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The presence of and antecedents to bandwagon consumption behaviour among the South African Black middle class in the context of luxury motor vehicles

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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.

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Abstract

This paper investigates a number of psychological factors that influence the South African Black middle class to engage in bandwagon consumption when purchasing luxury motor vehicles. The South African Black middle class has been receiving attention in consumer markets, especially from luxury brand houses looking at emerging markets for growth. This study was designed to measure the impact of the self-concept, susceptibility to normative influence, propensity to seek status and the need for uniqueness on the propensity to engage in bandwagon consumption behaviour. An online survey of 184 people identified as Black middle class, provided the data which was analysed using the PLS Structural Equation Modelling (SEM) technique. The results of the model confirmed the presence of bandwagon luxury motor vehicle consumption among this market segment. It was also found that the bandwagon consumption behaviour occurs in spite of the self-concept and need for uniqueness. Status consumption and susceptibility to normative influence were confirmed as antecedents to the bandwagon consumption.

Keywords

Bandwagon luxury consumption, South African Black middle class, PLS SEM

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Declaration

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

I further declare that I have obtained the necessary authorisation and consent to carry out this research.

_____

Zanele Mdlekeza

10 November 2014

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Table of Contents

1 Introduction to Research Problem 1
1.1 Introduction 1
1.2 Research title 1
1.3 Background to the research problem....1
1.3.1 The Black middle class 2
1.4 Research problem....4
1.5 Research objectives....5
1.6 Conclusion and layout of study....5
2 Theory and Literature Summary 6
2.1 Introduction 6
2.2 The Bandwagon effect 6
2.3 The independent and interdependent self-concepts 8
2.4 Consumer susceptibility to normative influence 10
2.5 Status consumption....11
2.6 Consumers' need for uniqueness 13
2.7 Pulling it all together....15
3 Research questions....17
3.1 Research question 1 17
3.2 Research question 2 17
3.3 Research question 3 17
3.4 Research question 4 18
3.5 Research question 5 18
3.6 Research question 6 18
3.7 Research question 7 18
3.8 Research question 8 18
3.9 Research question 9 18
3.10 Conclusion....19

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4 Research Methodology....20
4.1 Introduction....20
4.2 Research design....20
4.3 Structural Equation Modelling....20
4.3.1 Sample size....21
4.3.2 Partial least squares structural equation modelling (PLS SEM)....22
4.4 Research instrument....22
4.4.1 Independent and interdependent self-concept....23
4.4.2 Consumers' need for uniqueness....24
4.4.3 Status consumption....25
4.4.4 Susceptibility to normative influences....26
4.4.5 Bandwagon consumption....27
4.4.6 Rating scale....27
4.4.7 Pre-test....27
4.5 Target population....28
4.6 Sampling Method....29
4.7 Data collection....30
4.8 Units of analysis....30
4.9 Data analysis....31
4.9.1 Measurement model assessment....32
4.9.2 Structural model assessment....34
4.10 Ethical considerations....35
4.11 Research Limitations....35
4.12 Summary....36
5 Survey Results....37
5.1 Response summary....37
5.2 Descriptive statistics....37
5.2.1 Demographic profile....37
5.3 Measurement model assessment....45

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5.3.1 Independent self-concept 46
5.3.2 Interdependent self-concept 47
5.3.3 Consumers' need for uniqueness 49
5.3.4 Susceptibility to normative influence 50
5.3.5 Status consumption 52
5.3.6 Bandwagon consumption 53
5.4 Structural model assessment 54
5.5 Summary 58
6 Discussion of Results 59
6.1 Hypothesis 1a: Interdependent self-concept associates positively and consumer susceptibility to normative influence 59
6.2 Hypothesis 1b: Independent self-concept and consumer susceptibility to normative influence 61
6.3 Hypothesis 1c: Consumer susceptibility to normative influence and bandwagon consumption 63
6.4 Hypothesis 2a: Interdependent self-concept and status consumption 64
6.5 Hypothesis 2b: Independent self-concept and status consumption 65
6.6 Hypothesis 2c: Status consumption and bandwagon consumption 66
6.7 Hypothesis 3a: Interdependent self-concept and consumer need for uniqueness 67
6.8 Hypothesis 3b: Independent self-concept and consumer need for uniqueness 68
6.9 Hypothesis 3c: Consumer need for uniqueness and bandwagon consumption 68
6.10 Conclusion 69
7 Conclusion and recommendations 71
7.1 Theoretical implications 71
7.2 Managerial implications 72
7.3 Limitations and recommendations for future studies 73
7.4 Summary 74
References 76

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Appendix A – Survey Questionnaire.....91

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1 Introduction to Research Problem

1.1 Introduction

Chapter 1 provides an introduction to the research including: the title, the background to the research problem and the research objectives. The layout of the rest of this study is indicated at the end of this chapter.

1.2 Research title

The presence of and antecedents to bandwagon consumption behaviour among the South African Black middle class in the context of luxury motor vehicles.

1.3 Background to the research problem

The global luxury market is estimated at €750 billion (Bain & Company, 2012) and includes cars, yachts, wines and spirits, clothing, leather goods, shoes, accessories, watches, jewellery, cosmetics and perfumes and services such as hospitality and spas (Brun & Castelli, 2013). The largest luxury markets are the developed countries such as US, Japan, Italy and France and account for almost half of global sales (Bain & Company, 2012). These countries remain significant to the global luxury market albeit with moderate growth; however, emerging countries are expected to be the main drivers of growth over the next five years (Euromonitor International, 2013a). Consumer spending remains under pressure in most of the developed countries due to the financial crisis of 2008 (Euromonitor International, 2013a). There is also an observed shift in the attitudes of luxury consumers who are finding other, more subtle ways of displaying their affluence (Bainbridge, 2013) as luxury brands become increasingly available in developed countries (Shukla & Purani, 2012).

A topical trend among the emerging countries has been the rise of a middle class (Ernst & Young, 2013) which is looking for ways of displaying its newly found wealth (Bainbridge, 2013). This trend is transforming emerging countries, especially China, into the new epicentres for luxury goods (Carr, 2013). McKinsey & Company (2011) estimates that China will account for 20% of global luxury sales by 2015. There has been increased focus on the Chinese luxury market in recent literature and market research. Other new emerging countries such as Brazil, India, South Africa and South East Asia also represent untapped opportunities. The luxury market growth in these

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regions is estimated to range over 15% to 30% in the next five years (Bain & Company, 2012). Euromonitor International (2013b) suggests that the South African luxury industry growth has benefited from increasingly aspirational spending patterns among the country's mid-income group.

1.3.1 The Black middle class

The South African consumer landscape has also undergone a transformation over the past 10 years. Over this period, South Africa has seen a burgeoning Black middle class population which is becoming significantly representative in the consumer markets (UCT Unilever Institute of Strategic Marketing, 2013). According to the study conducted by the UCT Unilever Institute of Strategic Marketing, the South African Black middle class population increased from 1.7 million in 2004 to 4.2 million in 2013.

This expansion is mainly attributed to credit availability, education, the government's Black Economic Empowerment Programme and economic growth. During the apartheid era (1948 – 1994), Black South Africans were excluded from participating in the economy and from receiving quality education and land ownership rights ensuring that Black South Africans remained in increasing cycle of poverty (Mpehle, 2011). The Black Economic Empowerment Act of 2003 addressed the economic inequalities borne out of the apartheid rule between the white and black populations of South Africa by advancing black ownership of and control over the economy (Southall, 2007). The UCT Unilever Institute of Strategic Marketing study argues that the increasing Black middle class indicates a normalisation trend in the society.

The term "middle class" is perceived in different ways and usually takes on either a sociological or economic meaning or both. Sociologists typically use behavioural characteristics and socio-economic criteria such as: a specific level of education and the status of occupation (Pressman, 2007). In economic terms, being middle class implies a level of income in the vicinity of the middle of the income distribution (Pressman, 2007). Consensus tends to be especially tenuous about the economic definition of middle class where some scholars such as Birdsall, Graham, & Pettinato (2000) use relative terms and others, including Banerjee & Duflo (2008), use absolute terms. Visagie & Posel (2013) argued for the use of both the sociological and economic definitions of middle class in South Africa owing to the context of widespread poverty and inequality.

The middle class population has been recognised in academic literature for the important role that it plays in promoting economic growth (Ravallion, 2010). Easterly (2001) also gave evidence that in countries where a large share of income belongs to

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the middle class, a higher level of income and economic growth is achieved. Interestingly, literature shows a visible shift of interest has moved from the American and European middle class to middle classes in developing countries, particularly in China where there has been a significant expansion in the middle class population (Banerjee & Duflo, 2008; Ravallion, 2010; Li H, 2010; Jing, 2010). This shift could possibly be owing to the declining American middle class (Pressman, 2007), which has been the leading consumer group globally (Kharas, 2010).

Recent literature has markedly focused on luxury consumption behaviour amongst Chinese (Hung, *et al.*, 2011; Wang, Sun, & Song, 2011; Li, Li, & Kambele, 2012; Tsai, Yang, & Liu, 2013), and some focusing specifically on the Chinese middle class (Zhan & He, 2012; Zhang & Kim, 2013) while limited focus has been given to other developing countries with expanding middle classes, including South Africa.

The UCT Unilever Institute of Strategic Marketing defines the Black middle class as any Black African adult older than 18 years old, either living in a household with an income between R16,000 and R50,000 per month or meeting at least two of the following criteria:

> "owns a car, has a tertiary qualification or currently studying, works in a white collar/professional job, lives in a metropolitan area in decent housing or pays rent of R4,000 and up" (UCT Unilever Institute of Strategic Marketing, 2013).

For the purposes of this study, the middle class is defined by this level of affluence or lifestyle which includes both sociological and economic meanings as suggested by Visagie & Posel (2013).

The UCT Unilever Institute of Strategic Marketing study describes the Black middle class as highly aspirational consumers. Chikweche & Fletcher (2014) uses criteria similar to the UCT Unilever Institute of Strategic Marketing study to describe the South African middle class consumers and observes that, of the products and services they currently consume or aspire to in the near future, there is an emphasis on luxury cars. A similar trend transpired in the UCT Unilever Institute of Strategic Marketing study where luxury car brands such as BMW and Mercedes were identified as sought after brands. BMW, Mercedes-Benz and Audi are the main brands in the South African luxury car market and constitute 80% market share of the luxury car industry (Clark J., 2013a). Other luxury brands include Porsche, Volvo, Jaguar, Mini, Land Rover, Infiniti and Lexus (Venter, 2013).

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1.4 Research problem

In response to the trends in developed countries, luxury marketers are extending their brands by making more affordable products that are within reach to middle-income consumers (Park, Rabolt, & Jeon, 2008). The motivation for this strategy is to tap into the new growth opportunities that developing countries represent. Accordingly, luxury car brands worldwide are shifting towards more compact models that still offer some form of luxury to the consumer with limited budget (Kurylko, 2013). This strategy is referred to as vertical line downscale extension; where a luxury brand introduces a new product within the same category but at a lower price in order to capture new markets lacking the required buying power (Kim, Lavack, & Smith, 2001; Dall'Olmo Riley, Pina, & Bravo, 2013). This approach distorts the visual barriers between the wealthy and the masses as the masses get to enjoy similar high quality products but within their budgets (Truong, Simmons, McColl, & J., 2008).

Concurrently, as pointed out in the UCT study, there is a significant consumer base of Black middle class aspiring towards luxury cars and manufacturers providing accessible luxury cars to capture this emerging market. Beverland (2004) suggests that aspirational consumers, such as observed among the South African Black middle class, exhibit many of the characteristics associated with Snob, Veblenian and Bandwagon consumption. Snob consumers tend to avoid popular brands (Vigneron & Johnson, 1999), which is in contrast with the South African Black middle class who aspire towards similar brands. The study seeks to reach understanding of the South African middle class as a group. People, by and large, behave within a frame of reference created by the groups to which they belong (Bearden & Etzel, 1982). Bandwagon consumption is described as a phenomenon where “the utility derived from the commodity is enhanced or decreased owing to the fact that others are purchasing and consuming the same commodity…” (Leibenstein, 1950, p.189). Since bandwagon consumption is a social phenomenon (Vigneron & Johnson, 1999), the study expects that bandwagon consumption will exist among the South African Black middle class.

Hudders (2012) proposed that publicly consumed brands, such as in the case of cars, allow people to signal information about themselves to significant others. Steg (2005) also argued that cars not only fulfil functional needs but also serve important symbolic functions. Since cars are high involvement products (Huang, Mitchell, & Rosenaum-Elliott, 2012) and people tend to be subjected to social influence when making purchasing decisions Venkatesan (1996). Based on this, this study presupposes that luxury cars lend themselves to bandwagon consumption.

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This study suggests that it is important to gain insight into the behaviour of the consumer if luxury car brand marketers are to realise the potential that lies in the aspirant Black middle class of South Africa. It is anticipated that the study could contribute to a body of knowledge on consumer behaviour of the Black middle class across the luxury market.

1.5 Research objectives

The objective of this study is to determine whether bandwagon consumption in the purchasing of luxury vehicles among Black middle class consumers in South Africa is present. Furthermore, the study will investigate the antecedents to bandwagon consumption in the Black middle class in South Africa.

1.6 Conclusion and layout of study

This chapter introduced the background to the research problem and the relationship between the research problem and the research objectives was explained. The background to the research problem also provided some insights regarding the Black middle class.

This chapter is followed by Chapter 2 which provides the theoretical base for the study by evaluating the literature relating to the study. Bandwagon consumption and its antecedents will be reviewed at length and the relevance of bandwagon consumption in the context of the Black middle class in South Africa will be demonstrated.

The precise purpose of the research is defined in Chapter 3 by way of nine research questions and hypotheses. Subsequent chapters will provide empirical evidence to explore each question and the relating hypothesis.

Chapter 4 will provide details of the research methodology. The unit of analysis, the population, the sample size and sampling method, the research instruments, data collection and analysis and the limitations of the research will be discussed.

The results of the analysis will be presented, with limited interpretation in Chapter 5 and these will be linked to the hypotheses as stated in Chapter 3. Chapter 6 will provide an in-depth discussion of the results of the analysis in terms of the research questions, hypotheses and the literature. Lastly, Chapter 7 will conclude with highlights of the main findings of the research including recommendations to stakeholders based on the findings and recommendations for future research and managerial implications.

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2 Theory and Literature Summary

2.1 Introduction

This chapter reviews the academic literature in order to provide perspective into the theoretical constructs that this study covers based on the study by Kastanakis & Balabanis (2012) explaining the bandwagon consumption phenomenon in the context of luxury markets, and from the consumer's point of view. Their study developed and confirmed a conceptual model of the bandwagon consumption of luxury products which can be tested in various cultural contexts and with different classes of luxury products. The chapter first reviews the bandwagon effect and then its psychological antecedents; namely independent and interdependent self-concepts, consumer's susceptibility to normative influence, status consumption and lastly, consumer's need for uniqueness.

2.2 The Bandwagon effect

Conspicuous consumption refers to the consumption of expensive goods and services for purposes of displaying wealth and income rather than the intrinsic value of the goods and services (Veblen, 1899). Even though conspicuous consumption is considered to have originated in America and then later in European countries, the trend has most recently been observed in China, India and other emerging countries (Souiden, M'Saad, & Pons, 2011; Patsiaouras & Fitchett, 2012; Zhan & He, 2012). Zhan & He (2012) noted that conspicuous consumption is widespread amongst middle-class consumers who are motivated to consume luxury products to signal social status in China. In South Africa, Kaus (2013) not only found evidence of conspicuous consumption but also argued that black households are engaging more in visible consumption than their white counterparts.

Several consumer behaviour theorists regard Veblen (1899) as one of the first theorists to suggest this type of consumption that is motivated by the need to establish social networks and the desire to imitate members of higher social classes (Vigneron & Johnson, 1999; Vickers & Renand, 2003; Patsiaouras & Fitchett, 2012; Kastanakis & Balabanis, 2012). Veblen (1899) observed that as people accumulate wealth they seek to consume conspicuous goods in order to signal their wealth and subsequently achieve greater social status. Further, Veblen (1899) argued that consumption of conspicuous goods can be motivated by two reasons: 1) invidious comparison where members of a higher class want to distinguish themselves from members of a lower class; and 2)

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pecuniary emulation where members of a lower class want to be identified as members of a higher class by imitating them.

Leibenstein (1950) built on Veblen's (1899) theory by suggesting three external effects that explain consumer motivation for using material consumption to fulfil their social needs such as status, bandwagon effect, snob effect and Veblen effect. The bandwagon effect refers to "the extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity" (Leibenstein, 1950, p.189). The snob effect refers to "the extent to which the demand of a consumers' good is decreased owing to the fact that others are also consuming the same commodity" (Leibenstein, 1950, p.189). The Veblen effect refers to "the extent to which the demand for a consumers' good is increased because it bears a higher rather than a lower price" (Leibenstein, 1950, p.189). Worth noting is that Veblen (1899) didn't expressly advocate the view that a higher price increases the utility of an object.

In the snob effect, conspicuous consumption serves to dissociate oneself from the masses, while on the other hand, in the bandwagon effect it services the desire to conform to social norms or "get into the swim of things" or to appear to be "one of the boys" (Leibenstein, 1950). Certain scholars (Husic & Cicic, 2009; Kaufmann, Vrontis, & Manakova, 2012) theorised that the bandwagon effect is the precursor of the snob effect; that bandwagon consumers follow trends set by snobs and snobs abandon these same trends as they become adopted by masses i.e. bandwagon consumers.

The luxury industry has been experiencing increasing demand from aspirational consumers, particularly from the increasing number of affluent consumers in emerging countries (Cavender & Kincade, 2014). Consumers who can access luxury brands become models of aspiration and aspiring consumers, who lack the required purchasing power, wish to emulate their behaviour (Commuri, 2009). Supporting the significance of aspirations in luxury consumption by Truong, McColl, & Kitchen (2010) argued that consumers use luxury brands to signal wealth and status thereby fulfilling their quest for those aspirations that are driven by peer pressure and social status requirements. They attribute this to the highly conspicuous nature of luxury brands. Bandwagon consumption can thus be expected to be observed among the highly aspirational Black middle class consumers of South Africa. Even though Truong, McColl, & Kitchen's (2010) study is limited to consumers within the age groups of 21 to 40 year olds, it is expected that this is the main target group for the latest luxury brand extensions.

The bandwagon effect in the context of luxury consumption has received attention from various academic studies (Dubois & Patrick, 1993; Vigneron & Johnson, 1999;

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Wiedmann, Hennigs, & Siebels, 2007; Husic & Cicic, 2009). Although there is consensus among these scholars that the bandwagon effect does indeed occur when people consume or purchase luxury brands, few studies focus on the bandwagon effect exclusively. For instance, Vigneron & Johnson (1999) proposed the motivations for luxury consumption as Veblenian, Snob, Bandwagon, Hedonist and Perfectionist; where bandwagon consumers put a greater importance on the impression they make on others while consuming luxury brands. In comparison, the study by Kastanakis & Balabanis, (2012), and consequently this study, examines the bandwagon effect in isolation and provides insights into some of the psychological influences on the consumer that bring about the bandwagon effect when making luxury purchasing decisions. Kastanakis & Balabanis' (2012) study hypothesised that consumers' interdependent self-concept cause bandwagon luxury consumption and that the relationship between the interdependent self-concept and bandwagon consumption is mediated by the consumer's susceptibility to normative influence and their predisposition to seeking status and the need for uniqueness.

