”

The three top vehicle brands that were previously owned include:-

- Volkswagen – 26%
- Toyota –14%
- BMW – 8%

There appears to a degree of brand loyalty to Volkswagen and Toyota. This was confirmed by cross tabulating the brand of current vehicle with the brand of the previous vehicle. Table 5.3 indicates that BMW features as one of the top selling passenger cars

- **Vehicle Information Question 5**

More than half (57%) of the sample indicated that they did not spend more than 15% of their disposable income on their vehicle. This was the analysed response to the question “What percentage of your net disposable income do you spend on the vehicle?” Table 5.8 and Figure 5.5 represented below, illustrate this analysis in tabular and graphical format. The average percentage of net disposable income that was spent on the purchase of the vehicle was greater than 15% but less than or equal to 20%.

A further point of analysis was to calculate the average monthly instalment that this sample would pay on their vehicle. This was done as follows:-

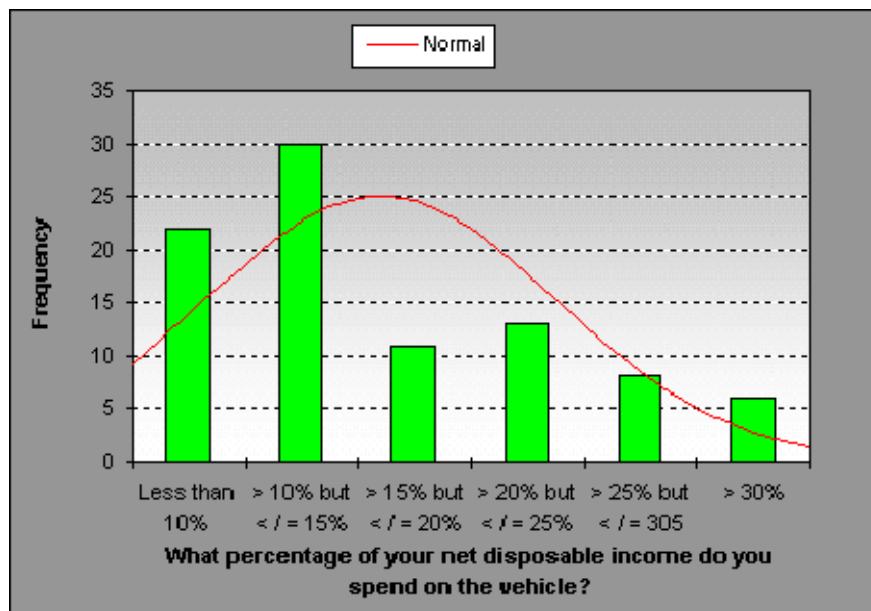
The average personal monthly income = R17,500 (average median between R15,000 – R20,000) multiplied by the average percentage spend of net disposable income = 17.5% (median of between 15% and 20%)

Therefore the average monthly instalment paid on the vehicle for the affluent black vehicle owner is R3,062.50. This average figure falls into the normal range of expenditure when reviewing the level of personal disposable income as illustrated in Chapter Two.

Table 5.8 “What percentage of your net disposable income do you spend on the vehicle?”

% of net disposable income spent on the vehicle?	Frequency	Percent	Cumulative Percent
Less than 10%	22	24.44	24.44
> 10% but < / = 15%	30	33.33	57.78
> 15% but < / = 20%	11	12.22	70.00
> 20% but < / = 25%	13	14.44	84.44
> 25% but < / = 30%	8	8.89	93.33
> 30%	6	6.67	100.00

Figure 5.5 – Q6 Histogram



• Vehicle Information Question 7

Question 7 asked, “Is your current vehicle financed?” Only 15% of the sample indicated that their vehicle was not financed. The majority (85%) had finance.

• Vehicle Information Question 8

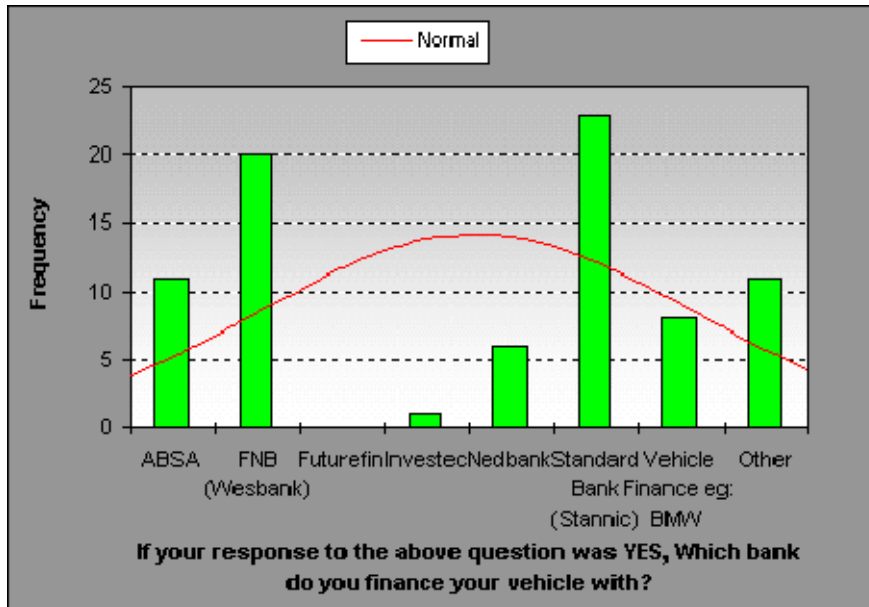
The response to Question 8 which dealt with “Which bank do you finance your vehicle with?” is tabulated and graphically illustrated in Table 5.9 and Figure 5.6 respectively.

Table 5.9 “Which bank do you finance your vehicle with?”

	Frequency	Percent	Cumulative Percent
Which bank do you finance your vehicle with?			
ABSA	11	13.75	13.75
FNB (Wesbank)	20	25.00	38.75
Future Fin	0	0.00	38.75
Investec	1	1.25	40.00
Nedbank	6	7.50	47.50
Standard Bank (Stannic)	23	28.75	76.25
Vehicle Finance e.g.: BMW	8	10.00	86.25
Other	11	13.75	100.00

According to Table 5.9 the top 4 banks (ABSA, First National, Nedbank and Standard Bank) account for 75% of vehicle financing. Future Fin, even though it was offered as an option did not yield any result. This is not surprising given it specialises in high end (exotic) car financing and its credit terms require a minimum of 25% deposit.

Figure 5.6 – Q8 Histogram



Stannic (29%) and Wesbank (25%) appears to have the largest market share of this sample. 14% indicated that they had obtained finance from a source other than the major financial institutions. It is surprising that this level of market share resides outside the top four banks and that they or other institutions such as those backed by the manufacturer (e.g. BMW Financial Services) have not yet capitalised on this market.

5.2.3 Step 1: Problem Recognition

Research Question 1: What are the factors that occur during the problem recognition step of the decision making process that contribute to the need to purchase a passenger vehicle?

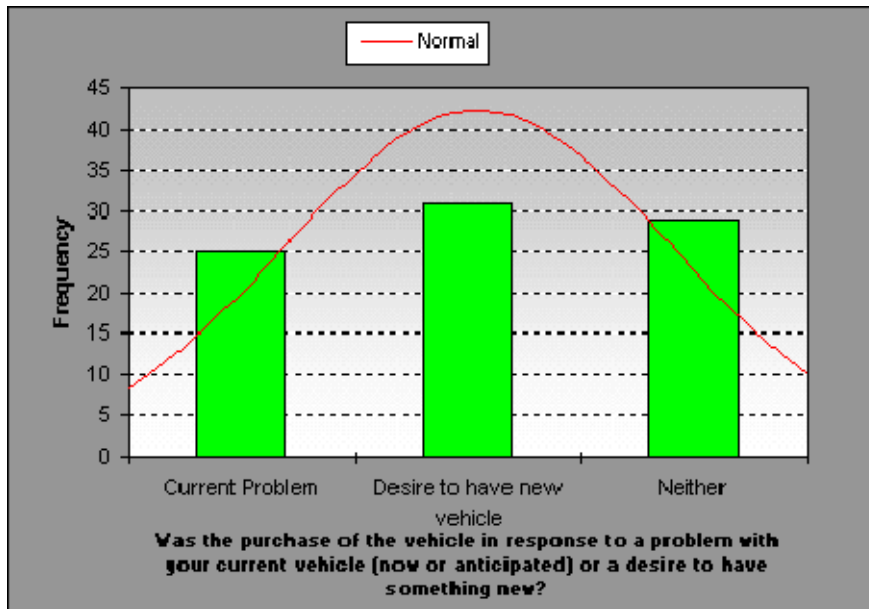
• Problem Recognition Question 1

Question 1 of the Problem Recognition Step questioned, “Was the purchase of the vehicle in response to a problem with your current vehicle or a desire to have something new? The responses elicited, indicated that nearly 30% of the sample purchased their vehicle as a consequence of a current problem. 36% however cited the reason for purchasing their vehicle as a desire to have something new. In light of this it is worthy to note that the decision to purchase a vehicle is driven by emotion as well. The findings to question 1 are illustrated in Table 5.10 and Figure 5.7 respectively.

Table 5.10 “Was the purchase of the vehicle in response to a problem with your current vehicle or a desire to have something new?”

	Frequency	Percent	Cumulative Percent
Re-active purchase			
Current Problem	25	29.41	29.41
Desire to have new vehicle	31	36.47	65.88
Neither	29	34.12	100.00

Figure 5.7 – Q1 Histogram



• Problem Recognition Question 2

Was there any specific factor that influenced you to purchase the vehicle? If your response was YES, please describe it?

The results for question 2 as tabulated in Table 5.11 below indicated that the top three factors that influenced the purchase were:

- Necessity – need for transport to work (25%)
- Circumstances – problems with old vehicles (21%)
- Price – cheaper options/ instalments – (18%)

Surprising to note is the number of factors (25) that were cited as influencing the purchasing decision. A quarter of the sample as noted above still see the purchase of a vehicle as a need to fulfil the primary role of transportation.

Table 5.11 “Was there any specific factor that influenced you to purchase the vehicle? If you response was YES, please describe it?”

Frequency Distribution				
Factors that influenced decision	N	Cum. N	%	Cum. %
Vehicle Features	7	7	12.281	12.281
Necessity	14	21	24.561	36.842
Price - cheaper	10	31	17.544	54.386
Circumstances	12	43	21.053	75.439
Size	3	46	5.263	80.702
Status symbol	2	48	3.509	84.211
Comfort	4	52	7.018	91.228
Reliability	1	53	1.754	92.982
Speed	1	54	1.754	94.737
Upgrade	1	55	1.754	96.491
Brand	1	56	1.754	98.245
Tax	1	57	1.759	100.000

• Problem Recognition Question 3

“Was the response to purchase the vehicle in light of marketing of the product?”

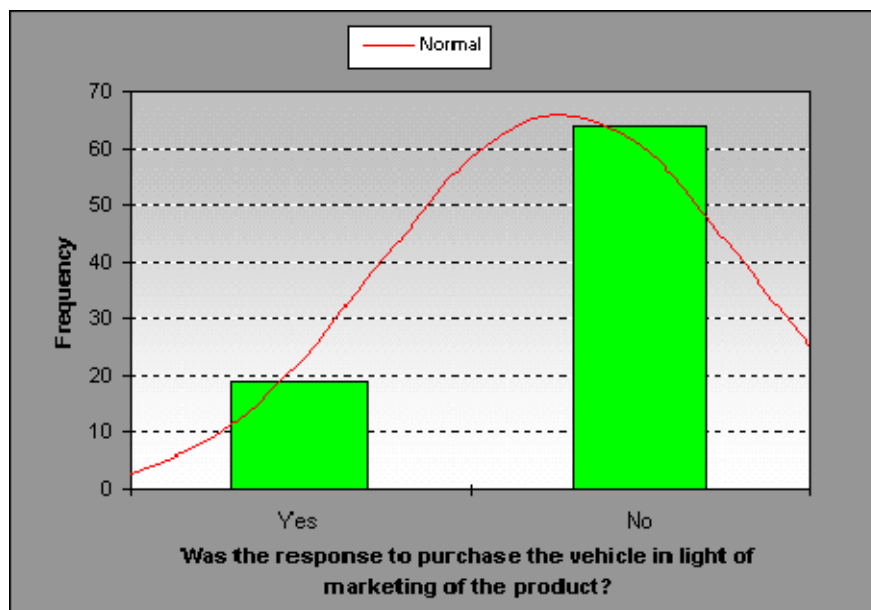
Table 5.12 points out the responses in tabular format. The results indicate that marketing does not appear to be an influencing factor when making the decision to purchase a vehicle. 77% of sample (graphically represented in Figure 5.7) indicated that their decision was **NOT** as a result of the marketing of the vehicle.

This could suggest that marketing does not affect the decision to purchase a vehicle for the affluent black vehicle buyer.

Table 5.12 "Was the response to purchase the vehicle in light of marketing of the product?"

Marketing as an influencer	Frequency	Percent	Cumulative Percent
Yes	19	22.89	22.89
No	64	77.11	100.00

Figure 5.8 – Q3 Histogram



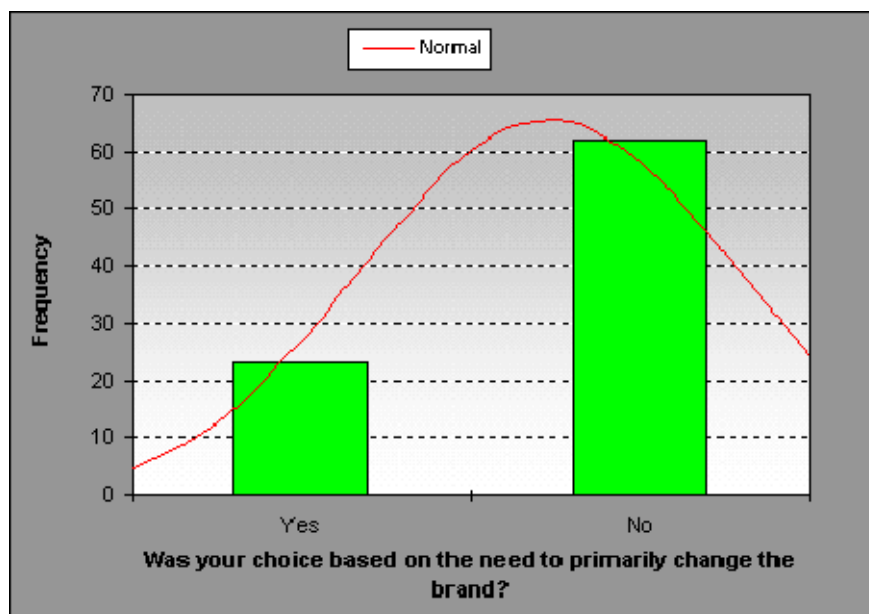
• Problem Recognition Question 4

“Was your choice based on the need to primarily change the brand?” Was asked as Question 4 of the problem recognition step. Table 5.13 as depicted below, points out that 73% of the sample indicated that the need to switch brands did not influence the choice of vehicle. A conclusion that can possibly be drawn from this which further substantiates the point raised above, is that the sample tends to be relatively brand loyal and are not readily swayed to switch brands when purchasing a new vehicle.

Table 5.13 “Was your choice based on the need to primarily change the brand?”

	Frequency	Percent	Cumulative Percent
Need to change brand			
Yes	23	27.06	27.06
No	62	72.94	100.00

Figure 5.9 – Q4 Histogram



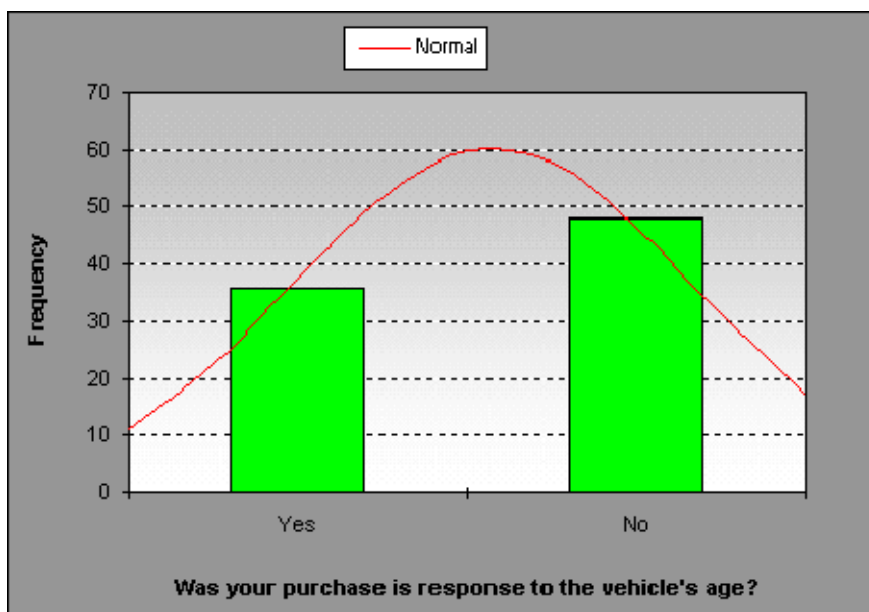
• Problem Recognition Question 5

Question 5 asked, “Was your purchase in response to the vehicle’s age?” 57% indicated that the age of their previous vehicle did not influence their decision to purchase a new vehicle which is demonstrated in Table 5.14 and Figure 5.10. This suggests that other reasons contribute to the sample changing their vehicles. Drawing conclusive evidence relating to vehicles being purchased due to the age of the vehicle is difficult given that the responses are not heavily skewed in one direction.

Table 5.14 “Was your purchase in response to the vehicle’s age?”

	Frequency	Percent	Cumulative Percent
Vehicle age as an influencer			
Yes	36	42.86	42.86
No	48	57.14	100.00

Figure 5.10 – Q5 Histogram



• **Problem Recognition Question 6**

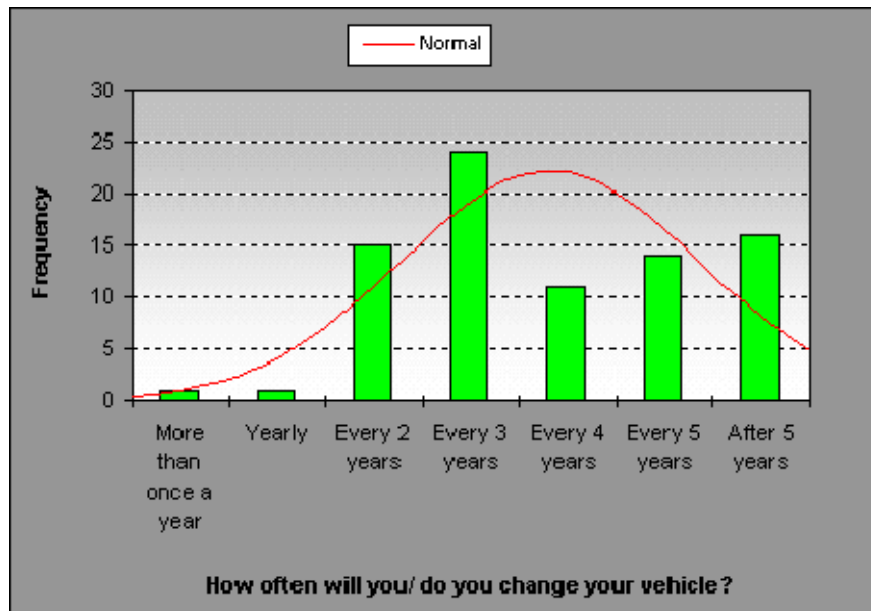
Question 6 related to “How often will you/ do you change your vehicle?” Table 5.15 and Figure 5.11 illustrate the results. Only 1 respondent indicated that they change their vehicles annually. For the majority (29%), the frequency for changing their vehicles is every three years.

