INVESTIGATING FACTORS INFLUENCING CONSUMER PERCEPTIONS OF IN-HOUSE FOOD BRANDS IN THE NELSON MANDELA BAY AREA

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DECLARATION

I, **Lukhanyo Gobodo**, declare that this treatise titled "Investigating factors influencing consumer perceptions of in-house food brands in the Nelson Mandela Bay area" is my own work, that all intellectual sources used and quoted have been properly acknowledged through the use of a complete reference and that I had not previously submitted this treatise for a degree at another university.

28 October 2019

Lukhanyo Gobodo DATE

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EXECUTIVE SUMMARY

The retail food industry in South Africa comprises of retail stores who sell a wide variety of food products that are aimed at various market segments, often at lower prices compared to that other retailers in other countries. Furthermore, these stores are leading factor to the growth and success of the retail food industry in the country. This growth has been advanced by positive changes occurring in the country, supportive consumers, trade contracts between countries and the empowerment of citizens. Among various food brands that are being sold, in-house food brands are the ones that have been previously deemed low-quality and unworthy. However, the times have changed, and so has the quality of these brands.

The primary objective of the study is to investigate factors that influence consumer perceptions of in-house food brands in the Nelson Mandela Bay area. The literature review, chapter two, of this study extensively discusses the retail food industry, in broad and as it is in South Africa. Consumer perceptions, as a broad concept, are also discussed and the possible factors which might have an influence on these consumer perceptions. These factors are; price, product quality, convenience, social affinities and cultural affinities. Each of these factors are discussed into detail and a link between some factors was established. Theoretically, there was an observed relationship between price and product quality. Furthermore, an overlap was also established between social affinities and cultural affinities.

The study formulated hypotheses and tested them through a quantitative paradigm, where large quantities of numbers are involved. The researcher constructed a self-administered questionnaire to collect primary data for the study. The sample of this study comprised of consumers, in the Nelson Mandela Bay area, who purchase in-house food brands. The sample size was 140 respondents.

The primary data of the study was analysed through a statistical software (statistica) for it to be useable and interpreted. This was done in the empirical investigation chapter, where each factor was tested for validity, reliability and whether it had a significant influence on consumer perceptions or not. The chapter also provided demographic results of the respondents and it was found that the most preferred retail shop of respondents was Shoprite with a 27,14% average, with 62,86% of respondents stating that they purchase in-house food brands on a monthly basis while 31,43% purchase them weekly. Moreover, only 5,71% of the respondents have been using in-house food brands for less than a year while the other 94,29% have been using them for longer. The most frequent age group of the study was the group 21 – 30, with a 45% respondent average. The main findings in the empirical investigation are that price, product quality and cultural affinities have a significant influence on consumer perceptions while convenience and social affinities do not. Product quality displayed the strongest influence on consumer perceptions.

Based on these empirical results, recommendations were made to manufacturers and retailers on in-house food brands in the Nelson Mandela Bay area. It was advised that managers of retail stores, who sell in-house food brands, should draft up a survey or have direct interactions with their consumers and find out how much they are willing to pay for a respective product. This will help them bridge the gap between the perceived price of the consumer and the price charged for the product. Secondly, improving a product's quality is the most ideal action a manufacturer can take, since product quality displays the strongest relationship to consumer perceptions. This will help increase the chances of the consumer having positive opinion about the product and ultimately, buying it. Lastly, retail managers and manufacturers of in-house food brands need to understand that different places have different cultures and understanding those cultures will contribute to their success in that geographical area. This includes understanding the principles and morals that people live by in that area.

This study adds value to the field of study of consumer perceptions on in-house food brands, particularly, in the Nelson Mandela Bay area. Moreover, a summary and a conclusion to the study is given to conclude the study.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

The retail and wholesale industry in South Africa, also known as the trade sub-sector, is classified under the tertiary sector of the economy and it contributes 5.7 percent of total Gross Domestic Product (GDP) (Aye, Balcilar, Gupta & Mujumdar 2015:67). This industry consists of retail stores, among other businesses, who sell in-house food brands to satisfy the primary needs of consumers and meet their desired expectations. Furthermore, it is one of the top industries to make an essential contribution to the socio-economic problem of unemployment in the country (Aye et al. 2015:67). In 2010, 7.3 percent of employed people were employed by this particular industry and it continues to strive for more improvement (Aye et al. 2015:67). This suggests that the business corporations within this industry go over and above their set strategic objectives and performance requirements.

It is important to note that the performance of these businesses is largely dependent on consumers, among other factors. Chinomona & Dubihlela (2014:23) observe that the importance of consumers in a business can never be over exaggerated when you take into account their contribution to business sales and profitability. The constant repurchase behaviour of consumers to organisational products is an instrumental variable in consistently achieving high profit margins, a sustainable competitive advantage and business growth (Singh & Khan 2012:2).

Consumers vary and usually have different perceptions of different brands. Owing to the fact that each brand has its own unique features and characteristics will have a significant influence on the buying behaviour of the consumer (Chaniotakis, Lymperopoulus & Soureli 2010:328). The purchase behaviour displayed by consumers in in-house brands is influenced by and is a result of how consumers perceive these food brands (Chinomona & Dubihlela 2014:24). Hence, it is thus important for retailers to examine their consumers' buying behaviour, know and understand the types of factors that influence the perceptions of consumers to purchase these private label brands.

1.2 PROBLEM STATEMENT

In-house food brands, also known as private label brands, were introduced a decade ago, and since then they have managed to grow their market share due to their steadily increasing popularity among consumers (Phiri & Kaupa 2015:190). Despite these brands having managed to "push" sales for retail stores, there have been some misconceptions and shortfalls about them.

Kumar and Steenkamp (2007:4) mentioned that a private label brand is considered to be a cheap 'knockoff' of a manufacturer brand that is of low quality and price, with a relatively smaller market share, which will never remarkably grow. Supporting this statement is Phiri & Kaupa (2015:197) suggesting that, retail stores must consider investing more in research and development to improve the quality of their private label brands. In this respect, we can observe that there are still consumers who doubt the quality of these products. Steenkamp, Van Heerde and Geyskens (2010:1012) noted that the marketing and manufacturing efforts made by manufacturer brands is the reason why consumers are willing to pay a premium for them over private label brands and this creates a perceived quality gap. This, therefore, affects the consumers' willingness to pay and their perceptions of the brand as a whole.

Manufacturer brands do not only increase their perceived quality gap by being constantly innovative but, through distinctive packaging as well (Steenkamp et al. 2010:1013). The lack of creativity among private labels is possibly one of the reasons why consumers perceive these brands as low-quality brands. In Australia, there have been grievances of private label brands "mimicking" the exact branding of manufacturer brands, and this has misled consumers (Williams 2011). This further emphasizes the point that there is an inadequacy in the creativity of these brands. Phiri & Kaupa (2015:198) state that, attractive branding will afford these brands an opportunity to not only stand out on the shelves but also be remembered by consumers, as this builds familiarity and communicates with them. Moreover, there is a traditional belief/misconception that these private label brands are put on the shelves as an alternative for the high-end manufacturer brands in an economic downturn and are then neglected as soon as the economy picks up (Phiri & Kaupa 2015:198).

It can, thus, be noted that retail stores are currently not investing enough money and efforts into the manufacturing and marketing of these brands to ensure that their quality is good enough to compete with high end manufacturer brands and that any misconceptions or traditionally incorrect stigmas are rectified and eradicated. By not paying enough attention to these things, consumers' perceptions of these brands are negatively affected. Furthermore, this creates a problem for retail stores because the sales of these brands are not necessarily where they need to be.

1.3 RESEARCH OBJECTIVES

The following section will thoroughly discuss the primary and secondary objectives that have been proposed to address the research problem identified in the current study.

1.3.1 Primary objectives

The primary objective of this particular study is to investigate the different factors that influence customer perceptions of in-house food brands in the Nelson Mandela Bay area.

1.3.2 Secondary objectives

The secondary objectives that have been proposed to help address the main objective of this study are as follows;

- To investigate if the *price* has an influence on customer perceptions of in-house food brands.
- To investigate if the *product quality* has an influence on customer perceptions of in-house food brands.
- To investigate if *convenience* has an influence on customer perceptions of in-house food brands.
- To investigate if *social affinities have* an influence on customer perceptions of in-house food brands.
- To investigate if *cultural affinities* have an influence on consumer perceptions of in-house food brands
- To provide conclusions and recommendations based on the results of this current study to retail stores on how they could better manage and influence their consumers' perceptions to buy in-house brands.

1.3.3 Methodological objectives

This section discusses the methodological objectives have been compiled to help achieve the abovementioned primary and secondary objectives.

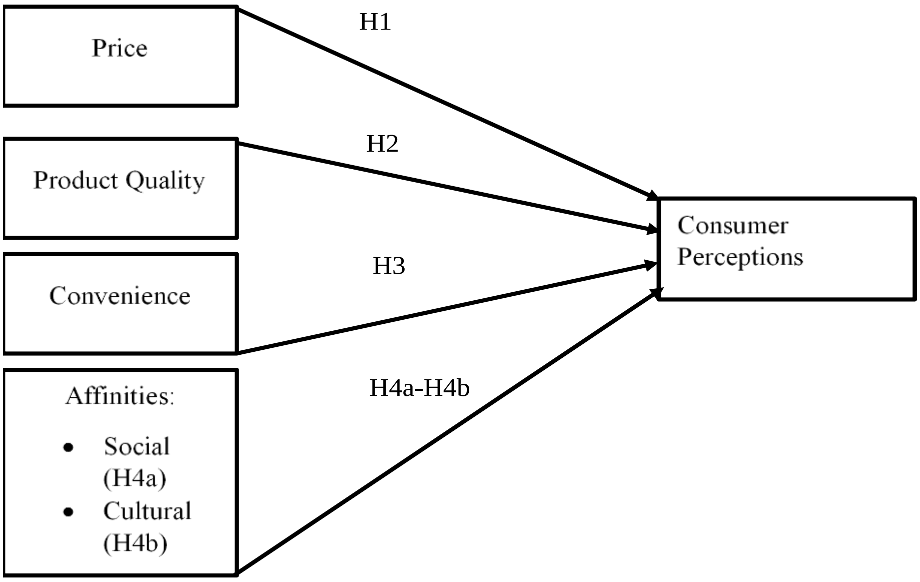
- To undertake a theoretical investigation into the factors that influence customer perceptions of in-house food brands;
- To propose a theoretical framework that reflects the relationship between the independent variables (price, product quality, convenience, social affinities and cultural affinities) and dependent variable (consumer perceptions) from which a hypothesis will be formulated;
- To determine the appropriate research methodology to address the identified research problem and research objectives;
- To develop an appropriate measuring instrument that will be used to empirically test the influence of the independent variables on the dependant variables;
- To source primary data from a pre-determined sample of customers who reside around the Nelson Mandela Bay area and purchase in house-food brands, and to statistically analyse the data, as well as test the proposed hypotheses; and
- To provide conclusions and recommendations based on the findings of this current report which could help food retailers understand why consumers make the decisions they make with regards to in-house food brands. Furthermore, it will also provide ways for them to possibly improve their current situation.

1.3.4 Research Questions and Hypothesis

The research question and hypothesis suitable for this current study are the following:

What are the factors that influence consumer perceptions of in-house food brands in the Nelson Mandela Bay area?

Figure 1: The suggested hypothesis model for this current study, consisting of factors that influence consumer perceptions



Source: Adapted from Seetharaman et al. (2013:134)

To properly address the factors the influences of consumer perceptions, the following hypothesis have been adopted from:

H1: There is a relationship between price and consumer perceptions of in-house brands.

H2: There is a relationship between product quality and consumer perceptions of in-house brands.

H3: There is a relationship between convenience and consumer perceptions of in-house brands.

H4a: There is a relationship between social affinities and consumer perceptions of in-house brands.

H4b: There is a relationship between cultural affinities and consumer perceptions of in-house food brands

1.4 LITERATURE REVIEW

A comprehensive study into the factors that influence consumer perceptions was done by (Seetharaman et al. 2013:134). The following factors were found of utmost importance; price, product quality, convenience and social and cultural affinities and will assist and guide the study in addressing the research topic.

Shafie and Rennie (2012:361) and Porral & Levy-Mangin (2014:106) identified consumer perceptions as the narratives, attitudes and interpretations displayed by consumers towards an organisation's product offering. It is, thus imperative to know and understand how consumers perceive and relate to a product, as this helps the organisation accommodate their preferences and needs accordingly (Shafie & Rennie 2012:361). Moreover, depending on how well consumers are informed about a product will dictate the extent to which their perceptions will be influenced (Shafie & Rennie 2012:361). Supporting this statement is Phiri and Kaupa (2015:196) by noting, brand awareness is an essential tool in the promotion and marketing of a product. By creating this awareness, the in-house food brand stands a more or less equal chance of occupying a space in the minds of consumers' minds as the well-established manufacturer brands (Phiri & Kaupa 2015:196).

The price of an in-house food brand can be loosely defined as; what you pay in order to consume a product and its related benefits (Porral & Levy-Mangin 2016:682; Porral & Levy-Mangin 2014:106). This price might not be equivalent to the perceived price of a consumer and this will definitely have an influence on the whether the consumer purchases that particular product or not (Seetharaman et al. 2013:134; Oluwoye, Chembezi & Herbert 2017:167). In most cases, consumers will be attracted by the lower prices of in-house food brands relative to that of manufacturer brands, provided that the quality of these brands are on the same comparable level to manufacturer brands (Oluwoye et al. 2017:167; Porral & Levy-Mangin 2016:679). There has also been a positively identified correspondence between price and the quality of a respective in-house food brand (Seetharaman et al. 2013:137). This suggests that consumers, even before buying a brand, have predetermined expectations of which how much they will pay for the brand and which benefits they are most likely to derive it. These perceived benefits influence consumers' intention to purchase a brand (Chaniotakis et al. 2010:328). In this respect, it can be clearly noted that price, relative to perceived price is a factor some consumers might consider in evaluating whether to purchase a private label brand or not.

A product, in terms of retail stores, is what they offer to satisfy their consumers' needs and the shopping experience it comes with (Seetharaman et al. 2013:137). Consumers would, therefore, be more inclined to choose and purchase a product that is of high quality and better satisfies their needs over alternative products. A trick to this suggests Seetharaman et al. (2013:137), is to have a variety of products that satisfy the same need and from there, a consumer will purchase the one they find most suitable. Product quality is defined as the consumers' overall assessment of a product, branding, durability, performance and related benefits that are derived from it (Asshidin, Abidin, & Borhan 2016:640; Seetharaman et al. 2013:138). It is thus a judgement of the product and its relevant capabilities and performances. The evaluation of these products starts as soon as the consumer acquires relevant information about the product to when the consumer finally consumes it (Asshidin et al. 2016:640). There are several factors that go into the evaluation of these products, and there have been various models developed to help explain the rationale of consumers in deciding to purchase these brands. The superiority of the brand is one factor, along with how society perceives it and the availability of a local alternative for it (Khattak & Shah 2011:324). In relevance to this, Khattak and Shah (2011:324) additionally echoed that consumers of developing countries are more likely to purchase non-local manufacturer brands since they have been historically deemed to have superior quality than in-house brands, ignoring the rise and increasing success of these brands.

Food products that require minimum time and effort to prepare, consume and clean after are referred to as convenient foods (Brunner, van der Horst & Siegrist 2010:498; Farquhar & Rowley 2009:426). In understandable terms, it is the ease with which a brand satisfies the needs and expectations of consumers. With many people’s lifestyles, it is hard and time consuming to spend time preparing food. Considering recent technological advancements; they have afforded people with the convenience of preparing food with as little effort as possible, for example; a microwave (Brunner et al. 2010:498). It is, therefore, pivotal that retailers of in-house food brands critically evaluate the level of convenience of their products relative to that which is required by consumers and try to match it and possibly exceed it. Depending on how easily and effortless a brand satisfies consumer needs and desires will also be a determinant in whether consumers purchase it or not (Brunner et al. 2010:499; Seetharaman et al. 2013:140). It is also notable, from past research and analysis, that consumers who consider convenience as a significant factor are willing to pay a premium for this additional benefit (Brunner et al. 2010:499). Retailers could capitalise on this by ensuring that their private label brands are of a level of convenience that is most suitable to consumers.

Social affinities, also known as social influences, refer to the attitudes, actions, feelings and behaviours displayed by individuals/consumers that are largely influenced by other individuals or groups through social interaction (Seetharaman et al. 2013:138: Ahmed, Seedani, Ahuja & Paryani 2015:13). It is undeniable that the circle of people an individual associate with has an impact of some sort on some of the purchase choices they will make. Supporting this statement is Ramya and Mohamed Ali (2016:78) by stating; consumers/individuals will always base their purchase choices on societal norms and even in doing so, they will seek validation thereafter.

They further affirm that it is seldom a consumer will take a different route to what the society and their group of acquaintances are currently doing.

According to Ramya and Mohamed Ali (2016:78) and Seetharaman et al. (2013:139), cultural influences are the set of principles, morals and customs that individuals within a group or society live by and share among themselves. It further added that culture is learned and subjective, since it is something that is passed on, and this may influence and guide consumers on how they perceive various food brands (Seetharaman et al. 2013:139; Lawan & Zanna 2013:520). To try and establish a better understanding of cultural affinities, Ramya and Mohamed Ali (2016:79) proposed three factors that it consists of and they are; culture, sub-culture and social class. Sub-culture is the same as culture, just that it is smaller, defined groups within the cultural groups. These sub-cultures essentially share the same beliefs and values as the main culture but, there are cases where their shared values differ and, in these cases, it is highly advised that marketing managers and retail stores pay close attention to these differences (Ramya and Mohammed Ali 2016:79). Social class is referred to as the relatively, everlasting categorisation and division of a civilization whose members share similar principles (Ramya and Mohamed Ali 2016:79). Seetharaman et al. (2013:139) suggest that culture is the underlying reason for an individual’s need and desires and that is why it significantly impacts their perceptions as well. In this respect, it can be clearly noted that the shared beliefs among various groups and community members has a significant impact on consumer insights.

1.5 RESEARCH DESIGN AND METHODOLOGY

Owing to the nature of the study, it will be highly applicable to employ a research design which will enable the researcher to investigate abovementioned factors in the most efficient and effective way. This following section will discuss that.

1.5.1 Secondary research

Struwig and Stead (2013:82) and Singh & Mangat (2013:2) describe secondary data as the readily available data obtainable from sources either than the current study being conducted. It is further described that secondary data can be categorised into three main groups; raw data, which has already been obtained; extractions of numbers, also known as numerical data and finally, published work from various authors and researchers. This type of data is extracted from journals, books, online publications, dissertations and google scholar. This research will primarily focus on addressing consumer perceptions and the influences thereof.