It should be noted that conspicuous consumption is not the only view held in the context of luxury consumption. Truong & RodMcColl (2011) argued that while aspirational consumers mostly emulate the consumption behaviour of others, conspicuous consumption is not followed by everyone. They proposed that there is a type of consumer who is motivated by internal goals (e.g. satisfaction, enjoyment and personal meaning) in the consumption of luxury products rather than engaging in conspicuous consumption.

2.3 The independent and interdependent self-concepts

The self-concept can be defined as "the totality of an individual's thoughts and feelings having reference to himself as an object" (Sirgy, 1982, p.287). The self-concept is relevant to consumer behaviour because often individuals' purchasing decisions are influenced by the thoughts and feelings they have about themselves (Onkvisit & Shaw, 1987; Malhotra, 1988). Consequently, individuals can define, preserve and improve their self-concept by purchasing products that allow them to do so (Hosany & Martin, 2011).

The self-concept can be independent; where individuals see themselves as separate from others or interdependent; where they see themselves as connected to others (Torelli, 2006). Individuals with a prominent independent self-concept value "freedom, independence, choosing ones' own goals, and living an exciting life" while those with a

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noticeable interdependent self-concept value “belongingness, friendship, family safety , and respect for elders” (Lalwani & Shavitt, 2009, p.88).

Park H. S. (2001) found a positive correlation between the independent self-concept and individuals who put an emphasis on upholding their own opinion. These individuals could be expected to value being distinct and unique from others. This was later echoed by Gudykunst & Lee (2003) who argued that individuals whose behaviour is based on the independent self-concept are in general motivated by their internal attributes such as thoughts and feelings and put an emphasis on being unique. Park H. S. (2001) anticipated that the need for uniqueness in the independent self-concept would invariably motivate the individual to shift their opinions away from popular opinions. The study conducted amongst Hawaiian students, however, indicated that this was not the case.

Interdependent individuals concern themselves with what they perceive as the thoughts, emotions and actions of those they relate to thus putting an emphasis on fitting into a group (Gudykunst & Lee, 2003). Gudykunst & Lee (2003) also noted various studies (e.g. Aaker & Schmidt (2001, etc.) that verified that the interdependent self-concept related positively with individuals who placed importance in considering other peoples’ opinion when forming their own opinions. This was not to suggest that such individuals value the opinions of others above their own. Unexpectedly, the same study by (Park H. S., 2001) found that individuals’ conviction about their own opinions regulated the relationship between the interdependent self-concept and shifting one’s opinions. In other words, people with a prevalent interdependent self-concept tend to diverge from popular opinion especially when they regard their own opinion as important.

Markus & Kitayama (1991) and others (e.g. Escalas & Bettman, 2005, Lalwani & Shavitt, 2009) argued that the independent and interdependent self-concepts coincide in an individual, however, the cultural context usually advances one or the other. Consequently, the independent self-concept is conceptualised to correspond to individualist cultures and thus, more prominent in Western countries. On the other hand, the interdependent self-concept relates to collectivist cultures and is more pronounced in countries such as Asia and Africa (Cross, Hardin, & Gercek-Swing, 2011). The South African Black African culture in particular, was conceptualised as collectivist by Eaton & Louw (2000). Individuals in a collectivist culture view themselves as connected to one or few groups (e.g. family, friends, etc.) while individuals in an individualist culture regard themselves as autonomous and independent of groups (Lee & Kacen, 2008).

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Truong, McColl, & Kitchen (2010) argued that the symbolic quality of luxury brands is likely to have less of an impact on those people who place greater emphasis on personal growth and internal values than those whose aspirations are mainly socially oriented. Thus, one could infer that the symbolic nature of luxury brands is likely to appeal less to individuals with a prominent independent self-concept than those who are interdependent.

Kastanakis & Balabanis (2012) theorised that status consumption and consumer susceptibility to interpersonal influence were socially- oriented traits that relates to the individual's interdependent self-concept; while consumers' need for uniqueness was the individualistic secondary traits that corresponds with the independent self-concept.

2.4 Consumer susceptibility to normative influence

Research has demonstrated that a person's behaviour is affected by the degree to which they are vulnerable to interpersonal influences (Bearden, Netemeyer, & Teel, 1989; Vigneron & Johnson, 1999; Shukla, 2011). Interpersonal influences refer to the impact others have on determining the behaviour of an individual (Bearden *et al.*, 1989). People believe that others judge their consumption choice (Mourali, Laroche, & Pons, 2005)to the extent that they might alter their choices when they become aware that others are observing their consumption decisions (Orth & Kahle, 2010; Shukla, 2011).

Illustrating the importance of interpersonal influences to luxury consumption, Kapferer & Bastien (2009) suggested that consumers who engage in luxury consumption are concerned with the impression they make on others; even in the absence of visibility (Han *et al.*, 2010).

Bearden *et al.* (1989) identified two kinds of susceptibility to interpersonal influences: normative interpersonal influences and informational interpersonal influences. Consumer susceptibility to normative influence refers to "the need to identify or enhance one's image with significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions…." (Bearden *et al.*, 1989 p.474). People who are more conscious about their image are motivated to purchase luxury brands that express the desired image (Bian & Forsythe, 2012). Park *et al.* (2008) also indicated that consumers who are under pressure to conform to social norms are more likely to engage in luxury consumption that serves as a public display of their affluence.

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Similar to the self-concept, various studies e.g. Ebren (2009) have examined susceptibility to interpersonal influence in a cultural context. Susceptibility to normative influence has been found to influence consumers' purchasing decisions more in collectivist than in individualist cultures (Lee & Kacen, 2008). Lee & Kacen (2008) further described the kind of normative influence in a collectivist culture as one where individuals may even adopt others' opinions and actions into their own self-concept in order to be like them. Mourali, Laroche, & Pons' (2005) Canadian study supported that consumers' individualistic proclivity had a negative association with susceptibility to normative influence. The findings further confirmed by Ebren (2009) in a Turkish context. In fact, Lee & Kacen (2008) noted that consumers in individualistic cultures are more likely to be susceptible to the other kind of interpersonal influence i.e. informational interpersonal influence where individuals do not typically accept recommendations as they are, but adjust them to suit their needs.

The susceptibility to normative influence on consumers in emerging countries is indicated in Dholakia & Talukdar's (2004) study. They argued that normative influence can motivate aspirational consumers to emulate the consumption behaviours that are socially desirable within other higher ranking groups. This suggests that the South African Black middle class can be expected to be susceptible to normative influences.

Consumption of popular luxuries satisfies the need to enhance one's image with significant others because they are recognisable to others signal association with more affluent groups (Kastanakis & Balabanis, 2014).

2.5 Status consumption

Veblen's (1899) study highlighted the significance of social influences on consumer behaviour where the purchase and consumption of goods and services can be a means to advance one's social status. Group membership fulfils a psychological need for humans to be accepted, however, acknowledgement and differentness within the group is often sought after (Clark, Zboja, & Goldsmith, 2007). Status is referred to as "a higher position compared to others on some dimension (e.g. academic or athletic skill, physical attractiveness or wealth) that is deemed important by society" (Nelissen & Meijers, 2010, p.343). Drèze & Nunes (2009) suggested that people are happier when they see themselves in a higher position rather than being inferior to others. Status consumption is "the motivational process by which individuals strives to improve their social standing through conspicuous consumption of consumer products that confer or symbolize status both to the individual and to surrounding significant others" (Eastman, Goldsmith, &

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Flynn, 1999, p.42). This definition implies that status consumption is based on conspicuous consumption and, therefore, often used interchangeably even though some scholars caution that the two constructs are conceptually distinct (O'Cass & Frost, 2002; Clark *et al.*, 2007).

Highlighting the relevance of status to luxury, Mandel, Petrova, & Cialdini (2006) argues that social status may be improved through the purchase and consumption of luxury brands. The dimensions by which a person's social position is judged frequently bring about wealth to that person and as such, wealth has become the signal for status (Han, Nunes, & Drèze, 2010). Luxury goods are expensive by normal standards (Vigneron & Johnson, 1999); their possession, especially those generally associated with higher income such as cars, allows consumers to signal their wealth and subsequently gain the desired status (Han, Nunes, & Drèze, 2010).

Han *et al.* (2010) offered that among those consumers who aspire and imitate those who possess more wealth, consumption is highly motivated by status. A study by Mai & Tambyah (2011) suggested that in developing economies, the emerging middle and upper class consumers tend to engage in status consumption in order to display their newly acquired wealth. Applying this principle to the South African context; Kaus (2013) argued that the relatively increased conspicuous consumption amongst South African black households compared to white households serves as a means to signal status. He explained this observation by citing Laumann & House's (1970) study that "for old-established social elites signalling is a much less pressing issue, while status, on the other hand, has to be validated to be socially accepted among those who only recently are able to afford signalling devices" (Kaus, 2013). Status consumption is, therefore, relevant to the South African Black middle class.

Babin, Darden, & Griffin (1994) theorised a strong relation between status seeking and materialism. Then Wong (1997) found that materialism was prevalent in individualistic cultures and negatively correlated to collectivistic cultures. Nonetheless, Wong (1997) continued to note the contradiction of his results with the then wave of luxury consumption in the East, which is generally considered collectivist. Shukla (2010) also investigated status consumption behaviour as it related to individualism (British) and collectivism (Indian) in cultural contexts. The results demonstrated that consumers from either culture engaged in consumption behaviour, albeit with variations across each culture. Specifically, status consumption in the individualistic culture was used for social gains (including respect, popularity, etc.), indicate self-esteem and flashy behaviour. Alternatively, status products in the collectivist culture were consumed largely with

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ostentation in mind. Kastanakis & Balabanis (2012) attributed status consumption to the interdependent self-concept. They argued that the status seeker's focus on significant others and their social position while consuming luxury brands indicated an underlying interdependent-self. In contrast, an individual with an independent self-concept would not be concerned with significant others.

Clark *et al.* (2007) argued that status seekers often have a tendency to conform in order for their status to be raised within a group and that the product representing the status must be generally viewed as significant by the group. While status-seeking people concern themselves with what relevant groups consider the best choices, (Eastman *et al.*, 1999; Clark *et al.*, 2007) introduced the concept of role-relaxed consumers who tend to contrast dramatically with status-seeking behaviour in that they generally tend not to conform to group norms. In view of Leibenstein's (1950) conceptualisation of the bandwagon effect, it was anticipated that status-seeking would lead to bandwagon consumption. Kastanakis & Balabanis (2012) theorised that the interdependent self-concept ultimately led to bandwagon consumption via status consumption, while the independent self-concept discouraged bandwagon consumption.

2.6 Consumers' need for uniqueness

People can sometimes perceive a threat to their identity when they feel comparable to others and consequently display behaviours that distinguish them from others (Zhan & He, 2012). Consumers' need for uniqueness is the "trait of pursuing differentness relative to others through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's self-image and social image" (Tian, Bearden, & Hunter, 2001, p.52).

There are three kinds of behaviours that consumers assume in order to socially differentiate themselves from others:

1. in creative choice counter conformity the consumer seeks to achieve this through choice but ends up making choices that are considered favourable by others
2. in unpopular choice counter-conformity the consumer uses consuming brands or products that are divergent from the norms and risks social disapproval
3. in avoidance of similarity the consumer loses interest or discontinues goods that have become common in order to move away from the norm (Tian *et al.*, 2001).

Brewer (1991) formulated the Optimal Distinctiveness Theory which confirmed that need for uniqueness competes with the need for group assimilation. Then, Lynn & Harris

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(1997) proposed that individuals would consume certain products to promote uniqueness while also consuming other products to conform or assimilate with groups. Ruvio (2008) proposed that individuals are generally inclined to show their uniqueness in ways that do not provoke social punishment for being perceived as too unique. In this way, the consumer's uniqueness was seen as a means to gain differentiation and social approval simultaneously.

Creative choices and avoidance of similarity are considered positive qualities of CNFU and do not invoke social sanctions (Ruvio *et al.*, 2008). Ruvio *et al.* (2008) proceeded to describe CNFU in cultural context. Individuals in collectivist societies are more likely to engage in these two behaviours of differentness because they are considered socially safe. In fact Ruvio (2008) went as far as suggesting that even in Western cultures which are rather individualistic; the creative choices behaviour may be a means to impress others with consumption creativity.

The consumers' need for uniqueness can be satisfied by the symbolic meanings of the products and brands they consume (Tian *et al.*, 2001). Several studies have proposed the association between the need for uniqueness and luxury brands (Vigneron & Johnson, 1999; Park *et al.*, 2008; Hudders, 2012; Zhan & He, 2012). Vigneron & Johnson (1999) argued that the exclusiveness that is inherent in luxury goods fulfils the need for uniqueness. This is one way to explain why consumers with a higher need for uniqueness have a higher preference for luxury brands (Park *et al.*, 2008; Zhan & He, 2012). The need for uniqueness was identified by Hudders (2012) as one of the motivations for consuming luxury for its ability to signal information about oneself to significant others. Hudders (2012) associated the consumers' need for uniqueness with the snob effect, since snob consumer's value exclusivity and avoid making popular consumption choices (Vigneron & Johnson, 1999).

Whereas the bandwagon effect implies conformity in Leibenstein's (1950) terms, the consumer's need for uniqueness and snob effect indicate counter-conformity. Timmor & Katz-Navon (2008) proposed that an individual cannot be both conformist and non-conformist simultaneously and thus consumer's need for uniqueness can be conceptualised as clashing with the bandwagon luxury consumption in terms of (Leibenstein, 1950).

Kastanakis & Balabanis (2012) created the association between the constructs of the self-concept, consumers' need for uniqueness and bandwagon luxury consumption by suggesting that consumers who have a relatively greater need for uniqueness use luxury

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products to enhance their independent self-concept through dissociation with significant groups.

While this study focuses on the antecedents of bandwagon luxury consumption, it is not reasonable to assume that all Black middle class consumers engage in this type of consumption. Indeed, even among aspirational consumers there are still those who value exclusivity relatively more than others (Truong *et al.*, 2010).

2.7 Pulling it all together

The theoretical background of each construct was discussed in this chapter. It was noted that the bandwagon effect in luxury products occurs when consumers buy certain products because of their popularity. Furthermore, bandwagon consumption fulfils the need to conform to social needs and to be seen as part of a whole. Luxury products lend themselves to bandwagon consumption because of their highly symbolic nature which allows consumers to signal certain messages to various social groups.

The independent and interdependent self-concepts were discussed next. These were perceived as two different ways in which individuals see their relationships with others. The independent self-concept represented seeing the self as unique and separate from others while the interdependent self-concept perceives the self an integral part of a group. Typically, consumer behaviour varies depending on the prevalent self-concept. Consumer's susceptibility to normative influence was defined as *the need to identify or enhance one's image with significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions.* The implication of this definition is that consumer choices may be altered when consumption decisions are being observed by others.

Status consumption was described as a tendency to purchase goods for the status they bestow on their consumers or owners. Status consumption may be motivated by the desire either to attain a higher social rank to others or to gain membership into groups that are associated with prestige. The last construct discussed was the consumers' need for uniqueness. This was perceived as a practice of seeking differentness from others through the acquisition, use and disposition of goods.

Having reviewed all six constructs, it was noted that all the constructs have a strong social connotation demonstrably encompassing the perspective of the consumer. Also, from the discussion of literature above and based on the study of Kastanakis & Balabanis (2012), the following conceptual model will be tested in this study:

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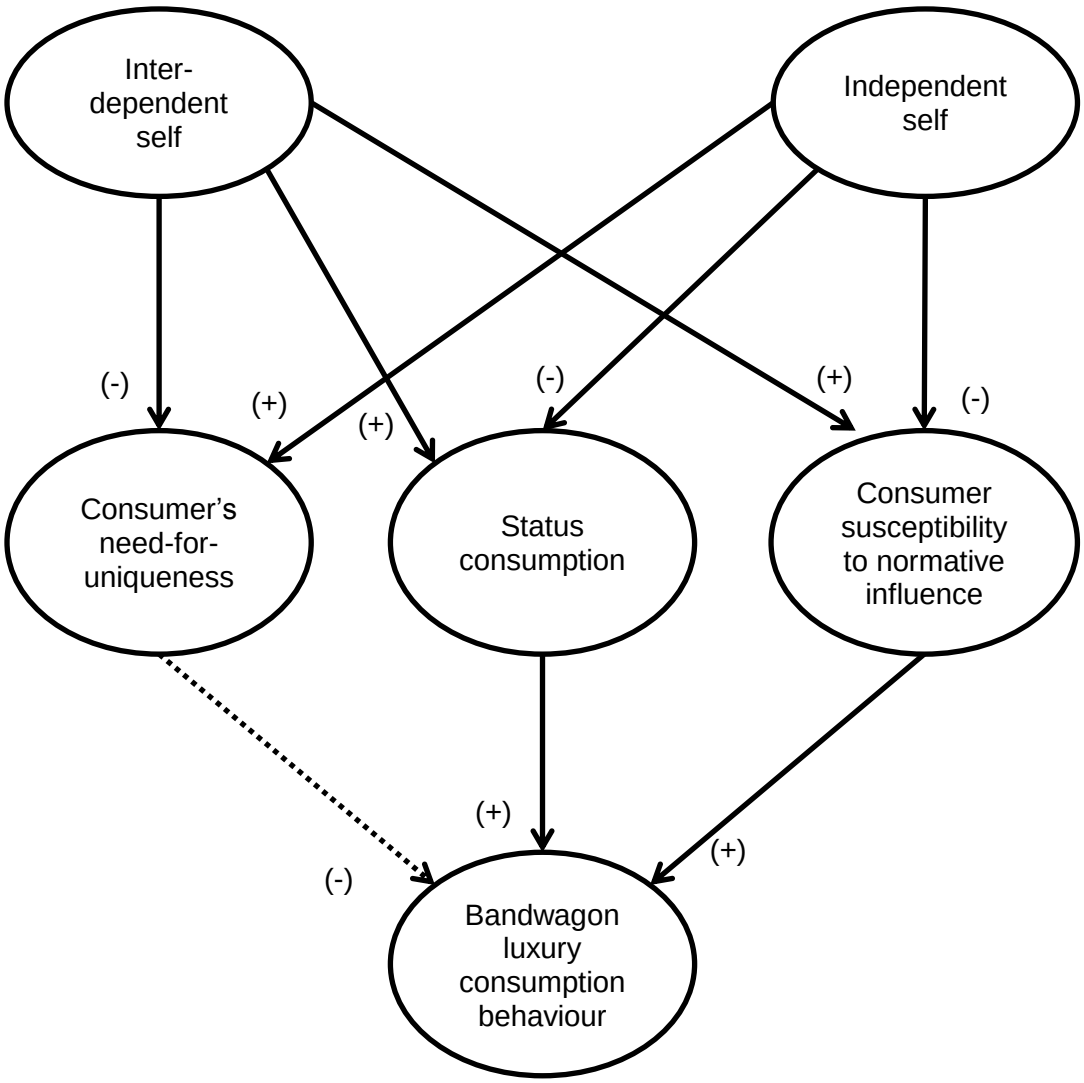
Figure 2-1: Psychological factors associated with bandwagon luxury consumption behaviour (Kastanakis & Balabanis, 2012)



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3 Research questions

The aim of this study is to test the presence of bandwagon luxury consumption among the South African Black middle class and whether the propensity to engage in such consumption can be explained by certain psychological factors. The psychological factors in question are: independent self-concept, interdependent self-concept, consumer need for uniqueness, status consumption and consumer susceptibility to normative influence.