The average frequency for the total sample in terms of the frequency for changing their vehicles was every 4 years. Interesting to note is that 20% of the sample change their vehicles after every 5 years. This could suggest that the debt incurred when purchasing a vehicle is paid in full (settled) before a new vehicle is purchased.

Table 5.15 “How often will you/ do you change your vehicle?”

	Frequency	Percent	Cumulative Percent
Frequency of changing vehicle			
More than once a year	1	1.22	1.22
Yearly	1	1.22	2.44
Every 2 years	15	18.29	20.73
Every 3 years	24	29.27	50.00
Every 4 years	11	13.41	63.41
Every 5 years	14	17.07	80.49
After 5 years	16	19.51	100.00

Figure 5.11 Q6 Histogram



5.2.4 Step 2: Information Search

Research Question 2: What are the sources and types of information used during the information search step and the impact of this on the black middle class in influencing this segment to purchase a passenger vehicle?

- **Information Search Question 1**

Question 1 of the Information Search Step questioned respondents in terms of “How many different sources of information relating to the vehicle did you use in making your decision?” The results are listed in Table 5.16 and graphically illustrated in Figure 5.11.

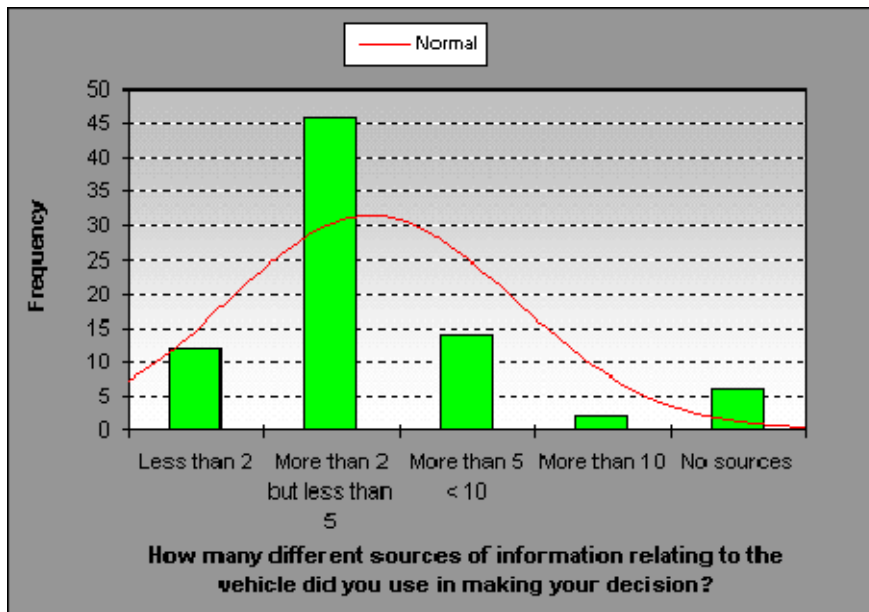
The average number of information sources that were referenced to make the decision to purchase a vehicle was more than 2 but less than 5. More than half (57,5%) of the sample indicated that they consulted more than 2 but less than 5 information sources. Collectively, more than 75% referenced between 2 and 10 information sources when making the decision to purchase a vehicle. This suggests that this sample does extensive research in the decision making process. It would seem that they make an informed decision when purchasing a vehicle.

Of concern was that almost 10% indicated they used no sources of information in purchasing their vehicle.

Table 5.16 “How many different sources of information relating to the vehicle did you use in making your decision?”

	Frequency	Percent	Cumulative Percent
Number of sources			
Less than 2	12	15.00	15.00
More than 2 but less than 5	46	57.50	72.50
More than 5 < 10	14	17.50	90.00
More than 10	2	2.50	92.50
No sources	6	7.50	100.00

Figure 5.12 Q1 Histogram



• Information Search Question 2

Question 2 asked, “What vehicle information sources did you use in selecting your vehicle?” The results are tabulated in Table 5.17 which indicate that the three main information sources used for the selection of the vehicle was:

- A combination of sources (internet, recommendation, advice, test drive, print) – 44%.
- Internet – 18%
- Print media – 9%

Surprising to note was that Word of mouth and test drives as sources on their own scored very low as sources of information used in the decision making process.

Table 5.17 “What vehicle information sources did you use in selecting your vehicle?”

Frequency Distribution				
Information sources	N	Cum. N	%	Cum. %
Print	6	6	8.824	8.824
Internet	12	18	17.647	26.471
Recommendation/ word-of-mouth	3	21	4.412	30.882
Visit to the dealership	5	26	7.353	38.235
Affordability	4	30	5.882	44.118
Vehicle specifications	2	32	2.941	47.059
*Combination of sources	30	62	44.118	91.177
Advice	2	64	2.941	94.118
Quality	1	65	1.471	95.588
Industry indicators	1	66	1.471	97.059
Television	1	67	1.471	98.529
Test drive	1	68	1.471	100.000

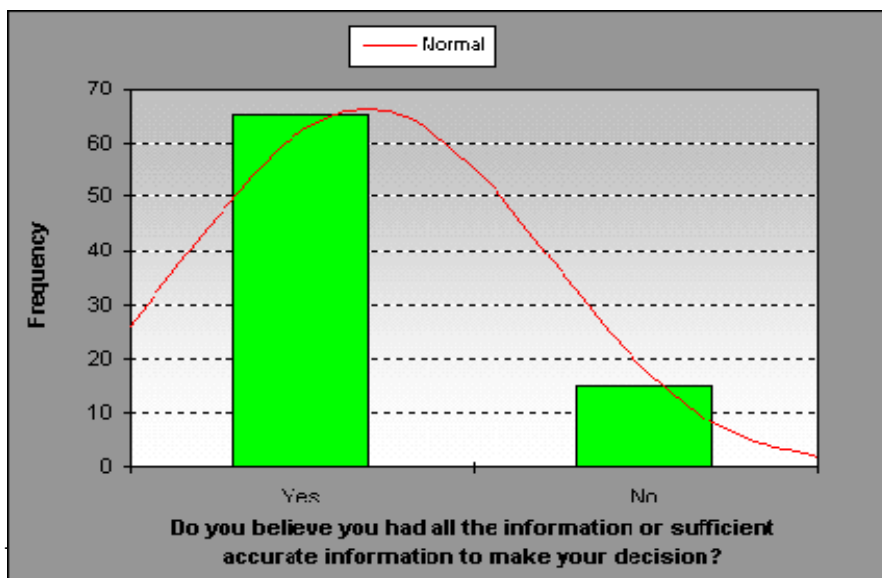
• Information Search Question 3

“Do you believe you had all the information or sufficient accurate information to make your decision?” was Question 3. The results confirm that the majority (81%) indicated that they had sufficient information to make the decision to purchase the vehicle. This could be as a consequence of the number of information sources that were consulted prior to making the decision to purchase a vehicle. The results are set-out in Table 5.18 and Figure 5.13

Table 5.18 “Do you believe you had all the information or sufficient accurate information to make your decision?”

	Frequency	Percent	Cumulative Percent
Sufficiency/accuracy of information			
Yes	65	81.25	81.25
No	15	18.75	100.00

Figure 5.13 Q3 Histogram



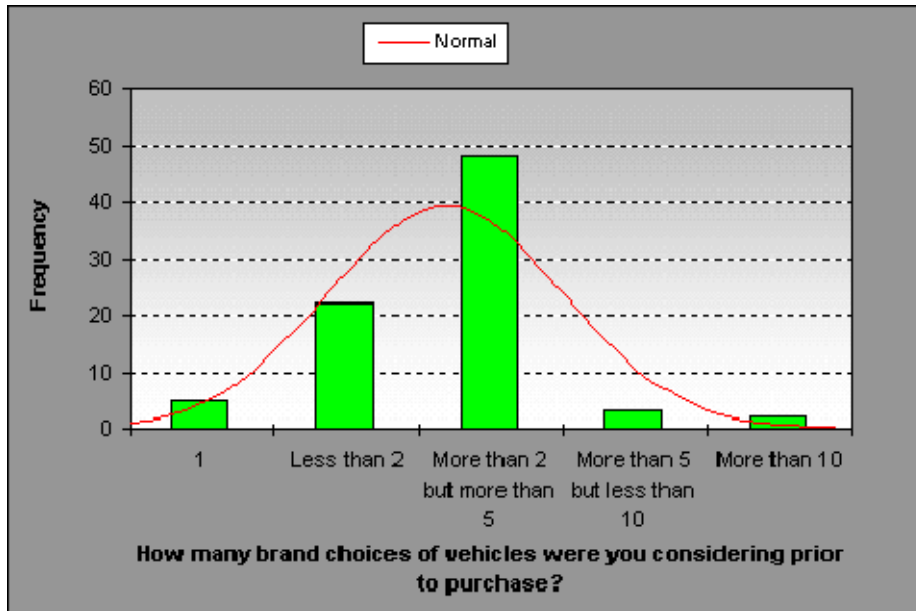
• Information Search Question 4

Question 4 asked, “How many brand choices of vehicles were you considering prior to purchase?” 60% of the sample indicated that they considered more than 2 but less than 5 brand choices. This not only demonstrates the choice of vehicle brands available but the factors that will influence the choice of one of these brands such that an informed decision is made when purchasing a passenger vehicle. Table 5.19 and Figure 5.14 illustrate these results.

Table 5.19 “How many brand choices of vehicles were you considering prior to purchase?”

Number of brand choices	Frequency	Percent	Cumulative Percent
1	5	6.25	6.25
Less than 2	22	27.50	33.75
More than 2 but more than 5	48	60.00	93.75
More than 5 but less than 10	3	3.75	97.50
More than 10	2	2.50	100.00

Figure 5.14 Q4 Histogram



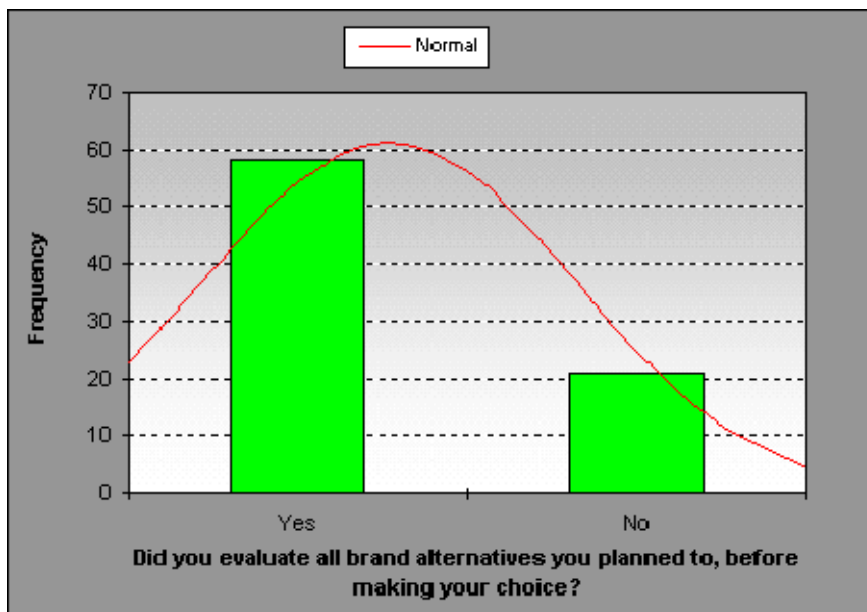
• Information Search Question 5

“Did you evaluate all brand alternatives you planned to, before making your choice?” 73% of the sample indicated that they evaluated alternative brand choices. This is relatively significant in demonstrating that the decision of *what to purchase* is important. Not only does this sample consider other brands but they also evaluate their alternate brand choices. Table 5.19 along with Figure 5.15 illustrates the results.

Table 5.20 “Did you evaluate all brand alternatives you planned to, before making your choice?”

	Frequency	Percent	Cumulative Percent
Evaluation of brand alternatives			
Yes	58	73.42	73.42
No	21	26.58	100.00

Figure 5.15 Q5 Histogram



• Information Search Question 6

Question 6 related to, “How many dealerships did you visit before purchasing the vehicle?” The results are pointed out in Table 5.21 and Figure 5.16. The average number of dealerships that were visited was more than 2 but less than 5.



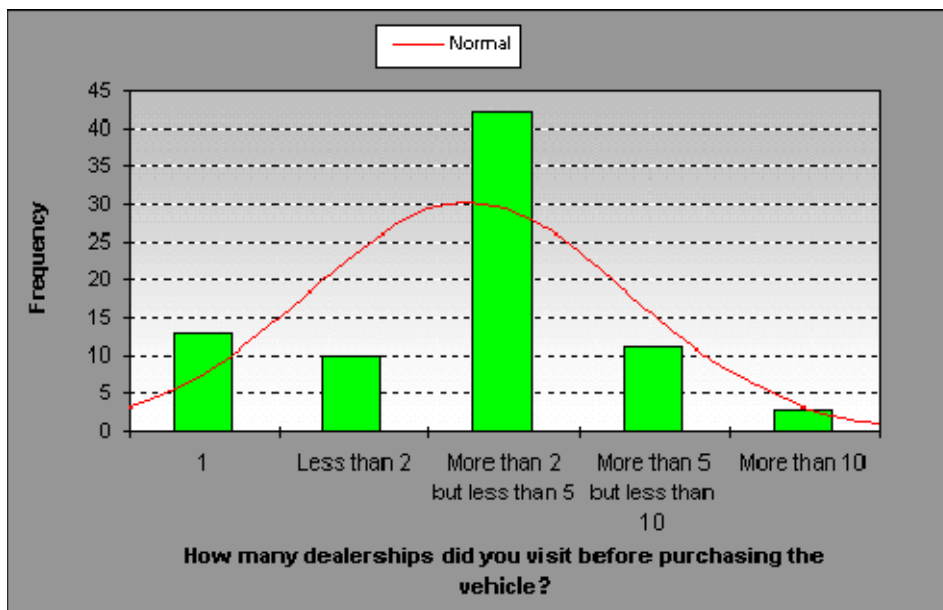
29% of the sample indicated that they had only visited one dealership.

The remaining 71% visited 2 to 10 dealerships prior to purchasing a vehicle. This, illustrates the extent to which this sample goes to when making the decision to purchase a vehicle.

Table 5.21 “How many dealerships did you visit before purchasing the vehicle?”

Number of dealerships visited	Frequency	Percent	Cumulative Percent
1	13	16.46	16.46
Less than 2	10	12.66	29.11
More than 2 but less than 5	42	53.16	82.28
More than 5 but less than 10	11	13.92	96.20
More than 10	3	3.80	100.00

Figure 5.16 Q6 Histogram



• Information Search Question 7

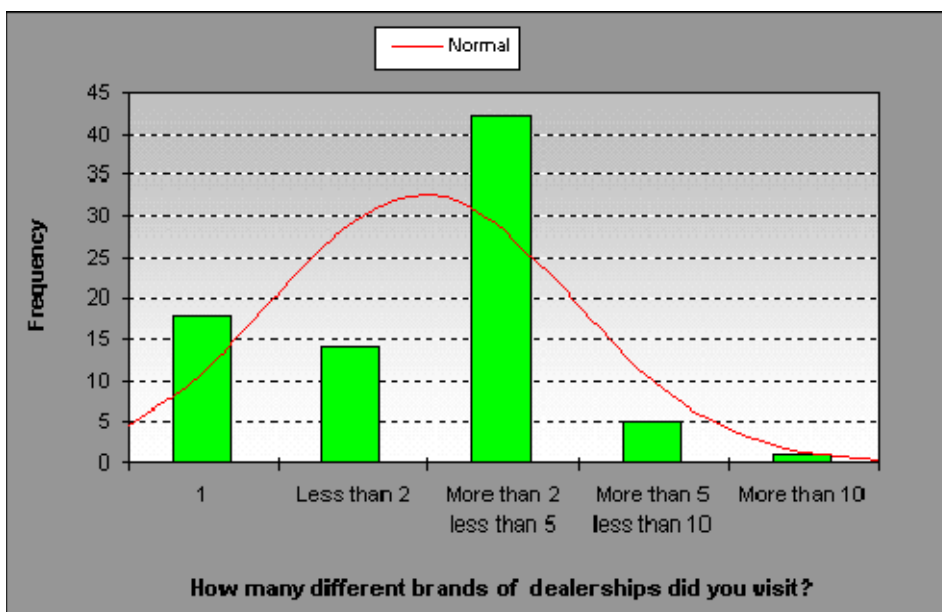
“How many different brands of dealerships did you visit ?” was asked in Question 7

The average number of brand dealerships visited was 2. The majority (52.5%) of the sample visited more than 2 but less than 5 different brands of dealerships before they purchased a vehicle. Almost a quarter visited only 1 dealership suggesting a very strong brand affinity.

Table 5.22 “How many different brands of dealerships did you visit?”

Number of dealership brands	Frequency	Percent	Cumulative Percent
1	18	22.50	22.50
Less than 2	14	17.50	40.00
More than 2 less than 5	42	52.50	92.50
More than 5 less than 10	5	6.25	98.75
More than 10	1	1.25	100.00

Figure 5.17 Q7 Histogram



• Information Search Question 8

Question 8 aimed to determine “Which of the following risks were of concern to you in purchasing the vehicle?” The risks in descending order are listed below and are also illustrated in Table 5.23 and Figure 5.18 below.

The top three risks of concern were:

- Financial (The product may be overpriced/ cost) – 52%
- Performance (The product may not perform as expected) – 43%
- Obsolescence (The threat of new substitutes) – 26%

Factors that received lower scores were:

- Social (Others may not like it) – 12%
- Psychological (The product may not reflect oneself) – 11%

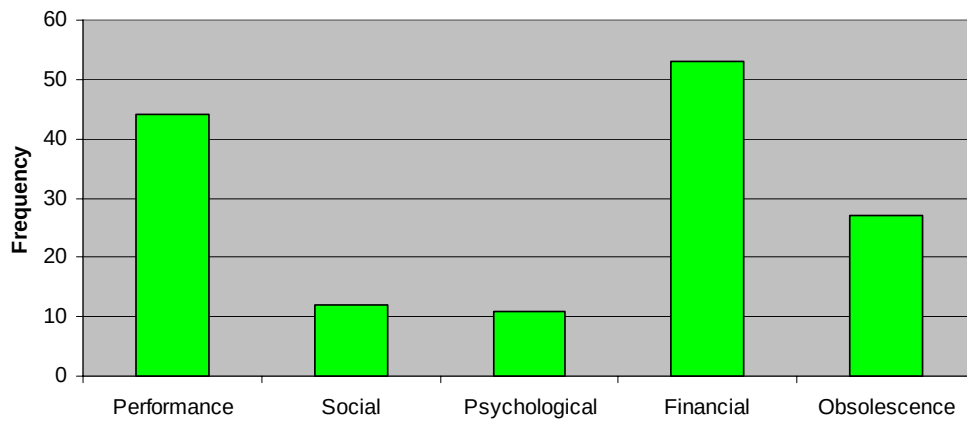
The results above suggest that the sample is more concerned with the tangible features of the vehicle i.e. price, performance and substitutes than the intangibles i.e. what other think about it and association it reflects.