1.5.2 Primary research

Primary data is defined as the data that arises as a result of and is obtainable from the current study that is being conducted (Hong et al. 2012:67; Struwig & Stead 2013:82). For the purposes of the study, primary data will be obtained from empirical research (questionnaires) that have been prepared by the researcher.

To properly investigate the factors that influence consumer perceptions of in-house food brands, the identified variables, both dependent and independent, will be discussed and looked into through primary and secondary research. The reason for using two types of research is to analyse and see if the theory supports what happens in practice/reality, and if so, to which extent.

1.5.2.1 Research design, paradigm and methodology

A research design is broadly defined as all inputs and information involved in the preparation and implementation of a research study; from the formulation of the research problem to the recommendations of the study based on results (Punch 2013:115; Hong et al. 2012:66). This information can be acquired from both primary and secondary sources (Hong et al. 2012:67). Furthermore, Struwig & Stead (2013:64) state that there are two main research paradigms; qualitative paradigm and quantitative paradigm.

A qualitative research study is one that heavily depends on the collection of non-numerical data, which cannot be measured but rather witnessed and this includes personal opinions of individuals, their feelings and visuals (Antwi & Hamza 2015:220). This type of research is most useful when there is minimal available information about a specific topic and when a researcher wants to explore it and learn more about it through perspectives of different people (Antwi & Hamza 2015:220; Struwig & Stead 2013:11).

On the other hand, quantitative research typically involves large representative samples which are used to collect data, through which various structured procedures and processes are used (Struwig & Stead 2013:3). Supporting this statement is (Punch 2013:3) stating that; quantitative research is a way of thinking or approach that involves a cluster collection of data from various sources and includes numerical data. Moreover, this type of research is also known as conclusive research (Struwig & Stead 2013:3). This suggests that after thorough analysis of all data, and after all theories have been tested, the researcher will draw a conclusion based on the results of the study.

For the purposes of this study, quantitative research will be the most suitable and appropriate study, given the nature of the research. This type of research primarily focuses on hypothesis and theory testing. These hypotheses will have tested with the empirical data presented to see if it supports them and to establish whether a relationship of causality exists between the independent variables and the dependent variable (Antwi & Hamza 2015:220; Hong et al 2012:67).

There are several methods that are used to carry out a quantitative research and the methods that are used the most are explanatory, experimental, quasi-experimental and descriptive (Struwig & Stead 2013:6). However, Punch (2013:19) puts emphasis on descriptive and explanatory as it is echoed that they are the most essential because one describes the data while the other aims to explain it thoroughly (Punch 2013:19).

According to Punch (2013:20), the explanatory method is more concerned with and directs its efforts to understanding the "why's" and "how's" of a particular study. While the descriptive method echoes what the current study is all about. Furthermore, the descriptive method is concerned with the description of how situations happened and how they are currently progressing and the reasons and rationale behind them being the way they are (Punch 2013:19; Struwig & Stead 2013:7). This type of research, therefore, strives to establish and explain a relationship between two or more variables, and hence it is the most suitable method of conducting this study.

1.5.2.2 Population, sampling and data collection

According to Hong et al (2012:67), a sample design consists of a target population, sample frame, size and location and the technique that will be used to conduct the sampling. For the purposes of the study each of these abovementioned variables will be briefly discussed and employed to strengthen the argument of the study.

A target population is a collection of people which has been specifically identified and observed for a current study, in which they will be required to answer a series of questions relating to the research topic (Hong et al 2012:67). This study will target a population of consumers who reside in the Nelson Mandela Bay area and who shop at retail stores such as Pick 'n Pay, Spar and Checkers.

A sample frame is defined as carefully thought out process of compiling a list of all those individuals within a population who can be selected for a sample of a study (Hong et al 2012:67). In Struwig and Stead (2013:116) and Singh & Mangat (2013:7), it is specified that there are various methods of sampling from a population; however, the most popular methods are probability and non-probability sampling. In probability sampling, all individuals of a population all have a definite chance of being selected as part of a sample and did this is achieved through some sort of probability tool.

Non-probability sampling is defined as sampling without any use of a probability device (Singh & Mangat 2013:7). Supporting this statement is Struwig & Stead (2013:116) by affirming that in this type of sampling method the chances of an individual being chosen to be part of a sample are unknown. In this type of sampling, the researcher solely depends on their intuition, experience and knowledge in selecting individuals for a sample (Struwig & Stead 2013:116). Moreover, Singh and Mangat (2013:7) and Struwig & Stead (2013:116) identified; convenience sampling, purposive sampling and quota sampling as three of the most important sampling techniques in non-probability sampling.

Purposive sampling, also known as judgemental sampling, is most suited when there is a particular level of skill and intelligence required in selecting a sample (Struwig & Stead 2013:116; Singh & Mangat 2013:7). Quota sampling is where a sample of respondents is selected based on their personal traits that prove relevant to the recent study (Singh & Mangat 2013:7). Convenience sampling entails selecting a sample of respondents due to their availability and willingness to be a part of the study (Singh & Mangat 2013:7)

With regards to the current study, convenience sampling will be the preferred technique employed to select a sample. The reason for this decision is because it allows for the researcher to choose respondents according to their availability and willingness as it might be challenging to get consumers to participate.

1.5.2.3 Design of the measuring instrument

This section will seek to identify and describe an appropriate data measuring instrument. For this study, self-completion questionnaires will be used to gather primary data from the identified sample of respondents. The questionnaire will comprise of a cover page, section A and section B. The intended purpose of the cover page is to give potential respondents a little bit of background and description of the study. This means that; the purpose of the study, what it entails and the name of the university that the researcher belongs to, along with brief instructions on how to complete the questionnaire will all be on the cover page. Section A will comprise of questions that will test the factors that influence consumers' perceptions. Section B will be concerned with the biographical information of each of the respondents.

There are various types of questions that can be implemented in a questionnaire, and these include (Struwig & Stead 2013:95); *open ended questions*, which allow the respondent to answer freely without any limitations to their ideas; *multiple choice questions* which will give a respondent clear options to choose from when completing the questionnaire; *dichotomous questions* will enable a respondent between two options. It is similar to the multiple choices, but it is simpler to analyse; and lastly, *scaled-response questions* will range from a predetermined scale of responses, and the respondent will have to choose based on how they perceive and feel about that certain question.

Scaled-response questions (Likert-type scale) and multiple-choice questions are the two chosen question types to be used in the questionnaires. The two types of questions will allow convenience to the respondents as well, since minimal effort will be required for them to complete these questions. With regards to section A, where factors that influence consumer perceptions will be examined, a likert-type scale will be used. This implies that questions will range from strongly agree to strongly disagree. In section B, which deals with the biographical information of respondents, multiple choice questions will be most suitable.

1.5.2.4 Data Analysis

After the collection of primary data, an applicable analysis method will have to be chosen in order to determine and interpret the meaning of the data. This is a crucial process because conclusions and recommendations solely rely on the results of the study, which are obtained through data analysis.

The process of data analysis is viewed as a conversion of raw, primary data into significant, useable and interpretable information (Struwig & Stead 2013:156). This data will be first recorded and then entered on an excel spread sheet where it will be analysed using a specified statistical tool. There is various software that allow for the analysis of data; at the most basic level there is Microsoft Excel, which is common office use software, and then there is specialist software such as Statistical Package for Social Sciences (SPSS) (Rowley 2014:323). Both Microsoft excel, and SPSS are useful if there are huge quantities of research that need to be analysed and interpreted. They offer the researcher with a variety of functions, from entering the data into a spread sheet, sorting it and filtering it to generating formulae for the calculation of mean, median, correlations and standard deviations (Rowley 2014:323). However, the current study will use Statistica, which is able to perform the same functions as the abovementioned methods.

Before this data can be distributed, it needs to be analysed, interpreted, and tested for reliability and validity. Descriptive statistics are useful in presenting huge amounts of statistical data in a simplified, and understandable manner (Struwig & Stead 2013:165). Descriptive statistics involve the calculation of measures of central tendency and the measures of dispersion (Struwig & Stead 2013:165; Bickel & Lehmann 2011:499). These include ranges, averages and central points (Struwig & Stead 2013:1650. These central points of the data will be derived and expressed through mean calculations.

Validity is described as the degree to which an instrument measures what it was intended to measure (Kimberlin and Winterstein 2008:2278). There are various types of validity; construct validity, content validity and criterion-related validity, to name a few (Struwig & Stead 2013:146; Heale & Twycross 2015:66). Construct validity determines to which degree an instrument measures an identified construct (Heale & Twycross 2015:66). Content validity is the degree to which a measuring tool measures all characteristics of a study (Heale & Twycross 2015:66). Criterion validity evaluates a correspondence between two or more variables that are that are essentially the same (Struwig & Stead 2013:147). This measuring tool simply depicts to which extent a particular variable is related to another (Heale & Twycross 2015:66; Struwig & Stead 2013:147). For evaluating the validity of data in this current study, the construct validity approach, using the Exploratory Factor Analysis (EFA) will be used. The EFA aims to establish which two or more variables are in correspondence to each other and to which extent are they independent each other (Struwig & Stead 2013:149).

According to Kimberlin and Winterstein (2008:2277) and Struwig & Stead (2013:138), reliability is about measuring the consistency, accuracy and how stable the results of a test are. This suggests that the results which will be obtained from the study should not have any incompleteness and inconsistencies; otherwise the test scores will be deemed unreliable. Kimberlin and Winterstein (2008:2278) further emphasize the importance of reliability by stating that for an instrument to be valid, it needs to be reliable first. Struwig & Stead (2013:138) shared the same sentiments by saying the inadequacy stemming from reliability will lead to undesired, inaccurate validity. To measure reliability, using the Cronbach’s coefficient has been proposed, as is helpful when dealing likert-type scales, which is used as a measuring instrument in the current study (Struwig & Stead 2013:141).

A multiple regression analysis consists of practices which evaluate a correlation between the dependent variable and independent variables (Struwig & Stead 2013:168). This type of analysis also examines to which extent a particular independent variable influences the dependent variable (Struwig & Stead 2013:168). In this study, an examination of how the identified independent variables have an influence on the dependent variable need to be done, and hence this analysis is the most suited for the current study.

1.6 SCOPE AND DEMARCATION OF THE STUDY

The current study will geographically target respondents who reside in the Eastern Cape, more specifically those in the Nelson Mandela Bay area. The rationale behind this smaller sample is to get specific and conclusive results. This also provides a gap for further research; potential researchers can conduct a similar study, with a different geographical area and sample in the Eastern Cape and from the results they can observe similarities and differences between the two studies. It is also easier and less time consuming for the researcher to analyse results of a smaller group rather than a whole province. The following section will outline the structure of the current study.

Chapter one is concerned with the introduction and background to the study as well as its respective objectives and hypotheses. This first chapter seeks to introduce the research topic and state the purpose of the study. Furthermore, it strives to establish a correlation between the research topic and the factors identified to influence it.

Chapter two is the literature review chapter, which is aimed at addressing the research topic; factors that influence consumer perceptions, namely; price, product quality, convenience and social & cultural affinities. Definitions of the factors will be given. Furthermore, these factors will be addressed by means of conducting a literature review where each factor will be discussed into detail.

The third chapter will discuss the types of methods that will be employed in the preparation and execution of the empirical research. This chapter will mainly deal with the research design, research paradigms, sampling frame and methods as well as data gathering and analysis.

Chapter four is about the actual empirical research results. The empirical data will be collected, presented and interpreted by the researcher. These interpretations will identify the proposed independent and dependent variable(s) and whether or not the hypotheses established were true or not.

Chapter five, which is the last chapter will provide a summary, conclusion and recommendations of the study to retail store managers based on the results of the empirical data.

1.7 CONTRIBUTION OF THE STUDY

This current study will make a significant contribution to retail stores who offer in-house food brands in the Nelson Mandela Bay area. It will serve as a guideline and proof of how consumers perceive their products. This study, in the long run, will help these stores to better understand their consumers' tastes, preferences and perceptions. Furthermore, it will afford them an opportunity to rectify any misconceptions there are about private label brands, as well as to employ different approaches to those they are currently relying on, with regards to the marketing of these brands and their strategies to attract potential consumers. Lastly, it will contribute to the current knowledge of retail store managers and owners on which factors to focus on when wanting to understand consumer perceptions.

1.8 DEFINITION OF KEY CONCEPTS

Table 1 highlights the definition of key concepts that are used throughout the study.

Table 1.1: Definition of key concepts

Concept and Definition	Sources
Consumer perceptions; The narratives, attitudes and interpretations displayed by consumers towards an organisation's product offering.	(Shafie & Rennie 2012:361; Porral & Levy-Mangin 2014:106).
Price; What you pay in order to consume a product and its related benefits.	(Porral & Levy-Mangin 2016:682; Porral & Levy-Mangin 2014:106).
Cultural affinities/ influences; The set of principles, morals and customs that individuals within a group or society live by and share among themselves.	(Ramya & Mohamed Ali 2016:78; Seetharaman et al. 2013:139; Jisana 2014:35).
Social affinities/influences; The attitudes, actions, feelings and behaviours displayed by individuals/consumers that are largely	(Seetharaman et al. 2013:138; Ahmed et al. 2015:13).

influenced by other individuals or groups through social interaction.	
Product quality; The consumers' overall assessment of a product, branding, durability, performance and related benefits that are derived from it.	(Asshidin et al. 2016:640; Seetharaman et al. 2013:138)
Convenience; Food products that require minimum time and effort to prepare, consume and clean after are referred to as convenient foods.	(Brunner et al. 2010:498; Farquhar & Rowley 2009:426)
Private label brand/In-house brand; Products that are manufactured, marketed and sold by and under a retail store. These products can also be referred to as retailer brands.	(Porral & Levy-Mangin 2016:679; Kumar 2016:95; Hyman, Kopf & Lee 2010:369; Kumar and Steenkamp (2007:4)

1.9 STRUCTURE OF STUDY

Table 1.2 highlights the structure of the current study.

Table 1.2: Structure of the study

Chapter 1	Introduction and background of the study
Chapter 2	Literature review
Chapter 3	Research design and methodology
Chapter 4	Empirical research
Chapter 5	Conclusions and recommendations

1.10 STUDY TIME FRAME

Table 1.3 highlights the proposed study time frame of the study.

Table 1.3: Research study time frame

Date	**Activity**

11 Mar - 15 Mar	Preparing for assessment one; research topic, problem statement and objectives and short research design Submit a first draft to the study leader on the 10th of March 2019 Submit the final draft on the 15th of March 2019 via Moodle to Prof Struwig.
15 Mar – 8 Apr	Prepare a draft of the brief literature review and submit to study leader by the 3rd of April 2019. Rectify mistakes on literature review and email it back to the study leader along with the research design and methodology by the 5th of April. Submit final research proposal on the 8th to the study leader via email.
8 Apr – 15 Apr	Consult with the study leader on the 10th of April 2019 about ethics form. On the 15th of April submit a completed ethics form to the study leader.
15 Apr – 6 May	Consult with the study leader on the 17th of April 2019 about the literature review. Prepare literature review as from the 17th to the 29th of April 2019. On that date, a draft will be sent to the study leader. Submit on turnitin on the 3rd of May 2019. Submit the final literature review to the study leader on the 6th of May.
6 May - 27 May	Consult with the study leader on the 8th of May 2019 about the proposed research design and questionnaire design. Prepare a draft of the research design to submit on the 20th of May 2019 to the study leader. Prepare a draft of the questionnaire to submit to the study leader on the 22nd of May. Submit the final drafts on the 27th of May 2019 to the study leader.
22 Jul – 5 Aug	Prepare a draft of the empirical data. Submit the results of the empirical data to the study leader for discussion.
5 Aug – 9 Sep	Work on the chapter results so that on the 9th of September 2019 they can be submitted and discussed with the study leader.
9 Sep – 14 Oct	Prepare a draft of the final assignment.

	Submit a final document of the assignment to the study leader on the 14th of October via email. There will be consultations in between these dates for additional help and clarity.
14 Oct – 21 Oct	Study leader will mark the assignment and give feedback on it by the 21st of October 2019.
21 Oct – 28 Oct	Rectify mistakes and work on completion of the assignment of parts that lack completion or clarity. Send a corrected draft to the study leader by the 24th of October 2019. Submit a corrected pdf copy of the treatise assignment on the 28th of October 2019 to the study leader and Prof Struwig.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Chapter one, which was the previous chapter introduced the study by giving a bit of background to it along with the problem statement, research objectives and a brief literature review of the terms that will be used throughout the study. The main objective of the study is to identify factors that influence consumer perceptions of in-house food brands in the Nelson Mandela Municipality.

The purpose of this chapter is to provide an understanding of the study by discussing all the literature significant to addressing the research topic. Therefore, this chapter will thoroughly discuss the food retail industry and the importance thereof. Furthermore, it will provide a discussion into in-house food brands, consumer perceptions, price, convenience, social influences, cultural influences and the product quality. The discussion will seek to address how each of these abovementioned factors relates to and influences consumer perceptions of in-house food brands.

2.2 THE RETAIL INDUSTRY

The food retail industry is one of the fastest growing industries in the United Kingdom and it has continued to strive and grow since the early 2000s (Spaargaren, Oosterveer and Loeber 2012:295). Spaargaren et al. (2012:295) continues by stating that in 2006, the total revenue from the grocery expenditure of consumers amounted to 16 percent of the total market, which was in increase of 17 percent from the year 2000. The impact of this, among others, was increased product lines by the major four companies dominating the industry by 40 percent and this ultimately resulted in the decrease of food prices (Spaargaren et al. 2012:95). This industry, in the year 2007, had managed to attain a position where the eight largest businesses in the country had generated £110 Billion in total revenue from just grocery sales (Coe & Jones 2010:182). Furthermore, these figures were converted to percentages so that the role and importance of the retail food industry could be compared to that of other industries and it was found that 85 percent of grocery sales were a result of these eight largest businesses and of this 85 percent, 65 percent came from the first four largest businesses (Coe & Jones 2010:182). The impact of this fast-growing food retail industry was viewed from three perspectives and it was briefly highlighted and explained that, just as much as this industry brings good things, it can also cause a bit of damages to other parties and two perspectives were identified to address this, namely; From the perspective of corporate retailers and regulatory authorities (Coe & Jones 2010:183).