Vogt (2005b) defines the research question as the problem that the study is investigating stated in the form of a question. A hypothesis is an untested proposition about the relationship between two or more variables (Saunders & Lewis, 2012). The hypotheses for the study are also illustrated in **Figure 2-1**.

3.1 Research question 1

What is the relationship between the interdependent self-concept and consumer susceptibility to normative influence?

H1a: The interdependent self-concept relates positively with consumer susceptibility to normative influence

3.2 Research question 2

What is the relationship between the independent self-concept and consumer susceptibility to normative influence?

H1b: The independent self-concept relates negatively with consumer susceptibility to normative influence

3.3 Research question 3

What is the relationship between consumer susceptibility to normative influence and bandwagon consumption of luxury products?

H1c: Consumer susceptibility to normative influence relates positively with bandwagon consumption of luxury products

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3.4 Research question 4

What is the relationship between the interdependent self-concept and status consumption?

H2a: The interdependent self-concept relates positively with status consumption.

3.5 Research question 5

What is the relationship between the independent self-concept and status consumption?

H2b: The independent self-concept relates negatively with status consumption.

3.6 Research question 6

What is the relationship between status consumption and bandwagon consumption of luxury products?

H2c: Status consumption relates positively with bandwagon consumption of luxury products.

3.7 Research question 7

What is the relationship between the interdependent self-concept and consumer need for uniqueness?

H3a: The interdependent self-concept relates negatively with consumer need for uniqueness.

3.8 Research question 8

What is the relationship between the independent self-concept and consumer need for uniqueness?

H3b: The independent self-concept relates positively with consumer need for uniqueness.

3.9 Research question 9

What is the relationship between consumer need for uniqueness and bandwagon consumption of luxury products?

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H3c: Consumer need for uniqueness relates negatively with bandwagon consumption of luxury products.

3.10 Conclusion

The above questions will be developed into the research questionnaire and the hypotheses tested in the data analysis.

The contribution this research intends to make by testing the proposed model is to provide marketers with the knowledge to answer the following key question: “What marketing strategies can be developed in order to capitalise on the bandwagon consumption of luxury cars by the South African Black middle class population”.

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4 Research Methodology

4.1 Introduction

This chapter details the approach taken for the experimental research phase of this study. The research design, units of analysis, the population, the sample size and sampling method, the research instrument, the details of how the data was collected and the process of data analysis are all discussed herein.

4.2 Research design

Research design is a plan that details how the researcher intends to conduct the research (Mouton, 2001). DeForge (2010) described research design as a guide with which the researcher addresses the research problems and answer the research questions. This study aims to examine the relationship between a consumer's self-concept and bandwagon luxury consumption and the extent to which this relationship is influenced by the level of consumer's propensity to seek status, susceptibility to normative influence and need for uniqueness. A significant implication of this study's objective is the identification of a suitable data analysis approach to evaluate the nature of these relationships in the context of the South African Black middle class. Consequently, the approach to data analysis by and large informed the research design and therefore would be reasonable to introduce the data analysis approach next.

4.3 Structural Equation Modelling

Structural equation modelling (SEM) belongs to a group of statistical analyses called multivariate analysis that simultaneously examines the relationships among multiple variables (Mancha & Leung, 2010). SEM determines the extent to which a conceptualised theoretical model such as that in **Figure 2-1** is supported by the collected data (Mancha & Leung, 2010). In this way, SEM is a method for confirmatory factor analysis i.e. a multivariate technique used to confirm a prescribed relationship between factors or latent variables or constructs (Hair, Black, Babin, & Anderson, 2009).

The multiple variables in this study are independent self-concept, interdependent self-concept, consumers' need for uniqueness, status consumption, susceptibility to normative influence and bandwagon consumption. However, these variables cannot be measured directly and hence referred to as latent variables (Vogt, Structural Equation, 2005c). SEM allows researchers to study the effects of latent variables on each other by

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defining and evaluating measurable variables that underlie each latent variable. This distinct capability is enabled by the two basic components of SEM: the measurement model and the structural model. The measurement model is used to specify the rules of correlation between the measured variables and latent variables. The structural model, usually depicted by a diagram, is used to represent the hypothesised structural relationships between the constructs (Hair *et al.*, 2009). Therefore, SEM was considered as an appropriate statistical technique to data analysis these reasons.

This study was conducted as quantitative research in accordance with Ponterotto's (2005) claim that quantitative studies emphasise the measurement and analysis of causal relationships between variables. Merriam (2009) suggests survey studies to methodically describe the details and attributes of a specific phenomenon or the relationship between events and phenomena. Surveys can also be used to study the behaviour of persons and to obtain other factual information about members of a population (Ballou, 2008). This study made use of a survey research strategy by using existing scales to compile a questionnaire which was used to collect structured quantitative data from a large population (Saunders & Lewis, 2012).

Hair *et al.* (2009) cautioned that SEM requires thorough consideration of the elements of research design that are critical for a successful SEM analysis. Chief among these considerations is the sample size.

4.3.1 Sample size

SEM generally requires large samples in order to simultaneously examine the relationships between the multiple variables and produce reasonably stable results. Views regarding the minimum sample sizes vary. A commonly used rule of thumb is the "rule of 10" which suggests that the ratio of cases to the number of measured variables should be 10:1 (Westland, 2010; Kline, 2011). Other researchers have suggested that samples of less than 200 in SEM analysis should be avoided (Weston & Jr, 2006; Barrett 2007).

Considering the above guidelines, the realised sample of 184 was considered insufficient to fit the theoretical model to the data. The theoretical model contains 52 measured variables (as shown in section 4.4 below) which would require a minimum sample size of 520.

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4.3.2 Partial least squares structural equation modelling (PLS SEM)

PLS SEM is a family of SEM techniques that uses partial least squares modelling, rather than co-variance based techniques (Henseler, M.Ringle, & Sinkovics, 2009). The technique is available to researchers who do not meet the minimum sample size required for the traditional SEM technique. The technique has been used widely in literature with over 100 published studies featuring PLS SEM. Even though PLS SEM differs from the traditional SEM from a statistical point of view, it is nonetheless still considered efficient (Hair, Ringle, & Sarstedt, 2011). This view was also echoed in Tenenhaus' (2008) study that demonstrated when "good" measures and data are used; both the classic SEM and PLS SEM techniques basically produce the same results.

A rule of thumb regarding sample size for a well-constructed PLS modelling is suggested by Henseler *et al.* (2009) as the larger of: 1) ten times the number of measured variables of the latent variable with the largest number of indicators, or 2) "ten times the largest number of structural paths directed at a particular construct in the inner path model" (Henseler *et al.*, 2009, pg. 292)

Based on this guideline, the sample size of 184 achieved in this study was considered sufficient to fit the theoretical model to the data using PLS SEM. As shown in section 4.4 below, the latent variable with the largest number of number of formative indicators was 12 and; as shown in the theoretical model depicted **Figure 2-1**, the largest number of structural paths directed at a given construct is 3. Thus the minimum required sample size as per the rule of thumb would be 120. It was determined that PLS SEM is competent in terms of achieving the objectives of the study.

A two-step approach that includes systematic application of various criteria for PLS SEM is suggested by Hair *et al.* (2011) and Henseler *et al.* (2009): 1) the assessment of the measurement model and 2) the assessment of the structural model.

4.4 Research instrument

The first step in SEM analysis requires the operationalisation of the theoretical constructs for empirical testing. The constructs or latent variables are operationalised by selecting measurement scale items and scale types (Hair *et al.*, 2009). Established scales were used to measure the constructs: Singelis' (1994) scale for the self-concepts, Bearden *et al.*'s, (1989) scale for consumer susceptibility to normative influence, Eastman *et al.*'s (1999) scale for status consumption, Ruvio, Shoham, & Brencic's

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(2008) short-form of Tian's (2001) scale for consumers' need for uniqueness and the scale developed by Kastanakis & Balabanis (2012) for bandwagon consumption.

The measurement items for each of the six constructs are considered next.

4.4.1 Independent and interdependent self-concept

Singelis' (1994) 12-item independent self-concept scale and 12-item interdependent self-concept scale are in theory and practice connected to the concepts of independence and collectivism characteristics of culture, respectively (Dixon, 2007). The respective items are shown in Table 4-1 below.

Table 4-1: Measurement items for the independent and interdependent self-concept constructs

No	Scale item	Construct	Source
1.	I'd rather say "No" directly, than risk being misunderstood.	Independent self-concept	Singelis (1994)
2.	Speaking up in a group is not a problem for me.		
3.	Having a lively imagination is important to me.		
4.	I am comfortable with being singled out for praise or rewards.		
5.	I am the same person at home that I am at work.		
6.	Being able to take care of myself is a primary concern for me.		
7.	I act the same way no matter who I am with.		
8.	I feel comfortable using someone's first name soon after I meet them, even when they are much older than I am.		
9.	I prefer to be direct and forthright when dealing with people I've just met.		
10.	I enjoy being unique and different from others in many respects.		
11.	My personal identity independent of others is very important to me.		
12.	I value being in good health above everything		
1.	I have respect for the authority figures with whom I interact.	Inter-dependent Self-concept	Singelis (1994)
2.	It is important for me to maintain harmony within my group.		
3.	My happiness depends on the happiness of those around me.		
4.	I would offer my seat in a bus to my professor.		
5.	I respect people who are modest about themselves.		
6.	I will sacrifice my self-interest for the benefit of the group I am in.		

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No	Scale item	Construct	Source
7.	I often have the feeling that my relationships with others are more important than my own accomplishments.		
8.	I should take into consideration my parents' advice when making education / career plans.		
9.	It is important to me to respect decisions made by the group.		
10.	I will stay in a group if they need me, even when I'm not happy with the group.		
11.	If my brother or sister fails, I feel responsible.		
12.	Even when I strongly disagree with group members, I avoid an argument		

4.4.2 Consumers' need for uniqueness

Ruvio, Shoham, & Brencic (2008) conceptualised a shorter version of Tian *et al.*'s (2001) original 31-item consumers' need for uniqueness scale in order to address issues around redundancy between closely related items and response bias of a long scale. As a result, a 12-item scale along the three dimensions of creative choice counter conformity, unpopular choice counter conformity and avoidance of similarity survived Ruvio *et al.*'s judgemental and internal items' quality criteria.

The measurement items for consumers' need for uniqueness are shown in Table 4-2 below.

Table 4-2: Measurement items for consumers' need for uniqueness construct

No.	Scale item	Subscale	Construct/ Latent variable	Source
1.	I often combine possessions in such a way that I create a personal image that cannot be duplicated.	Creative choice counter conformity	Consumers' need for uniqueness	Ruvio, Shoham, & Brencic (2008)
2.	I often try to find a more interesting version of run-of-the-mill products because I enjoy being original			
3.	I actively seek to develop my personal uniqueness by buying special products or brands.			
4.	I have an eye for products that are interesting and unusual assists me in establishing a distinctive image.			

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No.	Scale item	Subscale	Construct/ Latent variable	Source
5.	When it comes to the products I buy and the situations in which I use them, I have broken customs and rules.	Unpopular choice counter conformity		
6.	I have often violated the understood rules of my social group regarding what to buy or own.			
7.	I have often gone against the understood rules of my social group regarding when and how certain products are properly used.			
8.	I enjoy challenging the prevailing taste of people I know by buying something they would not seem to accept.			
9.	When a product I own becomes popular among the general population, I begin to use it less.	Avoidance of similarity		
10.	I often try to avoid products or brands that I know are bought by the general population.			
11.	As a rule, I dislike products or brands that are customarily bought by everyone.			
12.	The more commonplace a product or brand is among the general population, the less interested I am in buying it.			

For the purposes of this study, the relationships of the measured variables for the sub-constructs of consumers' need for uniqueness and the relationships of the sub-constructs to the construct will not be reviewed since the scale is established and validated.

4.4.3 Status consumption

Eastman *et al.* (1999) theorised a 5-item self-report scale that allows researchers to operationalise the construct of status consumption with confidence. The items of the scale are shown in Table 4-3 below. Eastman *et al.* (1999) further conceptualised that differences in self-reported status consumption associated positively with ownership of brands known to be higher in status relative to other brands.

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Table 4-3: Measurement items for the status consumption construct

No.	Scale item	Construct/ Latent variable	Source
1.	I would buy a product just because it has status.	Status consumption	Eastman *et al.* (1999)
2.	I am interested in new products with status.		
3.	I would pay more for a product if it had status.		
4.	The status of a product is irrelevant to me (negatively worded).		
5.	A product is more valuable to me if it has some snob appeal.		

4.4.4 Susceptibility to normative influences

Bearden *et al.* (1989) developed a two-dimensional measure of informational and normative interpersonal influence. Within this scale there were eight measurement items that related to susceptibility to normative influences, these are shown in Table 4-4 below.

Table 4-4: Measurement items for the susceptibility to normative influence construct

No.	Scale item	Construct/ Latent variable	Source
1.	When buying products, I generally purchase those brands that I think others will approve of.	Susceptibility to normative influences	Bearden *et al.* (1989)
2.	If other people can see me using a product, I often purchase the brand they expect me to buy.		
3.	I achieve a sense of belonging by purchasing the same product and brands that others purchase.		
4.	I often identify with other people by purchasing the same products and brands they purchase.		
5.	If I want to be like someone, I often by to buy the same brands that they buy.		
6.	I like to know what brands and products make good impressions on others.		
7.	I rarely purchase the latest fashion styles until I am sure my fiends approve of them.		
8	It is important that others like the products and brands I buy		

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4.4.5 Bandwagon consumption

Kastanakis & Balabanis (2012) developed a 3-item measurement scale for bandwagon consumption. The scale is fairly recent in literature and not readily available, to the extent that it was obtained directly from the authors by email.

No.	Scale item	Construct/ Latent variable	Source
1.	I would buy a very popular and currently, very fashionable car that everyone would approve of its choice	Bandwagon consumption	Kastanakis & Balabanis (2012)
2.	I would buy a car driven by many celebrities, recognised by many people as a symbol of success		
3.	I would buy a car that is chosen and driven by most people as a symbol of achievement		

4.4.6 Rating scale

All the established scales used 5-point Likert scales; (Kline, 2011) suggested that people are able to reasonably distinguish between scale values, and thereby minimising respondent errors, when 5 to 10 points are used. A bipolar scale was used and each selection on the scale was represented by a score: 1 being “strongly disagree” and 5 being “strongly agree” as illustrated in Table 4-5 below.

Table 4-5: Bipolar scale used in measuring instrument

Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
1	2	3	4	5

The scales scores were then calculated and analysed for interpretation.

4.4.7 Pre-test

Before rolling out the measuring instrument to the intended sample, a pre-test was conducted to confirm if respondents understood the items of the questionnaire and would use the opportunity to make necessary adjustments to the instrument before its full release. Although the final study used Facebook to roll out the instrument, it would have been difficult to control the pre-test on Facebook and quite possibly have a

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reducing effect on the sample for the final study. Thus, the instrument was distributed to a sample similar to the intended sample, but via email.

The pre-test was run in the first week of July 2014. The web link to the questionnaire was emailed to 86 respondents and 50 responses were received. The response rate of 58%, although desirable, didn't provide a practical indication of what could be expected in the final study, given the different approaches. Based on findings of the pre-test; some questions were rephrased in order to reduce the probability for misunderstanding which could lead to incorrect responses and therefore compromise the validity of the implicated measure items.

The measurement tool was considered appropriate for data collection because most people were familiar with the tool. It was presented with consistency to the sample group, it was cost effective to develop and easy to administer, and there was no unjustified influence or pressure from the researcher regarding the responses (Moodley, 2007).

4.5 Target population

The following population was considered for purposes of this study:

South African Black middle class who are currently driving a luxury motor vehicle or, who intend to purchase a luxury motor vehicle over the next 5 years.

As noted in Chapter 1, the definition of Black middle class is appropriated from the UCT Unilever Institute of Strategic Marketing:

> "any Black African adult over 18 years old either living in a household with income between R16 000 and R50 000 per month or meeting at least two of the following criteria: "owns a car, has a tertiary qualification or currently studying, works in a white collar/professional job, lives in a metropolitan area in decent housing or pays rent of R4 000 and up" (UCT Unilever Institute of Strategic Marketing, 2013).

Luxury motor vehicle brands in the South African context were also identified in Chapter 1 as BMW, Mercedes-Benz and Audi, Porsche, Volvo, Jaguar, Mini, Land Rover, Infiniti and Lexus.

The bandwagon consumption behaviour in the context of this study represents a desire to purchase a luxury motor vehicle in order to "get into the swim of things" (Leibenstein,

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1950, p.189). The study assumes that bandwagon consumption behaviour manifests itself even before purchase; hence the inclusion of the group intending to buy a luxury motor vehicle in the short to medium term as this may generate business-related and theoretical insights.

To the best knowledge of the study, this population group is not structurally visible and no identifying lists exist that overlap all the criteria. The population group thus satisfies one of Marpsat & Razafindratsima's (2010) characteristics of "hard to reach populations" where members are difficult to identify because what they share in common is neither easily detectable nor often recorded.

4.6 Sampling Method

The choice of sampling method depends on whether or not the total population is known or a full list of its members is attainable i.e. the sampling frame (Saunders & Lewis, 2012). A sampling frame was not available to the study owing to the fact that there is no known and obtainable complete list of the Black middle class and thus the chance or probability of each member being selected in the population cannot be determined.

Non-probability sampling techniques were used to obtain the sample for the study. Respondent-assisted sampling is a non-probability sampling technique in which respondents are accessed from the population under study with the help of previously accessed respondents (Daniel, 2012).

Snowball sampling is a respondent-assisted sampling method that uses participants' social network to reach a specific population (Browne, 2005). A participant gives the name of another participant who in turn gives the name of a third participant, and so forth (Atkinson & Flint, 2001). Virtual snowball sampling refers to the use of virtual instruments to conduct snowball sampling (Baltar & Brunet, 2011). In their study, Baltar & Brunet (2011) found that incorporating social networks, specifically Facebook, when detecting hard to reach populations has the benefits of saving time and costs, extending the size of the sample and improving the sample's representativeness.

Accordingly, survey respondents were recruited via Facebook. Initially, the study would follow a similar approach and use Facebook and LinkedIn to recruit respondents. Facebook Group feature that allows members who share common interests to interact was used to recruit respondents. Recruits were identified from several Facebook groups including the official pages for BMW, AUDI, University Alumni, etc. Recruits were then

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contacted individually and privately using their inboxes, a Facebook tool similar to sending an email.

The Facebook Newsfeed feature was also used to recruit respondents. The newsfeed allows users to post any updates including photos, videos, links, etc. that can be viewed by anyone in their social network. It is a continuous dissemination of updates. A link to the survey was posted onto Newsfeed with a request for people who participated to repost the link on the Newsfeed. This was done on a weekly basis, so that the post didn't disappear amongst other users' posts.

Baltar & Brunet (2011) pointed out a significant weakness of the snowball sampling technique. The choice of initial respondents has a significant influence on the sample make-up. As a result, the sample becomes subjective towards the more obliging initial respondents or those with larger social networks.

4.7 Data collection

Data was collected using a self-completed web-based questionnaire. Saunders & Lewis (2012) recommend questionnaires for collecting data about the same things from a large sample and for descriptive studies. The Survey Monkey online survey and questionnaire tool was used to collect the data. The tool allows researchers to create and to deliver surveys in a convenient and speedy manner.