Table 5.23 “Which of the following risk factors of concern to you in purchasing the vehicle?”

Risk Factors	Frequency
Performance	44
Social	12
Psychological	11
Financial	53
Obsolescence	27

Figure 5.18 Q8 Histogram



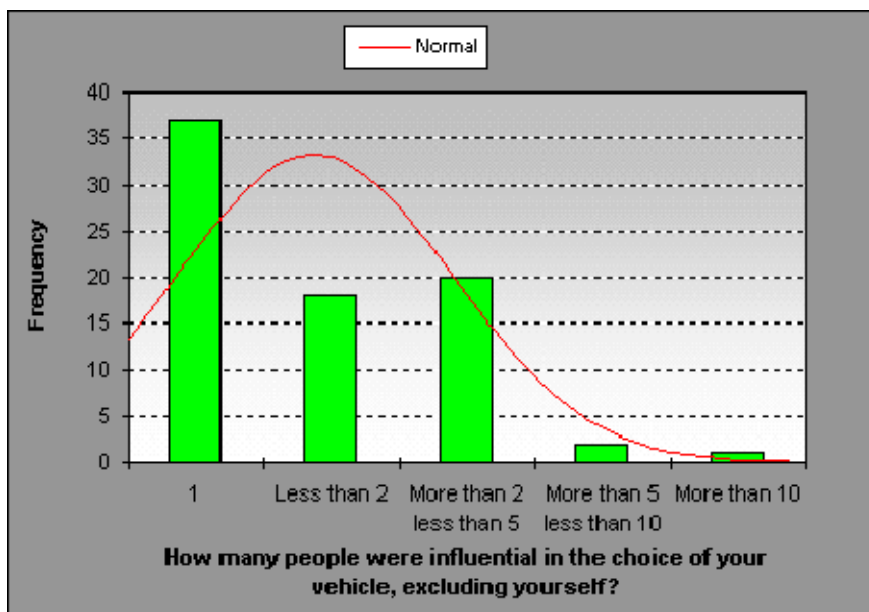
• **Information Search. Question 9**

Question 9 related to, “How many people were influential in the choice of your vehicle, excluding yourself?” The average number of influential people involved in the choice of the vehicle was less than or equal to 2 people.

Table 5.24 “How many people were influential in the choice of your vehicle, excluding yourself?”

Number of influential people	Frequency	Percent	Cumulative Percent
1	37	47.44	47.44
Less than 2	18	23.08	70.51
More than 2 less than 5	20	25.64	96.15
More than 5 less than 10	2	2.56	98.72
More than 10	1	1.28	100.00

Figure 5.19 Q9 Histogram



• **Information Search. Question 10**

Question 10 dealt with, “Who was influential in the choice of the vehicle?” The majority of the sample indicated that 1 person was influential in their decision. This is most likely to be a spouse/ partner or family/ friends colleagues. This result was anticipated to be higher than the results demonstrated. This shows that the people most influential to the decision-maker are located within the social network as opposed to relevant vehicle industry professionals. Surprisingly though is the number of different people or experiences that were cited as being influential in the choice of the vehicle.

Table 5.25 “Who was influential in the choice of the vehicle?”

Frequency Distribution				
Influential people	N	Cum. N	%	Cum. %
Family/ friends/ colleagues	17	17	24.638	24.638
Chance meeting	9	26	13.043	37.681
Partner/ spouse	17	43	24.638	62.319
Past experience	1	44	1.449	63.768
Dealers -Reliability	8	52	11.594	75.362
Salesperson - Value	3	55	4.348	79.710
Salesperson -Design	10	65	14.493	94.203
Personal preference	1	66	1.449	95.652
Recommendation	1	67	1.449	97.101
Service/ parts professionals	1	68	1.449	98.551
Vehicle specialist	1	69	1.449	100.000

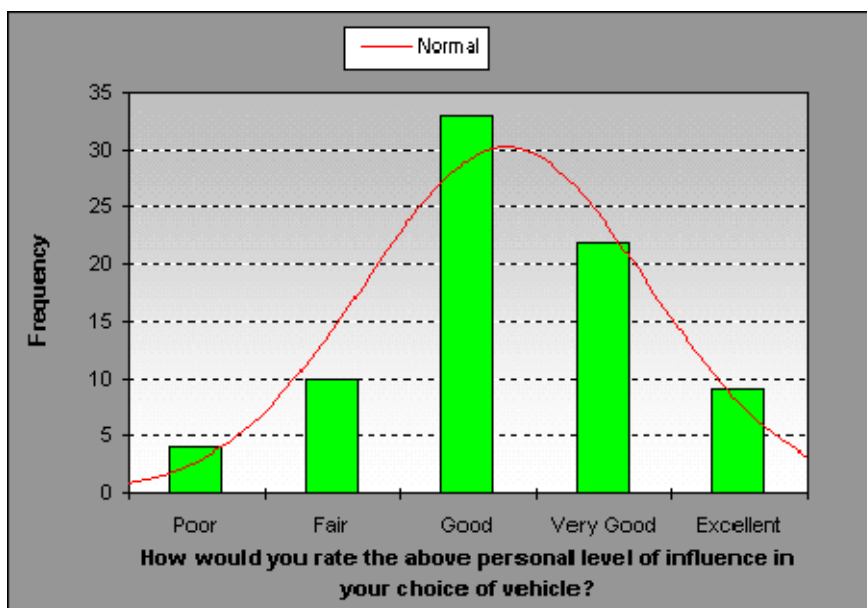
• Information Search. Question 11

Question 11 asked, “How would you rate the above personal level of influence in your choice of vehicle?” 82% of the sample rated the level of influence positively, i.e. *Good to Excellent*. This could infer that the sample values the opinions of those whom they seek advice from when choosing a vehicle. Only 5% of the sample rated the level of influence as *Poor*. Table 5.26 and Figure 5.20 depict the results in tabular and graphical format respectively.

Table 5.26 “How would you rate the above personal level of influence in your choice of vehicle?”

Rating of level of influence	Frequency	Percent	Cumulative Percent
Poor	4	5.13	5.13
Fair	10	12.82	17.95
Good	33	42.31	60.26
Very Good	22	28.21	88.46
Excellent	9	11.54	100.00

Figure 5.20 Q11 Histogram



5.2.5 Step 3: Alterna

Research Question 3: What are the product (brand, colour, performance, etc) and situational factors (e.g. interest rates, dealer location and payment period etc) that influence the black middle class when purchasing a passenger vehicle?

• Alternative Evaluation Question 1

Question 1 of the Alternative Evaluation Step set out to establish, “What was the main reason for buying the vehicle?” The main reason cited by more than 50% of respondents was necessity (i.e. for transport). Another reason that achieved higher scores (above 10%) was pricing. It is anticipated that this has to deal with attractive monthly vehicle instalments (finance options) through innovative pricing models and structures in vehicle financing to attract consumers. Table 5.27 lists all the reasons cited as well as the respective percentages for each.

Table 5.27 “What was the main reason for buying the vehicle?”

Frequency Distribution				
Reason for buying vehicle	N	Cum. N	%	Cum. %
Associated convenience	4	4	5.479	5.479
Necessity	37	41	50.685	56.164
Affordability	8	49	10.959	67.123
Reliability	3	52	4.110	71.233
Size	2	54	2.740	73.973
Vehicle features	5	59	6.849	80.822
Status symbol	3	62	4.110	84.932
Upgrade	4	66	5.479	90.411
Brand	4	70	5.479	95.890
For small business	1	71	1.370	97.260
Tax	1	72	1.370	98.630
Extra holiday car	1	73	1.370	100.000

• Alternative Evaluation Question 2

Question 2 dealt with, “What influenced your choice of brand?”

The pull factor to a particular brand of vehicle in this instance is the reliability associated with the brand. Reliability accounted for 23% of the responses followed by value (13%) and advice from family, friends and colleagues (10%). All reasons cited by the respondents are illustrated in Table 5.28 below.

Table 5.28 “What influenced your choice of brand?”

Frequency Distribution				
Brand Choice Influencers	N	Cum. N	%	Cum. %
Family/ friends/ colleagues	7	7	10.448	10.448
Chance	3	10	4.478	14.925
Partner/ Spouse	3	13	4.478	19.403
Past experience	6	19	8.955	28.358
Reliability	16	35	23.881	52.239
Value	9	44	13.433	65.672
Design	5	49	7.463	73.134
Personal preference	3	52	4.478	77.612
Recommendation	5	57	7.463	85.075
Service/ parts	3	60	4.478	89.552
Vehicle specs	6	66	8.955	98.507
Re-sale	1	67	1.493	100.000

• Alternative Evaluation Question 3

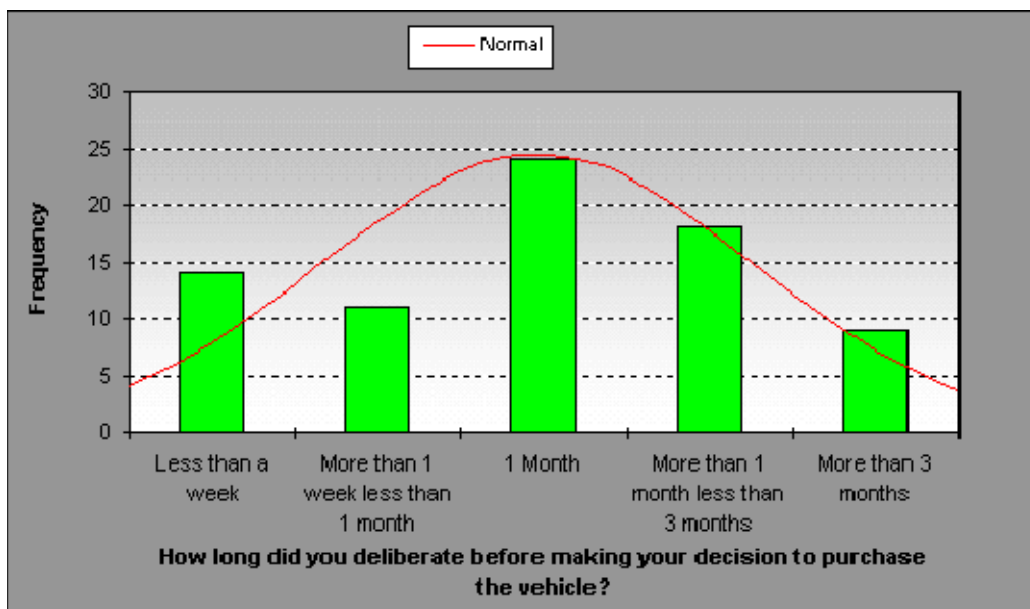
Question 3 asked, “How long did you deliberate before making your decision to purchase the vehicle?” The average period for deliberation was 1 month. More than 60% of the sample indicated that they took 1 – 3 months to make their decision to purchase a vehicle This could be attributed to the extensive research that is undertaken during the decision making phase. This illustrates that the

decision to purchase a vehicle is not taken lightly by the majority of the sample. As such it is fair to assume that a great deal of effort and consideration goes into the customer decision-making process to purchase a vehicle. The results are demonstrated in Table 5.29 and Figure 5.21.

Table 5.29 “How long did you deliberate before making your decision to purchase the vehicle?”

Length of deliberation	Frequency	Percent	Cumulative Percent
Less than a week	14	18.42	18.42
More than 1 week less than 1 month	11	14.47	32.89
1 Month	24	31.58	64.47
More than 1 month less than 3 months	18	23.68	88.16
More than 3 months	9	11.84	100.00

Figure 5.21 Q3 Histogram



• **Alternative Evaluation of Product Attributes Question 1**

Question 1 on Product Attributes asked respondents to, “Please identify only the Top 5 Product factors that have played a vital role in influencing your decision to purchase a vehicle?” The product attributes that push the decision to purchase a vehicle are tabulated in Table 5.30 below. 50% of the sample believed price was the top product factor that influenced their decision to purchase a vehicle. Interesting to note is that brand was the second factor. It was anticipated that brand would be the predominant factor given the strong affinity to certain vehicle brands as illustrated in Table 5.2.

Table 5.30 “Please identify only the Top 5 Product factors that have played a vital role in influencing your decision to purchase a vehicle?”

Factors	Frequency
Price	53
Brand	50
Fuel consumption	48
Features and benefits	40
Maintenance/ Motor plan	28

• **Alternative Evaluation: Situational Attributes Question 1**

“Please identify only the Top 5 Situational factors that have played a vital role in influencing your decision to purchase a vehicle?” was Question1 on Situational Attributes. Table 5.31 below illustrates the results. The situational factors that can be considered to push the decision to purchase a vehicle relate mainly to personal income and monthly instalments, which relate to affordability. It is surprising that payment period featured on the list given that the market options are relatively limited.

Table 5.31 “Please identify only the Top 5 Situational factors that have played a vital role in influencing your decision to purchase a vehicle?”

Factors	Frequency
Personal Income	56
Monthly instalment	55
Interest rates	44
Lifestyle	30
Payment period	29



5.2.6 Step 4: Purchase

Research Question 4: What are the significant aspects during the purchase step of the decision making process that have influenced as well as contributed positively to the purchase experience of the black middle class?

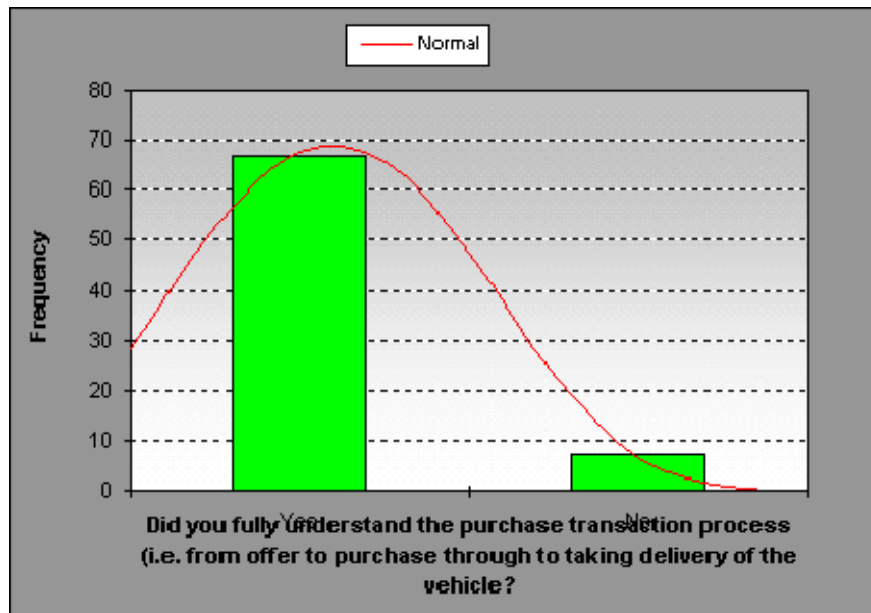
- **Purchase Question 1**

Question 1 of the Purchase Step queried, “Did you fully understand the purchase transaction process (i.e. from offer to purchase through to taking delivery of the vehicle)?” 91% of the sample indicated that they did understand the purchase transaction process. This is not surprising as it could be attributed to the depth of consideration and extensive information search that is conducted prior to making the decision to purchase a vehicle. Table 5.32 and Figure 5.22 depict the results.

Table 5.32 “Did you fully understand the purchase transaction process (i.e. from offer to purchase through to taking delivery of the vehicle)?”

	Frequency	Percent	Cumulative Percent
Understand purchase transaction process			
Yes	67	90.54	90.54
No	7	9.46	100.00

Figure 5.22 Q1 Histogram



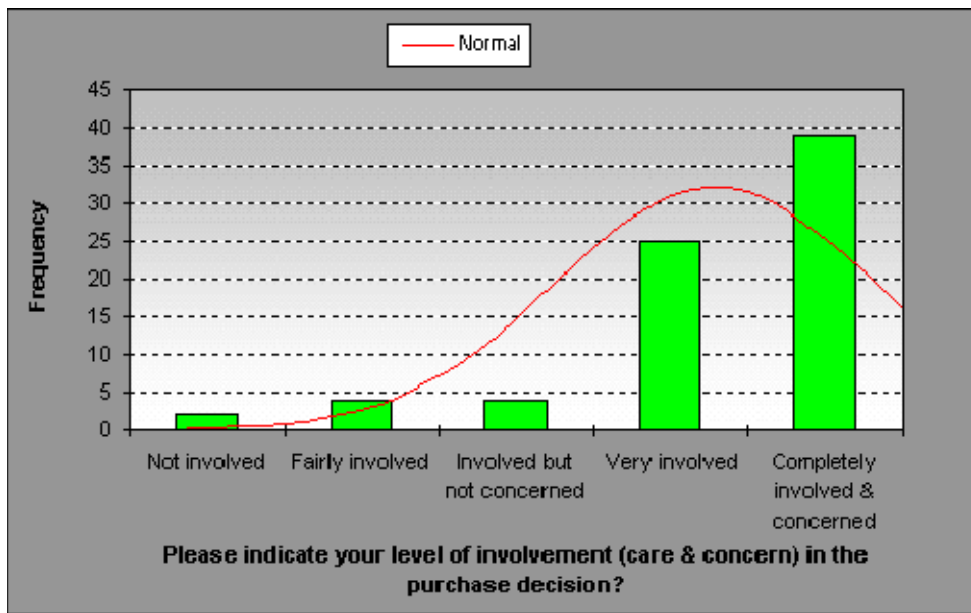
• Purchase Question 2

Question 2 asked, “Please indicate your level of involvement (care and concern) in the purchase decision?” The majority (87%) indicated that they were involved and/or concerned in the purchase decision. This is a further illustration of the extent to which the decision to purchase a vehicle is considered. It is clear that the decision to purchase a passenger vehicle receives a large amount of consideration and involvement. It is not a decision that is taken or entered into lightly. Results are tabulated in Table 5.33 and graphically illustrated in Figure 5.23 below.

Table 5.33 “Please indicate your level of involvement (care and concern) in the purchase decision?”