The competitive efforts and pressures, however, were exhilarating and exciting for corporate retailers as they competed fiercely for consumers, sales and the overall market share (Yakovleva, Sarkis & Sloan 2012:1299). The success of these stores was an indication of how well they knew the tastes, preferences, and needs of their respective target market. This suggests that these stores are well informed and aware of the kind of products and services that their consumers need, and it further proves that they conducted their market research thoroughly to keep up with these changing times.

Policies and procedures needed to be followed to ensure that this competition among these large businesses was fair and that no parties were exploited, hence the role of regulatory authorities/bodies. In the retail food industry, there is a term called food crimes which includes fraudulent activities and violations of various laws that have been passed (South and Brisman 2013). Examples of these crimes include exploitation of consumers, faulty food labelling and food poisoning Severe rules and laws were implemented to ensure that the local markets were competing fairly, free to be entered by anyone and that the interests of consumers were protected and prioritised (Clapp & Fuchs 2009:30). These efforts were all to ensure that things were implemented in a fair and responsible manner that would not harm any of the parties involved. This displays ethical and responsible conduct and it shows that there are far more important issues that exceed making a profit.

In the case of South Africa, supermarkets or rather, retail stores are not a new phenomenon, states Emongor and Kirsten (2009:60), and they are the leading factor to the growth and success of the retail food industry in the country. This growth has been expedited by the positive changes occurring in the country that include; economic growth, trade contracts among countries, empowerment of citizens and positive political changes (Peyton, Moseley & Battersby 2015:39). The retail food industry in South Africa comprises of retail stores who sell a wide variety of food products that are aimed at various market segments, more often than not at lower prices compared to that other retailers in other countries (das Nair & Chisoro 2016). In 2007, retail stores managed to generate a revenue of 17 Billion United States Dollars and a market share of 70 percent resulting from their excellent performance with regards to consumer sales (Crush & Frayne 2011:784). It can be noted that, the reason for the United States currency in the presentation of the revenue is because these stores operate internationally and under different names in some regions. These stores are popular among consumers because they provide them with convenience and a variety of need satisfying, high quality products that consumers hold in the utmost regard (Peyton et al. 2015:37).

The majority of African countries, including South Africa, rely on each other and the agriculture of their countries to sustain their local economies and communities and an impact to their agriculture would directly affect their markets as well (Emongor & Kirsten 2009:61). Trienekens (2011:54) examines that South African retailers are dependent on Kenya's modern vegetable production for their business units that are located in Kenya. Thus, the investments made by retailers to this sector is of utmost importance as it depicts their fulfilled social responsibilities and their ability to uplift and create jobs for the citizens of the country. These investments are not only limited to South Africa, but they are also targeted at other African countries as well and this presents an opportunity for South African retailers to expand to other geographical areas.

It was during the mid-1900s that the progression and expansion of South African retail companies into the Southern African Development Community (SADC) started to happen and since then, it has been improving and happening more efficiently and effectively (Emongor & Kirsten 2009:62). Moreover, Shoprite is the most successful retailer to expand and establish itself successfully in 16 African countries, with its closest competitor being Pick 'n Pay which operates in 6 other African countries (Abrahams 2010:117). This company has over 600 retail stores and R25 billion rand in total revenue that they generate yearly, and these figures are subject to change since this company always finds new ways of being competitive and innovative (Crush & Frayne 2011:785). However, the total sales are said to be still 'picking up' as these companies are still adapting to the different environments, consumers and markets. This is supported by sales figures that were obtained from a study conducted by Emongor and Kirsten (2009:62), which state that Shoprite's sales from these other countries are at 8 percent and are relatively lower than those that are generated by Pick 'n Pay.

2.3 IN-HOUSE FOOD BRANDS

In-house food brands, also known as private label brands or store brands, are defined as brands that are manufactured, owned and sold under a company's name (Hyman, Kopf & Lee 2010:369; Porral & Levy-Mangin 2016:679; Kumar 2016:95). It is further added that these brands were introduced over a decade ago and since their introduction, their market share has been growing at an impressive rate (Cuneo, Milberg, Benavente, Palacios-Fenech 2015:72).

By the 2000s, these brands had become the dominant, preferred choice of consumers in supermarket product categories in the United States by securing 20 percent of the market share (Hyman et al 2010:369). These brands are not just restricted to one area or country, they are popular internationally, throughout different countries and cities. Through thorough and extensive research, it was determined that private label brand market was at an average of 23 percent in Europe, 45 percent in Switzerland, 46 percent in the United Kingdom, 37 percent in Germany and 33 percent in Spain (Hayman et al 2010:369; Cuneo et al. 2015:72). These figures, therefore, emphasise the significant influence that these brands have on the different markets of these different countries.

Private label brands are not only a great alternative and first choice to satisfy consumers' needs and wants but, they have fundamental roles and benefits from the perspective of the retailer/manufacturer as well. Hyman et al. (2010:375) and Phiri and Kaupa (2015:190) notes, private label brands increase overall profits in various product categories. This can be achieved through enticing price promotions and attractive branding, they explain. From these efforts, primary demand will be driven, especially among price sensitive buyers who are searching for suitable products with their desired attributes. Cuneo et al. (2015:74) supports this statement by affirming that the price differences between private label brands and manufacturer brands are an important factor in luring consumers and increasing demand for private label brands. Though some consumers might but sceptical about the quality of these brands, the huge price differences will create an incentive for them to consider switching brands (Cuneo et al. 2015:74).

Moreover, it allows for retailers to earn a higher gross margin relative to that they earn through national/manufacturer brands (Beneke 2010:206). This is due to the fact that private label brands require a far less investment in research and development, manufacturing, marketing and the launching of the product (Hayman et al. 2010:375). Steenkamp, Van Heerde and Geyskens (2010:1013) further note that manufacturer brands increase their perceived worth in the consumers' minds by making continuous investments in product innovation and through the distinctive packaging of their products. However, Cuneo et al. (2015:74) states that this perceived gap between in-house food brands and manufacturer brands is what allows them to attain higher gross margins, since they can be sold in larger quantities at lower prices and they can appeal to price sensitive consumers. In this regard, it can be clearly noted that the minimum costs incurred by these retailers in the manufacturing and marketing of these brands actually affords them an opportunity to charge a lesser price that allows for profits to be generated but also for them to stay competitive. Furthermore, the wholesale costs for private label brands are lower than that of manufacturer brands, and their price is mostly influenced by other private label brands and has a habit of lessening the gross profit margin for manufacturer brands (Hayman et al 2010:375).

Private label brands can be used to strengthen the bargaining position of retailers, relative to that of manufacturer brands (Gielens 2012: 409; Phiri & Kaupa 2015:190). The introduction of private label brands has enabled retailers to increase their supply chain influence, which ultimately has an effect on the relationship between the manufacturer and retailer. These brands allow retailers to build and strengthen their power in the market, and this adversely increases their chances of being able to exploit the economies of scale and the ability to influence their respective traditional and new channels (Cuneo et al. 2015:74). From this, we can note that private label brands allow retailers to effectively and strategically negotiate and influence the proceedings of a supply chain and it also strengthens their bargaining power (Phiri & Kaupa 2015:190). This constitutes an advantage because it is seldom that manufacturer brands will be compared to in-house food brands with regards to power and diffrentiation (Gielens 2012:409). Retailers, hence, have an opportunity to evaluate on their weaknesses and the weaknesses of manufacturer brands, and improvements can be made to not only rectify their own shortfalls but to outsmart manufacturer brands by setting a new standard.

Retailers may also put these brands out in an attempt to attract consumers, and to increase store image and loyalty (Phiri & Kaupa 2015:190; Beneke 2010:206). Store image, according to (Vahie & Paswan 2006:70), is how the consumer perceives the overall store layout and its atmosphere, as well as any other factors that they might associate with the store psychologically. Furthermore, the accessibility and presence of private label brands affords consumers with the convenience of alternatives and makes the shopping more enjoyable. The benefits of these actions are increased store image, and this is most likely to influence consumers' loyalty as well (Phiri & Kaupa 2015:190). Furthermore, the selling of private label brands increases sales and contributes to building consumer loyalty, especially if the brand is of high quality (Hayman et al. 2010:375).

The success of these brands heavily relies on five factors; quality-related, price-related, product category-related, retailer-related and consumer-related (Hyman et al. 2010:378):

- Through high quality private label brands, retailers are able to strategically position and differentiate their store image and product design and allows them to increase buyer switching costs by lowering premiums on manufacturer brands.
- The prices of private label brands are suited for various types of consumers, whether an individual is price sensitive or not, there are products for each consumers' price budget.
- The differentiation of private label brands is another contributing factor. The high variation of the product creates economies of scale for the retailer as well as means to obtain a sustainable competitive advantage.
- Retailers can also offer private label brands as a high quality, affordable alternative to manufacturer brands. By offering these brands, retailers are actually strengthening their competitive positioning and their influence with regards to negotiating power.
- Lastly, their success is dependent on consumers. Price sensitive consumers with lower incomes are more likely to consider price as a significant factor when deciding to purchase a brand or not. These buyers are more likely to purchase private label brands over manufacturer brands since a significant price gap exists between these two product categories.

2.4 CONSUMER PERCEPTIONS

Shafie and Rennie (2012:361) identified consumer perceptions as the narratives, attitudes and interpretations displayed by consumers towards an organisation's product offering. It is, thus imperative to know and understand how consumers perceive and relate to a product, as this helps the organisation accommodate their preferences and needs accordingly (van Rijswijk & Frewer 2008:1035). Troy and Kerry (2010:215) note that, consumers cannot be grouped based on one behaviour type but rather an evaluation of what influences their needs and what is readily available at a specific time should be done. This would entail a carefully thought-out procedure, conducted by management to measure consumer perceptions and to try to analyse what these perceptions mean for the business. Therefore, consumer perceptions are said to be complex and there are often differences between the displayed behaviour of consumers and how they are expected to perceive a product (Troy & Kerry 2010:215).

Quality and safety have been identified as two of the most essential factors that influence consumer perceptions when making decisions relating to food products (van Rijswijk et al. 2008:1035). Consumers, or at least the majority, prefer high quality products that will guarantee enjoyment, satisfaction and safety at the same time (van Rijswijk & Frewer 2008:1035). Moreover, the quality and safety of a product are usually communicated to a consumer, so that they are knowledgeable and well informed when making a purchase decision.

Depending on how well consumers are informed about a product will dictate the extent to which their perceptions will be influenced (Shafie & Rennie 2012:361). Supporting this statement is Phiri and Kaupa (2015:196) by noting, brand awareness is an essential tool in the promotion and marketing of a product. By creating this awareness, the in-house food brand stands a more or less equal chance of occupying a space in the minds of consumers' minds as the well-established manufacturer brands (Phiri & Kaupa 2015:196).

Brand awareness refers to how well a consumer is able to identify a brand in a retail store setting where a variety of products are put on display (Toba & Hassan 2009:357). Chi, Yeh & Yang (2009:135) further states, brand awareness is made up of brand recognition and brand recall. Brand recall is the ability of a consumer to accurately recall a brand name and brand recognition is their ability to recognise a brand in a retail shop full of other similar brands (Chi et al. 2009:135). Brand awareness can thus be differentiated from two views; brand depth and brand width. Brand depth refers to the efforts a retailer makes to help a consumer remember a brand name with ease while, brand width refers to how easily a product comes to mind when a consumer displays behaviours of purchase intention (Khan, Jadoon & Tareen 2016:83). Therefore, products with high brand awareness are more likely to influence consumer perceptions more since it will enable consumers with the ability of properly recognizing it while simultaneously influencing their purchase intention as well.

The importance of brand awareness is seen as an important factor in influencing the purchase intention of consumers (Chi et al 2009:136). This is caused by the fact that consumers feel more comfortable in purchasing what is known or familiar.

2.5 POSSIBLE FACTORS THAT INFLUENCE CONSUMER PERCEPTIONS

A comprehensive study into the factors that influence consumer perceptions was done by (Seetharaman et al. 2013:134). The following factors were found of utmost importance; price, product quality, convenience and social & cultural affinities and will assist and guide the study in addressing the research topic.

2.5.1 Price

Kotler and Armstrong (2016:412) mention that, the price policy of a retailer should match their target consumers, competition, competitive position and their product offering. This means that their prices should not be overstated, relative to the factors that have been mentioned above, as this will not make business sense. With regards to a consumer's overall evaluation of a product, considering all information that they are presented with, price will make up 40% of an average consumers' search for information (Beneke 2010:208). Retailers have two options when it comes to the formulation of product prices, namely; speciality pricing and mass pricing (Kotler & Armstrong 2016:412). Speciality pricing is when the retailer charges high a mark-up on smaller volumes of stock, while mass pricing is the opposite, it is when the retailer charges a low mark-up on larger volumes of stock (Kotler & Armstrong 2016:412). By using these two pricing methods, retailers hope to make a noticeable profit from the selling on their respective brands and products.

The price of an in-house food brand can be loosely defined as; the amount you pay in order to consume the product and its related benefits (Porral & Levy-Mangin 2016:682; Kotler & Armstrong 2016:724; Beneke 2010:208; Porral and Levy-Mangin 2014:106). This price might not be equivalent to the perceived price of a consumer and this will definitely have an influence on the whether the consumer purchases that particular product or not (Seetharaman et al. 2013:134; Oluwoye, Chembezi & Herbert 2017:167). In most cases, consumers will be attracted by the lower prices of in-house food brands relative to that of manufacturer brands, provided that the quality of these brands are on the same comparable level to manufacturer brands (Oluwoye et al. 2017:167; Porral & Levy-Mangin 2016:679). There has also been a positively identified correspondence between price and the quality of a respective in-house food brand (Seetharaman et al. 2013:137). This suggests that consumers, even before buying a brand, have predetermined expectations of which how much they will pay for the brand and which benefits they are most likely to derive it. These perceived benefits influence consumers' intentions to purchase a brand (Chaniotakis et al. 2010:328). In this respect, it can be clearly noted that price, relative to perceived price is a factor some consumers might consider in evaluating whether to purchase a private label brand or not.

In-house food brand prices tend to be different to those of manufacturer brands and these variations are seen across different product offerings and stores (Beneke 2010:208). In-house food brands are said to have a price advantage, over manufacturer brands, of an estimated figure of 20 to 44 percent in terms of the profits that they generate. There are various are various reasons and explanations for the price differences among these brands and manufacturer brands. The first reason is directly linked to the fact that some in-house food brands are imitations of manufacturer brands, and this suggests that retail stores did not spend that much money and effort into establishing these brands (Beneke 2010:208). The low costs that they incur could also mean that they spend a minimal amount of money on the research (trying to find a target market and consumers) and development (the actual manufacturing of the products and branding) of these brands. Secondly, Beneke (2010:208) further echoed that, the marketing efforts and money that is spent on these brands are also low, as compared to that of manufacturer brands. However, Huang and Huddleston (2009:796) noted that, retailers of these in-house food brands are tirelessly working on the development, improvement and marketing of these brands and this has afforded retailers an opportunity to change their market position since the manufacturing and marketing of these brands is directly done under their names. Lastly, consumers who are regular buyers of manufacturer brands may also decide to trade down to in-house food brands when the marketing and advertising efforts made by retailers increase the value of manufacturer brands (Beneke 2010:208).

According to Rao (2009:13) states that a company's pricing strategies is affected by their 'pricing strategies' and their 'pricing strategy determinants'. Their pricing objectives are what they hope to achieve with the prices that they will set. This may include sales turnover figures, profit margins and a long-desired market position. While, pricing determinants refer to the company's current position, market and consumer conditions as well as any other competitive forces that may have an effect on the company's pricing strategies (Rao 2009:13). Furthermore, there are many pricing strategies that are used in practice but only a few can be attributable to retailer stores who offer in-house food brands. Rao (2009:15) has identified that there are 19 pricing strategies that can be used but of these 19 strategies, only three are applicable to in-house food brands, namely; penetration pricing, premium pricing and low-price supplier.

Price penetration is when the price of a product offering is initially set low to attract a large spectrum of consumer, then thereafter, it increases (Rao 2009:15; Kotler & Armstrong 2016:331). Of course, the price will not increase immediately thereafter, it will increase as the product is growing popularly among consumers and as it is steadily increasing its market share. This makes perfect sense for the case of in-house food brands. These brands start off unknown, without any market presence nor customer base, so it is only right that their initial price is set low but as it gains popularity and retailers start implementing changes to its branding, marketing and advertising then, a price increase is justifiable. Kotler and Armstrong (2016:331) state that the large volumes of sales result in falling costs, and this will afford the company an opportunity to cut their costs down even further.

The purchasing of premium private label brands is one of the fastest growing movements initiated by consumers in the grocery shopping category of retail shops (ter Braak, Geyskens & Dekimpe 2014:125). Furthermore, these premium brands are only introduced in a few, certain product categories of in-house food brands and not in all of them (ter Braak et al. 2014:125). A premium private label brand is one that possesses high quality features and characteristics than that provided by a normal private label brand (ter Braak et al. 2014:125). Hence, premium pricing is when a version of a product is priced at a premium (relatively higher) because it offers more benefits to the consumer (Rao 2009:15).

A low-price supplier tends to charge lower prices for their products than any of its competitors and this constitute a cost advantage (Rao 2009:15). Most in-house food brands are relatively cheaper than manufacturer brands and hence the growing popularity among consumers (Beneke 2010:208). This means that retail stores who offer in house food brands are able to offer their consumers with a variety of alternatives, more particularly with the offering of in-house food brands to price sensitive consumers. These stores are able to be low cost providers with the manufacturing and selling of these brands.

2.5.2 Product quality

A product, in terms of retail stores, is what they offer to satisfy their consumers' needs and the shopping experience it comes with (Seetharaman et al. 2013:137). Consumers would, therefore, be more inclined to choose and purchase a product that is of high quality and better satisfies their needs over alternative products. A trick to this suggests Seetharaman et al. (2013:137), is to have a variety of products that satisfy the same need and from there, a consumer will purchase the one they find most suitable.

Product quality is defined as the consumers' overall assessment of a product, branding, durability, performance and related benefits that are derived from it (Asshidin, Abidin, & Borhan 2016:640; Seetharaman et al. 2013:138; Kenyon & Sen 2012:173). It is thus a judgement of the product and its relevant capabilities and performances. The evaluation of these products starts as soon as the consumer acquires relevant information about the product to when the consumer finally consumes it (Asshidin et al. 2016:640). There are several factors that go into the evaluation of these products, and there have been various models developed to help explain the rationale of consumers in deciding to purchase these brands. The superiority of the brand is one factor, along with how society perceives it and the availability of a local alternative for it (Khattak & Shah 2011:324). In relevance to this, Khattak and Shah (2011:324) additionally echoed that consumers of developing countries are more likely to purchase non-local manufacturer brands since they have been historically deemed to have superior quality than in-house brands, ignoring the rise and increasing success of these brands.