Responses are captured in real time and are available to the researcher to monitor instantaneously. This feature proved very valuable during the data collection process as gaps or flaws in the questionnaire were identified on time. For instance, the questionnaire was updated to force answers for all questions to avoid issues of missing data.

For reference, the complete survey questionnaire is included in **Error! Reference ource not found.**A.

4.8 Units of analysis

Units of analysis refer to the object, phenomenon, entity, process or event that is being investigated, therefore the "what" of the study (Mouton, 2001). In this study the unit of analysis is the individual member of the South African Black middle class. However, the individuals were analysed as a group and the data is reported at this aggregated level in Chapter 5 of this study.

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4.9 Data analysis

The data was analysed using LISREL 8.80. The following steps to data analysis were followed:

Step 1: Data Preparation

Data was screened to identify any missing data which was subsequently removed. Most of the missing data was the result of incomplete surveys rather than respondents skipping through questions. It is worth noting again that the forced ranking feature in the Survey Monkey software mitigated the risk of missing data to a large degree. Missing data can have detrimental effects to the sample size.

Step 2: Descriptive statistics

The demographic profile of the sample was then created in order to describe the sample along the dimensions of age, gender, marital status and so forth. The demographic profile results are presented in Chapter 5.

Descriptive statics such as Kurtosis, Skewness, etc., used to evaluate data normality were not computed for the scale items since PLS SEM implies data non-normality.

Step 3: Assessing measurement model

Statistical tests were done to test the measurement theory i.e. the relationships that suggest how the measured variables represent each of the respective latent constructs. The measurement model was assessed with regard to reliability and validity.

Step 4: Assessing the structural model

The final step was to test the structural relationships between the constructs as presented by the theoretical structural model. The primary evaluation criteria used were the R^2 measures and significance of the path coefficients between the constructs.

Steps 3 and 4 are in accordance with the two-step approach described by Henseler *et al.* (2009) and Hair *et al.* (2011) which applies a series of criteria to assess partial model structures.

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4.9.1 Measurement model assessment

The measurement model allows the researcher to observe the relationships between the measured variables and latent variable. The aim of such an investigation is to establish confidence that the measured variables do indeed represent the specific constructs under study. Prior to assessing the measurement model, researchers are required to distinguish between reflective and formative measurement models as these impact the approach. In this study, it is conceived that changes in the latent constructs will be reflected in changes in the measured variables. This way, the measured variables are perceived to be reflective (Coltman, Devinney, Midgley, & Venaik, 2008; Hair *et al.*, 2011). Therefore, the measurement model in this study is reflective.

The assessment of a reflective measurement model entails investigating the combined reliabilities for each latent variable's measured indicators i.e. internal consistency reliability, the reliabilities of each individual measure indicator as well as the measures' convergent and discriminant validities (Hair, Sarstedt, Ringle, & Mena, 2012). Internal consistency reliability refers to the extent to which a set of variables is consistent in term of measuring what it is intended to measure (Hair *et al.*, 2009). Composite reliability is calculated using the formula:

$$CR = \frac{Square\ of\ total\ standardised\ loading}{Square\ of\ total\ standardised\ loading + Measurement\ error}$$

where

$$Measurement\ error = 1 - (Standardised\ loading)$$

The reliabilities of the individual measured variables involve examining the associated coefficients for the relationships from the latent construct to each measured variable i.e. outer loadings. Outer loadings indicate the extent to which the measured variable and the latent variable correspond with each other (Hair *et al.*, 2009).

While convergent validity concerns the extent to which the measured variables of a construct either converge or share a high proportion of variance in common; discriminant validity examines the degree to which a construct is indeed distinct from other constructs (Hair *et al.*, 2009). Hair *et al.* (2011) provided some rules of thumbs for evaluating models in PLS SEM. These are shown in Table 4-6 below. Convergent validity is

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measured using average variance extracted (AVE) which gives reports the degree to which the latent variable explains its indicator's variance (Hair *et al.*, 2011). AVE is calculated as:

$$AVE = \frac{Sum\ of\ standardised\ loading\ square}{Sum\ of\ standardised\ loading\ square + Measurement\ error}$$

The Fornell-Larcker criterion and cross loadings are available for testing discriminant validity. Fornell & Larcker (1981) theorised that a latent variable shares more variance with its respective measured variables than with any other latent variable. Cross loadings were not used for the study as the Fornell-Larcker is considered more robust in comparison. Discriminant validity is given by the formula:

$$Discriminant\ validy = \sqrt{\text{AVE}}$$

The relationships between the measured variables and their respective constructs were evaluated using the guidelines provided by Hair *et al.* (2011) for reliability and validity testing. The rules of thumb are shown in Table 4-6 below and the assessment results are presented in Chapter 5.

Table 4-6: Rules of Thumb for Measurement Model Evaluation (Hair, Ringle, & Sarstedt, PLS SEM: Indeed a silver bullet, 2011)

Criterion	Rule of thumb
Internal consistency reliability	Composite reliability coefficient should be > 0.60 However values of 0.60 to 0.70 are also regarded as satisfactory
Indicator reliability	Indicator loadings should be >0.70 Indicators with very low loadings (0.40 and below) should be eliminated from the scales Indicators with loadings between 0.40 and 0.70 should be removed only on the motivation that their removal increases the composite reliability i.e. significant

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Criterion	Rule of thumb
Convergent validity	The average variance extracted (AVE) should be >0.50
Discriminant validity	The AVE of each latent construct should be higher than the construct's highest squared correlation with any other latent construct (Fornell-Larcker criterion) An indicator's loadings should be higher than all of its cross loadings (i.e. cross loadings)

4.9.2 Structural model assessment

The structural model examines the relationships or paths between the latent constructs. The structural model is assessed with the aim of testing the hypotheses as stated in Chapter 3. The investigation is enabled by a reliable and valid measurement model.

Before the structural model is assessed, it is first specified by notating the hypothesised relationships diagrammatically. In the structural model, the latent variables are distinguished between exogenous and endogenous latent variables or constructs. Exogenous constructs do not have any structural path relationships directed at them (Hair *et al.*, 2011). Thus, based on the theoretical model presented in Chapter 3, the independent self-concept and interdependent self-concept constructs are exogenous. Conversely, constructs that are explained by other constructs through structural path relationships are referred to as endogenous constructs (Hair *et al.*, 2011). As such, susceptibility to normative influence, consumers' need for uniqueness, status consumption and bandwagon consumption are endogenous constructs.

The main criteria for assessing the structural model are the coefficient of determination (R^2) and the level of significance of the path coefficients (Hair *et al.*, 2011). The coefficient of determination (R^2) indicates the extent to which the variance of an endogenous construct can be caused or explained by its relationship to another construct and as such, high R^2 values are desirable (Hai *et al.*, 2012).

Each relationship path in the structural model represents a hypothesis and the path coefficient allows researchers to validate the theorised paths. The specific path coefficients can be thought of as standardised beta coefficients of regular least square regressions (Henseler, 2009; Hair *et al.*, 2011). Each path coefficient's significance can

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be assessed and paths that are significant and supporting the theorised direction realistically support the proposed causal relationship (Hair *et al.*, 2011).

Hair *et al.*'s (2011) rules of thumb for the coefficient of determination are shown in Table 4-7 below.

Table 4-7: Rules of Thumb for Structural Model Evaluation (Hair, Ringle, & Sarstedt, PLS SEM: Indeed a silver bullet, 2011)

Criterion	Rule of thumb
Coefficient of significance (R^2)	R^2 values of : 0.75 are substantial 0.50 are moderate 0.25 are weak

It is worth noting, however, that the target level for R^2 by and large depends on the specific research field. More pertinent to this study, Hair *et al.* (2011) noted that R^2 values of 0.2 are regarded as high in research fields such as consumer behaviour. Despite that, no guidelines were provided regarding weak and moderate values in the consumer behaviour field.

4.10 Ethical considerations

Research ethics refers to "the appropriateness of the researcher's behaviour in relation to the rights of those who become the subject of a research project, or who are affected by it" (Saunders & Lewis, 2012 pg. 75). No participants were coerced into and incentivised for completing the survey questionnaire and the choice to opt out was provided. No names, addresses or any identifiable information was requested, hence, ensuring confidentiality and anonymity.

4.11 Research Limitations

This research was conducted in South Africa amongst the Black middle class. The fact that respondents were recruited on Facebook, not taking into account Black middle class members who do not have Facebook accounts, presents limitations on the generalisation of the results. Also, since respondents were recruited by other

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respondents the sample may be biased towards more cooperative individuals or respondents with relatively larger social networks (Baltar & Brunet, 2011). The self-completion method was affected by subject selection bias related with the internet population e.g. age, gender, socioeconomic level, etc. These and other limitations are discussed further in Chapter 7.

4.12 Summary

This chapter described the methodology that was followed in the research. The survey method was used to obtain primary data from respondents in order to operationalise the constructs under study. Data was analysed in LISREL 8.80 to test the measurement and relationship theories. It was found that the sample size necessitated the use of the PLS SEM technique which is better suited for smaller samples. This chapter discussed in brief the approach for the PLS SEM technique. The next chapter presents the results of the data analysis.

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5 Survey Results

The results of the data collection process using the online survey is discussed herein. The results are presented in the following order:

- Response profile
- Descriptive statistics, demographics only
- Measurement model assessment
- Structural model assessment.

5.1 Response summary

The online survey was open from July until the beginning of October. A total of 184 responses was obtained; details are shown in Table 5-1 below.

Table 5-1: Survey response summary

Responses	Total	Percentage
Total responses	278	100%
Responses qualifying to Black middle class criteria	201	71%
Total completed usable responses	184	63%
Incomplete responses	22	9%

5.2 Descriptive statistics

5.2.1 Demographic profile

The demographic information that was collected for the respondents included: age, gender, relationship status, race, household income, level of education, area of residence, occupational level as well as some vehicle ownership information.

Figure 5-1: "Which category below includes your age?"

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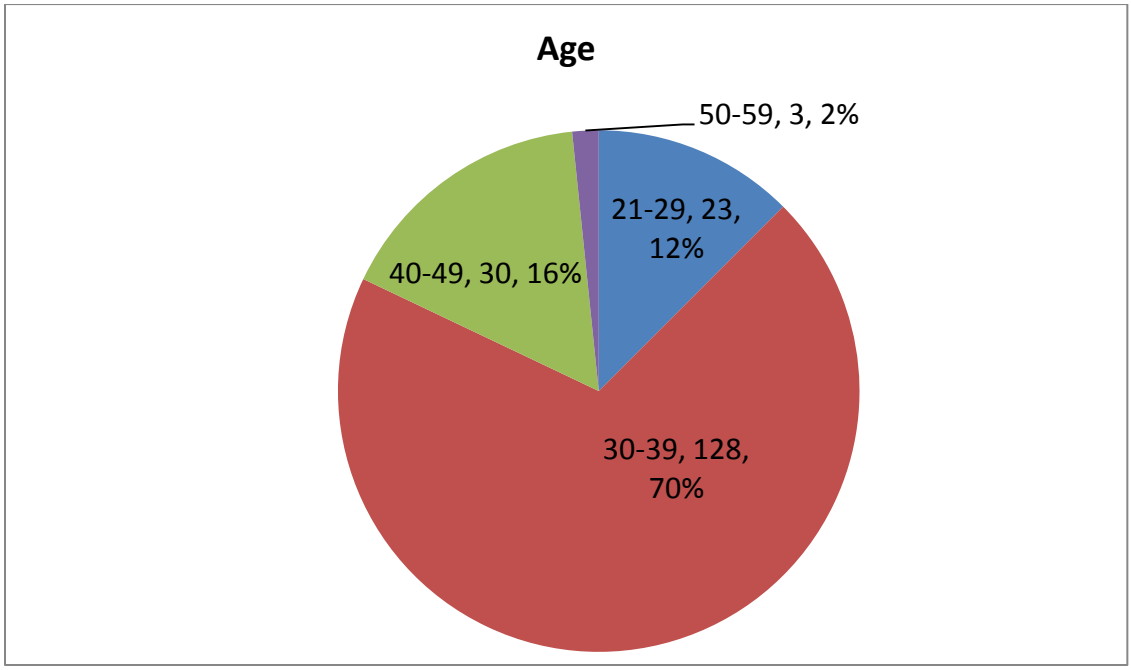

Figure 5-1 shows the proportion of respondents' age bands. The results show that 70% of the respondents were between the ages of 30 and 39 years. At least 99% of the respondents could be classified as at least 21 years old but not older than 50 years. Only 3 respondents (2%) were between the ages of 50 and 59 years.

Figure 5-2: "Are you male or female?"

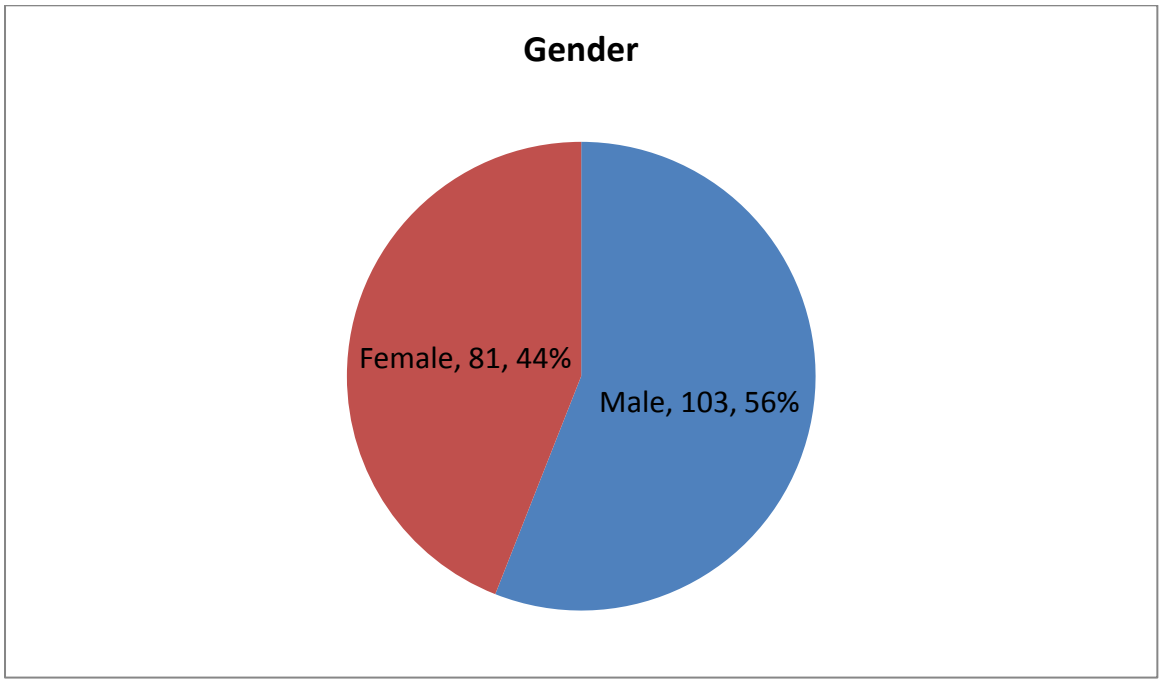

Figure 5-2 shows the proportion of male to female respondents. Male respondents were a majority and constituted 56% of the sample.

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Figure 5-3: "Which of the following best describes your current relationship status?"

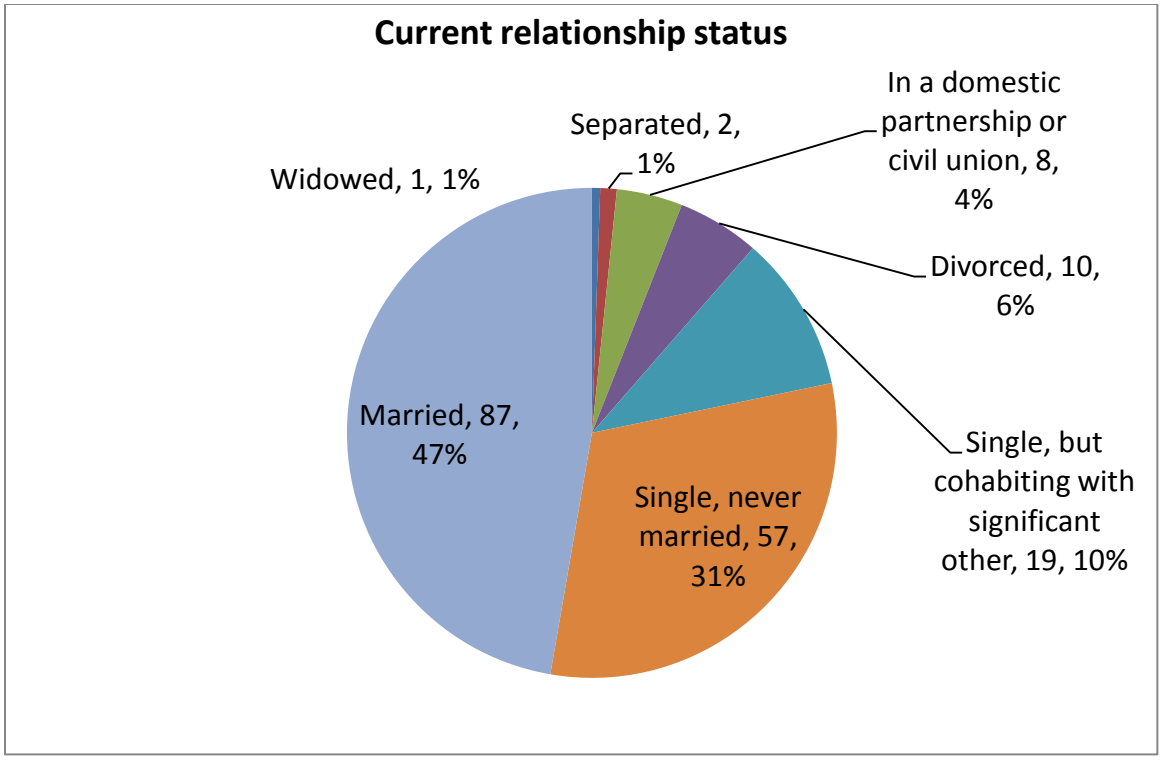

Figure 5-3 shows that almost half (47%) of the respondents were married and a further 4% were in a domestic partnership or civil union. A further 31% of the respondents were single and never married before and 10% were single but co-habiting with their partners. To a lesser extent, the rest of the respondents were divorced (6%), separated (1%) or widowed (1%).

Figure 5-4: "Are you Black African, Coloured, Indian/Asian, White or some other race?"