Level of involvement	Frequency	Percent	Cumulative Percent
Not involved	2	2.70	2.70
Fairly involved	4	5.41	8.11
Involved but not concerned	4	5.41	13.51
Very involved	25	33.78	47.30
Completely involved & concerned	39	52.70	100.00

Figure 5.23 Q2 Histogram





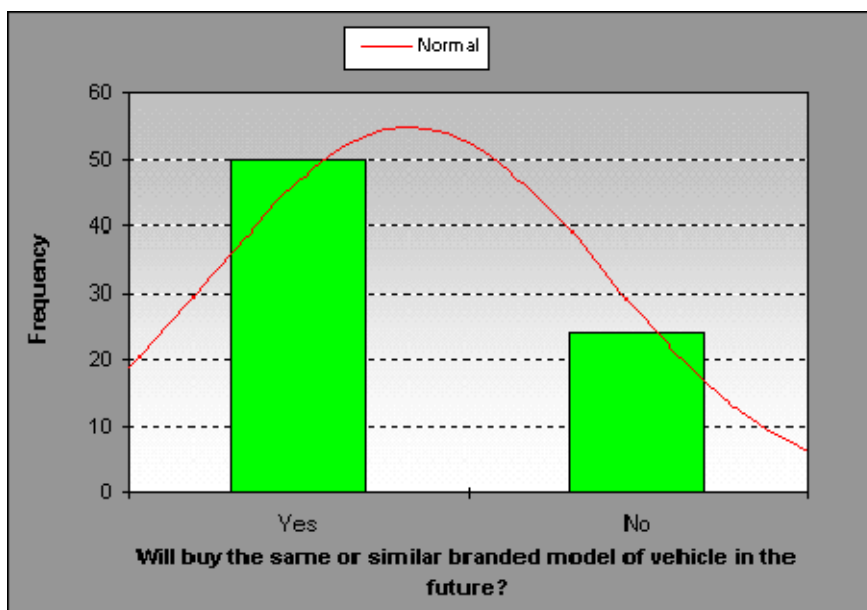
• Purchase Question. 3

Question 3 investigated responses to, “Will you buy the same or similar branded model of vehicle in the future?” 68% of the sample indicated that they would buy the same brand in the future. This suggests that the majority of this sample could be considered to be somewhat brand loyal and is less likely to switch to another brand when they have to go through the process of purchasing a vehicle in the future. It is noteworthy from a marketing perspective that 32% have indicated the need to switch brands. It is assumed that the product and situational factors could play an important role in the need to switch brands. The results of question 3 are tabulated and graphically shown in Table 5.34 and Figure 5.24 respectively.

Table 5.34 “Will you buy the same or similar branded model of vehicle in the future?”

	Frequency	Percent	Cumulative Percent
Buy same brand in future			
Yes	50	67.57	67.57
No	24	32.43	100.00

Figure 5.24 Q3 Histogram





• **Purchase Question.** →

Question 4 aimed to determine, “If your answer to the above questions was No- What alternative brand would you buy in the future?” As illustrated in Table 5.35, 32% of the sample as illustrated in (Question 3) who indicated that they would not buy the same brand in the future was asked which brand they would consider switching to. Volkswagen and BMW were the two top mentions with 19% and 15% respectively. Notable is no mention of Toyota as a brand to switch to given the general strong sentiment toward reliability as a purchase factor for which Toyota is synonymous.

Table 5.35 “If your answer to the above questions was No- What alternative brand would you buy in the future?”

Frequency Distribution				
Alternate Brand Choice	N	Cum. N	%	Cum. %
Audi	2	2	7.407	7.407
BMW	4	6	14.815	22.222
Dodge	2	8	7.407	29.630
Gonow	1	9	3.704	33.333
Jeep	1	10	3.704	37.037
Mazda	1	11	3.704	40.741
Mercedes Benz	2	13	7.407	48.148
Mitsubishi	1	14	3.704	51.852
Nissan	2	16	7.407	59.259
Peugeot	2	18	7.407	66.667
Porsche	1	19	3.704	70.370
Toyota	2	21	7.407	77.778
Volkswagen	5	26	18.519	96.296
Volvo	1	27	3.704	100.000



• Purchase Question. 5

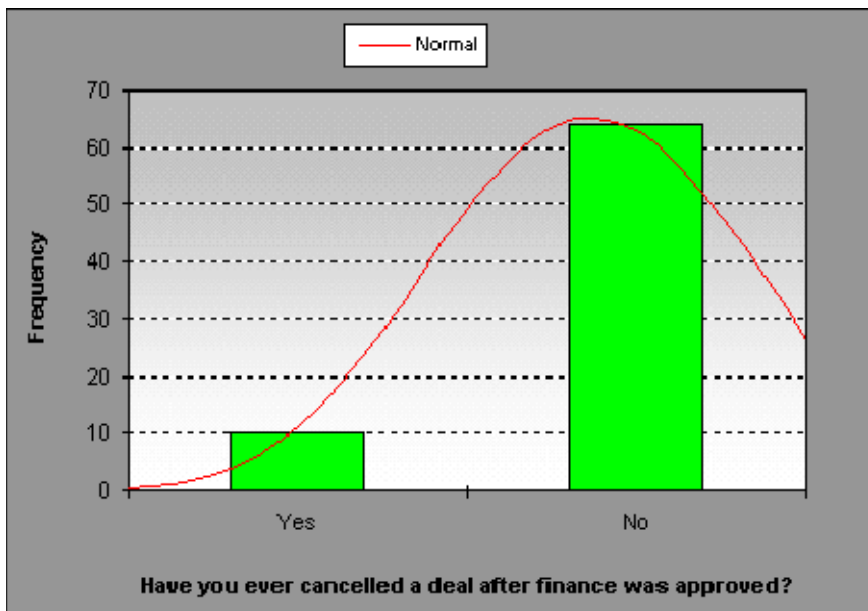
Question 5 asked, “Have you ever cancelled a deal after finance was approved?”

86% of the sample indicated that they had not cancelled a deal after the approval for finance was received. This suggests that this sample is more likely to follow through with their decision to purchase the vehicle. This again, could be attributed to the extensive research and deliberation that is involved in the decision making process. The results are revealed in Table 5.36 and Figure 5.25.

Table 5.36 “Have you ever cancelled a deal after finance was approved?”

	Frequency	Percent	Cumulative Percent
Cancellation of deal			
Yes	10	13.51	13.51
No	64	86.49	100.00

Figure 5.25 Q5 Histogram





- **Purchase Question.**

Question 6 sought to determine, “What was the main reason for cancelling your intention to purchase the vehicle?” For the 14% who indicated that they had cancelled the deal, the main reasons that lead to the decision to cancel the deal was the price of the vehicle (33%) and the service (25%) that they received from the parties involved in the process, i.e. dealer, financial institution, etc. Table 5.37 below, illustrates the results.

Table 5.37 “What was the main reason for cancelling your intention to purchase the vehicle?”

Frequency Distribution				
Reasons for cancellation	N	Cum. N	%	Cum. %
Condition	1	1	8.333	8.333
Pricing	4	5	33.333	41.667
Service	3	8	25.000	66.667
Changed mind	1	9	8.333	75.000
Better offer	1	10	8.333	83.333
False promises	1	11	8.333	91.667
Insurance risk	1	12	8.333	100.000

5.2.7 Step 5: Post-Purchase Experience

Research Question 5: What are the elements that are seminal in the post purchase experience and how does this impact on future decisions by the black middle class to purchase a passenger vehicle?

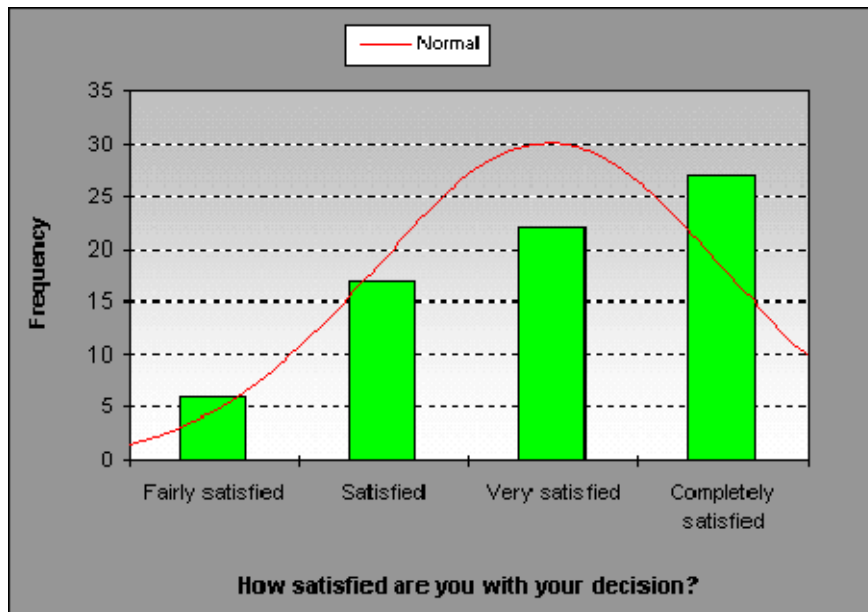
• Post Purchase Question 1

The first question of the Post Purchase Step questioned, “How satisfied are you with your decision?” More than 80% of the sample’s responses fell into the upper end of the 5 point Likert scale which indicated that they were satisfied to completely satisfied with the decision. None of the respondents indicated that they were not satisfied with their decision; hence the frequency count was zero and therefore not featured. This is depicted in Table 5.38 and Figure 5.26.

Table 5.38 “How satisfied are you with your decision?”

	Frequency	Percent	Cumulative Percent
Satisfaction with decision			
Fairly satisfied	6	8.33	8.33
Satisfied	17	23.61	31.94
Very satisfied	22	30.56	62.50
Completely satisfied	27	37.50	100.00

Figure 5.26 Q1 Histogram



• Post Purchase Question 2

Question 2 dealt with, “Does your current vehicle match your expectations?”

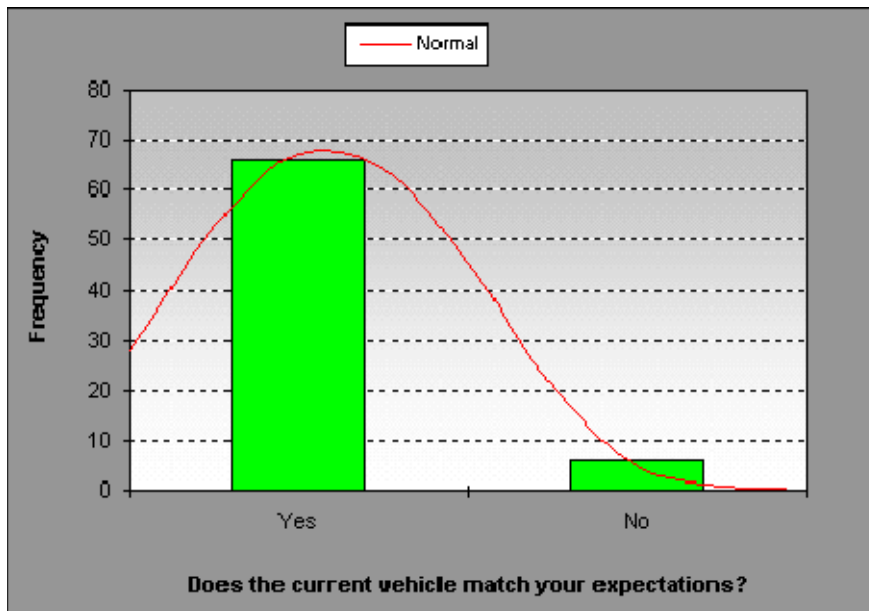
92% of the sample indicated the vehicle matched their expectations with the balance of 8% indicating that the vehicle did not meet their expectations. It is assumed that the reasons these vehicles did not meet expectations relate to the reasons cited in Table 5.11 above. Table 5.39 and Figure 5.27 illustrate the results to question 2.

Table 5.39 “Does your current vehicle match your expectations?”

	Frequency	Percent	Cumulative Percent
Match expectations			
Yes	66	91.67	91.67
No	6	8.33	100.00



Figure 5.27 Q2 Histogram



• Post Purchase Question 3

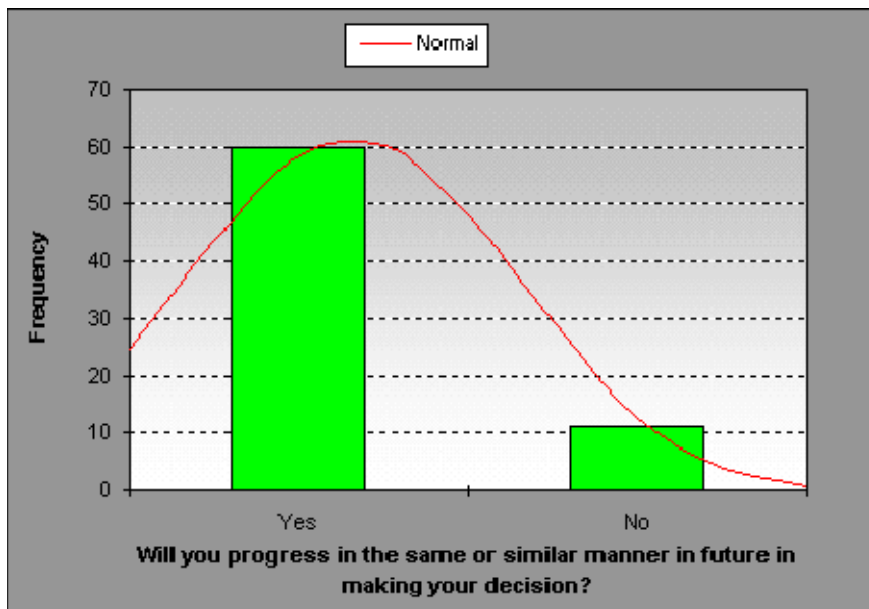
Question 3 dealt with, “Will you progress in the same or similar manner in future in making your decision?” 85% of the sample indicated that they would repeat the same process in their decision to purchase a vehicle in the future. This could be as a result of their understanding of the process, their satisfaction with the decision and expectations being met. It is assumed that they are less likely to change the process given that it appears to have resulted in the desired outcome for their most recent purchasing experience. The results are included in Table 5.40 and Figure 5.28 to follow.



Table 5.40 “Will you progress in the same or similar manner in future in making your decision?”

		Frequency	Percent	Cumulative Percent
Same process for future				
Yes		60	84.51	84.51
No		11	15.49	100.00

Figure 5.28 Q3 Histogram



• Post Purchase Question 4

Question 4 sought to explain, “Why would you choose the above mentioned brand?” For the majority (36%), the main push factor to brand choice is reliability. It is surprising to note that Table 5.41 lists several reasons with relatively low scores. It is assumed that the choice of brand would encompass distinctive characteristics that would resonate in consumers’ minds when choices are to be made.



Table 5.41 “Why would you choose the above mentioned brand?”

Frequency Distribution				
Why would you choose the above mentioned brand?	N	Cum. N	%	Cum. %
Class	3	3	5.172	5.172
Performance	4	7	6.897	12.069
No previous problems	3	10	5.172	17.241
Reliability	21	31	36.207	53.448
Brand	3	34	5.172	58.621
Economical consumption	3	37	5.172	63.793
Status symbol	3	40	5.172	68.966
Trade in value	2	42	3.448	72.414
Quality	1	43	1.724	74.138
Reputation	5	48	8.621	82.759
Service	4	52	6.897	89.655
Local manufacture	2	54	3.448	93.103
Price	2	56	3.448	96.552
Design	2	58	3.448	100.000

• Post Purchase Question 5

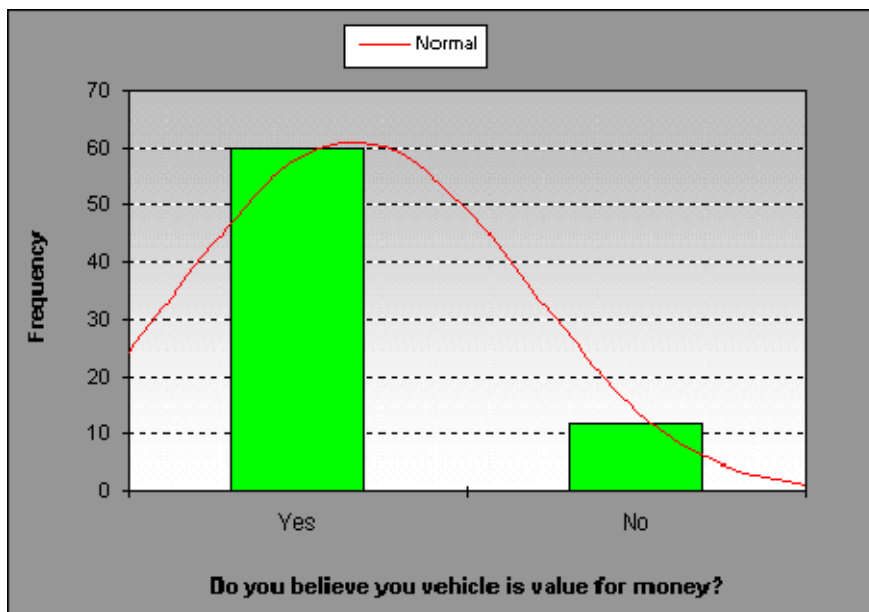
Question 5 asked, “Do you believe your vehicle is value for money?” The results as tabulated by Table 5.42 and Figure 5.29 (below) suggest that 83% of the sample indicated the vehicle that they had purchased provided value for money. This could suggest that the financial risks taken into account were constructively determined to ensure that the vehicle purchased, provided value for money for the majority of the sample. 17% of the sample that indicated their vehicle was not value for money was determined as being within normal ranges, given the percentage (32%) of the sample as noted earlier (Table 5.34) that stated their intention to switch brands.



Table 5.42 “Do you believe your vehicle is value for money?”

	Frequency	Percent	Cumulative Percent
Value for money			
Yes	60	83.33	83.33
No	12	16.67	100.00

Figure 5.29 Q5 Histogram



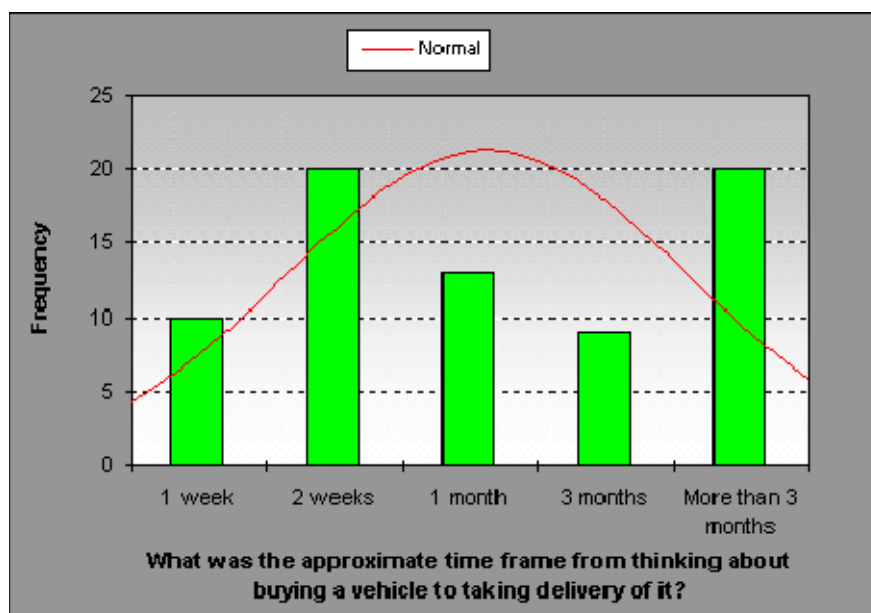
• Post Purchase Question 6

Question 6 aimed to determine, “What was the approximate time frame from thinking about buying a vehicle to taking delivery of it?” The average length of time of the entire process was 1 month. It is surprising to note that the majority (60%) took a month or less for the process to be concluded. Assumed was a longer deliberation time given the type of decision being made. The results are offered in Table 5.43 and Figure 5.30 below, in tabular and graphical format respectively.

Table 5.43 “What was the approximate time frame from thinking about buying a vehicle to taking delivery of it”

Time frame from thinking to delivery	Frequency	Percent	Cumulative Percent
1 week	10	13.89	13.89
2 weeks	20	27.78	41.67
1 month	13	18.06	59.72
3 months	9	12.50	72.22
More than 3 months	20	27.78	100.00

Figure 5.30 Q6 Histogram



5.3 CONCLUSION

The results presented in the above chapter present the findings drawn from the survey questionnaire following analysis. Chapter Six will provide an explicit explanation of the results which will be discussed in terms of the research questions and the literature.