Armstrong and Chen (2009:412) have proposed their own theoretical framework which enable them to determine the total price (its worth), and it is a calculation of 'visible prices' and 'less visible prices', which may include the retailer's indirect costs and taxes, the packaging and branding as well as all prices indirectly related to the product. In this model, it was suggested that there are only two levels of product quality that retailers can choose from with regards to the manufacturing and marketing of their in-house food brands, namely; low quality and high quality (Armstrong and Chen 2009:412). A third level of in-house food brands was proposed by Geyskens, Gielens & Gijsbrechts (2010:791), which was standard or medium level in-house food brands. These food brands are those that are imitations of the standard manufacturer brand, aimed at satisfying the needs of an average consumer who is not looking for anything of low quality but at the same time, nothing of high quality either (Geyskens et al. 2010:791). These brands are manufactured and positioned in such a way that they are only comparable to the standard 'medium-level' manufacturer brand and that they only appeal to those who prefer something in the middle. Moreover, low quality in-house food brands are those that are deemed 'useless' and therefore, would not be manufactured if consumers who are inattentive did not exist in the market (Armstrong & Chen 2009:412: Geyskens et al. 2010:791). In this respect, it

can be seen that inattentive consumers are those that are uniformed, easily manipulated and do not pay attention to the product quality, pricing and market conditions. These low-quality products are produced by the firm in an attempt to make a profit by pricing them similarly to that of higher quality products and the presence of inattentive consumers makes this possible. These consumers lack the ability to properly evaluate a product so, they mistakenly purchase these brands thinking that they are high quality brands (Armstrong & Chen 2009:412).
While those in-house food brands that were actually produced to satisfy consumer needs on the same comparable level than that of manufacturer brands, at lower prices can be referred to as high quality products (Huang & Huddleston 2009:976; Geyskens, Gielens & Gijsbrechts 2010:792; Hyman et al. 2010:378). These brands are most likely be bought intentionally by consumers, as some would want high quality products for their needs and desires while some might purchase them for the sake of exclusivity. These high-quality products can exploit consumers' willingness to pay for high quality products, since these products are not advertised, it allows for a fair price discrimination among consumers, and this is why these brands are particularly likely to cost more than regular in-house food brands (Armstrong & Chen 2009:412).

2.5.3 Convenience

Convenience is described as any activity that makes an individual's life easier, adds benefit to their lives and saves them time while performing the activity (Jiang, Yang & Yun 2013:191). Hence, food products that require minimum time and effort to prepare, consume and clean after are referred to as convenient foods (Brunner, van der Horst & Siegrist 2010:498). In understandable terms, it is the ease with which a brand satisfies the needs and expectations of consumers.

Time and effort are the two consistent dimensions that remain constant in convenience research, as they are directly attributable to the concept of convenience and they help in understanding consumer lifestyles and resources (Farquhar & Rowley 2009:426). According to Bednarz & Ponder (2010:51), the time and effort spent by consumers using or picking out a product is known as service convenience. Furthermore, these two factors are classified as non-monetary costs that need to be paid by the consumer, in either the searching of or in the consumption of the product (Wu, Huang & Chou 2014:163). Wu et al. (2014:163) further notes that these costs tend to high in the cases of self-service and certain busy days in the month. Thus, the lower these costs, the more chances of a consumer being happy, and it is highly advised that organisations should strive do decrease this time.

Furthermore, a second type of convenience was identified, which is retail convenience. This type of convenience includes the convenience of accessing products easily and effortlessly in the retail store environment and it also includes the transaction of the product (Bednarz & Ponder 2010:51). It is also added that the operating times of the retail shop also form part of retail convenience (Srivastava & Kaul 2014:1030). These two dimensions are relatable to every consumers' everyday life and they will most likely be relevant too. With many people's lifestyles, it is hard and time consuming to spend time preparing food. These individuals are referred to as convenience-orientated consumers, in that they want to accomplish a task with as little effort as possible in the shortest time period (Farquhar & Rowley 2009:427). Other investigations into convenience research have shown that demographic factors such as age, lifestyle, occupation and education have an influence on the perceived convenience of consumers (Farquhar & Rowley 2009:428). There has also been a growing phenomenon that states that, women who are employed tend to purchase more convenient products than those who are not employed. Furthermore, this phenomenon of convenience lifestyle as a choice is said to improve and afford women more time to attend to their mothering duties over and above their career duties (Farquhar & Rowley 2009:428).

Considering recent technological advancements; they have afforded people with the convenience of preparing food with as little effort as possible, for example; a microwave (Brunner et al. 2010:498). It is, therefore, pivotal that retailers of in-house food brands critically evaluate the level of convenience of their products relative to that which is required by consumers and try to match it and possibly exceed it. Depending on how easily and effortless a brand satisfies consumer needs and desires will also be a determinant in whether consumers purchase it or not (Seetharaman et al. 2013:140). It is also notable, from past research and analysis, that consumers who consider convenience as a significant factor will be willing to pay a premium for this additional benefit (Brunner 2010:499). Retailers could capitalise on this by ensuring that their private label brands are of a level of convenience that is most suitable to consumers.

Srivastava and Kaul (2014:1030) proposed that there are three more categories that make up convenience and they are service convenience, facility convenience and benefit convenience. These three categories overlap with the classes of convenience that were suggested by Jiang et al. (2013:195), namely; Access, Search, Possession and Transaction.

Service convenience makes the transactions of products/services easier and much more efficient by reducing the time and effort a consumer has to spend in the purchase and consumption of a product (Shahijan, Rezaei & Amin 2018:2305). Wu et al. (2014:163) states that service convenience is the consumer's perception of the time and effort it will take to buy a product. Furthermore, according to Fernendez, Ruiz, Colon and Garcia (2016:1147), this type of convenience reduces the consumers' stress with regards to struggling to pick out a product, and hence, it psychologically improves their perception of the product and influences their buyer intention. The importance of service convenience can never be over emphasised because the more convenient the services attributable to the purchase of a product, the more likely that consumers will consider that product over others. This overlaps with the possession class from the proposed model of Jiang et al. (2013:194), in that consumers should be able to attain the product that they want and wish to buy.

The store layout in which these products are sold, space and considering where and how to place the product is all attributable to facility convenience (Kovacs & Kot 2017:64). The store layout will ultimately dictate how easily accessible and obtainable a product is within the store and how much time and effort will be spent searching for it. In Jiang et al. (2013:194) searching is defined as the consumer's ability to look and find the desired product that they wish to purchase. Moreover, Duarte, Silva, and Ferreira (2018:162) also echoed and affirmed this by stating that it is the speed with which consumers are able to find their desired product in a retail store full of similar products. This term embodies two other phrases, namely; flexibility and proximity (Farquhar & Rowley 2009:429). Firstly, these brands need to accommodate consumers' busy schedule, in a sense that, the products should not require them to spend a considerable amount of time trying to consume it and they also need to be in close considerable reach for consumers to get them. Therefore, access to these brands and this could be achieved through online purchases or physically in-store. Furthermore, these products. The purchasing and consumption of the product should be easy and flexible.

Benefit convenience is defined as the convenience that arises as a result of consuming the desired intended product (Srivastava & Kaul 2014:1030). Fernendez et al. (2016:1147) states that this type of convenience is an evaluation of how much time and effort it will take the consumer to derive the core benefit that they wish to get to satisfy their needs. This type of evaluation allows consumers to properly know and compare their desired product(s) relative to others and lets the consumer make an informed decision based on what is better suited for them (Duarte et al. 2018:163).

2.5.4 Social affinities

Social affinities, also known as social influences, refer to the attitudes, actions, feelings and behaviours displayed by individuals/consumers that are largely influenced by other individuals or groups through social interaction (Seetharaman et al. 2013:138: Ahmed et al. 2015:13). It is undeniable that the circle of people an individual associate with has an impact of some sort on some of the purchase choices they will make. Supporting this statement is Fredriks, Stenner and Hobman (2015:1387) by stating; consumers/individuals will always base their purchase choices on societal norms and even in doing so, they will seek validation thereafter. They further affirm that it is seldom a consumer will take a different route to what the society and their group of acquaintances are currently doing.

Ramya and Mohamed Ali (2016:78) and Rani (2014:55) identify three categories of social influences; family, reference group and societal roles and status. Fratu (2011:121) states that, family is one of the most important influences in an individual's life, as it is where they will acquire and develop their opinions of society, politics, policies and basic values and respect. Furthermore, it is also where an individual is largely influenced on their buyer choices. It is thus important for marketers to know and understand which member of the family has the highest influence, and for which products. In instances where the purchase choice is largely influenced by the woman, then marketers will try to exploit this and have the advertisement focus on enticing the woman (Rani 2014:56). According to Ramya and Mohamed Ali (2016:78), a buyer has two types of families, namely; a nuclear family and a joint family. A nuclear family is where the family is small in size and family members have the will to make their own decisions, not being influenced or persuaded by other family members, while joint families are much larger in size and the decision of making a purchase is decided on collectively rather than it being an individual choice (Ramya & Mohamed 2016:78). From this respect, it can be noted that the type of family an individual comes from will also largely constitute their purchase choice as individuals from joint families are more likely to base their purchases on how their family perceives the product. A family can influence the perception of an individual in two ways (Ramya & Mohamed 2016:78);

- They can influence the individual's personality, traits, attitudes and how they perceive a product as a whole.
- Secondly, they can have an influence on the decision-making process of a product. This is when an individual explicitly tells their family members about wanting a particular product and being open to hearing their opinions about it.

Furthermore, an individual is expected to live through two families in their lifetime, namely; family of orientation and family of procreation (Ramya & Mohamed 2016:78). The family of orientation is the family in which an individual is born in and this family will have an influence on his life and choices because their perceptions and opinions have been shaped through their upbringing. On the other hand, the family of procreation is the family an individual establishes with a spouse, which may also consist of their children (Ramya & Mohamed 2016:78). In cases where an individual has established a family of procreation then, the purchase choices will be influenced by their significant other rather than their parents or family members.

A reference group is defined as a group of people an individual chooses to acquaint with, who essentially share similar principles and who have an influence on what they think or say (Rani 2014:55; Ramya & Mohamed 2016:78; Fratu 2011:122). These groups, more often than not, afford an individual with the means to compare their behaviour, choices and lifestyle relative to that of other individuals (Rani 2014:55; Fratu 2011:122). This suggests that reference groups and their shared perceptions among members can be used as a basis of making a purchase choice and hence, they are also important. Furthermore, these reference groups have an influence on how an individual perceives themselves and which products/services are better-suited to satisfy their needs. They will also constitute an individual's behaviour in certain scenarios, for example if an individual yearns to be a part of a reference group, they will change and adapt their behaviour and way of doing things to that of the reference group (Rani 2014:55). Moreover, there a number of roles that make up reference groups, namely; the initiator, influencer, decision-maker and the buyer (Rani 2014:55):

- The initiator is the person who comes up with the idea of purchasing a specific product/service.
- The influencer is the person whose opinion will be heavily relied on. This person does not necessarily have to be a part of the group, it could be an external person and the group will rely and trust this person as a collective.
- An individual who decides which specific product/service the group should buy is the decision-maker.
- Lastly, the person who makes the purchase of the preferred product/service as identified by the group.

The position an individual hold in society, at work, church and among his group of acquaintances and friends is referred to as their social role and status (Solomon, Russell-Bennett & Previte 2012:405; Ramya & Mohamed 2016:78; Rani 2014:56). Individuals who are categorised in the same social class will be perceived to have a same social status from the viewpoint of the community, and they are more likely to have similar jobs, viewpoints, income levels, tastes and preferences (Solomon et al. 2012:405). Individuals are more likely to choose products/services that display their role and status in society (Ramya & Mohamed 2016:78). There are, of course, instances where individuals would want to purchase a product/service that is of a higher perceived standard, so they could give off the impression that they belong to a higher social class and not because that product is their preferred choice. In these cases, marketers are fully aware of such acts and behaviour from the communities and they exploit these behaviours to their advantage (Ramya & Mohamed 2016:78; Solomon et al. 2012:405). This is affirmed by Ramya and Mohamed (2016:78) by stating, marketers know and understand the status symbol of various products and services and how they relate to potential consumers.

2.5.5 Cultural affinities

In order to understand people and their behaviours, culture is an important thing to consider as it is forms part of every community and it is one of the leading causes of an individual's wants and desires (Rani 2014:53; Jisana 2014:35). Marketers, therefore, need to note that different countries have different cultures, so their study or analysis needs to be based on the country they are currently dealing with and not another country as this might produce inaccurate results and cost an organisation money (Jisana 2014:35). To try and establish a better understanding of cultural affinities/influences, Ramya and Mohamed Ali (2016:79) and Jisana (2014:35) proposed three factors that it consists of and they are; culture, sub-culture and social class.

Culture is defined as the set of principles, morals and customs that individuals within a group or society live by and share among themselves (Ramya & Mohamed Ali 2016:78; Seetharaman et al. 2013:139; Jisana 2014:35). It is thus something that underpins traditional beliefs, norms and values which are all acquired by an individual throughout their lifetime and throughout their time living in a particular community (Lawan & Zanna 2013:520). Culture is, therefore, learned and subjective, since it is something that is passed on, and this may influence and guide consumers on how they perceive various food brands (Seetharaman et al. 2013:139; Lawan & Zanna 2013:520). To ensure brand success and a sustainable competitive advantage, marketers need to consider the cultural influences inherent in each market and product category so that they can adapt their competitive strategies and efforts to influencing consumers toward their own product (Rani 2014:54). In this respect, it can be clearly noted that the shared beliefs among various groups and community members has a significant impact on consumer insights.

Sub-culture is the same as culture, just that it is smaller, defined groups within the cultural groups. These sub-cultures essentially share the same beliefs and values as the main culture but, there are cases where their shared values differ, and, in these cases, it is highly advised that marketing managers and retail stores pay close attention to these differences (Ramya and Mohammed Ali 2016:79). Rani (2014:54) states that, subcultures can take form in ethnic groups, religions and nationalities. For marketers to truly capitalise on this opportunity, they need to be able to segment these different subcultures into smaller niches of the market and cater to their respective needs. An example of successful segmentation of subcultures is the selling of non-Caucasian beautifying products (Rani 2014:54).

Social class is referred to as the relatively, everlasting categorisation and division of a civilization whose members share similar principles (Ramya and Mohamed Ali 2016:79; Rani 2014:54). In every community there is a form of social class, which can be used by marketers to predict the buyer behaviour of consumers since individuals within a social class are deemed to have similar characteristics and behaviours (Rani 2014:54). However, these structures of social class do not necessarily last the same forever. There are cases where individuals move upward in the predetermined societal class. This is referred to as 'upward social mobility' (Noel 2009:73). Social class is does not only influenced by one factor (income), there are a variety of factors that constitute it, namely; income, age, occupation, lifestyle, education, power and patterns etc (Ramya & Mohamed 2016:79).

Ramya and Mohamed (2016:79; Fratu 2011:122) identify and differentiate between three types of social classes that can be found in our societies; upper class, middle class and lower class. As expected, there are differences between the characteristics, values and purchase behaviour between these social classes. Fratu (2011:122) mentions that consumers who belong to the upper class will feel the need to purchase high quality goods and services and will not mind paying a premium for these goods and services because they can afford them. In contrast, a consumer who belongs to the lower class of society will be more concerned about the price of the product rather than additional features or quality (Rani 2014:54). Lastly, a consumer from the middle class can sometimes afford high quality products and considering price before features is not something they frequently do (Rani 2014:54). However, Fratu (2011:122) mentions that there is not much difference between these two social classes but rather the significant difference is between them and the upper class.

2.6 SUMMARY

This current chapter was focused on the retail food industry, consumer perceptions and the identified factors that influence consumer perceptions of in-house food brands. The identified factors were price, product quality, convenience and social and cultural influences. It was observable that some factors are more complex than others, for example; convenience is classified into many categories and there are many classes that have been developed over time to explain it. Furthermore, there was also an established relationship between some factors like price and product quality. Moreover, the contribution of the retail food industry and its impact was mentioned as well, since it is the primary location where these brands can be bought.

The following chapter will seek to discuss the research methodology related to the study. The population, sampling methods, data collection instrument, data collection method and data analysis will be thoroughly discussed in an attempt to provide an understanding as to how the study will be conducted.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter's purpose was to provide a thorough discussion of all related terminology and literature that will be used throughout the study to address the research topic. The detailed discussion was into the following variables; the retail industry and its importance, in-house food brands, consumer perceptions, price, convenience, social influences, cultural influences and the product quality. Furthermore, the main aim of the discussion was to identify how each of the following variables influences consumer perceptions.

The current chapter will seek to discuss the research methodology related to the study. Furthermore, it will differentiate between the two research paradigms and motivate which is the one that is best suited for the study. The population and the sampling methods to get the desired sample size will also be discussed. Lastly, the data collection instrument, data collection method and data analysis will help provide an understanding as to how the data will be collected, using what and how it will be analysed and interpreted.

3.2 RESEARCH METHODOLOGY

The process of looking for answers to the identified research questions constitutes a research methodology (Kumar 2019:44). Antwi and Hamza (2015:220) states that, a research methodology is how researcher goes about finding and collecting information about a certain topic they are concerned with. It is thus, a process that involves selecting the most suited research paradigm for the study and the data collection methods pertaining to the chosen paradigm and specific data analysis tools that will deliver the most effective and efficient results. A research paradigm can be seen as a common, shared understanding among researchers about how problems can be understood and simplified. Ultimately, it is in what manner to conduct research as a result of these understandings (Rahi 2017:1).

Aliyu, Bello, Kasim and Martin (2014:81) identified two types of commonly used research paradigms, among others, since early research, namely; positivistic research methodology and an interpretive research methodology. These two research paradigms will be briefly discussed below.

3.2.1 A positivistic research methodology

A positivistic research paradigm reinforces a quantitative research methodology (Aliyu et al. 2014:81). This type of research entails that the research methodology be objective, and places significant emphasis on measuring variables and testing hypotheses that are related to general ideas that have been established overtime and those that are of interest to a particular study (Antwi & Hamza 2015:220). Rahi (2017:1) further affirms that this type of study is primarily concerned with conducting experiments and testing formulated hypotheses.

The quantitative research method is concerned with collecting large quantities of data from a large representative group (population) with the main aim of testing a hypothesis or conducting an experiment (McCusker & Gunaydin 2015:537). Moreover, this type of research is also known as conclusive research (Struwig & Stead 2013:3). This suggests that the researcher will have to make a conclusion based on the results of the study after all theories and hypotheses have been tested.