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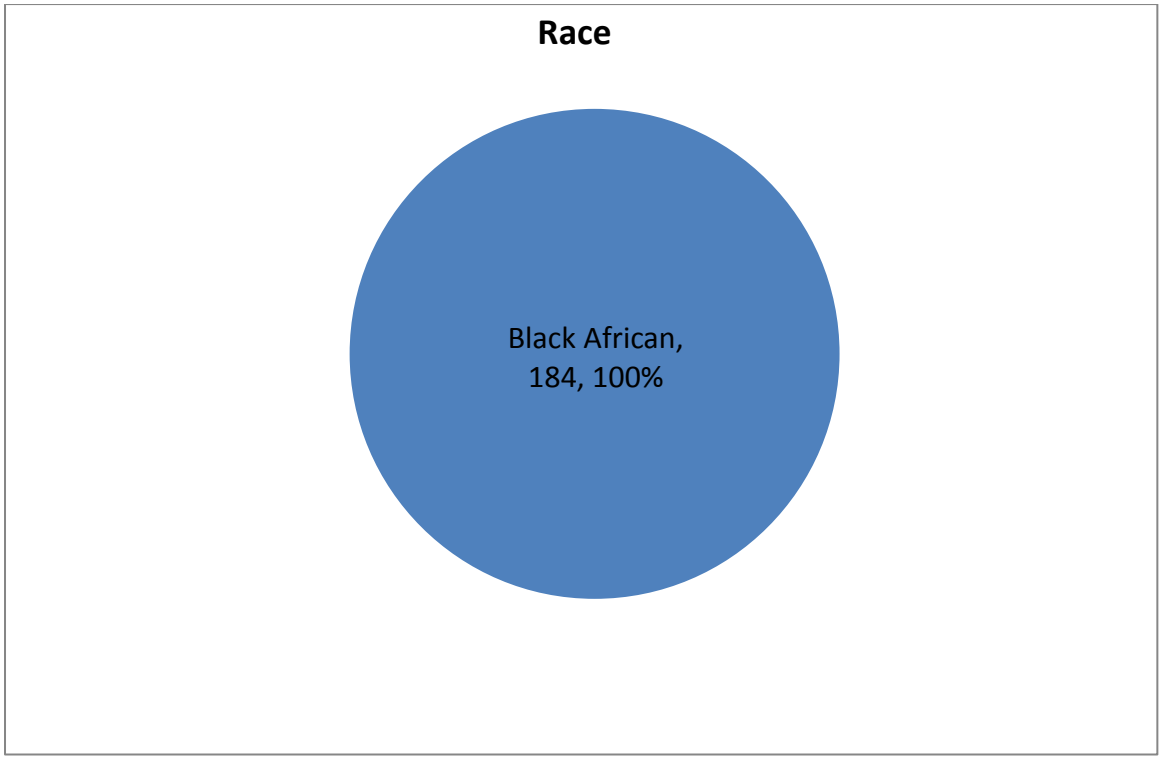
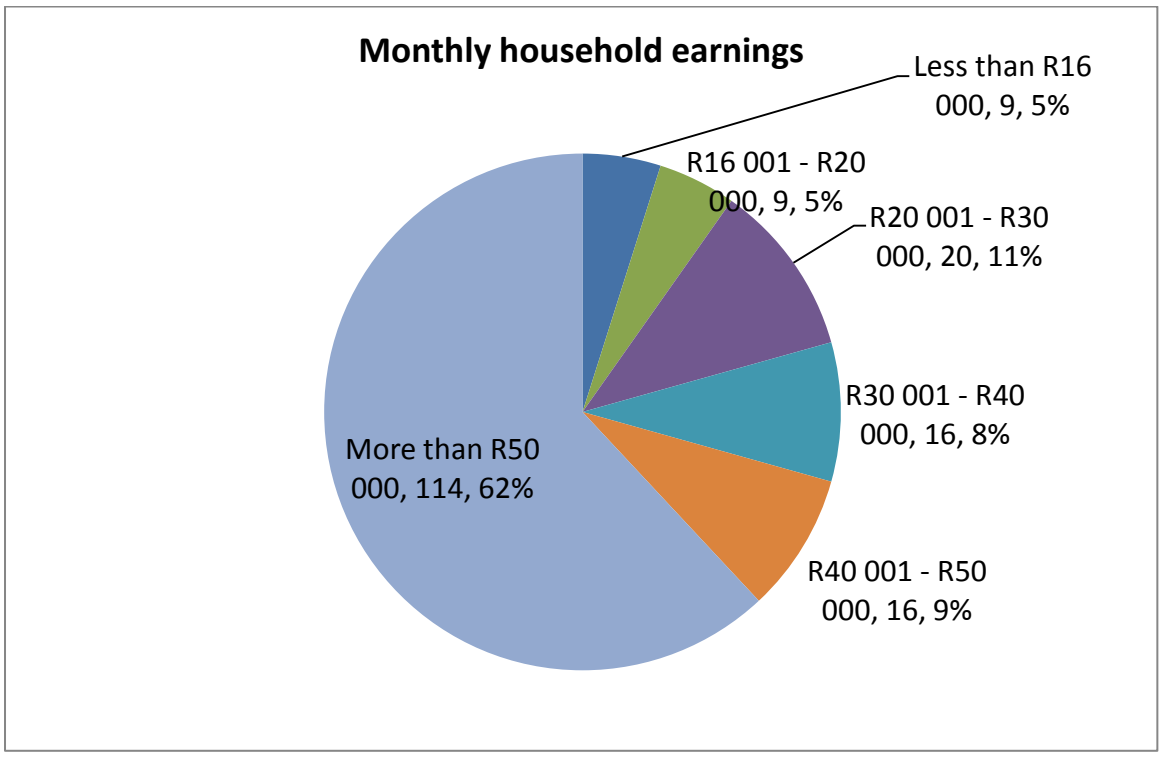


Figure 5-4 above shows that all the respondents identified themselves as Black African.

Figure 5-5: "What are your total monthly HOUSEHOLD earnings before tax?"



According to **Figure 5-5**, 62% of the respondents reported household incomes of more than R50 000. A further 9% of the respondents said their household earnings were

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between R4 000 and R50 000; 8% between R30 000 and R40 000; 11% between R30 000 and R40 000; 5% for both earnings from R16 000 to R20 000 and less than R16 000.

Figure 5-6: "What is the highest level of school you have completed or the highest degree you have received?"

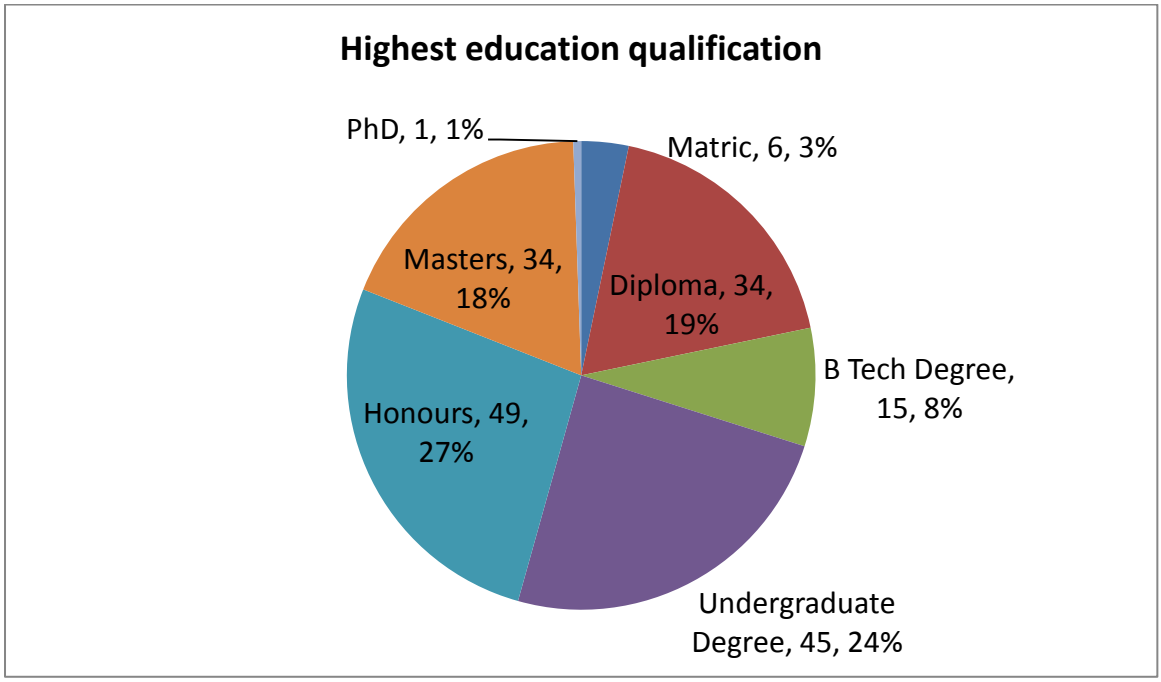

Figure 5-6 shows that 27% of the respondents' highest education was a postgraduate or honours degree. Respondents whose highest education level was undergraduate degrees represented 24% of the sample and 8% had BTech degrees. Masters and Diploma qualifications accounted for 18% and 19% of the sample respectively. The PhD qualification was the highest level although only one respondent reported it. Matric was the lowest level of education reported by 6 (3%) respondents, four of which indicated that they were currently studying towards a tertiary qualification.

Figure 5-7: "Which metropolitan area do you currently live in?"

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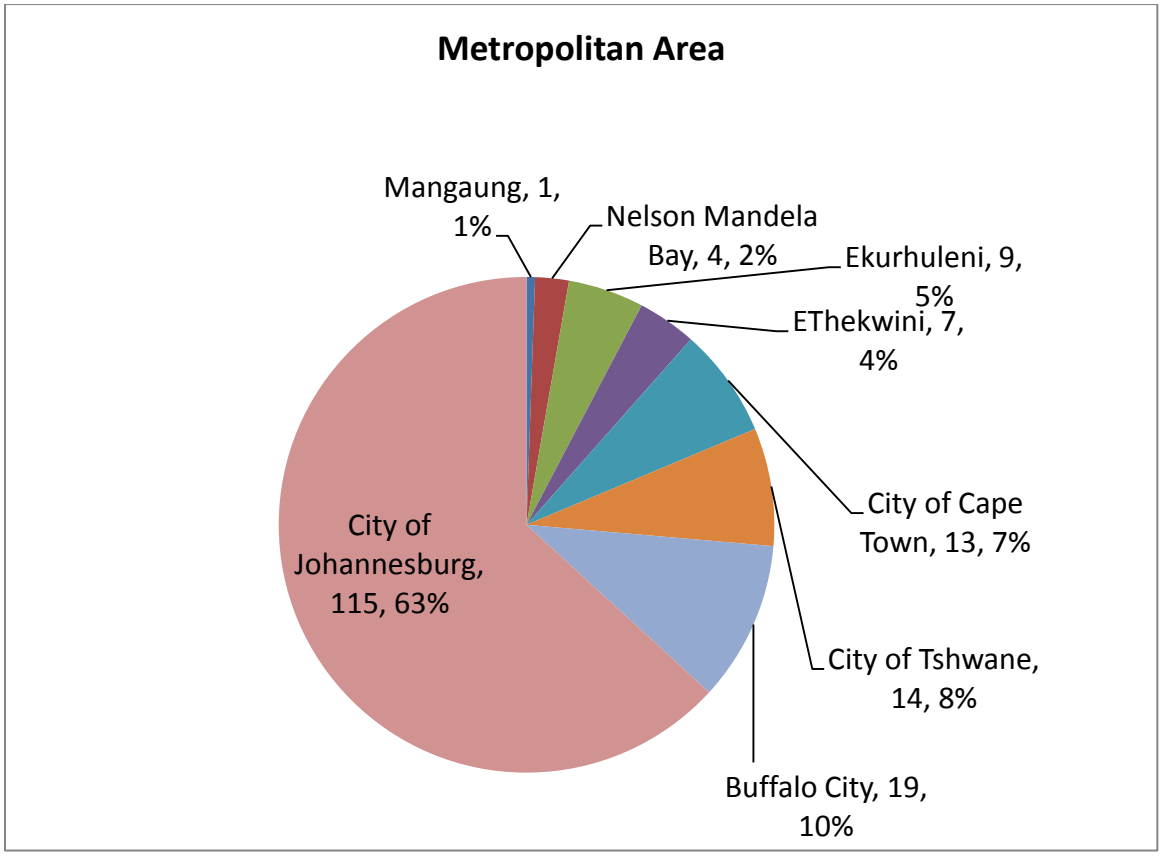

Figure 5-7 shows a high concentration (63%) of respondents residing in the City of Johannesburg metropolitan area. In fact, 74% of the respondents resided in the Gauteng province, which includes the City of Johannesburg, City of Tshwane (8%) and Ekurhuleni (5%). A further 10% of the respondents resided in Buffalo City; 7% in the City of Cape Town, 4% in EThekwini; 2% in Nelson Mandela Bay and only 1% in Mangaung.

Figure 5-8: "Please indicate your occupational level"

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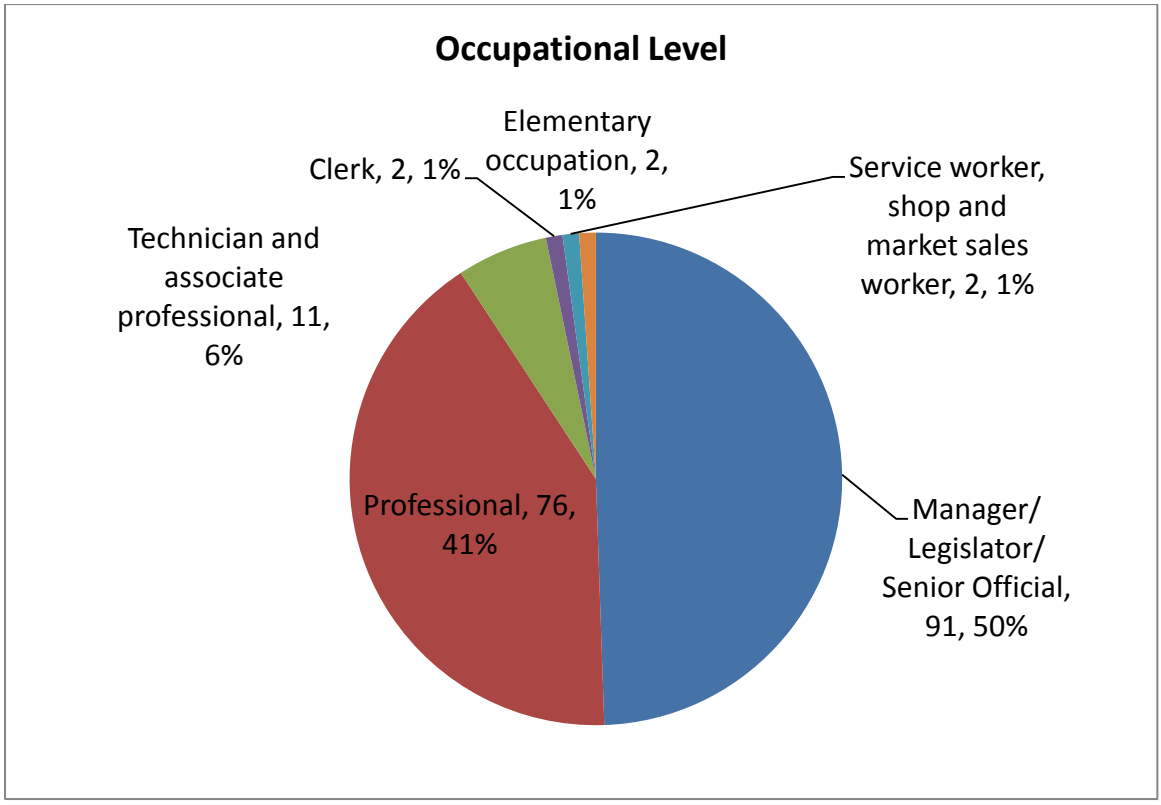

Figure 5-8 shows that 91% of the respondents indicated that they were either in professional or manager/legislator/senior official occupations. Respondents in clerical, elementary or service and market sales occupations represented 3% of the sample. The remaining 6% was accounted for by respondents who were technicians and associate professionals.

Figure 5-9: "Do you currently own a car?"

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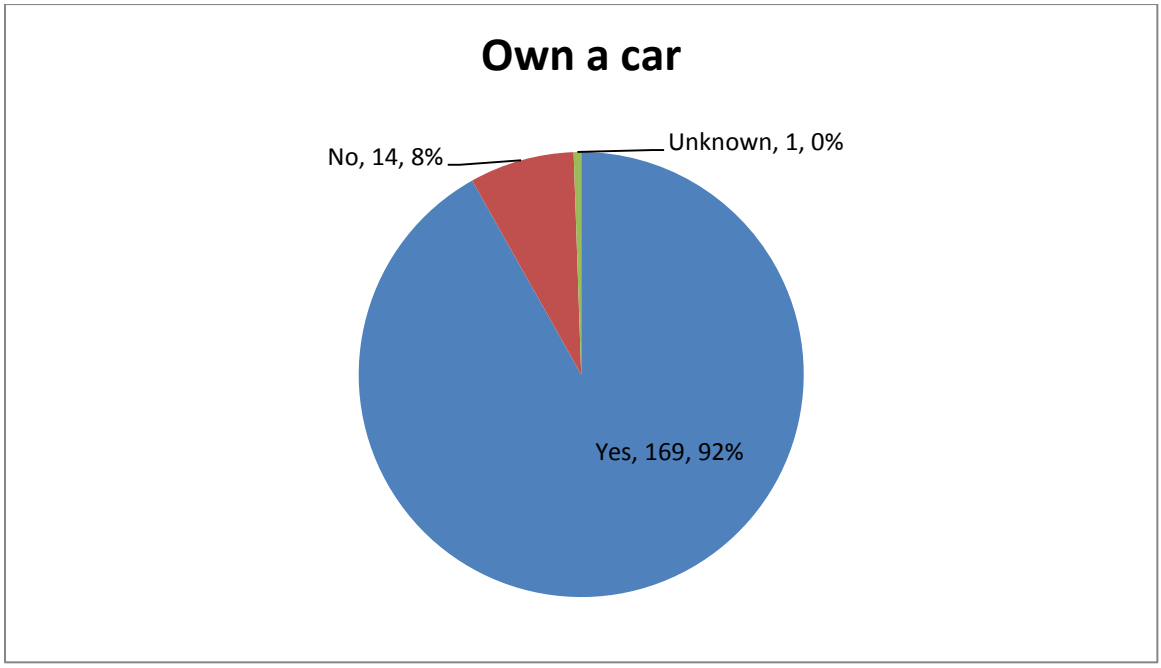

Figure 5-9 shows that 92% of the respondents indicated they owned a car. A further 8% didn't own a car. Note that this question was not compulsory in the initial stages of the data collection, thus one respondent didn't answer.

Figure 5-10: "Which of these car brands do you own?"