CHAPTER 6: DISCUSSION OF RESULTS

6.1 INTRODUCTION

The analysis of the quantitative results as illustrated in Chapter 5 will be discussed according to the research questions defined in Chapter 3 using the framework outlined in Chapter 2.

6.2 RESEARCH QUESTION 1

What are the factors that occur during the problem recognition step of the decision making process that contribute to the need to purchase a passenger vehicle?

The research question was intended to elicit responses that were aligned to the problem recognition step of the decision making process which was discussed in Chapter 2. The questions were designed to determine whether internal or external cues/stimuli motivated the respondent to purchase a passenger vehicle, as well as the basis of those cues. Sheth et al (1999) define internal cues as states of discomfort either physical or psychological (hunger and boredom, respectively). External stimuli/cues are marketplace information items (advertisements) that lead the customer to realize a problem Sheth et al (1999).

As illustrated in Table 5.9 and figure 5.6 the sample was relatively evenly matched in terms of their response to purchasing the vehicle. 29% indicated purchasing the vehicle was in response to a current problem with their vehicle whereas 36% indicated it was a desire to have something new.

It is interesting to note that the need to satisfy internal states of discomfort was highly prevalent. This was deduced from the responses elicited to the question on specific factors that influenced the purchase of the vehicle. Table 5.10 confirms that there were three predominant factors that influenced the purchase of the vehicle in response to resolving their problem. 25% indicated it was due to necessity (need for transport to work). 21% cited circumstances i.e. problems with old vehicles and 18% indicated the need for cheaper instalments/options.

The strong sentiment of internal cues motivating purchase decisions in resolution of problems was strengthened by the fact that 77% of the sample indicated that their decision to purchase the vehicle was not as a result of the marketing of the vehicle. This is illustrated in Table 5.11 and figure 5.7. Further confirmation of this was that 73% of the sample indicated that brand switching did not influence their decision.

The findings indicated that the average frequency of changing vehicles was every four years suggesting that the desire to constantly have something new is not the case. External stimuli it appears in this case has limited influence during the problem recognition step of decision making.

In light of the findings as discussed above, the factors that occur during the problem recognition step of the decision making process that contribute to the need to purchase a passenger vehicle stem from internal cues which motivate the need to purchase a passenger vehicle.

In summation, internal cues (necessity, circumstances and cheaper options) proved to be the answer to Research Question 1.

6.3 RESEARCH QUESTION 2

What are the sources and types of information used during the information search step and the impact of this on the black middle class in influencing this segment to purchase a passenger vehicle?

Information search as articulated by Sheth et al (1999) involves the customers search for information about various alternative ways of solving the problem.

Section 5.2.4 detailed the results of the responses derived from the sample. The average number of information sources referenced to inform the decision to purchase a vehicle was greater than 2 and less than 5, suggesting that the black middle class uses a multitude of information sources to support their decision making. This was confirmed in Table 5.16 which indicates that 44% of the sample used a combination of sources (internet, recommendations, advice, test drives and the print media).

Sheth et al (1999) indicated that not every brand in existence of the product type is considered but only a select subset of brands. 60% of the sample agreed with Sheth et al's view, in that more than 2 but less than 5 brand choices were considered prior to purchase. 73% of the sample indicated that they did in fact evaluate all the brands they planned to. This is illustrated in Table 5.19 and Figure 5.14.

The sources of information used depends on the customers' search strategy Sheth et al (1999). Where dealership visits were concerned, the majority (53%) indicated that they visited more than 2 but less than 5 dealerships. 53% of the sample also indicated that they visited more than 2 but less than 5 different brand dealerships.

The results from Table 5.23 suggest that an average of 2 people were influential in the choice of vehicle selected. 24% cited family, friends or colleagues. The same percentage was noted for partners/ spouses. Figure 5.19 graphically illustrates that the level of personal influence on a 5 point Likert scale was "Good" suggesting the strong level of influence of family, friends, partners/spouses or colleagues when purchasing a vehicle.

Decisions to purchase a vehicle depend on a host of factors including but not limited to relevant information and the risks linked to the purchase. No decision is complete without evaluating information relating to the risks associated with the product. A degree of risk is involved in any purchase particularly assets considered high in value such as passenger cars.

The top three risks of concern were:

- Financial (The product may be overpriced/ cost) – 52%
- Performance (The product may not perform as expected) – 43%
- Obsolescence (The threat of new substitutes) – 26%

The sample was afforded the opportunity to select more than one risk associated with the product. A higher concern for financial risk was assumed given the recent rise in interest rates and the newly passed National Credit Act (NCA). The results however did not support this view.

In conclusion, in response to the research question, the findings indicate that there are diverse sources and types of information which are readily available and accessed by the black middle class. Compounding the amount of information available to the black middle class is the level of personal influence in the choice of vehicle. The level of personal influence was cited as “good” by 42% of the sample (Table 5.25 and Figure 5.19).

The impact of this was that the majority (81%) indicated that they had sufficient information to make an informed decision to purchase the vehicle.

6.4 RESEARCH QUESTIONS

What are the product (brand, colour, performance, etc) and situational factors (e.g. interest rates, dealer location and payment period etc) that influence the black middle class when purchasing a passenger vehicle?

Following the information search step, it is clear from the customer decision making process that alternative evaluation is the next logical step. Sheth et al (1999) defines alternative evaluation as how customers use the information gathered to arrive at a choice from several alternatives.

This study guided the respondents to use the compensatory choice model. As defined in Chapter Two, the compensatory model, involves the customer arriving at a choice by considering all of the attributes for a product or service and mentally trading off the alternative's perceived weaknesses on one more attributes for its perceived strength on other attributes (Sheth et al 1999).

To avoid bias responses towards certain product attributes being selected over others, the questionnaire (Appendix B) was designed with the product factors listed in alphabetical order.

The findings of the top 5 product factors as illustrated in Table 5.29 were:

- Price
- Brand
- Fuel Consumption
- Features and Benefits (Air Conditioning, Central Locking, Alarm, Audio System, Electric Windows and Power Steering)
- Maintenance / Motor-plan.

Price as a product factor elicited the highest frequency count (53) followed by brand (50). The need to switch brands was not the primary reason the sample decided to purchase a passenger vehicle as illustrated in Table 5.12 during the Problem Recognition step. However brand identity was highlighted as a significant factor as illustrated above, in influencing the decision to purchase a vehicle.

Fuel consumption was the third product factor selected in terms of the frequency count (48). The study did not investigate reasons for each choice but given the price of fuel per litre in South Africa and the rising oil price, fuel consumption is a sensible choice.

Interesting to note that despite ongoing media attention towards being more environmentally sensitive, “Environmentally friendly” as a product factor did not feature on the Top 5 list. However, “Features and Benefits” which was listed next to “Environmentally friendly”, featured fourth on the Top 5 list.

Table 5.30 clearly shows the top 5 situational factors that have played a vital role in influencing the sample's decision to purchase a vehicle. The situational factors are:

- Personal Income
- Monthly instalments
- Interest rates
- Lifestyle
- Payment period

Personal Income was cited by the majority (56) as the top situational factor. It is evident that four of the Top 5 situational factors except for lifestyle (which featured fourth) have direct financial implications.

In attempting to test the validity of the samples' overt steer toward financial implications influencing passenger vehicle purchases, Table 5.7 which is a tabular representation of Figure 5.4 was reviewed. Results from this, indicate that the average percentage of net disposable income spent on the purchase of the vehicle was greater than 15% but less than or equal to 20%.

Matching the percentage of net disposable income to the individual salary range (Table 5.1) suggests that the monthly vehicle instalments paid are within normal accepted ranges. It is therefore deduced that the majority of the situational factors illustrated above, do in fact play a vital role in influencing the black middle class's decision to purchase passenger vehicles.

Table 5.27 indicates that of the three variables that influenced the choice of brand, reliability (24%) was the main influencer. When the respondents were re-tested on the same question for a different step of the decision making process, “reliability” once again was the majority (36%) response which is illustrated in Table 5.40. This correlates with Table 5.9 whereby 30% of the sample purchased their vehicle as a consequence of a current problem.

Sheth et al (1999) suggests that the outcome of these evaluation processes is the identification of a preferred brand and the formation of a purchase intent.

6.5 RESEARCH QUESTION 4

What are the significant aspects during the purchase step of the decision making process that have influenced as well as contributed positively to the purchase experience of the black middle class?

The purchase step of the decision making process entails the full purchase transaction process. Evidence from Figure 5.21 confirms that 91% of the respondents understood the purchase transaction process and that majority (53%) were completely involved and concerned during the purchase decision. This is tabulated in Table 5.32.

The results (Table 5.33 and Figure 5.23), relating to brand affinity suggests that 68% would buy the same brand in the future. Of the 32% that indicated an alternative brand would be selected, 15% indicated they would select BMW and 19% Volkswagen. These brands produced the highest percentages.

The final stages of the purchase experience, reflected a low incidence of cancellation of a deal once finance is approved (Figure 5.24). Where cancellation of the deal does occur, the main reason cited was price (33%) followed by service (25%).

It is rather surprising that interest rates did not feature as a response for cancellation of a deal, given the fact that it featured in the Top 5 situational factors that played a vital role in influencing the purchase decision.

Form the results, it is evident that an understanding of the purchase transaction as well as being completely involved and concerned contributed positively to implementing the purchase intent. While the purchase experience did result in 14% of deals being cancelled (Table 5.35), the findings did confirm that both price and service were factors that the respondents viewed as contributing negatively to the purchase experience.

6.6 RESEARCH QUESTION 5

What are the elements that are seminal in the post purchase experience and how does this impact on future decisions by the black middle class to purchase a passenger vehicle?

The post-purchase sub stages (Figure 2.2.) highlights the processes that are followed in experiencing and evaluating the product.

Sheth et al's (1999) view on experience evaluation was tested by questioning the respondents on their satisfaction levels. Table 5.37 illustrates that the respondents were conscious of the consumption experience, appraising and relishing it. 90% of respondents indicated that they were either satisfied, very satisfied or completely satisfied with their decision. As such post purchase dissonance is very low.

Table 5.41 which illustrates the question of whether the vehicle is value for money resulted in 83% of respondents confirming value, lending weight to Sheth et al's (1999) theory of experience evaluation and decision confirmation.

The results presented above ties in strongly with Sheth et al's (1999) view on the notion that cars do present a good example of conscious evaluation.

The next step of the post-purchase experience relates to satisfaction or dissatisfaction stemming from confirmation or disconfirmation of actual

performance versus expected performance, the majority (92%) confirmed that their vehicle matched their expectations (Table 5.38)

Table 5.39 illustrates that 85% of the respondents will progress in the same or similar manner in future when making their decision. Tying this, together with confirmation of satisfaction ratings concluded above, results in the conclusion that the future response of the majority of respondents will result in the loyalty route.

6.7 CONCLUSION

In conclusion, the objectives set via research questions in this study which seeks to understand the consumer behaviour in particular the decision making process of the black middle class in the passenger vehicle market, has yielded results that confirm adherence to Sheth et al's (199) theoretical model outlined in chapter 2.

From the problem recognition step to the post purchase experience, the results above confirm that the respondents made decisions either consciously or unconsciously in line with the customer decision making process.

Chapter 7, which follows, is the final chapter that presents an overall conclusion to this study as well as future recommendations.

CHAPTER 7: CONCLUSION

7.1 INTRODUCTION

This chapter highlights the main findings of this research. Recommendations for future research as well as to relevant stakeholders will also be discussed.

Consumer Behaviour as a topic is too broad for a research study of this nature. Hence this research project focussed on the customer decision-making process. The target demographic was the black middle class in South Africa.

Consumer's use the decision making process discussed above in different ways at different times Rowley (1997). Extensive decision-making as defined by Rowley (1997) occurs when purchases which are unfamiliar, expensive or infrequent are under consideration. The purchase of a passenger vehicle is a prime example of such a purchase.

The objective of this quantitative study was primarily to investigate the consumer decision-making process of the black middle class in purchasing a passenger vehicle. This was done through an analysis of Sheth et al's (1999) customer decision-making process and tested using five research questions which were aligned to this process. The results of the survey questionnaire were statistically analysed, tabulated and graphically illustrated. The findings that were presented included the decision-making process as well as the factors that influenced and

contributed to it. The research objectives as outlined in Chapter One will be identified along with an overview of the results.

7.2 SUMMARY OF KEY FINDINGS

The results indicate that the black middle class do indeed follow a decision making process in line with the Sheth et al's (1999) model.

In Chapter One, the objectives were to:-

- Determine what factors result in the need to purchase a passenger vehicle by evaluating the problem recognition step of the decision-making process.

Necessity, circumstances and price were identified as the key factors that were identified during the problem recognition step that contributed to the decision to purchase a passenger vehicle. Neither marketing nor brand played a vital role during this step of the process as previously anticipated. It was thought that the vehicles age may contribute to the need to purchase a vehicle. Responses however, were fairly balanced resulting in an inconclusive result.

- Ascertain the sources as well as different types of information used during the information search step and the impact of this during the decision-making process of the black middle class.

The vast majority believed the information sources that used more than sufficient to make a decision. A combination of information sources, ranging from the internet, recommendations, advice, test drives, through to print media were referenced prior to the purchase. From the perspective of personal influence, family members, colleagues and friends proved to be the most influential in the decision.

- Establish the product (brand, colour, performance, etc) and situational variables (e.g. interest rates, dealer location and reputation) that are important to the black middle class when purchasing a passenger vehicle during the alternative evaluation step of the decision making process.

Price, brand, fuel consumption, features and benefits (air conditioning, central locking, alarm, audio system, electric windows and power steering) along with a maintenance / motor-plan were identified as the top five product factors that influenced the black middle class when purchasing a passenger vehicle. The situational factors had a very strong emphasis on financial implications. Personal income, monthly instalments, interest rates, lifestyle and payment period were identified as the top five factors that influenced the black middle class when purchasing a passenger vehicle

- Evaluate the purchase step and illustrate the impact of this on the decision making process.

It was clearly evident that the majority of the sample understood the purchase transaction process. In terms of care and concern in the purchase decision, the majority indicated they were involved and or concerned during the process. Impacting negatively on the purchase transaction process that resulted in deals being cancelled after finance was approved, were instances of poor service and changes to the price of the vehicle.

- Evaluate the decision making process, and the satisfaction of the product, post-purchase.

The majority testified to the fact that they would proceed in the same or similar manner in future in making their decision. This in light of the findings that resulted in 92% of the sample indicating their vehicle matched their expectations and 83% suggesting, it provided value for money. Hence post-purchase dissonance was low. 60% of the sample took a month or less to conclude the entire decision making process.

7.3 RECOMMENDATIONS TO STAKEHOLDERS

In reviewing the both the literature and the results, the following is recommended:

- The definition of what exactly constitutes the black middle class or the affluent black middle should be determined by policy makers given that no formal definition is currently available. There has been much emphasis on racial definitions but not enough on class divisions despite the increase in reference to the term, middle class.
- The definition of black as used in government acts should be consistently applied in all information sources published or the definition should be revised to reflect a standardised definition to be used in all reports.
- The economically active population by race should be also published.
- The LSM levels should be updated to include income as a determinant towards categorising each level, given it is unofficially used at each level.
- NAAMSA should publish vehicle sales by race, thereby creating a database to accurately determine purchase transactions according to race group.
- Marketing Departments/ survey companies and research houses should conduct more research into this sector of the population given its contribution to the GDP. This will also corroborate UCT's Unilever Institute of Strategic Marketing's report on Black Diamonds.
- Banks should pay more attention to this segment considering a large percentage has already sought vehicle finance outside traditional banks.

7.4 RECOMMENDATIONS FOR FURTHER RESEARCH

There is overwhelming potential for further research in this area. Apart from repeating this study to gain a larger sample size in order to build on the existing findings, opportunities exist to conduct research in the following areas.

- To broaden the study to include a comparative investigation of the decision making process of other race groups.
- A qualitative study to conclude the factors (e.g. achievement orientation, symbolism of success/ sense of accomplishment and lifestyle) that are important to the psyche of the black middle class when purchasing a passenger vehicle.
- An examination into the financial implications of purchasing a vehicle, conducted across race groups and classes.
- Conduct a similar study in another African country as well as a first world country and subsequently perform a comparative analysis.

7.5 CONCLUSION

This aim of this research study centred on consumer behaviour of the black middle class and in particular the steps in the customer decision-making process. Research questions were used to test the process of decision-making by the black middle class when purchasing a passenger vehicle.

This study demonstrated the impact of each step of the decision-making process as outlined by Sheth et al (1999) in influencing the black middle class's decision to purchase a passenger vehicle. The top 5 product and situational factors were also identified that influenced the purchasing decision.

It is anticipated that this study will form the foundation for future comprehensive studies into the decision-making process when passenger vehicles are purchased. Further to this, it is hoped that the results obtained from this study will add value to relevant stakeholders aiming to understand the consumer behaviour (decision-making process) of the black middle class within the passenger vehicle market in South Africa.



WORD ANALYSIS.

The word analysis offers an insight into the definition of the term as well as the history in specific cases. The rationale for this is to be able to provide a more explicit understanding of the term, its origins as well as to contextualise it.

The word analysis has been performed on the research title.

“Consumer Behaviour¹ of the Black² Middle Class³ in the Passenger Vehicle⁴ Market in South Africa”

1. Consumer Behaviour – Source: Sheth, Mittal and Newman (1999)

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It is a subcategory of marketing that blends elements from psychology, sociology, socio-psychology, anthropology and economics. It attempts to understand the buyer's decision-making process, both individually and in groups.

It studies characteristics of individual consumers such as demographics, psychographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

2. Black – Source: L...

There are numerous definitions of the word “Black”. For the purposes of this study Black will be used within the racial context.

n. “Blacks of or belonging to a racial group having dark skin especially of sub-Saharan African origin; a person with dark skin who comes from Africa (or whose ancestors came from Africa); A person having origins in any of the black racial groups of Africa; Includes persons who indicated their race as "Black or Negro" or reported entries such as African American, Afro-American, Black Puerto Rican, Jamaican, Nigerian, West Indian, or Haitian”.

Black people or blacks is a racial, political, sociological or cultural classification of people. No people are literally black, but many people who have dark skin colour are considered black. A variety of socio-political and biological factors are used to define categories of black people.

In South Africa during the apartheid era, the population was classified into four groups: *Black*, *White*, *Asian* (mostly Indian), and *Coloured*.

The apartheid bureaucracy devised complex (and often arbitrary) criteria in the Population Registration Act to determine who belonged in which group. Minor officials administered tests to enforce the classifications. When it was unclear from a person's physical appearance whether a person was to be considered Coloured

or Black, the "pencil test" was employed. This involved inserting a pencil in a person's hair to determine if the hair was kinky enough for the pencil to get stuck.

The Employment Equity Act (EEA) No. 55 of 1998 defines "black people" as a generic term that includes African, Coloured and Indians.