3.2.2 Interpretive research methodology

An interpretive research paradigm aims to establish a profound understanding of a specific topic and the surrounding factors that might have an influence on it (Rahi 2017:1). Therefore, this research focuses on the richness and depth of the data, rather than averages or similarities. Furthermore, it allows researchers to see and understand the world from the perspective of their participants (Thanh & Thanh 2015:24). This paradigm is underpinned by a qualitative research methodology (Antwi & Hamza 2015:220). Moreover, interpretive researchers believe that the world and its issues are far too complex to be studied and understood through a simple experiment so, they choose to direct their efforts into trying to understand it as a whole within its context, hence the richness of data (Antwi & Hamza 2015:220).

Qualitative research is well-known for its aims which are related to understanding the social constructs and norms of life it uses methods which primarily consist of words rather than numerical data or numbers (McCusker & Gunaydin 2015:537: Almalki 2016:291).

3.2.3 Research methodology chosen for the study

For the purposes of the current study, a positivistic research paradigm will be the most suited and appropriate paradigm since it underpins quantitative research methodology. Furthermore, the theories and hypotheses that will be tested throughout the study are efforts to examine whether a relationship of causality exists between the independent variables and the dependent variable (Hong, Hao, Kumar, Ramendran and Kadiresan 2012:67). This will further assist the researcher in drawing proper conclusions that are supported by the empirical results.

3.3 RESEARCH METHODS

The different methods that can be used in each of the abovementioned research paradigms will be discussed in this section.

3.3.1 Positivistic study research methods

There are various ways in which a positivistic paradigm can be tested, namely; Questionnaires and Experiments.

3.3.1.1 Experiments

Experiments are usually performed in a controlled or simulated environment where a target group of people is tested based one consistent variable (Chu 2015:39). Furthermore, this type of method is mainly concerned with identifying a causal relationship between the predetermined variables within a specified environment (Charness, Gneezy & Kuhn 2012:1). From this respect, it can be noted that the sole purpose of these experiments is to examine a relationship between the dependent and independent variables of a study and interpret them accordingly. The main advantage with this type of method is that it enables the researcher to provide valuable, accurate insights to research areas that cannot be easily explored through conventional and traditional methods (Alm, Bloomquist & McKee 2015:1170; Bruggermann & Bizer 2016:4). This, therefore, equips the researcher with the ability to explore any and all topics that might be of interest to them.

Bruggermann and Bizer (2016:4) state that this type of method is often costly and requires a lot of resources from the company or individual researcher that is conducting it. Furthermore, this form of study leaves very little room for the validation of an external party (Struwig & Stead 2013:8).

3.3.1.2 Questionnaires

According to Struwig and Stead (2013:95), there are various types of questions that can be implemented in a questionnaire, and these include; *open ended questions*, which allow the respondent to answer freely without any limitations to their ideas; *multiple choice questions* which will give a respondent clear options to choose from when completing the questionnaire; *dichotomous questions will* enable a respondent between two options. It is similar to the multiple choices, but it is simpler to analyse; and lastly, scaled-response questions will range from a predetermined scale of responses, and the respondent will have to choose based on how they perceive and feel about that certain question.

Scaled-response questions (Likert-type scale) and multiple-choice questions are the two chosen question types to be used in the questionnaires. The two types of questions will allow convenience to the respondents as well, since minimal effort will be required for them to complete these questions. With regards to section A, where factors that influence consumer perceptions will be examined, a Likert-type scale will be used. This implies that questions will range from strongly agree to strongly disagree. In section B, which deals with the biographical information of respondents, multiple choice questions will be most suitable.

3.3.2 Interpretive study research methods

According to Colorafi and Evans (2016:18) the types of research methods that can be used in this particular paradigm, among others, are individual interviews, focus groups and observations.

3.3.2.1 Interviews

Individual interviews consist of the interviewer and the interviewee and they allow the interviewer (researcher) to understand how interviewee (participant) feels and responds to various issues, which ultimately helps the researcher to understand the world from the perspective of the participant (Arino, LeBaron & Milliken 2016:111). This type of interview is facilitated by means of questions that are posed to the participant in order to properly understand their views and rationale about various issues. However, this type of method may be subject to interviewer and interviewee errors (Malhotra 2015:28). Furthermore, it is an extensive method which requires a lot of time and there is potential chance of subconscious bias in the questions asked (Hamza 2014:43). Therefore, this will not be suitable because there is a predetermined time frame for this current study.

3.3.2.2 Focus groups

Focus groups are facilitated by means of a small group discussion where a group of people who have a level of expertise and knowledge about a specific topic are asked to discuss it thoroughly and in detail, and of course, the beauty of this method is the different opinions and ideas that give rise one, best suited solution (Moser & Korstjens 2018:12). Therefore, this type of method aims to understand and examine the different thoughts and feelings of members within a group as opposed to interviews, where only one participant's perceptions are investigated. Struwig and Stead (2013:103) note that this form of method consists of 4 – 12 participants and in most cases, there is a lack of interaction between the participants, instead they only interact with the facilitator. This constitutes a disadvantage because this current study needs a lot more respondents than a maximum of 12.

3.3.2.3 Observations

Observations are a well-suited method for the interpretive research paradigm in that, they allow researchers to see the various issues of world as they are seen by participants and witness how these participants behave in their immediate environment (Arino et al. 2016:111). The aim of this says Moser & Korstjen (2018:12) is to establish a close and intimate familiarity with a specific group of participants and their interactions through an involvement with them in their immediate environment over long periods of time. It is further noted that in this type of method, the researcher relies on their own intuition in interpreting the observations (Struwig & Stead 2013:104). In this respect, it can be noted that the researcher will have no one to verify their observations and this may give rise to a subconscious bias.

3.4 DATA COLLECTION

3.4.1 Secondary data collection

Struwig and Stead (2013:82) and Singh and Mangat (2013:2) describe secondary data as the readily available data obtainable from sources either than the current study being conducted. It is further described that secondary data can be categorised into three main groups; raw data, which has already been obtained; extractions of numbers, also known as numerical data and finally, published work from various authors and researchers. This type of data is extracted from journals, books, online publications, dissertations and google scholar. For the purposes of the current study information was obtained from journals and books found in Google scholar. These secondary sources were of use in addressing consumer perceptions and the influences thereof.

3.4.2 Primary data collection

Primary data is defined as the data that arises as a result of and is obtainable from the current study that is being conducted (Hong et al. 2012:67; Struwig & Stead 2013:82). For the purposes of the study, primary data will be obtained from empirical research (questionnaires) that have been prepared by the researcher.

To properly investigate the factors that influence consumer perceptions of in-house food brands, the identified variables, both dependent and independent, will be discussed and looked into through primary and secondary research. The reason for using two types of research is to analyse and see if the theory supports what happens in practice/reality, and if so, to which extent. To achieve the objectives of the study, a group of people need to be targeted and investigated.

Table 3.1: The proposed questionnaire

Statement	Source Adapted From
Price	
When picking out an in-house brand product...	
It is important to get the best price	(Glynn & Chen 2009:903)
The product has to offer good value for money	(Walsh & Mitchell 2010:20)
I look for the cheapest brand available	(Batra & Sinha 2000:181)
Price is the most important factor I consider	(Batra & Sinha 2000:181; Glynn & Chen 2009:903)
The price of in-house food brands must be relatively lower than that of manufacturer brands	(Glynn & Chen 2009:903)
The low prices of in-house brands are what attracts me to them	(Phiri and Kaupa 2015:196)
The price of in-house food brands is affordable	(Porral & Levy-Mangin 2016:8)
I believe that their low prices are an incentive for purchasing them	(Walsh & Mitchell 2010:20)
Product Quality	
When picking out an in-house brand product…	
I believe that price is a good indicator of quality	(Glynn & Chen 2009:903)
Good quality is what I prefer the most	(Phiri and Kaupa 2015:197)
It is important that the brand is of high quality	(Konuk 2018:307)
It should be a superior product relative to others	(Konuk 2018:307)
It needs to perform consistently with satisfying needs	(Walsh & Mitchell 2010:20)
It is important that the product is well made	(Walsh & Mitchell 2010:20)

It has to have reasonable standard of quality	(Walsh & Mitchell 2010:20)
It should be able to endure throughout its specified life expectancy	(Self-developed)
Convenience	
When buying an in-house brand product…	
It should be one that I can consume without much effort	(Self-developed)
The product should easily be accessible in a store layout	(Self-developed)
It should be one that has easy to follow instructions	(Mallinson, Russell & Barker 2016:26)
It should be ready to be consumed as far as possible	(Mallinson, Russell & Barker 2016:26)
The product should not require a lot of time to prepare	(Self-developed)
I choose items that don't need a lot of cleaning up after consumption	(Mallinson, Russell & Barker 2016:26)
The product should be easy to open, use and dispose of.	(Self-developed)
All information regarding the product should be easily obtainable	(Walsh & Mitchell 2010:20)
Social affinities	
When buying an in-house brand product…	
It should improve the way I am perceived	(Ramya & Mohamed 2016:78)
It should make a good impression on other people	(Walsh & Mitchell 2010:20)

I believe that it helps me feel acceptable within a societal setting	(Walsh & Mitchell 2010:20)
My friends and acquaintances have a say in the products I buy	(Fredriks, Stenner & Hobman 2015:1387)
It should be one that is suited to my personality and preferences	(Self-developed)
My income influences my purchase decisions	(Self-developed)
My occupation determines the food brands I buy	(Self-developed)
Cultural affinities	
When buying an in-house brand product…	
The set of morals and principles that I live by are guided by my purchase decisions	(Fratu 2011:121)
The collective beliefs of my society have an influence	(Khare 2015:315)
The groups I associate with have an influence on my decision	(Seetharaman et al. 2015:79)
I believe that the purchase of certain products says a lot about me	(Self-developed)
I base my purchase decision on values cultural norms	(Khare 2015:315)
It is my family that has the most influence on my purchase decision	(Self-developed)
My age determines the food brands I buy	(Self-developed)
Consumer Perceptions	
When picking out an in-house brand product...	
The readily availability of products influences the way I perceive them	(van Rijswijk & Frewer 2008:1035)
It is important I first do an overall evaluation of how better suited it will be for my needs and wants	(Troy and Kerry 2010:215)

My overall impression of the product will have an influence on how I perceive it	(Self-developed)
I consider safety to be an important factor	(van Rijswijk et al. 2008:1035)
The extent to which I am informed about a product influences the way I perceive it	(Shafie & Rennie 2012:361)
It is its distinct packaging and characteristics that has an impact on how I rate the brand as a whole	(Phiri & Kaupa 2015:196)
My perceived level of satisfaction and enjoyment will affect the way I see the product	(van Rijswijk et al. 2008:1035)
The overall value derived from it will dictate my purchase decision	(Self-developed)

3.4.2.1 Population and sampling

A target population is a collection of people which has been specifically identified and observed for a current study, in which they will be required to answer a series of questions relating to the research topic (Hong et al 2012:67). This study will target a population of consumers who reside in the Nelson Mandela Bay area and who shop at retail stores such as Pick 'n Pay, Spar and Checkers.

A sample frame is defined as carefully thought out process of compiling a list of all those individuals within a population who can be selected for a sample of a study (Hong et al 2012:67). In Struwig and Stead (2013:116) and Singh & Mangat (2013:7), it is specified that there are various methods of sampling from a population; however, the most popular methods are probability and non-probability sampling. In probability sampling, all individuals of a population all have a definite chance of being selected as part of a sample and did this is achieved through some sort of probability tool.

Non-probability sampling is defined as sampling without any use of a probability device (Singh & Mangat 2013:7). Supporting this statement is Struwig & Stead (2013:116) by affirming that in this type of sampling method the chances of an individual being chosen to be part of a sample are unknown. In this type of sampling, the researcher solely depends on their intuition, experience and knowledge in selecting individuals for a sample (Struwig & Stead 2013:116). Moreover, Singh and Mangat (2013:7) and Struwig & Stead (2013:116) identified;

convenience sampling, purposive sampling and quota sampling as three of the most important sampling techniques in non-probability sampling.

Purposive sampling, also known as judgemental sampling, is most suited when there is a particular level of skill and intelligence required in selecting a sample (Struwig & Stead 2013:116; Singh & Mangat 2013:7). Quota sampling is where a sample of respondents is selected based on their personal traits that prove relevant to the recent study (Singh & Mangat 2013:7). Convenience sampling entails selecting a sample of respondents due to their availability and willingness to be a part of the study (Palinkas, Horwitz, Green, Wisdom, Duan & Hoagwood 2015:536).

With regards to the current study, convenience sampling will be the preferred technique employed to select a sample. The reason for this decision is because it allows for the researcher to choose respondents according to their availability and willingness as it might be challenging to get consumers to participate.

3.4.2.2 Data collection instrument

For this study, self-completion questionnaires will be used to gather primary data from the identified sample of respondents. The questionnaire will comprise of a cover page, section A and section B. The intended purpose of the cover page is to give potential respondents a little bit of background and description of the study. This means that; the purpose of the study, what it entails and the name of the university that the researcher belongs to, along with brief instructions on how to complete the questionnaire will all be on the cover page. Section A will comprise of questions that will test the factors that influence consumers' perceptions. Section B will be concerned with the biographical information of each of the respondents.

There are various types of questions that can be implemented in a questionnaire, and these include (Struwig & Stead 2013:95); open ended questions, which allow the respondent to answer freely without any limitations to their ideas; multiple choice questions which will give a respondent clear options to choose from when completing the questionnaire; dichotomous questions will enable a respondent between two options. It is similar to the multiple choices, but it is simpler to analyse; and lastly, scaled-response questions will range from a predetermined scale of responses, and the respondent will have to choose based on how they perceive and feel about that certain question.

Scaled-response questions (Likert-type scale) and multiple-choice questions are the two chosen question types to be used in the questionnaires. The two types of questions will allow convenience to the respondents as well, since minimal effort will be required for them to complete these questions. With regards to section A, where factors that influence consumer perceptions will be examined, a likert-type scale will be used. This implies that questions will range from strongly agree to strongly disagree. In section B, which deals with the biographical information of respondents, multiple choice questions will be most suitable.

3.5 DATA ANALYSIS

After the collection of primary data, an applicable analysis method will have to be chosen in order to determine and interpret the meaning of the data. This is a crucial process because conclusions and recommendations solely rely on the results of the study, which are obtained through data analysis.

The process of data analysis is viewed as a conversion of raw, primary data into significant, useable and interpretable information (Struwig & Stead 2013:156). This data will be first recorded and then entered on an excel spread sheet where it will be analysed using a specified statistical tool. There is various software that allow for the analysis of data; at the most basic level there is Microsoft Excel, which is common office use software, and then there is specialist software such as Statistical Package for Social Sciences (SPSS) (Rowley 2014:323). Both Microsoft excel, and SPSS are useful if there are huge quantities of research that need to be analysed and interpreted. They offer the researcher with a variety of functions, from entering the data into a spread sheet, sorting it and filtering it to generating formulae for the calculation of mean, median, correlations and standard deviations (Rowley 2014:323). However, the current study will use Statistica, which is able to perform the same functions as the abovementioned methods.

Before this data can be distributed, it needs to be analysed, interpreted, and tested for reliability and validity.

3.5.1 Descriptive statistics

Descriptive statistics are useful in presenting huge amounts of statistical data in a simplified, and understandable manner (Struwig & Stead 2013:165). Descriptive statistics involve the calculation of measures of central tendency, measures of dispersion and the measures of variability (Bickel & Lehmann 2011:499). Measures of central tendency include the mode, averages and median (Struwig & Stead 2013:165). In contrast the measures of dispersion and variability are made up of ranges, the variance and standard deviation (Chan, Ismail & Sumintono 2016:30). All these central points will be derived from the empirical research and they will firstly be presented as mean calculations. This helps with data reduction by finding the average of the data presented and possibly using it as a benchmark to see how far each variable is from the norm.

3.5.2 Validity

Validity is described as the degree to which an instrument measures what it was intended to measure (Kimberlin and Winterstein 2008:2278; Noble & Smith 2015:34). There are various types of validity; construct validity, content validity and criterion-related validity, to name a few (Struwig & Stead 2013:146; Heale & Twycross 2015:66). Construct validity determines to which degree an instrument measures an identified construct (Yimlaz 2013:318). This type of validity should enable the researcher to draw conclusions from the results on which the constructs are based. In the case of the current study, influences of consumer perceptions should reflect the construct of simulation, and the chosen variables will produce the results which will be analysed by the researcher (Yimlaz 2013:318). Content validity is the degree to which a measuring tool measures all characteristics of a study (Heale & Twycross 2015:66). This suggests that all variables and factors that have been identified to have an influence on the research topic of the study are properly measured and taken into account. Criterion validity evaluates a correspondence between two or more variables that are that are essentially the same (Struwig & Stead 2013:147). This measuring tool simply depicts to which extent a particular variable is related to another (Heale & Twycross 2015:66; Struwig & Stead 2013:147). For evaluating the validity of data in this current study, the construct validity approach, using the Exploratory Factor Analysis (EFA) will be used. The EFA’s purpose is to try to establish whether the number of interdependent variables identified in the study are in correspondence to each other and to which extent are they independent each other through the process of a distinct procedure (Reio Jnr & Shuck 2015:13).

3.5.3 Reliability

According to Kimberlin and Winterstein (2008:2277) and Struwig & Stead (2013:138), reliability is about measuring the consistency, accuracy and how stable the results of a test are. This suggests that the results which will be obtained from the study should not have any incompleteness and inconsistencies; otherwise the test scores will be deemed unreliable. Kimberlin and Winterstein (2008:2278) further emphasize the importance of reliability by stating that for an instrument to be valid, it needs to be reliable first. Struwig & Stead (2013:138) shared the same sentiments by saying the inadequacy stemming from reliability will lead to undesired, inaccurate validity. To measure reliability, using the Cronbach’s coefficient has been proposed, as is helpful when dealing likert-type scales, which is used as a measuring instrument in the current study (Struwig & Stead 2013:141).

3.5.4 Pearson's product correlation and multiple regression analysis

Correlation is defined as a statistical tool used to measure how closely connected are two variables (Emerson 2015:242). The relationship between these two variables varies from variables to variables, but the relationship can either be strong or weak, and it can either be positive or negative (Emerson 2015:242). Therefore, there is a need for a method to properly measure, document and interpret the measured relationship between two variables. In this current study, Pearson's product correlation will be used. Pearson's product moment correlation is a classical measure that has been used in research for a number of years that measures the correlation in a wide variety of issues or topics in quantitative research methodology (Humphreys, Puth, Neuhauser and Ruxton 2019:1). Supporting this statement is Ly, Marsman and Wagensmaker (2018:4) by defining Pearson's product correlation as a means to determine a linear relationship between two random variables. It is further emphasized that this classical measure is denoted by p in its equation.