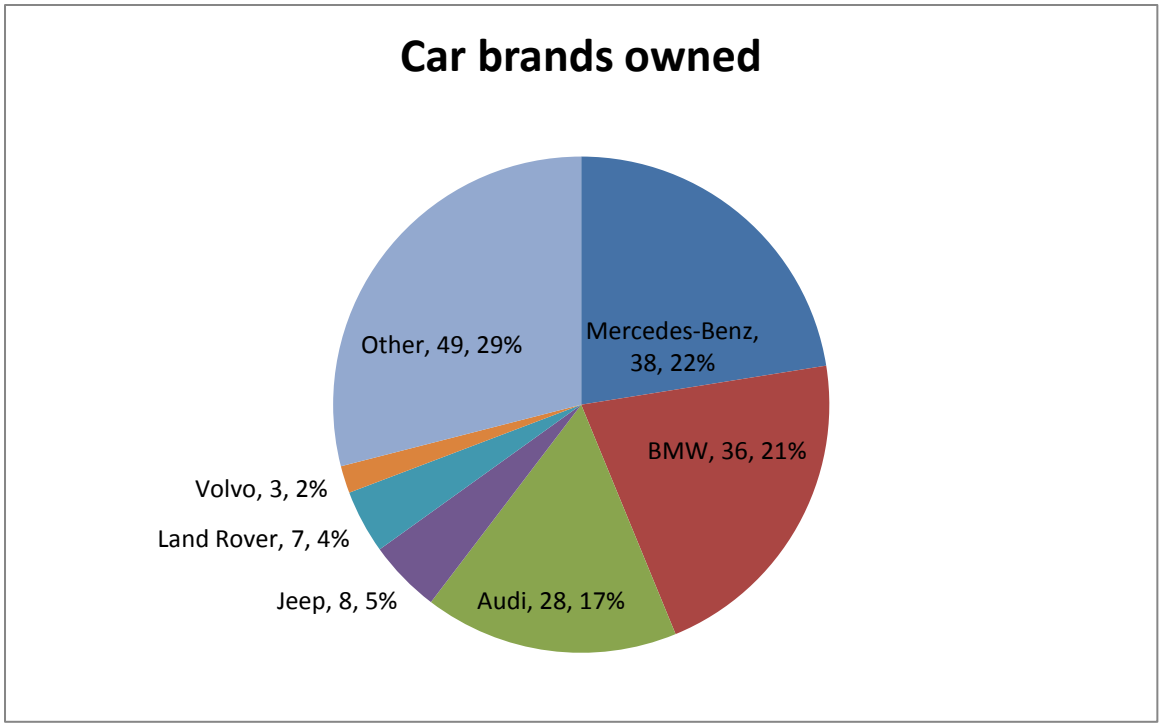

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Figure 5-10 shows the car brands owned by the respondents who indicated that they own cars. Mercedes-Benz was the most mentioned brand (22%), followed by BMW (21%). Audi was mentioned by 28 respondents. The brands less mentioned were Jeep (5%), Land Rover (4%) and Volvo (2%).

Figure 5-11: "Which of these brands do intend to buy in the next 5 years?"

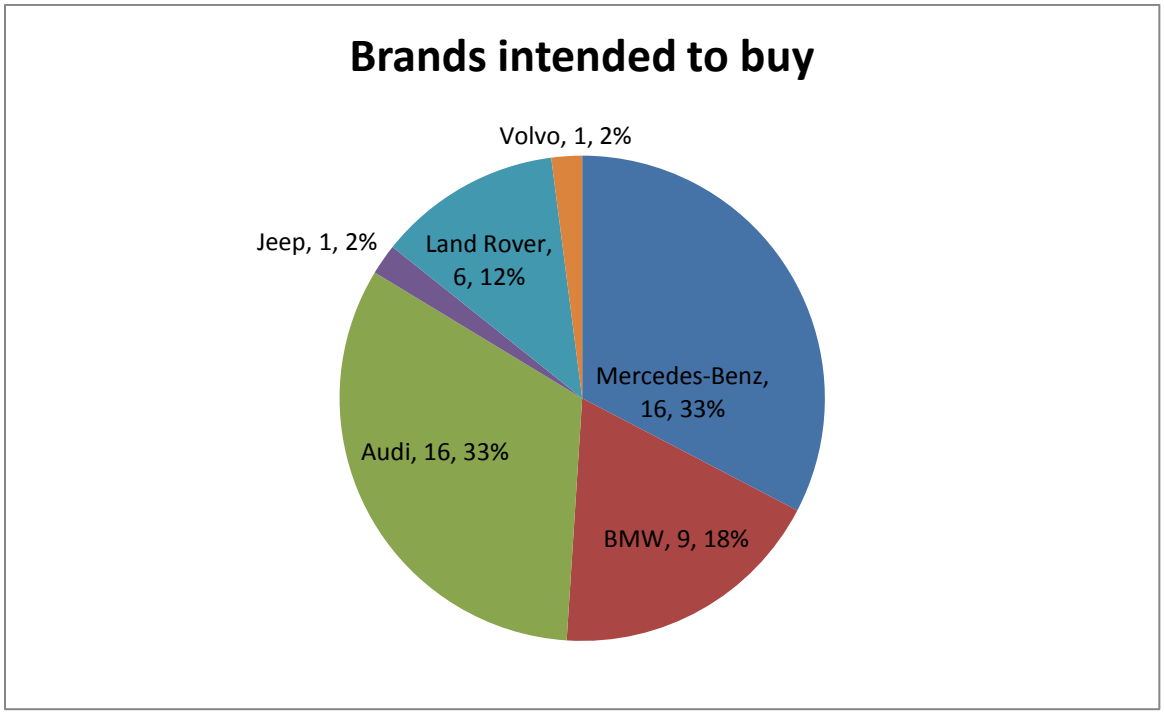

Figure 5-11 shows the proportion of respondents who indicated that they own "Other" car brands in **Figure 5-10** above in terms of the brands they intended to buy over the next five years. Mercedes and Audi were the most mentioned brands by 33% of the respondents each. BMW was mentioned by nine respondents (18%) and Land Rover by six (12%). Volvo and Jeep were mentioned by one respondent each.

5.3 Measurement model assessment

This section presents the results of the assessment of the measurement model in line with the criteria set out in Chapter 4. The reliability and validity test results are submitted for each of the constructs.

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5.3.1 Independent self-concept

Table 5-2 shows the composite reliability coefficient and AVE for the independent self-concept construct. With a composite reliability coefficient of 0.713, the independent self-concept displayed an acceptable level of internal consistency (>0.6 is considered acceptable). According to the AVE result, the independent self-concept construct explains just over 20% of its indicators' variance.

Table 5-2: Internal consistency & convergent validity tests for Independent self-concept

Criterion	Measure	Result
Internal consistency reliability	Composite reliability coefficient	0.713
Convergent validity	AVE	0.217

Three items; 1, 6 and 9 reported loadings less than 0.4 while the rest of the items had loadings between 0.4 and 0.7. In spite of the elimination guidelines provided by Hair et al., 2011), none of the items were eliminated. The justification for this choice was that Singelis' (1994) scale, of which the independent self-concept is one dimension of the established scale that has been validated considerably in literature. Items 6, 9, 10 and 11 were the only ones whose loadings were significant.

Table 5-3 shows the outer loadings for the measured variables of the independent self-concept. Two of the twelve variables; 10 and 11 reported good reliability at above the 0.70 threshold. Three items; 1, 6 and 9 reported loadings less than 0.4 while the rest of the items had loadings between 0.4 and 0.7. In spite of the elimination guidelines provided by Hair *et al*. (2011), none of the items were eliminated. The justification for this choice was that Singelis' (1994) scale, of which the independent self-concept is one dimension is an established scale that has been validated considerably in literature. Items 6, 9, 10 and 11 were the only ones whose loadings were significant.

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Table 5-3: Indicator reliability test for Independent self-concept

Measurement item	Outer loadings	Confidence interval low	Confidence interval up	Significance
1	0.448	0	0.611	no
2	0.259	-0.148	0.523	no
3	0.387	-0.052	0.632	no
4	0.156	-0.354	0.536	no
5	0.053	-0.46	0.551	no
6	0.583	0.064	0.712	yes
7	0.145	-0.424	0.564	no
8	0.235	-0.297	0.599	no
9	0.603	0.049	0.734	yes
10	0.779	0.163	0.842	yes
11	0.787	0.167	0.845	yes
12	0.396	-0.078	0.611	no

Looking at the discriminant validity scores below in Table 5-4, it is clear that the independent self-concept share the most variance with itself than any of the other constructs.

Table 5-4: Discriminant validity test for Independent self-concept

√AVE	Independent self-concept
Independent self-concept	0.466
Interdependent self-concept	-0.047
Consumers' need for uniqueness	0.353
Susceptibility to normative influence	-0.04
Status consumption	0.039
Bandwagon consumption	-0.03

5.3.2 Interdependent self-concept

The interdependent self-concept reported acceptable internal consistency, with a composite reliability coefficient of 0.675. The AVE score was very low at 0.175,

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indicating that the interdependent self-concept construct only explains around 17% of its indicators' variance.

Table 5-5: Internal consistency & convergent validity tests for Interdependent self-concept

Criterion	Measure	Result
Internal consistency reliability	Composite reliability coefficient	0.675
Convergent validity	AVE	0.175

None of the indicators' outer loadings made the threshold of 0.70, as can be seen in Table 5-5 below. In fact, five of the items (1, 2, 4, 5 and 9) had loadings less than 0.4 while the rest were in the 0.4 to 0.7 range. Similarly, and for the same reason as the interdependent self-concept, none of the items were removed from the scale. None of the indicator loadings were significant.

Table 5-6: Indicator reliability test for Interdependent self-concept

Measurement item	Outer loadings	Confidence interval low	Confidence interval up	Significance
1	0.063	-0.462	0.586	no
2	0.081	-0.434	0.58	no
3	0.55	-0.278	0.701	no
4	0.222	-0.219	0.519	no
5	0.218	-0.382	0.604	no
6	0.604	-0.164	0.772	no
7	0.529	-0.237	0.757	no
8	0.422	-0.085	0.622	no
9	0.367	-0.181	0.654	no
10	0.54	-0.227	0.712	no
11	0.455	-0.082	0.648	no
12	0.486	-0.28	0.655	no

Table 5-7 below shows that the interdependent self-concept shares the most variance with itself than any of the other constructs.

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Table 5-7: Discriminant validity test for Interdependent self-concept

√AVE	Interdependent self-concept
Independent self-concept	-0.047
Interdependent self-concept	0.419
Consumers' need for uniqueness	0.086
Susceptibility to normative influence	0.339
Status consumption	0.006
Bandwagon consumption	0.194

5.3.3 Consumers' need for uniqueness

The composite reliability coefficient of 0.901 for consumers' need for uniqueness indicates good internal consistency of the constructs' measures. The AVE of 0.439 was just under the 0.50 threshold. Refer to Table 5-8 below for these.

Table 5-8: Internal consistency & convergent validity tests for Consumers' need for uniqueness

Criterion	Measure	Result
Internal consistency reliability	Composite reliability coefficient	0.901
Convergent validity	AVE	0.439

According to the results presented in Table 5-9 below, five (i.e. 3, 4, 10, 11 and 12) of the twelve measured variables for consumers' need for uniqueness conformed to the rule of thumb for indicator reliability. Even though the other seven indicators had loadings between 0.40 and 0.70, none of the indicators were removed since Ruvio *et al.*'s (2008) scale for consumers' need for uniqueness is established in literature.

Table 5-9: Indicator reliability test for Consumers' need for uniqueness

Measurement item	Outer loadings	Confidence Interval Low	Confidence Interval Up	Significant
1	0.569	0.406	0.684	yes
2	0.616	0.447	0.721	yes
3	0.73	0.646	0.791	yes
4	0.716	0.62	0.785	yes

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Measurement item	Outer loadings	Confidence Interval Low	Confidence Interval Up	Significant
5	0.624	0.468	0.732	yes
6	0.562	0.412	0.673	yes
7	0.471	0.317	0.604	yes
8	0.528	0.366	0.651	yes
9	0.658	0.541	0.755	yes
10	0.794	0.732	0.845	yes
11	0.804	0.746	0.851	yes
12	0.776	0.72	0.827	yes

Table 5-10 below shows that the construct for consumers' need for uniqueness shares the most variance with itself than any of the other constructs.

Table 5-10: Discriminant validity test for Consumers' need for uniqueness

√AVE	Consumers' need for uniqueness
Independent self-concept	0.353
Interdependent self-concept	0.086
Consumers' need for uniqueness	0.662
Susceptibility to normative influence	0.147
Status consumption	0.215
Bandwagon consumption	0.111

5.3.4 Susceptibility to normative influence

Similar to consumers' need for uniqueness, the construct for susceptibility to normative influence displayed decent internal consistency at 0.923. The AVE was higher than the threshold at 0.602 implying that the construct explains more than 60% of its indicators' variance. The internal consistency and convergent validity scores are presented in Table 5-11 below.

Table 5-11: Internal consistency & convergent validity tests for Susceptibility to normative influence

Criterion	Measure	Result

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Internal consistency reliability	Composite reliability coefficient	0.923
Convergent validity	AVE	0.602

The susceptibility for normative influence showed strong correlation with its measured variables. As per Table 5-12 below, all but one indicator and, by a small margin, had loadings above the 0.70 threshold. The indicator was not eliminated because Bearden *et al.*'s (1989) scale for susceptibility to normative influence has been validated in literature.

Table 5-12: Indicator reliability test for Susceptibility to normative influence

Measurement item	Outer loadings	Confidence Interval Low	Confidence Interval Up	Significant
1	0.721	0.617	0.804	yes
2	0.81	0.723	0.879	yes
3	0.857	0.778	0.91	yes
4	0.858	0.786	0.907	yes
5	0.806	0.723	0.867	yes
6	0.692	0.602	0.769	yes
7	0.732	0.582	0.817	yes
8	0.711	0.581	0.8	yes

Table 5-13 below shows that the construct for susceptibility for normative influence shares the most variance with itself than any of the other constructs.

Table 5-13: Discriminant validity test for Susceptibility to normative influence

√AVE	Susceptibility to normative influence
Independent self-concept	-0.042
Interdependent self-concept	0.339
Consumers' need for uniqueness	0.147
Susceptibility to normative influence	0.776
Status consumption	0.485
Bandwagon consumption	0.53

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5.3.5 Status consumption

Based on the composite reliability coefficient and AVE scores (0.891 and 0.624 respectively) shown in Table 5-14 below, the status consumption construct also showed healthy internal consistency and correspondence to its indicators.

Table 5-14: Internal consistency & convergent validity tests for Status consumption

Criterion	Measure	Result
Internal consistency reliability	Composite reliability coefficient	0.891
Convergent validity	AVE	0.624

As shown in According to Table 5-16 below, the construct of status consumption shares the most variance with itself than any of the other constructs.

Table 5-16, three of the four indicators (i.e. indicators 1, 2 and 3) had loadings higher than the threshold of 0.70. The other indicator reported a loading of 0.644 but was not eliminated since Eastman *et al.*'s (1999) scale for status consumption has been validated in literature.

Table 5-15: Indicator reliability test for Status consumption

Measurement item	Outer loadings	Confidence Interval Low	Confidence Interval Up	Significant
1	0.873	0.815	0.904	yes
2	0.868	0.798	0.908	yes
3	0.852	0.781	0.9	yes
4	0.644	0.431	0.79	yes

According to Table 5-16 below, the construct of status consumption shares the most variance with itself than any of the other constructs.

Table 5-16: Discriminant validity test for status consumption

√AVE	Status consumption
Independent self-concept	0.039

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Interdependent self-concept	0.006
Consumers' need for uniqueness	0.215
Susceptibility to normative influence	0.485
Status consumption	0.79
Bandwagon consumption	0.431

5.3.6 Bandwagon consumption

As per Table 5-17 below, the construct for bandwagon consumption reported a composite reliability coefficient of 0.916 and AVE of 0785, displaying good internal consistency and convergence among its measured items.

Table 5-17: Internal consistency & convergent validity tests for Bandwagon consumption

Criterion	Measure	Result
Internal consistency reliability	Composite reliability coefficient	0.916
Convergent validity	AVE	0.785

All the indicator outer loadings for bandwagon consumption were above 0.70 as seen in Table 5-18, indicating strong correlation between the measured variable and the construct.

Table 5-18: Indicator reliability test for Bandwagon consumption

Measurement item	Factor loading	Confidence Interval Low	Confidence Interval Up	Significant
1	0.884	0.826	0.927	yes
2	0.891	0.836	0.93	yes
3	0.884	0.821	0.926	yes

Table 5-19 below shows that the construct for susceptibility for normative influence shares the most variance with itself than any of the other constructs.

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Table 5-19: Discriminant validity test for Bandwagon consumption

√AVE	Bandwagon consumption
Independent self-concept	-0.032
Interdependent self-concept	0.194
Consumers' need for uniqueness	0.111
Susceptibility to normative influence	0.53
Status consumption	0.431
Bandwagon consumption	0.886

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5.4 Structural model assessment

The structural model, excluding the measurement model for the sake of simplicity, including the coefficients of determination and path coefficients are depicted in Figure 5-12 below.

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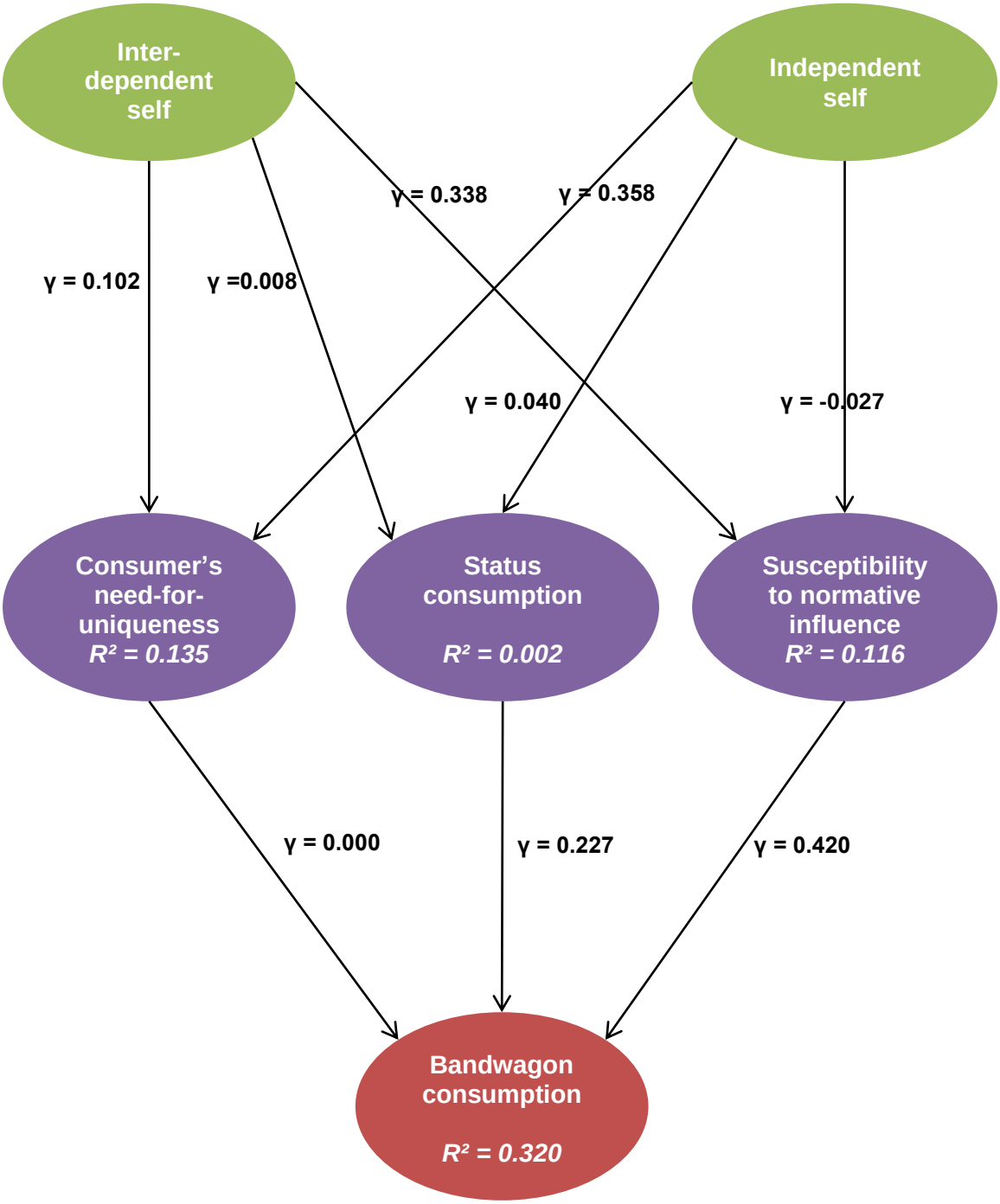
Figure 5-12: Structural model



Bandwagon consumption reported a high R^2 value of 0.320 relative to the benchmark of 0.2. Since the rule of thumb for R^2 in the context of consumer behaviour studies is not comprehensive it is difficult to grade the scores for consumers' need for uniqueness (0.135), status consumption (0.002) and susceptibility to normative influence (0.116). Therefore, it cannot be concluded that the model fits the data.