"Black people" as defined by the Broad-Based Black Economic Empowerment Act (BBBEE) of 2003 is noted as generic term that includes "Africans, Coloureds and Indians and as including only natural persons who are citizens of the Republic of South Africa by birth or descent; or are citizens of the Republic of South Africa by naturalization:

- (a) occurring before the commencement date of the constitution of the Republic of South Africa Act of 1993 or
- (b) occurring after the commencement date of the constitution of the Republic of South Africa Act of 1993, but who, without the apartheid policy would have qualified for naturalization before then".

The meaning of black people varies depending on the source of the definition. This study has opted for a more purist approach. Hence the generic definition cited excludes Indians and Coloureds. Therefore the definition of Black only includes Africans which are the people formerly known as belonging to the Bantu population.

3. Middle Class - Social Stratification, 1800-1900

n. The class or social stratum lying above the working class and below the upper class.

The middle class refers to people neither at the top nor at the bottom of a social hierarchy. The term "middle class" has a long history and has had many, sometimes contradictory, meanings. It was once defined by exception as an intermediate social class between the nobility and the peasantry of Europe. While the nobility owned the countryside and the peasantry worked the countryside, a new bourgeoisie (literally "town-dwellers") arose around mercantile functions in the city. This had the result that the middle class were often the wealthiest stratum of society (whereas today many take the term to refer by definition to the only-moderately wealthy.)

Descending from this distinction, the phrase "middle class" came to be used in the United Kingdom during the Industrial Revolution to describe the professional and business class, as distinct from both the titled nobility and the landed gentry on the one hand and the agricultural and (increasingly) industrial labourers on the other.

The earliest use of it recorded in the *Oxford English Dictionary* was by Queen Caroline of Denmark in 1766 however she denied its existence in Denmark. The term settles into something like its present meaning by 1843, when George Borrow talked about 'the middle class, shopkeepers and professional men. The middle class are distinguished from the working class by occupation and education. They

are distinguished from the upper class, especially by seriousness, moral purpose, and earning a living.

The term clearly refers to status rather than to class. People are judged to be middle class or otherwise more by their level of education, the physical conditions in which they work, and/or their consumption habits than by their relationship to the means of production. The size of the middle class depends on how it is defined, whether by education, wealth, environment of upbringing, genetic relationships, social network, manners or values.

A social and economic class composed of those more prosperous than the poor, or lower class, and less wealthy than the upper class. Middle class is sometimes loosely used to refer to the bourgeoisie. In the United States and other industrial countries, the term is often applied to white-collar, as opposed to blue-collar, workers.

Social hierarchies and their definitions vary. There are many factors that can define the middle class of a society, such as money, behaviour and heredity. In some countries, it is predominantly money that determines an individual's position in the social hierarchy. In others, other social factors may have as strong an influence. Such factors include education, professional or employment status, home ownership or culture.

In early industrial capitalism, the middle class was defined primarily as white-collar workers—those who worked for wages (like all workers), but did so in conditions

that were comfortable and were compared to the conditions for blue-collar workers of the "working class." The expansion of the phrase "middle class" in the United States appears to have been predicated in the 1970s by the decline of labour unions in the U.S. and the entrance of formerly domestic women into the public workforce. A great number of pink-collar jobs arose, where people could avoid the dangerous conditions of blue-collar work and therefore claim to be "middle class" even if they were making far less money than a unionised blue-collar worker.

adj. Of or relating to class; middle class



4. Passenger Vehicle Encyclopaedia (2003)

n. A passenger vehicle or an automobile (also motor car or simply car) is a four wheeled passenger vehicle used for travel on land that carries its own motor. Most definitions of the term specify that automobiles are designed to run primarily on roads, to have seating for one to eight people, to typically have four wheels, and to be constructed principally for the transport of people rather than goods. However, the term is far from precise.

Other types of motor vehicles include buses, which carry large numbers of commercial passengers, and medium- and heavy-duty trucks, which carry heavy or bulky loads of freight or other goods and materials. Instead of being carried on a truck, these loads may be placed on a semi-trailer, and sometimes also a trailer, forming a tractor-trailer combination which is pulled by a truck tractor.

The modern automobile consists of about 14,000 parts and comprises several structural and mechanical systems. These include the steel body, containing the passenger and storage space which sits on the chassis, or steel frame; the internal-combustion gasoline engine which powers the car by means of a transmission; the steering and braking systems which control the car's motion; and the electrical system which includes a battery, alternator, and other devices. Subsystems involve fuel, exhaust, lubrication, cooling, suspension, and tyres.

adj. Of or relating to automobiles; automotive.

REFERENCES

Ajzen, I. (2002) Perceived Behavioural Control, Self Efficacy, Locus of Control, and The Theory of Planned Behavior. *Journal of Applied Social Psychology*, No 32, 665 - 683.

American Heritage Dictionary of English Language (2007) Houghton Mifflin Company.

Barron's Dictionary of Marketing Terms (2000) Barron's Educational Series, Inc.

Belk, R.W. (1988) Possessions and the Extended Self: *The Journal of Consumer Research*, Vol. 15, No. 2. (Sep.1988), 139.

Blackwell, R.D. Engel, J.F. and Kollat D.T. (1970) Current Problems in Consumer Behaviour Research – *The Journal of Marketing Research* August Vol VII.Ohio State University. 327-330.

Cashell, B.W. (2007) Who Are the “Middle Class” CRS Report for the Congress.

Columbia Electronic Encyclopaedia (2003) 6th ed. Columbia University Press.

Dodd, C.A. Clark, I and Kirkup, M.H. (1998) Camera observations of customer behaviour in fashion retailing: methodological propositions. *International Journal of Retail and Distribution Management* Volume 26 No. 8, 311-317.

Haupt, P. (2006) The SAARF Universal Living Standards Measure (LSM™) 12 Years of Continuous Development. South African Advertising Research Foundation. www.saarf.co.za.

Hirschman, E.C. and Holbrook, G.B. (1982) The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun - *The Journal of Consumer Research*, Vol. 9, No. 2. (Sep.1982), 132-140.

Howard, J.A. and Sheth, J.N. (2000) Model of Buyer Behaviour, *Journal of Marketing Research*, Vol 9, No.3, 344-345.

Jekwa, S. (2007) Black Diamonds: A white man's construct for an imaginary black man's world. Finweek 6 September 2007. Inzalo Communications.

Lagrosen, S. (2001) Techniques: Strengthening the weakest link of TQM from customer focus to customer understanding. *The TQM Magazine* Vol 13 No. 5 MCB University Press. 348-354.

Langford, R. and Schultz, K. (2006) Gaining 3-D customer insight to drive profitable growth. *Strategy and Leadership* Vol 34 No 2. Emerald Group Publishing. 21-27.

Lansana, K. (2004) Race, Identity and Africanity: A Reply to Eboussi Boulaga. CODESRIA Bulletin, Nos 1&2:16 Council for the Development of Social Science Research in Africa.

Malinga, N. (2005) A growing gap between the black elite and the black masses? Don't confuse a consumer elite with a capitalist elite. Vryeafrikaan.co.za

Marsden, P.S. (1998) Marketing Intelligence and Planning- Memetics: a new paradigm for understanding customer behaviours and influence. MCB University Press. 363-368.

Martin, S. (2006) Research Project: An Investigation Into The Training Of Non-Executive Directors of Banks. Gordon Institute of Business Science.

Mataboge, R. (2006) *The new black middle class and economic power*. Research Surveys Press. 2-3.

Mawers, S. (2004) Research Report: Marketing to the Black Middle Class. Gordon Institute of Business Science.

Moodley, D. (2007) Consumer Behaviour Of The Black Middle Class In the Passenger Vehicle Market. Survey Questionnaire Analysis.

Naidoo, S. (2007) Black Power Sunday Times – Black Diamond Survey.

Nieftagodien, S. (2005) Ownership, Income and Race: Further Analysis of the Black Affluent in South Africa- University of Stellenbosch Department of Economics.

Neill, R. (2006) The advantages and disadvantages of qualitative and quantitative research methods.

Nielsen, A.C. (2006) Summary of LSM Groups. SAARF. 3-5

Oxford Dictionary (2007) Michael Kent: Oxford University Press.

Peter, J.P. and Olson, J.C. (2005) Consumer Behaviour & Marketing Strategy 7th Ed. New York: McGraw Hill Irwin.

Research Surveys (2005) New study explodes myths about SA's new black middle class. "Black Diamond" Marketing Survey.

Richins, M.L. (1994) Valuing Things: The Public and Private Meanings of Possessions. *Journal of Consumer Research* Inc. Vol 12. University of Missouri Columbia.

Schiffman, L.G. and Kanfer, B. (1999) Consumer Behaviour. 7th edition. Prentice Hall International. New Jersey. 4-8, 438-456.

Sheth, J.N. Mittal, B. and Newman, B.I. (1999) Customer Behaviour Consumer Behaviour and Beyond. The Dryden Press. USA: Harcourt Brace College Publishers.

Simpson, J. (2007) SA's booming black middle class. Black Diamond 2007: On the Move. UCT/Unilever Institute.

South African Advertising and Research Foundation. (2006) All Media and Products Survey (AMPS) Johannesburg.

Teare, R.E. (1998) Interpreting and responding to customer needs. *Journal of Workplace Learning* Vol 10 No.2. 76-94.

Van der Berg, S. Nieftagodien, S. and Burger, R. (2003) Consumption Patterns and Living Standards of the Black Population in Perspective. Paper presented at the ESSA Conference. Stellenbosch. 17-19 September.

Vermeulen, N.M.W. (2006) National Association of Automobile Manufacturers 1st Quarter Review of Business Conditions.

Welman, J.C. and Kruger S.J. (2004) Research Methodology. Cape Town: Oxford University Press.

Zikmund, W.G. (2003) Business Research Methods. 7th ed. USA: Thomson Learning.



ELECTRONIC REFERENCES

www.answers.com (accessed 10/2007)

www.e-articles.info (accessed 10/2007)

www.naamsa.co.za (accessed 10/2007)

www.wikipedia.com (accessed 10/2007) Wikipedia Electronic Enclopaedia (2007).

APPENDIX A

Do-It-Yourself LSM® Classification

Answer true or false for the following questions, and then follow the instructions to determine your LSM® score.

Question	Answer	Weighting	True
1. I have the following in my household:			
· TV set	True/False	0.106554	0.106554
· VCR	True/False	0.128193	0.128193
· DVD player	True/False	0.161935	0.161935
· M-Net/DStv subscription	True/False	0.172634	0.172634
· Hi-fi/music centre	True/False	0.083398	0.083398
· Computer / Laptop	True/False	0.178725	0.178725
· Vacuum cleaner/floor polisher	True/False	0.162066	0.162066
· Sewing machine	True/False	0.103495	0.103495
· Dishwashing machine	True/False	0.176606	0.176606
· Washing machine	True/False	0.165008	0.165008
· Tumble dryer	True/False	0.175651	0.175651
· Home telephone (excluding a cell)	True/False	0.101912	0.101912
· Deep freezer	True/False	0.096105	0.096105
· Fridge/freezer (combination)	True/False	0.119528	0.119528
· Electric stove	True/False	0.130134	0.130134
· Microwave oven	True/False	0.134320	0.134320
· Built-in kitchen sink	True/False	0.133063	0.133063
· Home security service	True/False	0.141550	0.141550
2. I have the following amenities in my home or on the plot:			
· Tap water in house/on plot	True/False	0.103872	0.103872
· Hot running water	True/False	0.176697	0.176697
· Flush toilet in/outside house	True/False	0.115086	0.115086
3. There is a motor vehicle in our household	True/False	0.153706	0.153706
4. I am a metropolitan dweller	True/False	0.070926	0.070926
5. I live in a house, cluster or town house	True/False	0.080588	0.080588
ALL TRUE Total			3.171752
6. I live in a rural area outside Gauteng and the Western Cape	True/False	-0.129403	
7. There are no radios, or only one radio (excluding car radios) in my household	True/False	-0.289211	



8. There is no domestic worker in my household	True/False	-0.291472	
9. There is no cellphone in my household	True/False	-0.213628	
10. There is one cellphone in my household	True/False	-0.115220	

Working out your LSM® score

Now carry over the weights of all questions that you have marked as “True” to the last blank column and add them up. If the number in this column is negative, be sure to subtract it from your total, rather than adding it.

Next, subtract the constant of 0.230409 from your total score, to find your final LSM® score.

Now determine your LSM® group:

If your score is:	You are in LSM®:
Less than -1.070720	1
Between -1.070720 to -0.855601	2
Between -0.855600 to -0.625001	3
Between -0.625000 to -0.295001	4
Between -0.295000 to 0.109999	5
Between 0.110000 to 0.759999	6
Between 0.760000 to 1.159999	7
Between 1.160000 to 1.499999	8
Between 1.500000 to 1.996939	9
More than 1.996939	10

Outcome = LSM

APPENDIX B

CONSUMER BEHAVIOUR SURVEY QUESTIONNAIRE



1. Demographic Information

2006/7 GIBS MBA - Consumer Behaviour Of The Black Middle Class In The Passenger Vehicle Market In South Africa.

Background/ Context:

Desagen Moodley is a final year MBA student at the Gordon Institute of Business Science (GIBS).

This survey / questionnaire forms part of a Research Report which is in fulfilment of the MBA requirement.

Your participation in completing this questionnaire will be sincerely appreciated in ensuring sufficient responses for this research.

The context of the research deals with the Consumer Behaviour of the Black Middle Class in the Passenger Vehicle Market in South Africa.(i.e what informs the decision making process in purchasing a vehicle). Please note you must have purchased a vehicle to participate in this survey.

All responses will be treated as private and confidential and will remain the property of GIBS.

Only aggregated data will be used in the results.

Please complete the survey as honestly as possible.

The survey takes approximately 20 minutes to complete as a majority of the answers are multiple choice.

Thank you sincerely for completing the survey and responding.

1. Name and Surname (Optional)

2. Age:

☐ 16-20

☐ 21-25

☐ 26-30

☐ 31-35

☐ 36-40

☐ 41-45

☐ 45-50

☐ >50

3. Sex:

☐ Male

☐ Female

4. Marital Status:

☐ Single

☐ Married

☐ Divorced

☐ Widowed

☐ Life Partner

5. Total number of adults in household?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

☐ >5

6. Total number of vehicles in household?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

☐ >5



7. Education Level:

- ☐ Secondary
- ☐ Diploma
- ☐ B Tech Degree
- ☐ Undergraduate degree
- ☐ Post graduate degree (Hons)
- ☐ Masters
- ☐ PHD

8. Industry Sector:

- | | | |
|---|---|--|
| ☐ Accounting | ☐ Food and drink | ☐ Recruitment |
| ☐ Agriculture | ☐ Information Technology | ☐ Retail |
| ☐ Chemicals/Petrochemicals | ☐ Legal/ Labour | ☐ Services |
| ☐ Construction/Engineering | ☐ Manufacturing | ☐ Telecoms/Communication |
| ☐ Consulting | ☐ Media | ☐ Textiles |
| ☐ Consumer goods/ FMCG | ☐ Mining | ☐ Tourism/Travel/Leisure |
| ☐ Education | ☐ Motor Industry | ☐ Trade |
| ☐ Electronics/Electrical | ☐ Packaging | ☐ Transport |
| ☐ Energy/Utilities | ☐ Pharmaceuticals/Medical | ☐ Other |
| ☐ Environmental | ☐ Printing/Paper | |
| ☐ Financial Services incl Banking | ☐ Real Estate/Property | |

9. Household average salary range

- | | |
|-------------------------------------|------------------------------------|
| ☐ < 5000 | ☐ 15001- 20000 |
| ☐ 5000 - 10000 | ☐ 20001- 25000 |
| ☐ 10001 - 15000 | ☐ >25000 |

10. Individual Salary Range(gross p/ m):

- | | |
|-------------------------------------|------------------------------------|
| ☐ < 5000 | ☐ 15001- 20000 |
| ☐ 5000 - 10000 | ☐ 20001- 25000 |
| ☐ 10001 - 15000 | ☐ >25000 |

2. Vehicle Information

1. What brand of vehicle do you now own?

- ☐ Alfa Romeo

☐ Aston Martin

☐ Audi

☐ Bentley

☐ BMW

☐ Cadillac

☐ Chana

☐ Chevrolet

☐ Chrysler

☐ Citroen

☐ Daihatsu

☐ Dodge

☐ Ferrari

☐ Fiat

☐ Ford

☐ Geely

☐ GoNow

☐ GWM
- ☐ Honda

☐ Hyundai

☐ Isuzu

☐ Jaguar

☐ Jeep

☐ Kia

☐ Lamborghini

☐ Land Rover

☐ Lotus

☐ Lexus

☐ Mahindra

☐ Maserati

☐ Maybach

☐ Mazda

☐ Mercedes Benz

☐ Mini

☐ Mitsubishi

☐ Morgan

☐ Nissan

☐ Noble

☐ Opel

☐ Peugeot

☐ Porsche

☐ Proton

☐ Renault

☐ Saab

☐ Seat

☐ Smart

☐ Ssangyong

☐ Subaru

☐ Tata

☐ Toyota

☐ TVR

☐ Volkswagen

☐ Volvo

2. What age were you when you purchased your first vehicle?

- ☐ 16-20

☐ 21-25

☐ 26-30

☐ 31-35
- ☐ 36-40

☐ 41-45

☐ 45-50

☐ >50

3. In what year was the vehicle purchased?

- ☐ 1995

☐ 1996

☐ 1997

☐ 1998

☐ 1999
- ☐ 2000

☐ 2001

☐ 2002

☐ 2003

☐ 2004

☐ 2005

☐ 2006

☐ 2007

4. How long have you had your vehicle? (years)

- ☐ Less than 1 yr

☐ Less than 2 yrs

☐ Less than 3 yrs
- ☐ Less than 4 yrs

☐ Less than 5 yrs

☐ Greater than 5 yrs

5. What brand of vehicle did you have previously?

- ☐ Alfa Romeo

☐ Aston Martin

☐ Audi

☐ Bentley

☐ BMW

☐ Cadillac
- ☐ Honda

☐ Hyundai

☐ Isuzu

☐ Jaguar

☐ Jeep

☐ Kia

☐ Nissan

☐ Noble

☐ Opel

☐ Peugeot

☐ Porsche

☐ Proton



- ☐ Chana
- ☐ Chevrolet
- ☐ Chrysler
- ☐ Citroen
- ☐ Daihatsu
- ☐ Dodge
- ☐ Ferrari
- ☐ Fiat
- ☐ Ford
- ☐ Geely
- ☐ GoNow
- ☐ GWM

- ☐ Land Rover
- ☐ Lotus
- ☐ Lexus
- ☐ Mahindra
- ☐ Maserati
- ☐ Maybach
- ☐ Mazda
- ☐ Mercedes Benz
- ☐ Mini
- ☐ Mitsubishi
- ☐ Morgan

- ☐ Renault
- ☐ Saab
- ☐ Seat
- ☐ Smart
- ☐ Ssangyong
- ☐ Subaru
- ☐ Tata
- ☐ Toyota
- ☐ TVR
- ☐ Volkswagen
- ☐ Volvo

6. What percentage of your net disposable income do you spend on the vehicle?

- ☐ Less than 10%
- ☐ Greater than 10% but less than/ equal to 15%
- ☐ Greater than 15% but less than/ equal to 20%
- ☐ Greater than 20% but less than/ equal to 25%
- ☐ Greater than 25% but less than/ equal to 30%
- ☐ Greater than 30%

7. Is your current vehicle financed?

- ☐ Yes
- ☐ No

8. If your response to the above question was YES, Which bank do you finance your vehicle with?

- ☐ AA Finance
- ☐ ABSA
- ☐ FNB (Wesbank)
- ☐ Future Fin
- ☐ Investec
- ☐ Nedbank
- ☐ Standard Bank (Stannic)
- ☐ Vehicle Financing House (eg. BMW Financial Services)
- ☐ Other

3. Step 1: Problem Recognition

1. Was the purchase of the vehicle in response to a problem with your current vehicle (now or anticipated) or a desire to have something new?