A multiple regression analysis consists of practices which evaluate a correlation between the dependent variable and independent variables (Struwig & Stead 2013:168). This type of analysis also examines to which extent a particular independent variable influences the dependent variable (Struwig & Stead 2013:168). In this study, an examination of how the identified independent variables have an influence on the dependent variable need to be done, and hence this analysis is the most suited for the current study.

3.6 SUMMARY

This current chapter provided a detailed discussion into the two types of research methodologies, namely; positivistic research methodology and the interpretive research methodology. Furthermore, it specified which of these two paradigms would be most suited for the study and the various methods in which each research methodology could be conducted. Thereafter, the data collection method and the data analysis methods were discussed and the various methods that fall under them as well.

The next chapter, which is chapter 4, will deal with the empirical results which will be gathered using the methods mentioned in this current chapter. The influence of each of the predetermined factors on consumer perceptions will be evaluated and interpreted for a simpler understanding.

CHAPTER FOUR

EMPIRICAL RESULTS

4.1 INTRODUCTION

Chapter three presented the appropriate research methodology that was selected to conduct this current study. The method that was deemed most appropriate was the positivistic (quantitative) research method. Moreover, this form of research method requires that there be large quantities of numerical data. The researcher consulted secondary data to provide a synopsis of the data, and this was useful in the collection of data. Primary data was obtained through a drafted survey by the researcher. Furthermore, this survey was then presented in the form of a questionnaire, which respondents had to complete.

Chapter four will seek to address and discuss the empirical results which were obtained from the analysis of data which was collected by means of a questionnaire targeting consumers who shop for in-house food brands in the Nelson Mandela Bay area. This section will present various data findings. The data was analysed through a sophisticated statistics software called Statistica. The purpose of the data analysis is to provide accurate statistical results by determining the validity and reliability results, descriptive statistics, correlation coefficients and multiple regression analysis of the collected data.

4.2 BIOGRAPHICAL AND DEMOGRAPHICAL DATA

The information that will be presented below will focus on the biographical information of the respondents who are consumers of in-house food brands within the Nelson Mandela Bay area. Table 4.1 presents information which relates to the respondents' age, gender, marital status, ethnicity, employment status, the preferred retail shop of in-house food brands, how frequently they purchase the products and how long they have been using them.

The total number of questionnaires which were drafted for the current study were 150. Only 10 of these questionnaires were deemed unusable, as there were a several questions within a questionnaire which were incomplete and answered incorrectly. Furthermore, the 140 of the questionnaires that were completed correctly were then used to analyse data for the study.

Table 4.1: Demographic and biographical information of respondents

Item	Count	Percentage (%)

Age Group	<21 years	18	12,86
	21-30 years	63	45,00
	31-40 years	26	18,57
	41-50 years	17	12,14
	51-60 years	10	7,14
	60+ years	6	4,29
	Total	140	100
Gender	Female	86	61,43
	Male	54	38,57
	Total	140	100
Marital status	Single	86	61,43
	Married	36	25,71
	Divorced	7	5,00
	Will not say	11	7,86
	Total	140	100
Ethnicity	African	99	70,71
	Indian	7	5,00
	White	17	12,14
	Coloured	15	10,71
	Other (Specify)	0	0
	Total	138	98,57
Employment status	Employed	73	52,14
	Unemployed	11	7,86
	Student	48	34,29
	Retired	5	3,57
	Other (Specify)	3	2,14
	Total	140	100
Preferred retail shop of in-house food brands	Checkers	22	15,71
	Pick 'n Pay	30	21,43

Table 4.1: Demographic and biographical information (cont.)

Item		Count	Percentage (%)
Preferred retail shop of in-house food brands	Shoprite	38	27,14
	Spar	30	21,43
	Woolworths	20	14,29
	Other (Specify)	0	0
	Total	140	100
How often I use these products	Daily	8	5,71
	Weekly	44	31,49
	Monthly	88	62,86
	Total	140	100
How long I have been using these products	< 1 year	8	5,71
	1-3 years	44	31,43
	4-6 years	35	25,00
	7+ years	53	37,86
	Total	140	100

The most frequent age group of respondents, according to table 4.1 was the age group 21-30 years old with a 45.00% respondent average. The majority gender of the study comprises of females who hold an average of 61,43% and males have 38,57%. This may be attributable to the fact that there are generally more females than males and the fact that they are more friendly and likely to assist. Overall the majority of the respondents of 61,43% are single, 25% is married, 5% is divorced and the other 11% was not willing to say their marital status. Furthermore, the dominating ethnicity of the study was Africans with an over above average percentage of respondents of 70,71%, while Whites and Coloureds each obtained a 12,14% and 10,71% respectively.

With regards to employment status, 52,14% of the respondents are employed, while 34,29% are registered students at a tertiary institution, both part-time and full time. Moreover, 2,14% of respondents when it comes to their employment status specified that they are currently doing learnerships and were unsure as to where they belong.

The most preferred retail shop of respondents was Shoprite with a 27,14% average and the second choice was Spar with 21,43%. These respondents also were asked about how frequently they purchase these products. The results show that 62,86% of respondents purchase them on a monthly basis while the others purchase them on weekly (31,43%) and daily basis (5,71%). Moreover, only 5,71% of the respondents have been using these products for less than a year while the other 94,29% have been using them for longer.

4.3 RESULTS OF THE VALIDITY AND RELIABILITY ANALYSIS

The Exploratory Factor Analysis (EFA) was used to measure the validity of the empirical results obtained from various respondents. Factor loadings greater than 0,4 were considered significant in this current study. Furthermore, as a rule of thumb among statisticians, Cronbach's alpha coefficients of 0,65 to 0,8 are considered significant and a measure of reliability (Vaske, Beaman & Sponarski 2017:165). However, Peter (1979:15) highlighted that a Cronbach-alpha coefficient of 0.5 and 0.6 is a moderate indicator of reliability and that it is enough to be considered and used for data analysis. Supporting this is Bonett and Wright (2014:4) by stating that there is no universally acceptable minimum value for a Cronbach-alpha coefficient and that it depends on the study that is being conducted and the application thereof. Thus, in the current study a Cronbach-alpha coefficient of 0,5 and above will be applied.

Therefore, this section will present the validity and reliability analysis of the different independent and dependent variables. Thereafter, it will also outline those that did not load at all and those that cross-loaded onto two or more factors. The respective factor loadings will be available in the annexures. Moreover, the codes used throughout the study will be explained briefly. PR refers to price; PQ is product quality; CO indicates convenience; SA denotes social affinities; CA refers to cultural affinities.

4.3.1 Price

The factor loadings, correlation and Cronbach-alpha after deletion will be presented by the table below and a discussion of what these scores mean will follow thereafter. These scores will relate to the independent variable; price.

Table 4.2 below presents the reliability and validity results of the independent variable; price

Table 4.2: Reliability and validity of price

% of Variance: 8,77%		**Cronbach-alpha: 0.642991**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
PR6	The low prices of in-house brands are what attracts me to them	0,613281	0,449414	0,569519
PR5	The price of in-house food brands must be relatively lower than that of manufacturer brands	0,589014	0,409876	0,585445
PR8	I believe that their low prices are an incentive for purchasing them	0,588151	0,410834	0,587021
SA6	My income influences my purchase decision	0,515849	0,248818	0,645775
PR1	It is important to get the best price	0,500741	0,390727	0,593176
PR2	The product has to offer good value for money	0,480719	0,335816	0,613220

Table 4.2 shows us that only five of the eight questions that were developed to measure price loaded. This means that only PR6, PR5, PR8, PR1 and PR2 actually measured the independent factor of price. PR3 and PR4 cross loaded with the independent factor's cultural affinity and convenience. Furthermore, the item PR7 cross loaded with product quality, price, cultural affinity and convenience. Thus, these cross-loading items will not be considered useful for the purpose of the study. The item SA6 loaded with price items and the possible reason for this is the monetary value which is attached to the item. The amount of money an individual earns could possibly dictate what they consider to be a reasonable price or not. The factor loadings obtained from this independent variable range from 0,480719 – 0,613281. Based on these factor loadings that are greater than the specified minimum of 0,4, it can be concluded that this factor is a valid factor that can be used to measure the dependent variable of consumer perceptions. The Cronbach-alpha coefficient for this independent variable is 0,642991.

Therefore, it is more than the 0,5 minimum which was stated and thus, suggesting that the scale measuring factor is reliable.

4.3.2 Product quality

The table below will show the validity and reliability analysis results of the independent variable; product quality

Table 4.3: Reliability and validity of product quality

% of Variance: 8,78%		**Cronbach-alpha: 0.716791**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
PQ6	It is important that the product is well made	0,724684	0,560915	0,644124
PQ3	It is important that the brand is of high quality	0,716103	0,549537	0,644312
PQ5	It needs to perform consistently with satisfying my needs	0,639962	0,490028	0,669081
PQ2	Good quality is what I prefer the most	0,609933	0,405434	0,690987
PQ7	It has to have reasonable standard of quality	0,555788	0,411795	0,689538
PQ4	It should be a superior product relative to others	0,455737	0,302639	0,723742

Six of the items that were intended to measure product quality loaded (PQ6, PQ3, PQ5, PQ2, PQ7 and PQ4), while PQ8 cross loaded with each of the five independent factors and PQ1 loaded with cultural affinity. PQ1 is, thus, considered not useful for the purpose of the study and will be left out. Moreover, Table 4.3 clarifies that this measuring scale explains 8,78% of the variance of the total data obtained from the surveys. Furthermore, the factor loadings from this independent variable range from 0,455737 – 0,724684 and the Cronbach-alpha coefficient that was obtained is 0,716791. Since the factor loadings are above 0,4 and the Cronbach-alpha coefficient is above 0,5, it can be concluded that this independent variable is both valid and reliable when it comes to measuring the dependent variable of consumer perceptions.

4.3.3 Convenience

Table 4.4 below will briefly present the reliability and validity analysis results of the independent factor convenience.

Table 4.4: Reliability and validity of convenience

% of Variance: 7.50%		**Cronbach-alpha: 0.733524**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
CO4	The product should not require a lot of time to prepare	0,729585	0,512065	0,681516
CO5	I choose foods items that do not need a lot of cleaning up after consumption	0,702290	0,576876	0,653483
CO3	It should be one that has easy to follow instructions	0,667723	0,485745	0,691013
CO6	The product should be easy to open, use and dispose of	0,663943	0,543644	0,668080
CO1	It should be one that I can consume without much effort	0,503808	0,362066	0,731627

From the table above, it is evident that five out of eight factors that were intended to measure the independent variable; convenience loaded together (CO4, CO5, CO3, CO6 and CO1). These factors measured what they were initially developed to measure. CO2 and CO7 both had insignificant loadings, which means that they will be disregarded as they will not be useful in the study. CO8 loaded with items that were meant to measure Social Affinity. Table 4.4 has presented the variance percentage from this independent variable, and it is 7,50%. This means that this factor tells us about 7,50% of the variance of the total data obtained from the surveys. The factor loadings obtained are well above 0,4 and the Cronbach-alpha coefficient (0.733524) is above 0,5. Thus, the measuring scale of this factor is both reliable and valid.

4.3.4 Social affinities

Table 4.5 below presents the reliability and validity results of the independent variable; social affinity

Table 4.5: Reliability and validity of social affinities

% of Variance: 11.91%		**Cronbach-alpha: 0.857244**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
SA3	I believe that it helps me feel acceptable within a societal setting	0,834047	0,760471	0,816216
SA2	It should make a good impression on other people	0,754106	0,644517	0,834134
SA1	It should improve the way I am perceived	0,747548	0,629981	0,836385
SA4	My friends and acquaintances have a say in the products I buy	0,728045	0,655347	0,833318
CA2	The collective beliefs of my society have an influence	0,626518	0,589148	0,842743
CO8	The item should be ready to be consumed as far as possible	0,609800	0,541371	0,849136
CA1	The set of morals and principles that I live by guide my purchase decisions	0,591659	0,559535	0,845813

Table 4.5 shows that only four of the items that were developed and derived to measure the factor; Social Affinity loaded together (SA3, SA2, SA1, SA4). SA5 and SA7 both produced insignificant loadings that are below the minimum of 0,4. These two items will not be regarded for the study, as they will not be useful in the study. Furthermore, SA6 loaded with items that were meant to measure the factor Price. Along with the Social Affinity items, CA2, CO8 and

CA1 loaded with them. With regards to CA2 and CA1, the positioning of the questions which relate to Social Affinity and Cultural Affinity was very close. It is highly possibly that the respondents understood the questions as if they related to Social Affinity rather than Cultural Affinity. Besides, there is a slight overlap between the two factors, in that an external influence, whether it be friends or the society, has an impact in how an individual perceives in-house food brands. The factor loadings that were obtained from EFA of this factor are above the minimum of 0,4. The measuring scale of this factor is deemed valid. The Cronbach-alpha coefficient that was obtained from the analysis was 0,8572. It is evident that the Cronbach-alpha coefficient is more than 0,5 and therefore, the measuring scale of this factor is reliable as well.

4.3.5 Cultural affinities

The validity and reliability analysis results of the independent factor cultural affinities will be outlined by Table 4.6 below.

Table 4.6: Reliability and validity of cultural affinities

% of Variance: 8.78%		**Cronbach-alpha: 0.676399**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
CA7	My age determines that food brands I buy	0,702208	0,510265	0,586494
CA6	It is my family that has the most influence on my purchase decision	0,656530	0,548075	0,569971
CA5	I base my purchase decision on values cultural norms	0,628650	0,527205	0,586427
CA3	The groups I associate with have an influence on decision	0,530488	0,433375	0,624052
PQ1	I believe that price is a good indicator of quality	0,436449	0,156149	0,729103

Table 4.6 highlights that this independent variable tells us about 8,78% of variance of the total data. Furthermore, only four of the seven items that were intended to measure this variable

loaded together (CA7, CA6, CA5, CA3) while CA1 and C2 loaded with the factor Social Affinity. CA4 had an insignificant loading, and therefore, will not be considered for the study. The factor loadings from this factor were from 0,436449 – 0,702208. These factor loadings are above the minimum loading of 0,4 and thus, the scale measuring this factor is valid. Moreover, the Cronbach-alpha coefficient (0.676399) is above 0,5. Based on this, it can be concluded that the scale measuring this factor is reliable.

4.3.6 Consumer perceptions

The dependent variable consumer perceptions were also tested for reliability and validity. The table below will portray the results from these two analyses in relation to the dependent variable consumer perceptions.

Table 4.7: Reliability and validity of consumer perceptions

% of Variance: 31.41%		**Cronbach-alpha: 0.683744**		
Item	**When buying a product…**	**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
CP1	The readily availability of products influences the way I perceive them	-0,549772	0,364281	0,656635
CP2	It is important I first do an overall evaluation of how better suited it will be for my needs and wants	-0,650780	0,457682	0,632270
CP3	My overall impression of the product will have an influence on how I perceive it	-0,536434	0,358206	0,658044
CP4	I consider safety to be an important factor	-0,414984	0,257933	0,679550
CP5	The extent to which I am informed about a product influences the way I perceive it	-0,626244	0,439607	0,639612

Table 4.7: Reliability and validity of consumer perceptions (cont.)

% of Variance: 31.41%		Cronbach-alpha: 0.683744		
Item		**Factor Loading**	**Item total correlation**	**Cronbach-alpha After deletion**
	When buying a product…			
CP6	It is its distinct packaging and characteristics that has an impact on how I rate the brand as a whole	-0,554544	0,367253	0,655989
CP7	My perceived level of satisfaction and enjoyment will affect the way I see the product	-0,592888	0,401458	0,647472
CP8	The overall value derived from it will dictate my purchase decision	-0,525616	0,346579	0,660189

From the above table, it is evident that all the eight items that were intended to measure the dependent variable; consumer perceptions loaded. All these items had negative loadings range between -0,414984 - -0,650780. Moreover, the fact that they are negative will not have an impact on the evaluation of these items. Therefore, the scale measuring factor is above the minimum of 0.4 and hence, it is valid. Furthermore, the Cronbach-alpha coefficient is 0,683744. Therefore, the measuring scales that were developed to measure this independent variable are reliable as well. It is also important to note that this dependent variable explains 31,41% of the variance of the total data.

4.4 DESCRIPTIVE STATISTICS ON THE VARIABLES

The descriptive statistics from the empirical results that were obtained from in-house food brand consumers in the Nelson Mandela Bay area. These descriptive statistics will present mean scores and standard deviations. Table 4.8 will present these results below;

Table 4.8: Descriptive statistics on variables

Factor	Mean	Standard deviation
Social affinity	3.308163	0.844941

Product quality	4.154008	0.527449
Price	3.940476	0.590719
Cultural affinity	3.114286	0.756418
Convenience	3.792610	0.630430
Consumer perceptions	3.824839	0.501411

Table 4.8 depicts that most of the respondents were neutral when it came to four of these independent variables and agreed on one of the factors. This is evident from the mean scores that were obtained by these respondents. Product quality had the highest mean score of 4,154. This may be attributable to the fact that this is the only factor whose loadings almost loaded together. No other item loaded onto this factor, it was purely product quality loadings only. The other factors' means range from 3,114 – 3,825 and this suggests that consumers are neutral towards agreeing or disagreeing with the line items (questions) that were developed to measure these independent variables and dependent variable.

The standard deviations for these results range from 0,501 – 0,845. Therefore, this suggests that for factors such as social affinity, price, cultural affinity and convenience, the responses from respondents are widely dispersed, more so for social affinity. On the other hand, for consumer perceptions and product quality, the dispersion of responses in the questions was not that much.

4.5 PEARSON'S PRODUCT CORRELATIONS

Table 4.9 presents the results of the correlations between the five independent variables and the dependent variable that was explored in the study.

Table 4.9: Pearson's product correlations

FACTOR	SA	PQ	PR	CA	CO	CP
SA	1,000000	-0,037575	0,170514	0,391215	0,149197	0,174914
PQ	-0,037575	1,000000	0,028586	-0,043992	0,285705	0,428747
PR	0,170514	0,028586	1,000000	0,189220	0,009002	0,247048
CA	0,391215	-0,043992	0,189220	1,000000	-0,003773	0,311044
CO	0,149197	0,285705	0,009002	-0,003773	1,000000	0,224306
CP	0,174914	0,428747	0,247048	0,311044	0,224306	1,000000

The guidelines for interpreting a correlation coefficient for will presented by a table below, which will ultimately help in addressing and understanding the correlations of the study (Cronk 2018).