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Fortunately, the estimation of the coefficient paths provides the researcher a means to support the proposed structural theory. Only three of the hypotheses outlined in Chapter 3 are confirmed through the significance test. It is worth noting the strengths of the relationships in the three hypotheses as indicated by the path coefficient: The relationship path for susceptibility to normative influence and bandwagon consumption reported the highest path coefficient of 0.42. The path coefficient for independent self-concept and consumers' need for uniqueness was 0.358, while that for status consumption and bandwagon consumption was 0.227.

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Figure 5-13: Structural model path coefficient test results

Relationship	Original sample	Sample mean	Confidence Interval Low	Confidence Interval High	Significance
Interdependent self-concept -> Susceptibility to normative influence	0.338	0.305	-0.302	0.496	No
Independent self-concept -> Susceptibility to normative influence	-0.027	-0.007	-0.323	0.303	No
Susceptibility to normative influence -> Bandwagon consumption	0.42	0.422	0.27	0.555	Yes
Interdependent self-concept -> Status consumption	0.008	0.035	-0.343	0.295	No
Independent self-concept -> Status consumption	0.04	0.068	-0.316	0.381	No
Status consumption -> Bandwagon consumption	0.227	0.23	0.08	0.375	Yes
Interdependent self-concept -> Consumers' need for uniqueness	0.102	0.105	-0.229	0.352	No
Independent self-concept -> Consumers' need for uniqueness	0.358	0.354	0.101	0.495	Yes
Consumers' need for uniqueness -> Bandwagon consumption	0	0.001	-0.116	0.133	No

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5.5 Summary

In this chapter, the results of the analysis were presented as per the approach described in Chapter 4. The respondent's demographic profile was composed. The results for the assessments of the measurement and structural models in line with PLS SEM methodology outlined also in Chapter 4.

The next chapter discusses the results presented above in the context of the theoretical background reviewed in Chapter 2.

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6 Discussion of Results

The purpose of this chapter is to discuss the findings in Chapter 5 in the context of the theory that was reviewed in Chapter 2. The literature review supported existing conceptualised relationships between the constructs which were then expressed as hypotheses in Chapter 3. Accordingly, the chapter is presented in sections according to the hypotheses.

6.1 Hypothesis 1a: Interdependent self-concept associates positively and consumer susceptibility to normative influence

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

H_0: The interdependent self-concept is not related with consumer susceptibility to normative influence

$\gamma = 0$

H_a: The interdependent self-concept relates positively with consumer susceptibility to normative influence

$\gamma > 0$

According to the results in Chapter 5, the null hypothesis could not be rejected because the confidence interval for the path coefficient (0.338) contains zero. Consequently there was no sufficient evidence that the interdependent self-concept relates positively with consumer susceptibility. This result was incongruent with Kastanakis & Balabanis' (2012) theory that consumer susceptibility to normative influence is attributable to an interdependent self-concept.

In uncovering the reasons for this contrast, the study considered the methodologies applied in each study. Kastanakis & Balabanis' (2012) study used the classic SEM technique for analysis, with a sample of 431 respondents, therefore, fulfilling the recommendation by Weston & Jr (2006) and Barrett (2007) to use samples of at least 200. Alternatively, this study employed the PLS SEM technique for analysis due to sample size limitations, as discussed in Chapter 4. Notwithstanding, the strength and rigour of the PLS SEM technique has been argued in literature by the likes of Hair *et al.*, (2011) and Henseler *et al.* (2009). This is also evident in the growing number of published studies that feature the PLS SEM as noted by of Hair *et al.* (2011). Also,

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based on Tenenhaus' (2008) study that showed classic SEM and PLS SEM results in close agreement, a case that PLS SEM is possibly inferior cannot be made. Consequently, the study concludes that the differing results cannot be attributed to the methodology. This conclusion was applied to all differing subsequent results.

The study then explored the measurement theory findings for the two constructs of interdependent self-concept and susceptibility to normative influence. The study recalls that the main objectivity of reliability and validity tests of the measurement theory is to establish whether the measurement items were in essence measuring their constructs. In the case of a construct not being measured, one cannot expect to reasonably assess the relationship of that construct with other constructs. The results of the measurement model for susceptibility to normative influence, (composite reliability coefficient = 0.923; AVE = 0.602; indicator loadings >0.70 and the Fornell-Larcker criterion) as presented in Chapter 4 demonstrated that the measurement items were indeed measuring the construct.

Contrastingly, the results for the interdependent self-concept construct didn't inspire substantial confidence that the indicators were aptly measuring the contrast. In relation to the rules of thumb submitted by Hair *et al.* (2011); the composite reliability coefficient (0.675) was less than 0.70, AVE did not reach the 0.50 threshold and all the indicator loadings were less than 0.40. Only the Fornell-Larcker criterion for discriminant validity was satisfied by the results. Therefore, the measures did not succeed to provide evidence of internal consistency, indicator reliability and convergence validity. Such findings would appear to suggest that the scale for the interdependent self-concept lacks validity, but this inference was not considered balanced, given the assorted studies noted by Gudykunst & Lee (2003) that have without fail supported the validity of Singelis' (1994) scale for the interdependent self-concept. Likewise, all the scales for other constructs were regarded as valid in spite of the measurement model results. The possibility of scale invalidity being explanatory to dissenting subsequent results was, therefore, eliminated.

Bearden *et al.* (1989) described consumers who are susceptible to normative influence as having a need to distinguish or improve their self-images with those they relate with and a willingness to conform to others' expectations regarding purchase decisions. Alternatively, (Gudykunst & Lee, 2003) argued that interdependent individuals' behaviour is in response to those they relate with and are often concerned about conforming to their groups. Given the social orientations of the interdependent self-concept and susceptibility to normative influence, one would expect convincing

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evidence that the two are positively related. However, the results of the study suggest that there may be no relation between the interdependent self-concept and susceptibility to normative influence.

The results suggest a manifestation of the moderating effect of the importance of one's opinions on the interdependent self-concept. The study by Park H. S. (2001) proposed that individuals with a prevalent interdependent self-concept consider the opinions of their group members to be important but do not necessarily shift their own opinions in line with majority opinion. Whereas, Bearden *et al.*'s (1989) definition suggested that individuals who are susceptible to normative influence may realise a need to conform so great as to place popular opinion above their own opinion. This is coherent with Shukla's (2011) observation that when people believe that others are watching their consumption decisions they might even change their opinion.

The study examined the results in a specific cultural context: South African Black middle class. The South African culture was conceptualised as collectivist by Eaton & Louw (2000). Similarly, Park H. S.'s (2001) study was conducted in a collectivist cultural context (Vandello & Cohen, 1999). In contrast, Kastanakis & Balabanis' (2012) was conducted in London where the culture is perceived as individualism. The results thus suggest a tendency amongst the South African Black middle class (or collectivist cultures) with an interdependent self-concept to consciously not shift their opinions in spite of considering other people's opinions important. This further hinted to a presence of susceptibility to informational interpersonal influences, which Lee & Kacen (2008) described as not accepting others' opinions in totality but modifying them to suit their needs. But this type of interpersonal influence is linked to individualistic cultures. Therefore, even though at a collective level the South African culture is conceptualised as collectivism, there are individualistic behaviours that are prevalent at an individual level amongst the Black middle class.

Chapter 1 discussed the growing representation of the Black middle class in South Africa. As such, this dynamic further reveals a possible change in the individualism-collectivism dynamics of South Africa, driven by the emerging Black middle class.

6.2 Hypothesis 1b: Independent self-concept and consumer susceptibility to normative influence

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

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H_0: The independent self-concept is not related with consumer susceptibility to normative influence

$\gamma = 0$

H_a: The independent self-concept relates negatively with consumer susceptibility to normative influence

$\gamma > 0$

Based on the results in Chapter 5, the study fails to reject the null hypothesis based on the confidence interval for the coefficient (-0.027) containing zero. There is not enough evidence to suggest that the independent self-concept relates negatively with consumer susceptibility to normative influence as per Kastanakis & Balabanis' (2012) inference. Individuals with an independent self-concept were described as seeing themselves as separate from others, while susceptibility to normative influence spoke to the willingness to conform to groups. Consequently, the negative correlation could be expected.

Park H. S. (2001) also expected the same outcome as Kastanakis & Balabanis (2012) in their study: individuals with a prevalent independent self-concept may put so much value on being separate and unique from others to the extent of moving their opinions away from majority opinions. The empirical results of the study by Park H.S. (2001) that was executed in a collectivist society, however, revealed that this was not necessarily the case. Subsequently, the moderating effect of the importance of one's own opinions was investigated as a cause for this observation, but no significant correlation was established.

The results of this study suggest that even though independent Black middle class individuals view themselves as separate from others, this does not necessarily motivate them to change their choices when they are shared with others. This suggests a social orientation even among the independent individuals, which is typical in a collectivist mind-set. South African Black middle class members who have a prevalent independent self-concept could therefore be understood to share the collectivist characteristics of its society. It was then concluded that members of the Black middle class with an independent self-concept are not completely immune to the nuances of collectivist society in which they live. Therefore, the willingness to conform is present among this group of individuals. Whereas, a culture of individualism may reinforce the individualistic orientation at an individual level.

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6.3 Hypothesis 1c: Consumer susceptibility to normative influence and bandwagon consumption

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

H_0: Consumer susceptibility to normative influence is not related with bandwagon consumption

$\gamma = 0$

H_a: Consumer susceptibility to normative influence relates positively with bandwagon consumption

$\gamma > 0$

Consistent with Kastanakis & Balabanis' (2012) findings; the results in Chapter 5 showed a significant and positive relationship (path coefficient = 0.42) between consumers' susceptibility to normative influence and bandwagon consumption. Thus Black middle class consumers who are susceptible to normative influence are motivated to engage in the bandwagon consumption of luxury motor vehicles.

Leibenstein (1950) noted that a key motivator for engaging in bandwagon consumption is the consumer's desire to conform to social norms or to get into the swim of things. The observation of others' consumption behaviour is thus relevant to bandwagon consumption. According to Bearden *et al.* (1989), consumers who are susceptible to normative influence possess a disposition to conform to purchase decisions that are consistent with group expectations. Based on these definitions, one could reasonably expect a positive correlation between susceptibility to normative influence and bandwagon consumption. The presence of bandwagon consumption in the context of South African Black middle class affirms the inclination for aspirational consumers (such as the Black middle class) to engage in such consumption behaviour (Truong & RodMcColl, 2011). The study argues that the presence is even more significant in the context of the luxury motor vehicles as access to these brands lends the consumer to being role models to other aspirant consumers who then purchase the same brands in order to identify themselves with their role models. The study by (Kastanakis & Balabanis, 2012) was conducted in the context of luxury watches, which are fairly visible to the public. The congruence in the findings between the two studies suggests

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that bandwagon consumption can be present in spite of the luxury product, specifically when it is publicly visible.

In their study, Kastanakis & Balabanis (2012) concluded that bandwagon consumption associated positively with the interdependent self-concept while the independent self-concept discouraged bandwagon consumption. Susceptibility to normative influence was conceptualised as one of the mediating traits for the relationship. However, the study found that susceptibility to normative influence among the Black middle class had a positive influence on bandwagon consumption in spite of the self-concept orientation. This study noted that cultural and individual orientation dynamics play a pivotal part when examining the role of the self-concept in influencing bandwagon consumption behaviour through the susceptibility to normative influence trait.

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6.4 Hypothesis 2a: Interdependent self-concept and status consumption

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis; the hypothesis set is:

H_0: The interdependent self-concept is not related with status consumption

$\gamma = 0$

H_a: The interdependent self-concept relates positively with status consumption

$\gamma > 0$

The results in Chapter 5 showed the null hypothesis could not be rejected because the confidence interval for the path coefficient (0.008) contains zero. Therefore there was no sufficient evidence that the interdependent self-concept related positively with status consumption amongst South Africa's Black middle class. In terms of confirming the presence of status consumption behaviour among the Black middle class, the results were consistent with Kaus' (2013) theory. However, the results were inconsistent with Kastanakis & Balabanis' (2012) theory in that status consumption is attributable to an interdependent self-concept. Kastanakis & Balabanis (2012) theorised this relationship based on the shared concern for social group which underlie the interdependent self-concept and status seeking. It was noted earlier that the

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development of Singelis' (1994) scale for the interdependent self-concept was strongly influenced by the theory of collectivism in the context of culture.

According to Wong's (1997) theory and in contrast with Kastanakis & Balabanis (2012); the interdependent Black middle class should be negatively correlated with status consumption. But even at the time of Wong's (1997) study, status consumption was being observed in many East Asian countries, which are generally considered collectivist. This development would seem to suggest positive relationship between collectivism (interdependent self-concept) and status consumption as hypothesised by Kastanakis & Balabanis (2012). The difference in the times the studies were conducted may explain this disparity.

The results of this study may be explained by Shukla's (2010) findings that both collectivist and individualistic culture engage in status consumption and that it was rather the characteristics of the status consumption that differ across the cultures. It was concluded that the interdependent self-concept among the Black middle class has no bearing on status consumption and that the consumption behaviour is engaged in irrespectively.

6.5 Hypothesis 2b: Independent self-concept and status consumption

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

H_0: The independent self-concept is not related with status consumption

$\gamma = 0$

H_a: The independent self-concept related negatively with status consumption

$\gamma > 0$

The results in Chapter 5 showed the null hypothesis could not be rejected because the confidence interval for the path coefficient (0.04) contains zero. Consequently, there was no sufficient evidence that the independent self-concept discouraged status consumption. Kastanakis & Balabanis (2012) inferred a negative relationship between independent self-concept and status consumption based on the positive relationship between the interdependent self-concept and status consumption. Based on the findings for Hypothesis 2a (interdependent self-concept and status consumption) the

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result of this hypothesis was not surprising. In Hypothesis 2a, it was noted that the status consumption is present irrespective of the interdependent self-concept amongst the Black middle class. Along the same line of argument, it was concluded that Black middle class engage in status consumption regardless of a prevalent independent self-concept.

6.6 Hypothesis 2c: Status consumption and bandwagon consumption

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

H_0: Status consumption is not related with bandwagon consumption of luxury products

$\gamma = 0$

H_a: Status consumption relates positively with bandwagon consumption of luxury products

$\gamma > 0$

The results in Chapter 5 were consistent with Kastanakis & Balabanis' (2012) findings. The results showed a significant and positive relationship (path coefficient = 0.227) between status consumption and bandwagon consumption. These results prove the presence of bandwagon consumption among the Black middle class in the context of luxury cars as being attributable to status consumption. As the Black middle class were described as aspirational it made sense, in concert with Commuri (2009), Truong *et al.* (2010) and Cavender & Kincade (2014), that bandwagon consumption was observed when consuming or purchasing cars amongst this group. Kastanakis & Balabanis (2012) offered that identifiable luxury products (such as motor vehicles) that depend on the consumption of others, in accordance with Leibenstein's (1950) theory, are able to improve social ranking as they award and symbolise status for the owner.

It was concluded that the status seeking tendency of the Black middle class leads to a demand for luxury motor vehicles since ownership signals being part of a group that is perceived to have status. It was also noted, based on previous hypotheses that status consumption led to bandwagon consumption in spite of the self-concept of the Black middle class individuals.

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6.7 Hypothesis 3a: Interdependent self-concept and consumer need for uniqueness

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis; the hypothesis set is:

H_0: The interdependent self-concept is not related with consumer need for uniqueness

$\gamma = 0$

H_a: The interdependent self-concept related negatively with consumer need for uniqueness

$\gamma > 0$

The results in Chapter 5 showed the null hypothesis could not be rejected because the confidence interval for the path coefficient (0.102) contains zero. Consequently, there was no sufficient evidence that the interdependent self-concept the need for uniqueness. Kastanakis & Balabanis (2012) conceptualised that individuals who viewed themselves as connected to others were discouraged to pursue differentness through consumption behaviour.

However, the results of this study hinted at the presence of a need for uniqueness amongst the Black middle class in spite of the interdependent self-concept being prevalent. Consumers' need for uniqueness was described as the need for differentiating oneself from others through the purchase or consumption of consumer goods in order to enhance the self and social images (Tian *et al.*, 2001). A negative relationship was expected since the interdependent self-concept motivates a connectedness with others (Torelli, 2006). The social orientation of the consumer's need for uniqueness was demonstrated by Lynn & Harris (1997) and Ruvio (2008). Even though the more socially oriented interdependent self-concept would shy away from uniqueness for fear of social punishment; Ruvio (2008) argued that the creative choice and avoidance of similarity were safer options in that they did not prompt social sanctions. It was, therefore, concluded that the more interdependent Black middle class most likely seeks uniqueness by making creative choices or discontinue consuming common products rather than consuming products that are divergent from group norms.

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6.8 Hypothesis 3b: Independent self-concept and consumer need for uniqueness

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis. The hypothesis set is:

H_0: The independent self-concept is not related with consumer need for uniqueness

$\gamma = 0$

H_a: The independent self-concept related positively with consumer need for uniqueness

$\gamma > 0$

The results in Chapter 5 were consistent with Kastanakis & Balabanis' (2012) findings. The results showed a significant and positive relationship (path coefficient = 0.358) between independent self-concept and consumer need for uniqueness. Kastanakis & Balabanis (2012) conceptualised that individuals with greater than average CNFU enhance their independent self-concept through seeking products that distance themselves from majority groups. Individuals with a prevalent independent self-concept were perceived to place value on being distinct and unique by Park H. S. (2001).

It was noted earlier that being perceived to be too distant from groups may bring about social sanctions, particularly in collectivist societies such as South Africa. As such, two possibilities are suggested by this study. Firstly, the individualistic nature of the independent Black middle class could be persuasive enough for the individuals to seek uniqueness in spite of potential social punishment. In this case it would be concluded that the predominant differentiating behaviour is the unpopular choice counter conformity where divergent products are consumed at the risk of social disapproval. Secondly, even the independent Black middle class avoid social punishment by engaging in differentiating behaviours that are considered devoid of social sanctions (i.e. creative choice conformity and avoidance of similarity).

6.9 Hypothesis 3c: Consumer need for uniqueness and bandwagon consumption

The hypothesis in Chapter 3 is stated in terms of the alternative to the null hypothesis; the hypothesis set is:

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H_0: Consumer need for uniqueness is not related with bandwagon consumption of luxury products

$\gamma = 0$

H_a: Consumer need for uniqueness related negatively with bandwagon consumption of luxury products

$\gamma > 0$

The results in Chapter 5 showed the null hypothesis could not be rejected because the confidence interval for the path coefficient (0.000) contains zero. Consequently there was no sufficient evidence that consumer need for uniqueness associated negatively with bandwagon consumption of luxury motor products. Kastanakis & Balabanis (2012) demonstrated that the independent self-concept discouraged bandwagon consumption through the need for uniqueness trait. The previous hypothesis results proved that the independent self-concept among the Black middle class in fact encouraged the need for uniqueness. Kastanakis & Balabanis (2012) also argued that the need for uniqueness encourages individuals to seek products that dissociate themselves from the common herd. This is in contrast with bandwagon consumption where popular products are consumed with the objective of associating with the common herd. Thus, a negative relationship would be expected between the need for uniqueness and bandwagon consumption. However, the results of this study showed that even though the Black middle class may seek uniqueness through the consumption of luxury vehicles, they are not inclined to do so at the risk dissociating themselves necessarily from the common herd. It was discussed that the Black middle class either sought uniqueness at the risk of social penalties (unpopular choice counter conformity) or opted for the less punishable sources of uniqueness (creative choice conformity and avoidance of similarity). These results support the latter argument.