- ☐ Current Problem
- ☐ Desire to have something new
- ☐ Neither

2. Was there any specific factor that influenced you to purchase the vehicle? If your response is YES, please describe it?

3. Was the response to purchase the vehicle in light of marketing of the product?

- ☐ Yes
- ☐ No

4. Was your choice based on the need to primarily change the brand?

- ☐ Yes
- ☐ No

5. Was your purchase is response to the vehicle's age?

- ☐ Yes
- ☐ No

6. How often will you/ do you change your vehicle?

- ☐ More than once a year
- ☐ Yearly
- ☐ Every 2 years
- ☐ Every 3 years
- ☐ Every 4 years
- ☐ Every 5 years
- ☐ After 5 years

4. Step 2: Information Search

1. How many different sources of information relating to the vehicle did you use in making your decision?

- ☐ Less than 2
- ☐ More than 2 but less than 5
- ☐ Greater than 5 but less than 10
- ☐ Greater than 10
- ☐ No sources of information used

2. What vehicle information sources did you use in selecting your vehicle?

3. Do you believe you had all the information or sufficient accurate information to make your decision?

- ☐ Yes
- ☐ No

4. How many brand choices of vehicles were you considering prior to purchase?

- ☐ Only 1
- ☐ Less than 2
- ☐ More than 2 but less than 5
- ☐ Greater than 5 but less than 10
- ☐ Greater than 10

5. Did you evaluate all brand alternatives you planned to, before making your choice?

- ☐ Yes
- ☐ No

6. How many dealerships did you visit before purchasing the vehicle?

- ☐ Only 1
- ☐ Less than 2
- ☐ More than 2 but less than 5
- ☐ Greater than 5 but less than 10
- ☐ Greater than 10

7. How many different brands of dealerships did you visit?

- ☐ Only 1
- ☐ Less than 2
- ☐ More than 2 but less than 5
- ☐ Greater than 5 but less than 10
- ☐ Greater than 10



8. Which of the following risks were of concern to you in purchasing the vehicle?
Note more than 1 option may be selected.

- ☐ Performance Risk (The product may not perform as expected)
- ☐ Social Risk (Others may not like it)
- ☐ Psychological Risk(The product may not reflect oneself)
- ☐ Financial Risk (The product may be overpriced/cost)
- ☐ Obsolescence Risk (The threat of new substitutes)

9. How many people were influential in the choice of your vehicle, excluding yourself?

- ☐ Only 1
- ☐ Less than 2
- ☐ More than 2 but less than 5
- ☐ Greater than 5 but less than 10
- ☐ Greater than 10

10. Who was influential in the choice of the vehicle?

11. How would you rate the above personal level of influence in your choice of vehicle?

- ☐ Poor
- ☐ Fair
- ☐ Good
- ☐ Very Good
- ☐ Excellent

5. Step 3: Alternative Evaluation

1. What was the main reason for buying the vehicle?

2. What influenced your choice of brand?

3. How long did you deliberate before making your decision to purchase the vehicle?

- ☐ Less than a week
- ☐ More than 1 week but less than 2 weeks
- ☐ 1 Month
- ☐ More than a month but less than 3 months
- ☐ Greater than 3 months

6. Step 3: Alternative Evaluation - Product Attributes

1. Please identify only the TOP 5 product factors that have played a vital role in influencing your decision to purchase a vehicle? Please note you must select only 5 factors from the list provided.

- ☐ Brand
- ☐ Colour
- ☐ Convertible/ Roadster
- ☐ Coupe (2 doors)
- ☐ Design (Shape, Chassis, Engine, Materials of Constuction)
- ☐ Engine size i.e. Cylinder capacity cm3
- ☐ Environmentally friendly (level of CO2 emissions etc)
- ☐ Features and Benefits (Air Con, Central Locking, Alarm, Audio, Power Steering, etc)
- ☐ Fuel Consumption (incl Fuel type - petrol/ diesel)
- ☐ Induction (Normally aspirated/ Turbo charged/ supercharged)
- ☐ Kilowatts/ BHP (incl Power to Mass Ratio)
- ☐ Luggage Space
- ☐ Luxury (Interior Finishing, Leg room, leather seats)
- ☐ Maintenance/ Motorplan
- ☐ Performance (Acceleration and Maximum Speed)
- ☐ Price of the vehicle
- ☐ Resale Value (incl annual Depreciation)
- ☐ Safety record (ABS, airbags, side impact bars, crumple zones NCAP safety rating)
- ☐ Saloon (4 doors)



- ☐ SUV/ MPV/4x4
- ☐ Transmission incl nos of Gears (Manual/ Automative/Steptronic/ SMG/DSG)
- ☐ Torque

7. Step 3: Alternative Evaluation - Situational Attributes

1. Please identify only the TOP 5 situational factors that have played a vital role in influencing your decision to purchase a vehicle? Please note you must select only 5 factors from the list provided.

- ☐ Dealer reputation
- ☐ Dealer location
- ☐ Deal Hunting - looking for the best deal with little or no regard for brand
- ☐ Interest rates- and does it affect your purchase decision
- ☐ Inflation
- ☐ Lifestyle
- ☐ Your mood, emotional disposition
- ☐ Payment period
- ☐ Prestige and Status associated with the vehicle you intent to purchase- socially visible
- ☐ Monthly instalment of the vehicle
- ☐ Peer / Family pressure influencing your choice
- ☐ Corporate stereotyping (eg. Most people at the office drive the same make/ model)
- ☐ Customer Service Orientation at the dealer
- ☐ Relationship built with Dealership
- ☐ Unsatisfactory past experience with purchasing a vehicle
- ☐ Vehicle Insurance
- ☐ Personal Income

8. Step 4: Purchase

1. Did you fully understand the purchase transaction process (i.e. from offer to purchase through to taking delivery of the vehicle?

- ☐ Yes
- ☐ No

2. Please indicate your level of involvement (care & concern) in the purchase decision?

- ☐ Not Involved
- ☐ Fairly Involved
- ☐ Involved but not concerned
- ☐ Very Involved
- ☐ Completely Involved and concerned

3. Will buy the same or similar branded model of vehicle in the future?

- ☐ Yes
- ☐ No

4. If your answer to the above Question was NO- What alternative brand would you buy?

- ☐ Alfa Romeo

☐ Aston Martin

☐ Audi

☐ Bentley

☐ BMW

☐ Cadillac

☐ Chana

☐ Chevrolet

☐ Chrysler

☐ Citroen

☐ Daihatsu

☐ Dodge

☐ Ferrari

☐ Fiat

☐ Ford

☐ Geely

☐ GoNow

☐ GWM
- ☐ Honda

☐ Hyundai

☐ Isuzu

☐ Jaguar

☐ Jeep

☐ Kia

☐ Lamborghini

☐ Land Rover

☐ Lotus

☐ Lexus

☐ Mahindra

☐ Maserati

☐ Maybach

☐ Mazda

☐ Mercedes Benz

☐ Mini

☐ Mitsubishi

☐ Morgan

☐ Nissan

☐ Noble

☐ Opel

☐ Peugeot

☐ Porsche

☐ Proton

☐ Renault

☐ Saab

☐ Seat

☐ Smart

☐ Ssangyong

☐ Subaru

☐ Tata

☐ Toyota

☐ TVR

☐ Volkswagen

☐ Volvo

5. Have you ever cancelled a deal after finance was approved?

- ☐ Yes
- ☐ No

6. What was the main reason for cancelling the your intention to purchase the vehicle?



9. Step 5: Post Purchase Experience

1. How satisfied are you with your decision?

- ☐ Not at all Satisfied
- ☐ Fairly Satisfied
- ☐ Satisfied
- ☐ Very Satisfied
- ☐ Completetly Satisfied

2. Does the current vehicle match your expectations?

- ☐ Yes
- ☐ No

3. Will you progress in the same or similar manner in future in making your decision?

- ☐ Yes
- ☐ No

4. Why would you choose the above mentioned brand?

5. Do you believe you vehicle is value for money?

- ☐ Yes
- ☐ No

6. What was the approximate time frame from thinking about buying a vehicle to taking delivery of it?

- ☐ 1 week
- ☐ 2 weeks
- ☐ 1 month
- ☐ 3 months
- ☐ More than 3 months

10. Survey Complete

Thank you sincerely for taking time to complete the survey.
Should you wish to contact the researcher please do so on + 27 82 904 2231 or + 27 79 495 4409

APPENDIX C

Explanation of the statistical calculations applied to the data (Descriptive Statistics) (Cloete 2007).

The **Mean** or average is a commonly used method of describing data. To compute the mean all the values are added up and then the answer is divided by the number of values. (Formula: $\sum X/N$)

The **Median** is the score found at the exact middle of the set of values. To compute the median all the scores are listed in numerical order, and then the score in the center of the sample is located. (Median = [lower limit of interval] + [(0.5N – cumulative frequency)/(number of observations in the interval)] * [interval size])

The **mode** is the most frequently occurring value in the set of scores. To determine the mode, the scores are ordered as with the median and then each one is counted to show the values that occur most frequently.

The mean, median and mode are used to calculate the central tendencies with the data.

Standard Error ($SE = s/\sqrt{N}$) refers to the standard error of the mean, and measures the uncertainty involved therein. The larger the sample size, the more certain one can be that it is a good estimator of the true mean of the population.

Once the central tendencies in the data are determined, the next step is to calculate the dispersion of the data. Dispersion refers to the spread of the values around the central tendency. There are two common measures of dispersion, the range and the standard deviation.

Maximum is the highest value of the data set.

Minimum is the lowest value of the data set.

The **range** is simply the highest value minus the lowest value in the dataset.

Sum (Σ) of a set of values is all of the values added together.

The **Standard Deviation** ($s = \sqrt{s^2}$) is a more accurate and detailed estimate of dispersion because an outlier can greatly exaggerate the range. The Standard Deviation shows the relation that set of scores has to the mean of the sample.

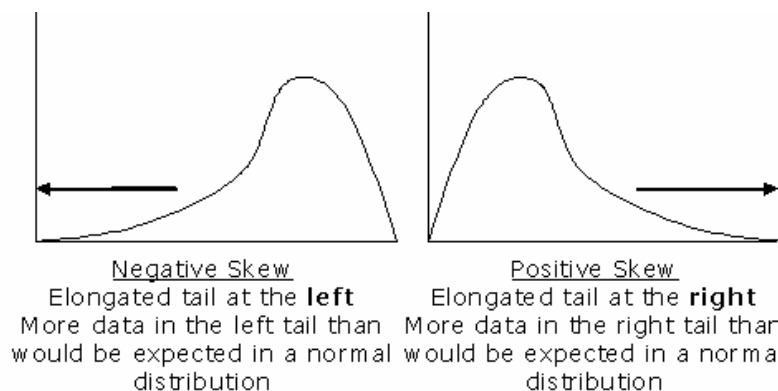
Then the “squares” are summed to get the Sum of Squares (SS) value. This value is known as the **variance** ($s^2 = [SX_i^2 - (SX_i^2)/N]/(N - 1)$ or $s^2 = [SX_i^2 - (SX_i^2)/N]/N$). To get the standard deviation, the square root of the variance is taken. **Variation Coefficient** is the standard deviation in units of the arithmetic mean.

Skewness and Kurtosis

Skewness is a measure of the asymmetry of the probability distribution of a real-valued random variable. It is the cube of deviations from the mean. It is calculated as the third moment about the mean ($k_3 = S(X_i - m)^3 / N$), but a more general used measure of skewness is $g_1 = k_3/s^3$. Skewness is a measure of whether a distribution of values deviates from a normal distribution.

There are generally two types of skewness, namely:

- **positive skew:** where the right tail is longer; the mass of the distribution is concentrated on the left of the figure. The distribution is said to be right-skewed.
- **negative skew:** where the left tail is longer; the mass of the distribution is concentrated on the right of the figure. The distribution is said to be left-skewed.



The normal distribution has a skewness of zero. But in reality, data points are not perfectly symmetric. So, an understanding of the skewness of the dataset indicates whether deviations from the mean are going to be positive or negative.

Kurtosis is kurtosis (meaning bulging) is a measure of the "peakedness" of the probability distribution of a real-valued random variable. Higher kurtosis means more of the variance is due to infrequent extreme deviations, as opposed to frequent modestly sized deviations.

Percentiles are values that a given percent of the sample cases lie below the value.

Geometric mean is the measure of central tendency of a set of n values computed by extracting the nth root of the product of the values, e.g.

$$\sqrt[3]{2 \times 4 \times 1}$$

The geometric mean of 2, 4 and 1 = 2 and is expressed as:



Descriptive Statistics

	Age:	Sex:	Marital Status:	Total number of adults in household?	Total number of vehicles in household?	Education Level:	Industry Sector:
Valid cases	102	99	102	101	98	102	100
Mean	3.6176	1.4242	1.4608	2.5050	1.8776	3.5490	11.9400
Std. error of mean	0.1373	0.0499	0.0784	0.1354	0.1181	0.1555	0.7099
Variance	1.9217	0.2468	0.6272	1.8525	1.3663	2.4679	50.4004
Std. Deviation	1.3862	0.4967	0.7919	1.3611	1.1689	1.5709	7.0993
Variation Coefficient	0.3832	0.3488	0.5421	0.5433	0.6226	0.4426	0.5946
rel. V.coefficient(%)	3.7941	3.5053	5.3679	5.4065	6.2888	4.3828	5.9458
Skew	1.5137	0.3113	2.7541	0.9604	1.9824	0.0484	0.7445
Kurtosis	2.3998	-1.8836	9.4980	0.3674	4.0017	-1.1797	0.7163
Minimum	2	1	1	1	1	1	1
Maximum	8	2	5	6	6	6	31
Range	6	1	4	5	5	5	30
Sum	369	141	149	253	184	362	1194
1st percentile	2	1	1	1	----	1	1
5th percentile	2	1	1	1	1	1	3
10th percentile	2	1	1	1	1	2	3
25th percentile	3	1	1	1.5	1	2	5
Median	3	1	1	2	2	4	13
75th percentile	4	2	2	3	2	5	14.75
90th percentile	5	2	2	4.8	3	6	21.6
95th percentile	7	2	2	5.9	5	6	27.9
99th percentile	8	2	5	6	----	6	31
Geometric mean	3.4013	1.3419	1.3263	2.1690	1.6270	3.1517	9.4412



Descriptive Statistics

	Household average salary range	Individual Salary Range(gross p/m):	What brand of vehicle do you now own?	What age were you when you purchased your first vehicle?	In what year was the vehicle purchased?	How long have you had your vehicle? (years)	What brand of vehicle did you have previously?
Valid cases	102	101	93	91	93	91	73
Mean	4.6078	4.0594	32.5914	2.5714	9.0323	2.4286	33.9178
Std. error of mean	0.1515	0.1682	1.8184	0.1160	0.3857	0.1727	2.0943
Variance	2.3397	2.8564	307.5051	1.2254	13.8359	2.7143	320.1876
Std. Deviation	1.5296	1.6901	17.5358	1.1070	3.7197	1.6475	17.8938
Variation Coefficient	0.3320	0.4163	0.5381	0.4305	0.4118	0.6784	0.5276
rel. V.coefficient(%)	3.2869	4.1428	5.5793	4.5128	4.2704	7.1114	6.1747
Skew	-0.7162	-0.2217	-0.3976	2.1769	-0.8702	1.0510	-0.4433
Kurtosis	-0.7099	-1.2512	-1.2820	6.3932	-0.3897	-0.0076	-1.3453
Minimum	1	1	1	1	1	1	1
Maximum	6	6	53	8	13	6	52
Range	5	5	52	7	12	5	51
Sum	470	410	3031	234	840	221	2476
1st percentile	1	1	----	----	----	----	----
5th percentile	2	1	4.4	1.6	1	1	5
10th percentile	2	2	5	2	2.4	1	5
25th percentile	3	3	15	2	7	1	15
Median	5	4	39	2	10	2	39
75th percentile	6	6	50	3	12	3	52
90th percentile	6	6	52	4	13	6	52
95th percentile	6	6	52	5	13	6	52
99th percentile	6	6	----	----	----	----	----
Geometric mean	4.2649	3.6222	24.8770	2.3948	7.6710	1.9650	26.2898



Descriptive Statistics

	What percentage of your net disposable income do you spend on the vehicle?	Is your current vehicle financed?	If your response to the above question was YES, Which bank do you finance your vehicle with?	Was the purchase of the vehicle in response to a problem with your current vehicle (now or anticipated) or a desire to have something new?	Was there any specific factor that influenced you to purchase the vehicle? If your response is YES, please describe it?	Was the response to purchase the vehicle in light of marketing of the product?	Was your choice based on the need to primarily change the brand?
Valid cases	90	93	80	85	57	83	85
Mean	2.7000	1.1505	5.5875	2.0471	3.9649	1.7711	1.7294
Std. error of mean	0.1615	0.0373	0.2805	0.0868	0.3721	0.0464	0.0485
Variance	2.3472	0.1293	6.2960	0.6406	7.8916	0.1787	0.1997
Std. Deviation	1.5321	0.3595	2.5092	0.8004	2.8092	0.4227	0.4469
Variation Coefficient	0.5674	0.3125	0.4491	0.3910	0.7085	0.2387	0.2584
rel. V.coefficient(%)	5.9812	3.2404	5.0208	4.2409	9.3845	2.6196	2.8029
Skew	0.7139	1.9865	-0.1971	-0.0857	1.4341	-1.3141	-1.0513
Kurtosis	-0.5460	1.9254	-1.4835	-1.3780	1.4182	-0.2693	-0.8839
Minimum	1	1	2	1	1	1	1
Maximum	6	2	9	3	12	2	2
Range	5	1	7	2	11	1	1
Sum	243	107	447	174	226	147	147
1st percentile	----	----	----	----	----	----	----
5th percentile	1	1	2	1	1	1	1
10th percentile	1	1	2	1	1	1	1
25th percentile	1.75	1	3	1	2	2	1
Median	2	1	7	2	3	2	2
75th percentile	4	1	7	3	4.5	2	2
90th percentile	5	2	9	3	8.2	2	2
95th percentile	6	2	9	3	11.1	2	2
99th percentile	----	----	----	----	----	----	----
Geometric mean	2.2889	1.1100	4.9233	1.8731	3.1789	1.7066	1.6580