Table 4.10: Interpreting a correlation coefficient

Correlation	Meaning
-1.0 to -0,5	Strong negative relationship
-0,5 to -0,3	Moderate negative relationship
-0,3 to -0,1	Weak negative relationship
-0,1 to 0,1	Strong nor weak relationship
0,1 to 0,3	Weak positive relationship
0,3 to 0,5	Moderate positive relationship
0,5 to 1.0	Strong positive relationship

From table 4,10 above, it can be noted that there is a strong moderate relationship between the independent variable of Product quality (r= 0,4287) and the dependent variable; Convenience. This was well expected because the measuring scale of Product quality was deemed both reliable and valid for the study. Therefore, a mutual relationship between these two variables was expected. Moreover, the correlation coefficient analysis also revealed that Cultural affinity (r= 0,3110) also has a moderate positive relationship with the dependent variable. A possible reason for this is that when the Exploratory Factor Analysis was conducted, the factor loadings from this construct produced factor loadings that are above the minimum loading of 0,4. Therefore, the measuring scale of this variable is deemed valid, however, since the Cronbach-alpha was below 0,7, this measuring scale could not be labelled as reliable. Furthermore, the independent variable; Social affinity (r=0,1749) had the weakest correlation to the dependent variable. The correlation between the independent variables; Social affinity and Cultural affinity (r=0,3912) could further substantiate why some of the items from CA loaded with items from SA. This also proves the statement that was made earlier on that these two factors sort of overlap. Therefore, the interpretation is that there is a weak but positive correlation between the two factors.

4.6 MULTIPLE REGRESSION ANALYSIS

A multiple regression analysis is a statistical practice that is used to evaluate the relationship between a single dependent variable and several dependent variables (Chatterjee & Hadi 2012:1). Therefore, a multiple regression analysis shows the extent to which an identified independent variable has an influence on a dependent variable. This influence could either be significant or not. In order to test this influence, a multiple regression analysis was conducted.

Table 4.11: Multiple regression analysis between independent and dependent variable(s)

Dependent variable: Consumer perceptions			R^2= 0, 3352
Independent variables	**Beta**	**t-value**	**p-value**
Social affinity	0,034581	0,441867	0,659298
Product quality	0,408347	5,529924	0,000000
Price	0,175060	2,424052	0,016682
Cultural affinity	0,282740	3,651589	0,000373
Convenience	0,101970	1,364982	0,174546

The R^2 value seen on table 4,11 above is known as the coefficient of determination (Hair, Black, Babin & Anderson 2013:152). This value is telling us that 33,52% of variance in the dependent variable is explained by the set of chosen independent variables. The Beta coefficient indicates the direction and strength that the independent variable derives from the dependent variable. The significant relationship between each independent variable and dependent variable is symbolised by the p-value. Furthermore, the t-value indicates the confidence level between the dependent variable and independent variables.

Table 4,11 indicates that Product quality (0,4083; $p<0.001$) has the strongest significant influence on the dependent variable; Consumer perceptions. This can be attributable to the fact that previously, consumers perceived in-house food brands to be of low quality. However, the times have changed, and the quality has tremendously improved. With the change in these improvements, so did the perceptions and expectations. Therefore, it is highly expected that this independent factor has such a strong influence on the dependent variable. Furthermore, this factor has the highest confidence level (t= 5,5299), which further proves that this factor has the strongest significant influence on Consumer perceptions.

Cultural affinity and Price are the other two factors that have a significant relationship on the predetermined dependent variable. Their outputs are; CA (0,2827; $p<0,001$) and PR (0,1750; $p<0,05$). This means that the cultural influences that individuals are exposed to on a daily basis and in their lifetimes has a significant influence on how they, as consumers, perceive in-house food brands. Furthermore, the price that they are consciously willing to pay, and the price charged also play a role in how these individuals evaluate in-house food brands. Ultimately, it influences their perceptions of these brands. The confidence level obtained from both the regression analysis of these factors, CA (t= 3,6515) and PR (t= 2,4240), substantiate the significant influence of these two factors.

Lastly, there is no evidence of any significant influence between the two independent variables; Social affinity (0,0346; p>0.5) and Convenience (0,1019; p<0,5). This suggests that the social influences and groups of acquaintances an individual associate with do not have a significant influence on how they perceive in-house food brands. Furthermore, the convenience of the in-house food brand is not a major factor that will influence consumers to think otherwise about these brands. Therefore, how convenient these brands are will not have a significant influence on how consumers perceive them.

4.7 HYPOTHESIS TESTING

This study comprised of five predetermined independent variables. These predetermined variables were developed with the hope that they would be able to examine the various influences of consumer perceptions of in-house food brands in the Nelson Mandela Bay area. These five factors are price, product quality, convenience, social affinities and cultural affinities.

Various analyses were done to determine various outcomes. However, the one analysis that relates to hypotheses is the multiple regression analysis. This analysis revealed that only three out of five independent variables have a significant influence on the dependent variable; consumer perceptions. Therefore, the two factors whose regression results did not produce evidence of significant influence on consumer perceptions are social affinities and convenience. Moreover, the following indicates that these hypotheses were accepted;

H1- There is a significant relationship between price and consumer perceptions

H2- There is a significant relationship between product quality and consumer perceptions

H4b- There is a significant relationship between cultural affinity and consumer perceptions

4.8 SUMMARY

This chapter presented the empirical results that were obtained from the survey. The purpose of the survey was to investigate influences of consumer perceptions in the Nelson Mandela Bay area. Therefore, after this data was obtained, and various analyses had to be done in order for it to be useful and interpretable. Thereafter, these results were presented in different paragraphs. The first results that were presented were the biographical and demographical data of the respondents. Secondly, it was the validity and reliability results of each of the independent variables. Here, it was found that only three factors' measuring scales were both valid and reliable. The next paragraph reported the descriptive statistics from the data, which consisted of means and standard deviations. Lastly, the correlation relationship between the dependent variable and the independent variables was tested through Pearson’s product correlation coefficient and the hypotheses formulated in chapter one were confirmed through a multiple regression analysis.

The next chapter is the final chapter of the study. This chapter comprise of the summary and recommendations to retail stores who manufacture and sell in-house food brands in the Nelson Mandela Bay area. These recommendations will be based on the results obtained in chapter four. The contributions to the study will also be presented in this chapter. Moreover, it will briefly highlight the limitations of the study.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

Chapter four, which was the previous chapter of this study, presented the empirical results. These empirical results were obtained through the drafted survey and were processed through Microsoft Excel. Various tests were run through the use of a sophisticated statistical software called Statistica. The biographical and demographic information of the respondents was the first test to be executed. Validity, being the second test, was tested through an Exploratory Factor Analysis (EFA). Reliability of the results was determined through the calculation of Cronbach-alpha coefficients. Moreover, descriptive statistics which comprised of means and standard deviations of the identified factors was assessed. The relationship between predetermined variables was evaluated through Pearson's product correlations. Lastly, a multiple regression analysis was conducted to assess the extent to which the independent variables have an influence on the dependent variable.

Chapter five will provide an overview and summary of the main results that were obtained in chapter four and whether these results are supported by the theory in the literature review chapter. Recommendations to manufactures and sellers of in-house food brands in the Nelson Mandela Bay area will follow. These recommendations will be based on the results that were obtained in chapter four. Furthermore, the limitations of the study will be stated. Lastly, a conclusion to the study will be presented.

5.2 RESEARCH OBJECTIVES

The primary objective of the study was to investigate the different factors that influence customer perceptions of in-house food brands in the Nelson Mandela Bay area. From the primary objective, secondary objectives were drawn:

- To investigate if the *price* has an influence on customer perceptions of in-house food brands.
- To investigate if the *product quality* has an influence on customer perceptions of in-house food brands.
- To investigate if *convenience* has an influence on customer perceptions of in-house food brands.
- To investigate if *social affinities have* an influence on customer perceptions of in-house food brands.

- To investigate if *cultural affinities* have an influence on consumer perceptions of in-house food brands
- To provide conclusions and recommendations based on the results of this current study to retail stores on how they could better manage and influence their consumers' perceptions to buy in-house brands.

To help achieve the abovementioned primary and secondary objectives, methodological objectives were compiled:

- To undertake a theoretical investigation into the factors that influence customer perceptions of in-house food brands;
- To propose a theoretical framework that reflects the relationship between the independent variables (Price, Product Quality, Convenience and Social Affinities and Cultural Affinities) and dependent variable (Customer perceptions) from which a hypothesis will be formulated;
- To determine the appropriate research methodology to address the identified research problem and research objectives;
- To develop an appropriate measuring instrument that will be used to empirically test the influence of the independent variables on the dependant variables;
- To source primary data from a pre-determined sample of customers who reside around the Nelson Mandela Bay area and purchase in house-food brands, and to statistically analyse the data, as well as test the proposed hypotheses; and
- To provide conclusions and recommendations based on the findings of this current report which could help food retailers understand why consumers make the decisions they make with regards to in-house food brands. Furthermore, it will also provide ways for them to possibly improve their current situation.

5.3 RESEARCH DESIGN AND METHODOLOGY

To conduct the study, a positivistic research paradigm was chosen by the researcher. This paradigm makes use of a quantitative research design where large quantities of data, mostly numerical data, are analysed and interpreted. Secondary data was consulted in order to fully understand the subject area which was being investigated in the study. Primary data was then obtained through the distribution of surveys (questionnaires). These questionnaires were then given and completed by consumers of in-house food brands in the Nelson Mandela Bay area.

Several tests were run before the results obtained from the questionnaires would be interpretable and useful. The Exploratory Factor Analysis (EFA) was considered to evaluate construct validity of the results. Factor loadings greater than 0.40 were considered valid. The reliability of the results was determined through the calculation of Cronbach-alpha coefficients and factors which produced Cronbach-alpha coefficients greater than 0.5 were considered reliable. Furthermore, descriptive statistics, which produced means and standard deviations were calculated. This calculation helped the researcher determine the average of the data and use it as a benchmark to evaluate how far each variable is from the norm. Lastly, Pearson's product correlations were calculated to determine the correlation between the predetermined variables. The degree to which these independent variables had an influence on each other, and the dependent variable was assessed through a multiple regression analysis.

5.4 MAIN FINDINGS FROM THE LITERATURE REVIEW

The second chapter of the study started by discussing the retail sector as a broad and the positive influences and affects it has on various economies. The impact of the retail industry was then evaluated from two perspectives; from the corporate retailer and regulatory authorities. Furthermore, it looked at the policies that are implemented to ensure that competitors in this industry are competing in the best and most unharmful way. Thereafter, it discussed the retail food industry in South Africa.

The retail food industry in South Africa comprises of retail stores who sell a wide variety of food products that are aimed at various market segments, more often than not at lower prices compared to that other retailers in other countries. Furthermore, these stores are leading factor to the growth and success of the retail food industry in the country. This growth has been expedited by the positive changes occurring in the country that include; economic growth, trade contracts among countries, empowerment of citizens and positive political changes. In 2007, retail stores managed to generate a revenue of 17 Billion United States Dollars and a market share of 70 percent resulting from their excellent performance with regards to consumer sales. Consumer perceptions are defined as the narratives, attitudes and interpretations displayed by consumers towards an organisation's product offering. Thus, to address this dependent variable, several independent variables were compiled. These independent variables are; price, product quality, convenience, social affinities and cultural affinities.

It was found that price had two components; the price which a consumer is willing to pay, which is known as the perceived price, and the price charged for the product. In most cases, consumers are attracted by the low prices of in-house food brands, provided that the quality of these brands is on the same comparable level as manufacturer brands. There has also been a positively recognized relationship between price and the product quality of an in-house food brand. This suggests that consumers, even before buying a brand, have pre-established expectations of how much they are willing to pay and the amount of value they would like to derive from the consumption of the brand. It was further noted that these perceived benefits have an influence on the perceptions of these consumers and ultimately, their purchase intention.

Product quality was defined as a judgement of the product and its relevant capabilities and performances. The evaluation of these products starts as soon as the consumer acquires relevant information about the product to when the consumer finally consumes it. Moreover, consumers of developing countries are more likely to purchase non-local manufacturer brands since they have been historically deemed to have superior quality than in-house brands, ignoring the rise and increasing success of these brands. This means that these brands are at a disadvantage in some countries. Thus, an improvement in marketing and their product quality would steer people into the direction of these brands.

Time and effort are the two consistent dimensions that remain constant in convenience research, as they are directly attributable to the concept of convenience and they help in understanding consumer lifestyles and resources. This statement directly aligns with how the times have changed and how busy people have become. Therefore, acquiring a food product in minimal time, which will take as little effort as possible to consume, is what the majority of consumers are yearning for. Depending on how easily and effortless a brand satisfies consumer needs and desires will also be a determinant in whether consumers purchase it or not.

With regards to the social influences an individual is exposed to, there are three categories which have an impact on how they perceive various food brands; family, reference group and societal roles and status. Of these three, family is the most important one. In some families, it is the mother who makes the final purchase decision. In this respect, it would be wise for marketers to know and understand which member of the family has the highest influence and for which products. This will help them cater for their consumers or niches better.

Culture is something that underpins traditional beliefs, norms and values which are all acquired by an individual throughout their lifetime and throughout their time living in a community. It should be also noted that culture may differ from one geographical area to another. Marketers need to consider the cultural influences inherent in each market and product category so that they can adapt their competitive strategies and efforts to influencing consumers toward their own product

5.5 MAIN RESULTS FROM THE EMPIRICAL INVESTIGATION

Chapter four revealed that the most frequent age group of respondents was the group 21-30 years old with a 45% respondent average. The majority gender of the study were females with an average of respondent average 61,43% and males have 38,57%. Overall the majority of the respondents of 61,43% are single, and 52,14% of the respondents are employed, while 34,29% are registered students at a tertiary institution. Furthermore, the dominating ethnicity of the study were Africans with an over above average percentage of respondents of 70,71%. Moreover, the most preferred retail shop of respondents was Shoprite with a 27,14% average with 62,86% of respondents stating that they purchase in-house food brands on a monthly basis while 31,43% purchase them weekly. The results also revealed that only 5,71% of the respondents have been using in-house food brands for less than a year while the other 94,29% have been using them for longer.

The Exploratory Factor Analysis (EFA) was used to test the validity of the results obtained from the respondents. Factor loadings greater than 0.4 were deemed valid in the study. Both the independent variables and dependent variable produced factor loadings greater than 0.4. Therefore, they are all valid. The measure of reliability was done through the calculation of Cronbach-alpha coefficients. The minimum value stated for a coefficient to be reliable was stated to be 0.5. All of the factors loaded; price, product quality, convenience, social affinities and cultural affinities, produced Cronbach-alpha coefficients that are greater than 0.5. The weakest Cronbach-alpha coefficient was obtained from price (0,6430) and the strongest was from social affinities (0,8572). Therefore, this suggests that all the scale measuring factors used to analyse the factors are both reliable and valid. It is also important to note that some items loaded with factor items which they were not originally intended to load with. The justification for these can be found in the previous chapter.

Pearson's product correlation presented the relationship between the predetermined factors and consumer perceptions. The strongest relationship was produced by product quality ($r= 0,4287$). This indicated that there is a moderate positive relationship between product quality and the dependent variable, consumer perceptions. Social affinity ($r=0,1749$) had the weakest correlation to the dependent variable. This indicated a weak positive relationship between social affinities and consumer perceptions.

The multiple regression analysis conducted showed that product quality (0,4083; $p<0.001$) has the strongest significant influence on the dependent variable; consumer perceptions. This factor produced the highest confidence level ($t= 5,5299$), which further proves that this factor has the strongest significant influence on consumer perceptions. Cultural affinity and price are the other two factors that have a significant relationship on the predetermined dependent variable. Their outputs are; cultural affinity (0,2827; p<0,001) and price (0,1750; p<0,05). There is no evidence of any significant influence between the two independent variables; social affinity (0,0346; p>0.5) and convenience (0,1019; p<0,5).

The hypotheses formulated in chapter one was accepted and rejected based on the results of the multiple regression analysis. The following are how the hypotheses were accepted or rejected;

Table 5.1: Summary of hypotheses tested

	Hypothesis	Decision
H1	There is a significant relationship between price and consumer perceptions	Accepted
H2	There is a significant relationship between product quality and consumer perceptions	Accepted
H4b	There is a significant relationship between cultural affinities and consumer perceptions	Accepted
H3	There is a significant relationship between convenience and consumer perceptions	Rejected
H4a	There is a significant relationship between social affinities and consumer perceptions	Rejected

It is also imperative that the researcher reveals how the methodological objectives that were formulated to help address the primary and secondary objectives were achieved. The chapters in which these objectives were achieved will also be stated. The table below will address this

Table 5.2: Secondary and methodological objectives achieved and their respective chapters

Objectives	**Chapter achieved in**
To undertake a theoretical investigation into the factors that influence customer perceptions of in-house food brands	Chapter 2
To propose a theoretical framework that reflects the relationship between the independent variables (Price, Product Quality,	Chapter 1

Convenience and Social Affinities and Cultural Affinities) and dependent variable (Customer perceptions) from which a hypothesis will be formulated	
To determine the appropriate research methodology to address the identified research problem and research objectives;	Chapter 3
To develop an appropriate measuring instrument that will be used to empirically test the influence of the independent variables on the dependant variables;	Chapter 3
To source primary data from a pre-determined sample of customers who reside around the Nelson Mandela Bay area and purchase in house-food brands, and to statistically analyse the data, as well as test the proposed hypotheses; and	Chapter 4
To provide conclusions and recommendations based on the findings of this current report which could help food retailers understand why consumers make the decisions they make with regards to in-house food brands. Furthermore, it will also provide ways for them to possibly improve their current situation.	Chapter 5

The table above shows the secondary and methodological objectives that were stated for the study. Furthermore, the right column of the table shows the chapters in which these objectives were achieved.

5.6 RECOMMENDATIONS TO MANUFACTURERS AND RETAILERS OF IN-HOUSE FOOD BRANDS IN THE NELSON MANDELA BAY AREA

This section will provide a few recommendations to manufacturers and sellers of in-house food brands about which factors to focus on, when looking to influence consumer perceptions of these brands. These recommendations are based on the statistical results obtained in chapter four.

5.6.1 Price

This factor has a weak positive relationship with the dependent variable, consumer perceptions. Furthermore, this factor also has a significant relationship with consumer perceptions. Therefore, this suggests that retail managers and manufacturers of these brands should take their pricing seriously. Their price policy should match their target consumers, competitors, competitive positioning and their product offering. This suggests that prices of in-house food brands should not be overstated, relative to the abovementioned factors.