6.10 Conclusion

The aim of this study was to investigate the presence of and antecedents to bandwagon consumption behaviour among the South African Black middle class in the context of luxury motor vehicles. The antecedents in question were the psychological factors of independent self-concept, interdependent self-concept, susceptibility to normative influence, status consumption and consumer's need for uniqueness. The relationships between these constructs were investigated during the assessment of the structural model.

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Before summarising the examination of the structural model, it is worthwhile stating the theorised relationships from the study of Kastanakis & Balabanis (2012), which provided the foundation for this investigation. It was found that:

- Bandwagon luxury consumption related positively with the interdependent self-concept and related negatively with the independent self-concept
- The interdependent self-concept related positively with susceptibility to normative influence and status consumption, which led to the bandwagon luxury consumption behaviour
- The independent self-concept related positively with the need for uniqueness whish discouraged the bandwagon luxury consumption behaviour

In comparison, the postulations that were reached in this study in respect of the South African Black middle class were:

- Bandwagon consumption was present when consuming or purchasing luxury motor vehicles regardless of the of the independent or interdependent self-concept
- Susceptibility to normative influence and status consumption were also present and led to bandwagon consumption in spite of the independent or interdependent self-concept
- The independent self-concept incited the need for uniqueness. However, not to the extent of discouraging bandwagon consumption

The implications of these findings as well as recommendations for future research are considered in the next chapter, which concludes the study.

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7 Conclusion and recommendations

Subsequent to the presentation and discussion of results in Chapters 5 and 6 respectively, the study concludes with the theoretical and managerial implications originating from the findings including limitations and recommendations for future studies.

As highlighted in the introduction to the research problem, this study examines the presence of bandwagon consumption in the purchasing of luxury motor vehicles among South African Black middle class consumers. Secondly, the study investigates the psychological antecedents to the bandwagon consumption behaviour. It is not surprising that bandwagon consumption behaviour can be observed in the consumption of luxury motor vehicles given their visibility and symbolic function (Steg, 2005; Hudders, 2012). Also, the luxury motor vehicle brands in the South African context are popular and aspirational to the Black middle class (UCT Unilever Institute of Strategic Marketing, 2013).

In the literature review, bandwagon luxury consumption was explained as a social phenomenon wherein certain categories of luxury products are purchased or consumed because of their popularity. Consequently, it was hypothesised that the independent self-concept, interdependent self-concept, susceptibility to normative influence, status consumption and consumer's need for uniqueness influence bandwagon consumption. The PLS SEM technique was used to investigate the relationships between these constructs using data emanating from a sample of South African Black middle class consumers of luxury motor vehicles. Three of the nine hypotheses were confirmed.

The implications of the hypothesis results are discussed next.

7.1 Theoretical implications

The study has theoretical implications with regards to the contribution it makes to furthering understanding of the antecedents of bandwagon luxury consumption as per the future research recommendations made by Kastanakis & Balabanis (2012). Kastanakis & Balabanis (2012) recommended testing the model of the psychological antecedents of bandwagon luxury consumption in further contexts including culture and luxury product categories.

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The original study was conducted in London which is regarded as individualistic in culture. This study was conducted in cultural context that is perceived to be collectivist. While it cannot be said that the results would be consistent in various other collectivist societies, it is acceptable to acknowledge that the model is sensitive to culture. The cultural nuances materialised especially in the constructs of the independent and interdependent self-concepts. However, a presence of the bandwagon luxury consumption was confirmed in a collectivist society. Also, Kastanakis & Balabanis (2012) tested the model in the context of luxury watches, which are regarded as exemplary luxury items. This study confirmed the presence of bandwagon luxury consumption and tested the model in the context of luxury motor vehicle and with actual brand names. It was also noted that the contrasts between the two studies were not as a result of the luxury product category.

In view of this, it is satisfactory to conclude that the study contributes in developing the understanding of the antecedents of bandwagon luxury consumption from the perspective of the consumer. The implications for managers are discussed next.

7.2 Managerial implications

“All marketing strategies and tactics are based on explicit or implicit beliefs about consumer behaviour” (Hawkins & Mothersbaugh, 2009, pg. 9). This study is relevant to consumer behaviour, specifically the psychological processes thereof and has a number of implications for marketing managers for luxury motor vehicles.

The most straightforward implication is that bandwagon luxury motor vehicle consumption behaviour is present among the South African Black middle class. That is, luxury motor vehicles are regarded popular by this market segment, and as such, their demand is intensified by this popularity. The South African Black middle class represents significant growth opportunity for consumer markets given their substantial population number and spending power. There are opportunities for marketing manager to take advantage of these two themes in order to sell more products.

However, implications of the psychological antecedents need to be understood in order to effectively benefit from the bandwagon consumption behaviour. Culture has a significant influence on consumer’s wants and behaviour. Upfront, value for money should not be taken for granted particularly the high standard of quality consumers expect from luxury products. Given the general culture of collectivism in South Africa, marketers of luxury motor vehicles should take care and opt for communication with soft appeal which displays collectivistic values.

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The Black middle class engages in bandwagon consumption of luxury motor vehicles in-spite of their self-concepts. Even though Black middle class consumers with a prevalent interdependent self-concept are aligned with the collectivistic culture they still hold their opinion in the highest regard. This should be anticipated more so in luxury motor vehicles given that they are high involvement products. The communication and advertising, therefore, needs to be less prescriptive and demonstrate respect for the opinions of the consumer. This kind of approach would also resonate for the Black middle class with an independent self-concept disposition. This group is not entirely impervious to the subtleties of a collectivistic culture.

Notwithstanding, the independent Black middle class consumer has a need for uniqueness but uses the less punishable sources of uniqueness. The creative choice conformity and avoidance of similarity call for products that make the consumer look different but in a way that everyone likes. Marketers should make their luxury motor vehicles customisable so that consumers can choose a combination of features that give uniqueness to the motor vehicle. Extending product lines to create exclusive ranges, e.g. limited editions and concept models could address the need for uniqueness through creative choice or avoidance of similarity.

Given the susceptibility of this market segment to normative influences, dealerships should be trained to spend time explaining product features and benefits to friends and family as they will likely influence the final purchase decision. Celebrity endorsements could further accentuate the status, prestige and popularity of the luxury motor vehicles, particularly using local celebrities because of the collectivistic cultural context. Also, communication should be biased towards status messages related to social benefits rather than information on mechanical and innovative features.

7.3 Limitations and recommendations for future studies

A study of this nature is susceptible to a number of limitations, especially concerning the methodology reviewed in Chapter 4. Other limitations and recommendations are discussed as well.

First, respondents were recruited on Facebook and excluded the South African Black middle class who do not have a Facebook account. Future research could focus on testing the model on a wider scale by using other recruitment strategies.

Second, since respondents were recruited by other respondents the sample may be biased towards more cooperative individuals or respondents with relatively larger

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social networks. Also, sample composition is influenced by the choice of initial seeds. The impact of this could be in the demographic composition of respondents – it was shown in Chapter 5 that most of the respondents were in the higher household income range which is not typical of the Black middle class.

Third, the model was tested in a cross-sectional timeframe therefore it cannot be said that the findings endure over time. Future research could focus on performing a longitudinal study, examining bandwagon luxury consumption and its antecedents over time.

Fourth, it was demonstrated that the cultural context has a strong influence on the antecedents of bandwagon consumption. Even though previous research has conceptualised a collectivistic culture for South Africa, future studies could examine the cultural dimension of the Black middle class.

Fifth, it was determined that both the independent and interdependent self-concepts in the context of the Black middle class appear to share the need for uniqueness but perhaps use different behaviours. Future studies could examine the relationships between these two self-concepts and the three uniqueness seeking behaviours of creative choice counter-conformity, unpopular choice counter-conformity and avoidance of similarity. Lastly and related to this, future research could examine the relationship between these three behaviours and bandwagon luxury consumption.

7.4 Summary

This study was conducted with the objective of determining whether bandwagon consumption in the purchasing of luxury vehicles among the Black middle class consumers in South Africa is present; and investigating the antecedents of the bandwagon consumption. The study adopted an existing theoretical model for bandwagon luxury consumption in a different cultural and product context.

Existing literature concerning bandwagon consumption and its antecedents was review in order to theorise the constructs under study and to inform the research questions and hypotheses which served to achieve the study's objectives.

Online surveys were used to collect primary data from the South African Black middle class via Facebook. Responses measures the constructs of independent self-concept, interdependent self-concept, susceptibility to normative influence, status consumption, consumer's need for uniqueness and bandwagon consumption using scales that have been established in literature.

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The PLS SEM technique was used to analyse the data, ultimately to examine the relationships between the constructs. Supporting evidence was found for some of the hypotheses. Where there was no support, possible reasons were provided based on literature.

The data analysis confirmed the presence of bandwagon consumption among the South African Black middle class in the context of luxury motor vehicles. It was confirmed that status consumption and susceptibility to normative influence related positively with this type of consumer behaviour. Further, bandwagon consumption was found to be present in spite of the presence of the need for uniqueness among the consumers. It was also determined that the bandwagon consumption also occurred in spite of either a strong interdependent or independent self-concepts.

The theoretical and managerial implications of these findings were discussed at the end of the study, as well as recommendations for future studies.

Given the above, it can be concluded that the research objectives have been accomplished in that the presence of and antecedents to bandwagon consumption behaviour among the South African Black middle class in the context of luxury motor vehicles were studied.

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Appendix A – Survey Questionnaire

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The presence of and antecedents to bandwagon consumption behaviour

1. Welcome to My Survey

My name is Zanele Mdlekeza and I am currently studying for a Master of Business Administration degree at the Gordon Institute of Business Science (GIBS).

The focus of my study is on consumer behaviour and the title of my research is: The presence of and antecedents to bandwagon consumption behaviour among the South African Black middle class in the context of luxury motor vehicles

I would like to invite you to participate in this survey. The survey will take you no more than 10 minutes to complete and there are no costs to you. Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential. By completing the survey, you indicate that you voluntarily participate in this research. If you have any concerns, please contact me or my supervisor.

Our details are provided below.

Researcher name: Zanele Mdlekeza
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The presence of and antecedents to bandwagon consumption behaviour

2. Demographic information

***1. Which category below includes your age?**

- ◯ 18-20
- ◯ 21-29
- ◯ 30-39
- ◯ 40-49
- ◯ 50-59
- ◯ 60 or older

***2. Are you male or female?**

- ◯ Male
- ◯ Female

***3. Which of the following best describes your current relationship status?**

- ◯ Married
- ◯ Widowed
- ◯ Divorced
- ◯ Separated
- ◯ In a domestic partnership or civil union
- ◯ Single, but cohabiting with a significant other
- ◯ Single, never married

***4. Are you Black African, Coloured, Indian/Asian, White or some other race?**

- ◯ Black African
- ◯ Coloured
- ◯ Indian/Asian
- ◯ White
- ◯ Other

Some other race (please specify)

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***5. What are your total monthly HOUSEHOLD earnings before tax?**

- ◯ Less than R16 000
- ◯ R16 001 – R20 000
- ◯ R20 001 – R30 000
- ◯ R30 001 – R40 000
- ◯ R40 001 – R50 000
- ◯ More than R50 000

6. What are your total monthly PERSONAL earnings before tax?

- ◯ Less than R16 000
- ◯ R16 001 – R20 000
- ◯ R20 001 – R30 000
- ◯ R30 001 – R40 000
- ◯ R40 001 – R50 000
- ◯ More than R50 000

***7. What is the highest level of school you have completed or the highest degree you have received?**

- ◯ Less than Matric
- ◯ Matric
- ◯ Diploma
- ◯ BTech Degree
- ◯ Undergraduate degree
- ◯ Post graduate degree (Honours)
- ◯ Masters
- ◯ PhD

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3. Studying towards a tertiary education

***8. Are you currently studying towards a tertiary qualification?**

- ◯ Yes
- ◯ No
- ◯ Other (please specify)

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4. Middle class criteria

***9. Which metropolitan area do you currently live in?**

- ◯ Buffalo City
- ◯ City of Cape Town
- ◯ City of Johannesburg
- ◯ City of Tshwane
- ◯ Ekurhuleni
- ◯ eThekwini
- ◯ Mangaung
- ◯ Nelson Mandela Bay

***10. Please indicate your occupational level**

- ◯ Manager / Legislator / Senior Official
- ◯ Professional
- ◯ Technician and associate professional
- ◯ Clerk
- ◯ Service worker and shop and market sales worker
- ◯ Skilled agricultural and fishery worker
- ◯ Craft and related trades worker
- ◯ Plant and machinery operator and assembler
- ◯ Elementary occupation

***11. Do you currently own a car?**

- ◯ Yes
- ◯ No

***12. Which of the two statements is true about your current residence?**

- ◯ I have bought it
- ◯ I pay more than R4000 per month on rent

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The presence of and antecedents to bandwagon consumption behaviour

5. Vehicle Information

***13. Which of these car brands do you own?**

- ◯ BMW
- ◯ Mercedes-Benz
- ◯ Audi
- ◯ Land Rover
- ◯ Jeep
- ◯ Volvo
- ◯ Other (please specify)

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6. Future vehicle purchase

***14. Do you intend to buy any of the following motor vehicle brands in the next 5 years?**

- ◯ BMW
- ◯ Mercedes-Benz
- ◯ Audi
- ◯ Land Rover
- ◯ Jeep
- ◯ Volvo
- ◯ None of the above

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7. Independent self-concept

***15. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your responding**

	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
I'd rather say "No" directly, than risk being misunderstood.	◯	◯	◯	◯	◯
Speaking up in a group is not a problem for me	◯	◯	◯	◯	◯
Having a lively imagination is important to me	◯	◯	◯	◯	◯
I am comfortable with being singled out for praise or rewards	◯	◯	◯	◯	◯
I am the same person at home that I am at work	◯	◯	◯	◯	◯
Being able to take care of myself is a primary concern for me	◯	◯	◯	◯	◯
I act the same way no matter who I am with	◯	◯	◯	◯	◯
I feel comfortable using someone's first name soon after I meet them, even when they are much older than I am	◯	◯	◯	◯	◯
I prefer to be direct and forthright when dealing with people I've just met	◯	◯	◯	◯	◯
I enjoy being unique and different from others in many respects	◯	◯	◯	◯	◯
My personal identity independent of others is very important to me	◯	◯	◯	◯	◯
I value being in good health above everything	◯	◯	◯	◯	◯

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8. Interdependent self-concept

***16. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your responding**

	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
I have respect for the authority figures with whom I interact	◯	◯	◯	◯	◯
It is important for me to maintain harmony within my group	◯	◯	◯	◯	◯
My happiness depends on the happiness of those around me	◯	◯	◯	◯	◯
I would offer my seat in a bus to my professor	◯	◯	◯	◯	◯
I respect people who are modest about themselves	◯	◯	◯	◯	◯
I will sacrifice my self-interest for the benefit of the group I am in	◯	◯	◯	◯	◯
I often have the feeling that my relationships with others are more important than my own accomplishments	◯	◯	◯	◯	◯
I should take into consideration my parents' advice when making education / career plans	◯	◯	◯	◯	◯
It is important to me to respect decisions made by the group	◯	◯	◯	◯	◯
I will stay in a group if they need me, even when I'm not happy with the group	◯	◯	◯	◯	◯
If my brother or sister fails, I feel responsible	◯	◯	◯	◯	◯
Even when I strongly disagree with group members, I avoid an argument	◯	◯	◯	◯	◯

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9. Consumer's need for uniqueness

***17. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your responding**

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
I often combine possessions in such a way that I create a personal image that cannot be duplicated.	◯	◯	◯	◯	◯
I often try to find a more interesting version of run-of-the-mill products because I enjoy being original	◯	◯	◯	◯	◯
I actively seek to develop my personal uniqueness by buying special products or brands.	◯	◯	◯	◯	◯
Having an eye for products that are interesting and unusual assists me in establishing a distinctive image.	◯	◯	◯	◯	◯
When it comes to the products I buy and the situations in which I use them, I have broken customs and rules.	◯	◯	◯	◯	◯
I have often violated the understood rules of my social group regarding what to buy or own.	◯	◯	◯	◯	◯
I have often gone against the understood rules of my social group regarding when and how certain products are properly used	◯	◯	◯	◯	◯
I enjoy challenging the prevailing taste of people I know by buying something they would not seem to accept	◯	◯	◯	◯	◯
When a product I own becomes popular among the general population, I begin to use it less.	◯	◯	◯	◯	◯
I often try to avoid products or brands that I know are bought by the	◯	◯	◯	◯	◯

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general population					
As a rule, I dislike products or brands that are customarily bought by everyone	◯	◯	◯	◯	◯
The more commonplace a product or brand is among the general population, the less interested I am in buying it	◯	◯	◯	◯	◯

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The presence of and antecedents to bandwagon consumption behaviour

10. Status Consumption

***18. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your responding**

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
I would buy a product just because it has status.	◯	◯	◯	◯	◯
I am interested in new products with status.	◯	◯	◯	◯	◯
I would pay more for a product if it had status.	◯	◯	◯	◯	◯
The status of a product is irrelevant to me (negatively worded).	◯	◯	◯	◯	◯
A product is more valuable to me if it has some snob appeal.	◯	◯	◯	◯	◯

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The presence of and antecedents to bandwagon consumption behaviour

11. Susceptibility to normative influences

***19. Below are several statements that you may agree or disagree with. Please indicate your agreement with each item by selecting the appropriate choice next to that item. Please be open and honest in your responding**

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
When buying products, I generally purchase those brands that I think others will approve of.	◯	◯	◯	◯	◯
If other people can see me using a product, I often purchase the brand they expect me to buy.	◯	◯	◯	◯	◯
I achieve a sense of belonging by purchasing the same product and brands that others purchase.	◯	◯	◯	◯	◯
I often identify with other people by purchasing the same products and brands they purchase.	◯	◯	◯	◯	◯
If I want to be like someone, I often buy the same brands that they buy.	◯	◯	◯	◯	◯
I like to know what brands and products make good impressions on others.	◯	◯	◯	◯	◯
I rarely purchase the latest fashion styles until I am sure my friends approve of them.	◯	◯	◯	◯	◯
It is important that others like the products and brands I buy	◯	◯	◯	◯	◯

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The presence of and antecedents to bandwagon consumption behaviour

12. Bandwagon consumption

***20. Below is a list of 3 car descriptions. Think to what extent they reflect your personality and answer, how likely is it that you would buy and use each of the described items – assuming that money is no object.**

	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
A very popular and currently very fashionable car that everyone would approve its choice	◯	◯	◯	◯	◯
A car driven by many celebrities, recognised by many people as a symbol of success	◯	◯	◯	◯	◯
A car that is chosen and driven by most people as a symbol of achievement	◯	◯	◯	◯	◯

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