Descriptive Statistics

	Was your purchase is response to the vehicle's age?	How often will you/ do you change your vehicle?	How many different sources of information relating to the vehicle did you use in making your decision?	What vehicle information sources did you use in selecting your vehicle?	Do you believe you had all the information or sufficient accurate information to make your decision?	How many brand choices of vehicles were you considering prior to purchase?	Did you evaluate all brand alternatives you planned to, before making your choice?
Valid cases	84	82	80	68	80	80	79
Mean	1.5714	4.8171	2.3000	5.6912	1.1875	2.6875	1.2658
Std. error of mean	0.0543	0.1666	0.1131	0.3618	0.0439	0.0846	0.0500
Variance	0.2478	2.2748	1.0228	8.9032	0.1543	0.5720	0.1977
Std. Deviation	0.4978	1.5082	1.0113	2.9838	0.3928	0.7563	0.4446
Variation Coefficient	0.3168	0.3131	0.4397	0.5243	0.3308	0.2814	0.3512
rel. V.coefficient(%)	3.4567	3.4576	4.9161	6.3579	3.6980	3.1463	3.9516
Skew	-0.2939	0.0318	1.3192	0.2186	1.6318	0.0542	1.0806
Kurtosis	-1.8904	-0.9202	1.6943	0.1479	0.6549	1.5005	-0.8212
Minimum	1	1	1	1	1	1	1
Maximum	2	7	5	14	2	5	2
Range	1	6	4	13	1	4	1
Sum	132	395	184	387	95	215	100
1st percentile	----	----	----	----	----	----	----
5th percentile	1	3	1	1	1	1	1
10th percentile	1	3	1	1.9	1	2	1
25th percentile	1	4	2	2	1	2	1
Median	2	4.5	2	7	1	3	1
75th percentile	2	6	3	7	1	3	2
90th percentile	2	7	3.9	8.2	2	3	2
95th percentile	2	7	5	11.55	2	4	2
99th percentile	----	----	----	----	----	----	----
Geometric mean	1.4860	4.5570	2.1089	4.6783	1.1388	2.5651	1.2023



Descriptive Statistics

	How many dealerships did you visit before purchasing the vehicle?	How many different brands of dealerships did you visit?	Performance Risk (The product may not perform as expected)	Social Risk (Others may not like it)	Psychological Risk(The product may not reflect oneself)	Financial Risk (The product may be overpriced/cos t)	Obsolescence Risk (The threat of new substitutes)
Valid cases	79	80	45	13	12	54	28
Mean	2.7595	2.4625	1.9556	3.6923	5.5000	7.8519	9.6429
Std. error of mean	0.1142	0.1067	0.9556	1.6923	2.5000	3.8519	4.6429
Variance	1.0312	0.9100	41.0889	37.2308	75.0000	801.1852	603.5714
Std. Deviation	1.0155	0.9539	6.4101	6.1017	8.6603	28.3052	24.5677
Variation Coefficient	0.3680	0.3874	3.2779	1.6525	1.5746	3.6049	2.5478
rel. V.coefficient(%)	4.1402	4.3310	48.8636	45.8333	45.4545	49.0566	48.1481
Skew	-0.2495	-0.2491	6.7047	3.5805	3.4355	7.3459	5.2842
Kurtosis	-0.1224	-0.5252	42.0005	10.0075	9.0090	51.0004	25.0014
Minimum	1	1	1	2	3	4	5
Maximum	5	5	44	24	33	212	135
Range	4	4	43	22	30	208	130
Sum	218	197	88	48	66	424	270
1st percentile	----	----	----	----	----	----	----
5th percentile	1	1	1	----	----	4	5
10th percentile	1	1	1	2	3	4	5
25th percentile	2	2	1	2	3	4	5
Median	3	3	1	2	3	4	5
75th percentile	3	3	1	2	3	4	5
90th percentile	4	3	1	15.2	24	4	5
95th percentile	4	4	1	----	----	4	76.5
99th percentile	----	----	----	----	----	----	----
Geometric mean	2.5243	2.2363	1.0877	2.4213	3.6636	4.3052	5.6246

Descriptive Statistics

	How many people were influential in the choice of your vehicle, excluding yourself?	Who was influential in the choice of the vehicle?	How would you rate the above personal level of influence in your choice of vehicle?	What was the main reason for buying the vehicle?	What influenced your choice of brand?	How long did you deliberate before making your decision to purchase the vehicle?	Brand
Valid cases	78	69	78	73	67	76	51
Mean	1.8718	3.7101	3.2821	3.7808	6.7015	2.9605	1.9608
Std. error of mean	0.1100	0.3049	0.1138	0.3236	0.3933	0.1456	0.9608
Variance	0.9444	6.4147	1.0103	7.6457	10.3641	1.6118	47.0784
Std. Deviation	0.9718	2.5327	1.0051	2.7651	3.2193	1.2695	6.8614
Variation Coefficient	0.5192	0.6827	0.3063	0.7313	0.4804	0.4288	3.4993
rel. V.coefficient(%)	5.8785	8.2182	3.4677	8.5598	5.8689	4.9190	49.0000
Skew	0.7861	0.8229	-0.2044	1.2836	-0.0448	-0.1250	7.1386
Kurtosis	-0.1155	-0.0931	-0.0912	0.4850	-0.4776	-0.9015	48.0004
Minimum	1	1	1	1	1	1	1
Maximum	5	11	5	12	13	5	50
Range	4	10	4	11	12	4	49
Sum	146	256	256	276	449	225	100
1st percentile	----	----	----	----	----	----	----
5th percentile	1	1	1	1	1	1	1
10th percentile	1	1	2	2	1	1	1
25th percentile	1	1.5	3	2	5	2	1
Median	2	3	3	2	6	3	1
75th percentile	3	5.5	4	6	9	4	1
90th percentile	3	7	5	8.6	12	5	1
95th percentile	3.05	8.5	5	9.3	12	5	1
99th percentile	----	----	----	----	----	----	----
Geometric mean	1.6452	2.8800	3.0968	3.0290	5.5850	2.6279	1.0797



Descriptive Statistics

	Colour	Convertible/ Roadster	Coupe (2 doors)	Design (Shape, Chassis, Engine, Materials of Constuction)	Engine size i.e. Cylinder capacity cm3	Environmental y friendly (level of CO2 emissions etc)	Features and Benefits (Air Con, Central Locking, Alarm, Audio, Power Steering, etc)
Valid cases	23	0	5	25	27	4	41
Mean	3.8261	----	6.4000	9.6000	11.5556	10.5000	15.6098
Std. error of mean	1.8261	----	2.4000	4.6000	5.5556	3.5000	7.6098
Variance	76.6957	----	28.8000	529.0000	833.3333	49.0000	2374.2439
Std. Deviation	8.7576	----	5.3666	23.0000	28.8675	7.0000	48.7262
Variation Coefficient	2.2889	----	0.8385	2.3958	2.4982	0.6667	3.1215
rel. V.coefficient(%)	47.7273	----	37.5000	47.9167	48.0769	33.3333	48.7500
Skew	4.7859	----	2.0963	4.9913	5.1885	1.7778	6.3991
Kurtosis	20.0022	----	2.0781	22.0018	24.0015	1.1481	38.0006
Minimum	2	----	4	5	6	7	8
Maximum	44	----	16	120	156	21	320
Range	42	----	12	115	150	14	312
Sum	88	0	32	240	312	42	640
1st percentile	----	----	----	----	----	----	----
5th percentile	2	----	----	5	6	----	8
10th percentile	2	----	----	5	6	----	8
25th percentile	2	----	4	5	6	7	8
Median	2	----	4	5	6	7	8
75th percentile	2	----	10	5	6	17.5	8
90th percentile	2	----	----	5	6	----	8
95th percentile	35.6	----	----	85.5	96	----	8
99th percentile	----	----	----	----	----	----	----
Geometric mean	2.2877	----	5.2780	5.6778	6.7695	9.2125	8.7532



Descriptive Statistics

	Fuel Consumption (incl Fuel type - petrol/ diesel)	Induction (Normally aspirated/ Turbo charged/ supercharged)	Kilowatts/ BHP (incl Power to Mass Ratio)	Luggage Space	Luxury (Interior Finishing, Leg room, leather seats)	Maintenance/ Motorplan	Performance (Acceleration and Maximum Speed)
Valid cases	49	0	12	12	14	29	12
Mean	17.6327	----	20.1667	22.0000	24.1429	27.0345	27.5000
Std. error of mean	8.6327	----	9.1667	10.0000	11.1429	13.0345	12.5000
Variance	3651.6122	----	1008.3333	1200.0000	1738.2857	4927.0345	1875.0000
Std. Deviation	60.4286	----	31.7543	34.6410	41.6928	70.1928	43.3013
Variation Coefficient	3.4271	----	1.5746	1.5746	1.7269	2.5964	1.5746
rel. V.coefficient(%)	48.9583	----	45.4545	45.4545	46.1538	48.2143	45.4545
Skew	6.9970	----	3.4355	3.4355	3.7195	5.3783	3.4355
Kurtosis	46.0004	----	9.0090	9.0090	11.0064	26.0013	9.0090
Minimum	9	----	11	12	13	14	15
Maximum	432	----	121	132	169	392	165
Range	423	----	110	120	156	378	150
Sum	864	0	242	264	338	784	330
1st percentile	----	----	----	----	----	----	----
5th percentile	9	----	----	----	----	14	----
10th percentile	9	----	11	12	13	14	15
25th percentile	9	----	11	12	13	14	15
Median	9	----	11	12	13	14	15
75th percentile	9	----	11	12	13	14	15
90th percentile	9	----	88	96	91	14	120
95th percentile	9	----	----	----	----	203	----
99th percentile	----	----	----	----	----	----	----
Geometric mean	9.7399	----	13.4331	14.6543	15.6139	15.7047	18.3178

Descriptive Statistics

	Price of the vehicle	Resale Value (incl annual Depreciation)	Safety record (ABS, airbags, side impact bars, crumple zones NCAP safety rating)	Saloon (4 doors)	SUV/ MPV/4x4	Transmission incl nos of Gears (Manual/ Automative/Ste ptronic/ SMG/DSG)	Torque
Valid cases	54	18	28	10	5	7	6
Mean	31.4074	32.1111	34.7143	34.2000	32.0000	36.0000	36.6667
Std. error of mean	15.4074	15.1111	16.7143	15.2000	12.0000	15.0000	14.6667
Variance	12818.9630	4110.2222	7822.2857	2310.4000	720.0000	1575.0000	1290.6667
Std. Deviation	113.2209	64.1110	88.4437	48.0666	26.8328	39.6863	35.9258
Variation Coefficient	3.6049	1.9965	2.5478	1.4055	0.8385	1.1024	0.9798
rel. V.coefficient(%)	49.0566	47.0588	48.1481	44.4444	37.5000	41.6667	40.0000
Skew	7.3459	4.2280	5.2842	3.1232	2.0963	2.5723	2.3515
Kurtosis	51.0004	15.0037	25.0014	7.0137	2.0781	4.0324	3.0480
Minimum	16	17	18	19	20	21	22
Maximum	848	289	486	171	80	126	110
Range	832	272	468	152	60	105	88
Sum	1696	578	972	342	160	252	220
1st percentile	----	----	----	----	----	----	----
5th percentile	16	----	18	----	----	----	----
10th percentile	16	17	18	19	----	----	----
25th percentile	16	17	18	19	20	21	22
Median	16	17	18	19	20	21	22
75th percentile	16	17	18	19	50	21	44
90th percentile	16	44.2	18	155.8	----	----	----
95th percentile	16	----	275.4	----	----	----	----
99th percentile	----	----	----	----	----	----	----
Geometric mean	17.2207	19.8979	20.2485	23.6689	26.3902	27.1259	28.7685

Descriptive Statistics

	Dealer reputation	Dealer location	Deal Hunting - looking for the best deal with little or no regard for brand	Interest rates- and does it affect your purchase decision	Inflation	Lifestyle	Your mood, emotional disposition
Valid cases	32	16	16	23	8	31	18
Mean	1.9375	3.7500	5.6250	7.6522	8.7500	11.6129	13.2222
Std. error of mean	0.9375	1.7500	2.6250	3.6522	3.7500	5.6129	6.2222
Variance	28.1250	49.0000	110.2500	306.7826	112.5000	976.6452	696.8889
Std. Deviation	5.3033	7.0000	10.5000	17.5152	10.6066	31.2513	26.3987
Variation Coefficient	2.7372	1.8667	1.8667	2.2889	1.2122	2.6911	1.9965
rel. V.coefficient(%)	48.3871	46.6667	46.6667	47.7273	42.8571	48.3333	47.0588
Skew	5.6510	3.9822	3.9822	4.7859	2.7707	5.5616	4.2280
Kurtosis	29.0011	13.0047	13.0047	20.0022	5.0233	28.0011	15.0037
Minimum	1	2	3	4	5	6	7
Maximum	31	30	45	88	35	180	119
Range	30	28	42	84	30	174	112
Sum	62	60	90	176	70	360	238
1st percentile	----	----	----	----	----	----	----
5th percentile	1	----	----	4	----	6	----
10th percentile	1	2	3	4	----	6	7
25th percentile	1	2	3	4	5	6	7
Median	1	2	3	4	5	6	7
75th percentile	1	2	3	4	5	6	7
90th percentile	1	10.4	15.6	4	----	6	18.2
95th percentile	11.5	----	----	71.2	----	75.6	----
99th percentile	----	----	----	----	----	----	----
Geometric mean	1.1133	2.3688	3.5533	4.5754	6.3769	6.6958	8.1933



Descriptive Statistics

	Payment period	Prestige and Status associated with the vehicle you intent to purchase- socially visible	Monthly instalment of the vehicle	Peer / Family pressure influencing your choice	Corporate stereotyping (eg. Most people at the office drive the same make/ model)	Customer Service Orientation at the dealer	Relationship built with Dealership
Valid cases	30	11	56	7	2	21	16
Mean	15.4667	16.3636	19.6429	18.8571	12.0000	24.7619	26.2500
Std. error of mean	7.4667	7.3636	9.6429	7.8571	0.0000	11.7619	12.2500
Variance	1672.5333	596.4545	5207.1429	432.1429	0.0000	2905.1905	2401.0000
Std. Deviation	40.8966	24.4224	72.1605	20.7880	0.0000	53.8998	49.0000
Variation Coefficient	2.6442	1.4925	3.6736	1.1024	0.0000	2.1767	1.8667
rel. V.coefficient(%)	48.2759	45.0000	49.0909	41.6667	0.0000	47.5000	46.6667
Skew	5.4707	3.2835	7.4808	2.5723	----	4.5711	3.9822
Kurtosis	27.0012	8.0110	53.0003	4.0324	----	18.0026	13.0047
Minimum	8	9	10	11	12	13	14
Maximum	232	90	550	66	12	260	210
Range	224	81	540	55	0	247	196
Sum	464	180	1100	132	24	520	420
1st percentile	----	----	----	----	----	----	----
5th percentile	8	----	10	----	----	13	----
10th percentile	8	9	10	----	----	13	14
25th percentile	8	9	10	11	----	13	14
Median	8	9	10	11	12	13	14
75th percentile	8	9	10	11	----	13	14
90th percentile	8	73.8	10	----	----	13	72.8
95th percentile	108.8	----	10	----	----	235.3	----
99th percentile	----	----	----	----	----	----	----
Geometric mean	8.9503	11.0956	10.7418	14.2088	12.0000	14.9933	16.5819



Descriptive Statistics

	Unsatisfactory past experience with purchasing a vehicle	Vehicle Insurance	Personal Income	Did you fully understand the purchase transaction process (i.e. from offer to purchase through to taking delivery of the vehicle?	Please indicate your level of involvement (care & concern) in the purchase decision?	Will buy the same or similar branded model of vehicle in the future?	If your answer to the above Question was NO- What alternative brand would you buy?
Valid cases	5	17	57	74	74	74	27
Mean	24.0000	30.1176	33.4035	1.0946	4.2838	1.3243	30.7778
Std. error of mean	9.0000	14.1176	16.4035	0.0343	0.1147	0.0548	3.5851
Variance	405.0000	3388.2353	15337.2807	0.0868	0.9732	0.2221	347.0256
Std. Deviation	20.1246	58.2086	123.8438	0.2947	0.9865	0.4713	18.6286
Variation Coefficient rel. V.coefficient(%)	0.8385	1.9327	3.7075	0.2692	0.2303	0.3559	0.6053
Skew	2.0963	4.1070	7.5474	2.8277	-1.6594	0.7660	-0.3306
Kurtosis	2.0781	14.0042	54.0003	5.9152	2.4643	-1.3935	-1.2814
Minimum	15	16	17	1	1	1	3
Maximum	60	256	952	2	5	2	53
Range	45	240	935	1	4	1	50
Sum	120	512	1904	81	317	98	831
1st percentile	----	----	----	----	----	----	----
5th percentile	----	----	17	1	2	1	3
10th percentile	----	16	17	1	3	1	4.6
25th percentile	15	16	17	1	4	1	12
Median	15	16	17	1	5	1	35
75th percentile	37.5	16	17	1	5	2	50
90th percentile	----	64	17	1.5	5	2	52
95th percentile	----	----	17	2	5	2	52.6
99th percentile	----	----	----	----	----	----	----
Geometric mean	19.7926	18.8343	18.2440	1.0678	4.1100	1.2521	21.9944



Descriptive Statistics

	Have you ever cancelled a deal after finance was approved?	What was the main reason for cancelling the your intention to purchase the vehicle?	How satisfied are you with your decision?	Does the current vehicle match your expectations?	Will you progress in the same or similar manner in future in making your decision?	Why would you choose the above mentioned brand?	Do you believe you vehicle is value for money?
Valid cases	74	12	72	72	71	58	72
Mean	1.8649	3.3333	3.9722	1.0833	1.1549	6.1207	1.1667
Std. error of mean	0.0400	0.5270	0.1153	0.0328	0.0432	0.4763	0.0442
Variance	0.1185	3.3333	0.9570	0.0775	0.1328	13.1606	0.1408
Std. Deviation	0.3442	1.8257	0.9782	0.2783	0.3644	3.6278	0.3753
Variation Coefficient	0.1846	0.5477	0.2463	0.2569	0.3155	0.5927	0.3217
rel. V.coefficient(%)	2.1456	15.8114	2.9023	3.0278	3.7446	7.7826	3.7910
Skew	-2.1785	0.9047	-0.5003	3.0790	1.9483	0.7051	1.8268
Kurtosis	2.7095	-0.0093	-0.8172	7.3772	1.7713	-0.6519	1.3191
Minimum	1	1	2	1	1	1	1
Maximum	2	7	5	2	2	14	2
Range	1	6	3	1	1	13	1
Sum	138	40	286	78	82	355	84
1st percentile	----	----	----	----	----	----	----
5th percentile	1	----	2	1	1	1	1
10th percentile	1	1.3	3	1	1	2	1
25th percentile	2	2	3	1	1	4	1
Median	2	3	4	1	1	4	1
75th percentile	2	4.75	5	1	1	10	1
90th percentile	2	6.7	5	1	2	12	2
95th percentile	2	----	5	2	2	13.05	2
99th percentile	----	----	----	----	----	----	----
Geometric mean	1.8212	2.9061	3.8354	1.0595	1.1134	5.0618	1.1225



Descriptive Statistics

What was the
approximate
time frame
from thinking
about buying a
vehicle to
taking delivery
of it?

Valid cases	72
Mean	3.1250
Std. error of mean	0.1701
Variance	2.0827
Std. Deviation	1.4432
Variation Coefficient	0.4618
rel. V.coefficient(%)	5.4425
Skew	0.0646
Kurtosis	-1.3462
Minimum	1
Maximum	5
Range	4
Sum	225
1st percentile	----
5th percentile	1
10th percentile	1
25th percentile	2
Median	3
75th percentile	5
90th percentile	5
95th percentile	5
99th percentile	----
Geometric mean	2.7490