The price charged by a retail store and the perceived price of a consumer are not always the same. It is, thus, important that they understand how much consumers are willing to pay for a product and whether anything can be done to establish middle ground between their prices and the consumers' prices. The managers could draft up small surveys or directly ask consumers of the appropriate prices they think each product should cost. Of course, there are other approaches to get consumers to the price that the retailer charges at, e.g.: premium in-house food brands. Premium in-house food brands are top-of-the-range in-house food brands and they are superior than regular in-house food brands. Consumers are willing to pay a premium fee to experience superior quality.

Low pricing on in-house food brands is a contributing factor to consumers liking them, provided that they are not easily perishable. A link between price and product quality exists. To keep consumers happy, retail managers and manufacturers of these brands should ensure that these brands are priced relatively lower than traditional manufacturer brands. These low prices can be achieved through mass pricing and speciality pricing. Speciality pricing is when the retailer charges high a mark-up on smaller volumes of stock, while mass pricing is the opposite, it is when the retailer charges a low mark-up on larger volumes of stock.

5.6.2 Product quality

From the empirical results, it can be noted that there is a strong moderate relationship between the independent variable of product quality ($r= 0,4287$) and the dependent variable; consumer perceptions. This was well expected because the measuring scale of product quality was deemed both reliable and valid for the study. Furthermore, this was the strongest relationship between any independent variable and dependent variable in the study. The multiple regression analysis also showed that product quality (0,4083; $p<0.001$) has the strongest significant influence on the dependent variable; consumer perceptions.

The empirical results suggest that product quality is the most important factor that has an influence of consumer perceptions of in-house food brands. It is no surprise because previously, these brands were deemed to have low quality. However, the times have changed and so has their quality. Consumers acknowledge how far these brands have come and they know how far they could still go. Hence, the reason why consumers are demanding more quality from these brands. Consumers would, therefore, be more inclined to choose and purchase a product that is of high quality and better satisfies their needs over alternative products. A trick to this is to have a variety of in-house products that satisfy the same need and from there, a consumer will purchase the one they find most suitable.

5.6.3 Cultural affinities

Cultural affinities have a moderate positive correlation to consumer perceptions. This factor also has a significant influence on this dependent variable. In order to understand people and their behaviours, culture is an important thing to consider as it is forms part of every community. Thus, the influences that come with culture are also an integral part of understanding why consumers make the decisions they make. Retail managers and manufacturers of in-house food brands need to understand that different places have different cultures and understanding those cultures will contribute to their success in that particular geographical area. This includes understanding the principles and morals that people live by in that area. Therefore, an evaluation of how people live in a particular area of the Nelson Mandela Bay will help the retail store know exactly which in-house food brands the people of that community want more.

Sub-culture should also be considered. Sub-cultures are smaller, defined groups within cultural groups. These sub-cultures may or may not have the same beliefs as the cultural group they branched from. This, therefore, presents an opportunity for retail managers and manufacturers of in-house food brands to use these sub-cultures as different niches. A focus strategy can be used in these niches. It will afford retail stores the opportunity to properly cater for these respective niches and provide them with the need satisfying products that they need and want.

5.7 LIMITATIONS OF THE STUDY AND POSSIBLE FUTURE RESEARCH

The first limitation of the study was experienced in the data collection process, where not that many individuals were keen on participating in the surveys. Some respondents did not even return the questionnaires that they were given. Furthermore, some respondents handed in incomplete questionnaires which made it hard to analyse the data given. The questionnaires which had too many incomplete sections and questions were ruled out of the study and the others were used.

The time period in which the study had to be completed was also a challenge. There were predetermined dates in which certain chapters/sections of the study had to be completed. The data collection period took longer than expected and the chapters thereafter had to be done in a short period of time.

The study itself was limited to the Nelson Mandela Bay area. Therefore, the results may differ from results obtained from other geographical areas. Researchers are encouraged to conduct this study in another geographical area to ensure that these results are not biased towards the Nelson Mandela Bay area. Moreover, the study was easily conductible since it was only limited to this geographical area.

5.8 SELF-REFLECTION BY THE RESEARCHER

The researcher gained a lot of useful knowledge about the retail food industry and the predetermined independent and dependent variable(s). This includes in-depth knowledge of these factors and how they relate and possibly influence each other. The methodology chapter presented the researcher with an opportunity to learn more about various research designs, the implications thereof and choosing the most appropriate for the study. Also, the various tests which need to be executed to test data for reliability and validity and the tests for determining the relationship between the independent and dependent variables. The empirical chapter taught the researcher on how to execute these tests through a statistical software called Statistica and how to interpret these results. Thereafter, from these results, conclusions had to be drawn and recommendations had to be made. The researcher would have not known all of this if it was not for the current study.

5.9 CONCLUSION

This study has added value to the retail food industry by identifying the factors that influence consumer perceptions of in-house food brands. It is imperative for manufacturers and retailers of in-house food brands to understand the recommendations stated in the chapter and implement them accordingly if they wish to improve their sales, consumer relations and ultimately, their success as a business. The factors that influence consumer perceptions of in-house food brands are price, product quality and cultural affinities. Convenience and social affinities do not have a significant influence on consumer perceptions. Should the manufacturers and retailers on in-house food brands want to influence the way consumers perceive their products, they should direct their efforts at ensuring that their products are priced competitively, have superior quality and that they relate to the principles and morals of their consumers.

Consumer perceptions are the narratives, attitudes and interpretations displayed by consumers towards an organisation's product offering. It is, thus imperative to know and understand how consumers perceive and relate to a product, as this helps the organisation accommodate their preferences and needs accordingly. Successful organisations/businesses contribute to economic growth and are able to give back to their immediate communities and consumers. In order for the retail stores to continue being the leading factor to the growth and success of the retail food industry in the country, retail stores must first understand their consumers and how they think and perceive their product offerings.

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ANNEXURE A: QUESTIONNAIRE

NELSON MANDELA
UNIVERSITY

DEPARTMENT OF BUSINESS MANAGEMENT
South Campus
Tel. +27 (0)41 504 2021
s215104374@mandela.ac.za
June 2019

Dear Sir/Madam

The BCom Honours (Business Management) student at the Nelson Mandela University are required to conduct a research study.

Topic: The factors that influence consumer perceptions of in-house food brands in the Nelson Mandela Bay Municipality

It would be appreciated if you could assist the student by responding to the questionnaire presented. Please note that participation in this study is **voluntary** and your identity will remain **anonymous.** You are **able to withdraw at any moment with no penalty**. The information provided will be **treated as strictly confidential** and will be used for research purposes only. No individual results will be published. To participate in this study, you must be a person who buys in-house food brands and a resident of Nelson Mandela Bay. The questionnaire should take approximately 8 minutes to complete. Please make a tick where applicable and fill in the empty fields as per the instructions given.

We trust that you will find this in order. Thank you for your time and effort in completing this questionnaire. If you have any queries, please do not hesitate to contact us.

Kind regards

Mrs A Deliwe	**Mr L Gobodo**
Supervisor	Researcher

QUESTIONNAIRE

Please indicate by means of a cross (X) the extent to which you agree or disagree with the statements stated below.

1) Strongly disagree
2) Disagree
3) Neutral
4) Agree
5) Strongly agree

SECTION A

THE FACTORS THAT INFLUENCE CONSUMER PERCEPTIONS OF IN-HOUSE FOOD BRANDS

When picking out an in-house brand product...		**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
1	It is important to get the best price	1	2	3	4	5
2	The product has to offer good value for money	1	2	3	4	5
3	I look for the cheapest brand available	1	2	3	4	5
4	Price is the most important factor I consider	1	2	3	4	5
5	The price of in-house food brands must be relatively lower than that of manufacturer brands	1	2	3	4	5
6	The low prices of in-house brands are what attracts me to them	1	2	3	4	5
7	The price of in-house food brands should be affordable	1	2	3	4	5
8	I believe that their low prices are an incentive for purchasing them	1	2	3	4	5
When picking out an in-house brand product...		**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly**
9	I believe that price is a good indicator of quality	1	2	3	4	5
10	Good quality is what I prefer the most	1	2	3	4	5
11	It is important that the brand is of high quality	1	2	3	4	5
12	It should be a superior product relative to others	1	2	3	4	5
13	It needs to perform consistently with satisfying my needs	1	2	3	4	5
14	It is important that the product is well made	1	2	3	4	5
15	It has to have reasonable standard of quality	1	2	3	4	5

16	It should be able to endure throughout its specified life expectancy	1	2	3	4	5
17	It should be one that I can consume without much effort	1	2	3	4	5
18	The product should easily be accessible in a store layout	1	2	3	4	5
19	It should be one that has easy to follow instructions	1	2	3	4	5
20	The product should not require a lot of time to prepare	1	2	3	4	5
21	I choose foods items that do not need a lot of cleaning up after consumption	1	2	3	4	5
22	The product should be easy to open, use and dispose of	1	2	3	4	5
When picking out an in-house brand product...		**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly**
23	All information regarding the product should be easily obtainable	1	2	3	4	5
24	The item should be ready to be consumed as far as possible	1	2	3	4	5
25	It should improve the way I am perceived	1	2	3	4	5
26	It should make a good impression on other people	1	2	3	4	5
27	I believe that it helps me feel acceptable within a societal setting	1	2	3	4	5
28	My friends and acquaintances have a say in the products I buy	1	2	3	4	5
29	The set of morals and principles that I live by guide my purchase decisions	1	2	3	4	5
30	It should be one that is suited to my personality and preferences	1	2	3	4	5
31	The collective beliefs of my society have an influence	1	2	3	4	5
32	The groups I associate with have an influence on decision	1	2	3	4	5
33	My income influences my purchase decision	1	2	3	4	5
34	My occupation determines the food brands which I buy	1	2	3	4	5
35	I believe that the purchase of certain products says a lot about me	1	2	3	4	5
When picking out an in-house brand product...		**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly**
36	I base my purchase decision on values cultural norms	1	2	3	4	5
37	It is my family that has the most influence on my purchase decision	1	2	3	4	5
38	My age determines that food brands I buy	1	2	3	4	5
39	The readily availability of products influences the way I perceive them	1	2	3	4	5
40	It is important I first do an overall evaluation of how better suited it will be for my needs and wants	1	2	3	4	5
41	My overall impression of the product will have an influence on how I perceive it	1	2	3	4	5
42	I consider safety to be an important factor	1	2	3	4	5

43	The extent to which I am informed about a product influences the way I perceive it	1	2	3	4	5
44	It is its distinct packaging and characteristics that has an impact on how I rate the brand as a whole	1	2	3	4	5
45	My perceived level of satisfaction and enjoyment will affect the way I see the product	1	2	3	4	5
When picking out an in-house brand product...		**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly**
46	The overall value derived from it will dictate my purchase decision	1	2	3	4	5

SECTION B

BIOGRAPHICAL INFORMATION

Please indicate in the appropriate block with an (X).

1) Age

Years	< 21	21-30	31-40	41-50	51-60	60+
Response	1	2	3	4	5	6

2) Gender

Female	1
Male	2

3) Marital status

Single	Married	Divorced	Will not say
1	2	3	4

4) Ethnicity

African	Indian	White	Coloured	Other (Specify)
1	2	3	4	

5) Employment status

Employed	Unemployed	Student	Retired	Other **(**Specify**)**
1	2	3	4	

6) The retail shop I use to buy in-house food brands

Checkers	Pick 'n Pay	Shoprite	Spar	Woolworths	Other (Specify)
1	2	3	4	5	

7) How often I purchase these product

Daily	Weekly	Monthly
1	2	3

8) How long I have been using these products

< 1 year	1 – 3 years	4 – 6 years	7+ years
1	2	3	4

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE

ANNEXURE B: FACTOR LOADINGS

	Social Affinity	Product quality	Price	Cultural affinity	Convenience		
SA3	0,834047	-0,040399	0,017545	0,095970	0,032828		
SA2	0,754106	-0,006708	0,205730	-0,137567	0,059375		
SA1	0,747548	0,025552	0,112589	-0,139202	0,064215		
SA4	0,728045	-0,091516	-0,099221	0,390185	-0,068889		
CA2	0,626518	-0,170157	0,032310	0,363205	0,008293		
CO8	0,609800	0,087976	0,211347	0,049402	0,311899		
CA1	0,591659	0,078097	-0,069090	0,288352	0,208866		
PQ6	-0,116590	0,724684	0,125843	-0,139896	0,051826		
PQ3	0,084283	0,716103	0,000721	0,133117	0,127512		
PQ5	-0,075327	0,639962	-0,240546	-0,019646	0,151832		
PQ2	-0,019138	0,609933	0,053677	0,050415	0,127351		
PQ7	-0,101679	0,555788	0,138797	-0,273030	0,080169		
PQ4	0,076033	0,455737	-0,249373	0,265189	0,002232		
PQ8	-0,050313	0,430561	0,210667	-0,414530	0,076616	**Cross Loading**	
PR7	0,146141	0,408637	0,493657	-0,170039	-0,036276	**Cross Loading**	
PR6	0,347667	0,023227	0,613281	0,146421	-0,141071		
PR5	0,200329	-0,019120	0,589014	0,080737	-0,019997		
PR8	0,225881	0,061707	0,588151	0,074220	-0,148773		
SA6	-0,170716	0,045460	0,515849	0,103459	-0,086492		
PR1	-0,163315	0,059202	0,500741	0,057000	0,196332		
PR2	-0,214988	0,042906	0,480719	-0,117769	0,115912		
PR3	0,197376	-0,310634	0,457746	0,401639	0,122056	**Cross Loading**	
PR4	0,038450	-0,147607	0,457649	0,402301	0,211660	**Cross Loading**	
CA7	0,112341	-0,005022	0,067417	0,702208	-0,124540		
CA6	0,047730	-0,038035	0,182490	0,656530	-0,017700		
CA5	0,176127	0,085064	0,084202	0,628650	0,128737		
CA3	0,399859	-0,216950	0,056899	0,530488	-0,072940		
PQ1	0,024804	0,208900	-0,011279	0,436449	0,093057		
CO4	0,115367	-0,053134	-0,083198	0,102379	0,729585		
CO5	0,260633	0,022738	0,006415	0,042383	0,702290		
CO3	-0,146162	0,266819	-0,018774	-0,135366	0,667723		
CO6	0,102082	0,198962	-0,061141	-0,060474	0,663943		
CO1	-0,016859	0,191877	0,252333	-0,099400	0,503808		
CO2	0,000281	0,272973	0,215558	-0,096523	0,341893	**Insignificant Loading**	

ANNEXURE B: FACTOR LOADINGS (CONT.)

	Social Affinity	Product quality	Price	Cultural affinity	Convenience		
CO7	0,069283	0,305319	0,313927	-0,360519	0,275645	**Insignificant Loading**	
SA5	0,393789	0,205745	0,097518	0,222791	0,179301	**Insignificant Loading**	
SA7	0,229091	0,008228	0,363222	0,130250	0,126536	**Insignificant Loading**	
CA4	0,324659	0,055028	0,356829	0,326976	-0,090395	**Insignificant Loading**	
Expl.Var	4,526357	3,335919	3,334438	3,335726	2,849457		
Prp.Totl	0,119115	0,087787	0,087748	0,087782	0,074986		

CONSUMER PERCEPTIONS WERE ANALYSED SEPERATELY

Variable	Factor loading
CP1	-0,549772
CP2	-0,650780
CP3	-0,536434
CP4	-0,414984
CP5	-0,626244
CP6	-0,554544
CP7	-0,592888
CP8	-0,525616
Expl.Var	2,513225
Prp.Totl	0,314153

ANNEXURE C: ETHICS FORM

NELSON MANDELA
UNIVERSITY

FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICS CLEARANCE FOR TREATISES / DISSERTATIONS / THESES

Instructions:

- Should be completed by study leader and student
- Must be signed off by student, study leader and HoD
- Submit completed form to Ms Lindie van Rensburg
- Please ensure that the research methodology section from the proposal is attached to this form
- ***Please note that by following this Proforma ethics route, the study will NOT be allocated an ethics clearance number***

FACULTY: Business and Economic Sciences

SCHOOL / DEPARTMENT: School of Management Sciences

I, (surname and initials of study leader) Deliwe A.P.

the study leader for (surname and initials of candidate) Gobodo L

— (student number) 215104874

a candidate for the degree of BComHons (Business Management)

with a treatise/dissertation/thesis entitled (full title of treatise/dissertation/thesis):

Factors influencing consumer perceptions of in-house food brands at Nelson Mandela Bay Municipality

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ANNEXURE A – ETHICS FORM TO COMPLETE

considered the following ethics criteria *(please tick the appropriate block):*

		YES	NO
1.	Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		✓
2.	Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		✓
2.1	Are subjects/participants/respondents of your study:		
2.1.1	Children under the age of 18?		✓
2.1.2	NMMU staff?		✓
2.1.3	NMMU students?		✓
2.1.4	The elderly/persons over the age of 60?		✓
2.1.5	A sample from an institution (e.g. hospital/school)?		✓
2.1.6	Handicapped (e.g. mentally or physically)?		✓
3.	Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		✓
3.1	Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		✓
4.	Will the participant's privacy, anonymity or confidentiality be compromised?		✓
4.1	Are you administering a questionnaire/survey that:		
4.1.1	Collects sensitive/identifiable data from participants?		✓
4.1.2	Does not guarantee the anonymity of the participant?		✓
4.1.3	Does not guarantee the confidentiality of the participant and the data?		✓
4.1.4	Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		✓
4.1.5	Will create doubt whether sample control measures are in place?		✓
4.1.5	Will be distributed electronically via email (and requesting an email response)? Note: • If your questionnaire **DOES NOT** request respondents' identification, is distributed electronically and you request respondents to return it *manually* (print out and deliver/mail); **AND** respondent anonymity can be guaranteed, your answer will be NO. • If your questionnaire **DOES NOT** request respondents' identification, is *distributed via an email link and works through a web response system (e.g. the university survey system); **AND*** respondent anonymity can be guaranteed, your answer will be NO.		✓

ANNEXURE A – ETHICS FORM TO COMPLETE

5.	Do you wish to publish an article from this study and submit to an accredited Journal?		✓

Please note that if ANY of the questions above have been answered in the affirmative (YES) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty RECH (Ethics) representative.

and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

STUDY LEADER(S) — DATE: 2019/04/15

HEAD OF DEPARTMENT — DATE: 15/04/2019

STUDENT — DATE: 15 April 2019

STUDENT — DATE