

CONSUMER RESPONSES TO OUT-OF-STOCK SITUATIONS OF PREFERRED HAIR CARE BRANDS: A CASE OF THE FAST-MOVING CONSUMER GOODS INDUSTRY WITHIN A SOUTH AFRICAN CONTEXT

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Declaration: I hereby declare that this research report, submitted to The Independent Institute of Education, for the Bachelor of Commerce Honours in Strategic Brand Management degree, is my own work and has not previously been submitted to another University or Higher Education Institution for degree purposes.

Abstract

The fast-moving consumer goods industry is one of the most profitable global industries, and therefore it is important that this industry remains profitable (Roubini, 2010). Out-of-stock situations have the potential to negatively affect the profitability of this industry. These situations have been previously researched, although not in a South African context, with regards to fast-moving consumer goods. The research problem explores how the majority of South African consumers respond when faced with an out-of-stock situation of their preferred hair care brand, and the implications of these responses?

The results of this study can be used to possibly prevent the problem of these out-of-stock situations. Two theoretical frameworks were used for this study. Firstly, The Theory of Reasoned Action was explored due to two primary factors of this theory, namely, Attitudes towards behaviour and subjective norms about behaviour (Fishbein and Ajzen, 1975). Secondly, The Engel-Blackwell-Miniard Consumer Decision Model was used as a model on which to base concepts such as the decision process, environmental variables that influence the decision process and individual variables that influence the decision process. In order to collect the necessary data for this study, a questionnaire was constructed and was distributed to 100 South African consumers. A key finding of this study is that 64% of respondents identified that they would switch to another hair care brand if their preferred brand was out-of-stock.

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CHAPTER 1 – INTRODUCTION

1.1. CONTEXTUALISATION AND BACKGROUND OF THE STUDY

The fast-moving consumer goods (FMCG) industry is one of the most profitable industries, globally. The FMCG sector is the fourth largest sector in India and is the largest sector in New Zealand (Roubini, 2010). This is no different in South Africa and therefore it is important that FMCG brands ensure that they remain profitable (Roubini, 2010). FMCG include food and beverage products, pharmaceuticals, cosmetics, household products, consumables and toiletries (Report Buyer, 2016). Consumers often find themselves in a situation where their preferred brand, of a certain product, is out-of-stock at the store in which they are shopping. Some product types have more of an emotional and psychological appeal to consumers, which could affect their response when an out-of-stock (OOS) situation occurs. Over time, consumers may form relationships and often become loyal to their preferred brands. Out-of-stock situations could potentially affect the success of a brand or a FMCG retail store. This brings about the need to identify consumer responses when faced with an out-of-stock situation of a brand with which consumers have possibly formed some sort of relationship.

1.1.1. History of the study

Previous research studies have been conducted on out-of-stock situations. Firstly, a study on consumer responses to out-of-stock situations, in retail stores, was conducted in Pakistan (Zaidi, 2015). This research study looked consumer responses to OOS situations of no particular brand, but rather as a holistic problem that occurs in retail stores. Zaidi (2015), found that product and brand switching was the most prevalent response to an OOS situation.

In another study, consumer responses to out-of-stock situations of brands at a grocery store, was conducted by Campo and Gijbrecchts (2013). These authors determined that consumer responses to OOS situations were product and brand specific (Campo et al, 2013). This study found that OOS situations of low status brands, caused consumers to postpone the purchase until their preferred brand was in-stock.

In another study conducted by Zinn and Liu (2001), the results of four separate studies were examined to obtain an average result for consumer responses to OOS situations. This study found that the majority of respondents would switch from the preferred brand to another available brand and that the minority of respondents would delay the purchase until their preferred brand is in-stock at their preferred retailer, when faced with an OOS situation (Zinn et al, 2001).

Gruen, Corsten and Bharadwaj (2008) conducted studies in American and European markets and found that American consumer responses and European consumer responses to OOS situations differed. These researchers studied consumer responses to OOS situations of different product categories and concluded that globally, store switching is the most popular consumer response to OOS situations (Gruen et al, 2008).

1.1.2. Gap in the research

Although previous studies have been conducted on out-of-stock situations, many of the above mentioned studies are now out of date, warranting the need for a current study on this topic. Previous studies on OOS situations have also mostly looked at consumer responses to out-of-stock situations in general, as well as with regard to particular products categories. However, no previous studies have been conducted on the hair care product category in particular. The majority of these studies also do not come to a definitive conclusion that can be applied to all brands and product categories and therefore in order to determine consumer responses to OOS situations of preferred FMCG hair care brands, a new study is required. There are also no previous studies conducted on OOS situations within a South African context.

1.2. RATIONALE

This research topic was selected in order to gain deeper insights into the effect that out-of-stock situations of FMCG hair care brands can have on brands themselves, retailers and consumers. The results of this study can be used to prevent the problem of out-of-stock situations by providing retailers and brands, in South Africa, with substantial information which could help them to better understand consumer behaviour. By fast-moving consumer goods retailers and hair care brands understanding how consumer responses to out-of-stock situations can affect their businesses, these brands and retailers can use the findings of this study to improve their operations. This study can therefore be used by

South African FMCG brands and retailers in understanding the impacts of out-of-stock situations on their brands and businesses. This research study is relevant as it could potentially contribute to increased business efficiencies of FMCG hair care brands, as well as retailers in South Africa that stock such brands.

Out-of-stock situations are detrimental to brand loyalty, store loyalty, and their profit opportunities (Olivier, 2008). Olivier (2008), the director of a large South African FMCG company, states that an out-of-stock situation at one store creates a sale for another. This is due to the fact that if there is no product on the shelf, it cannot be bought. This further shows that the findings of this study can aid businesses and brands in future successes and operating efficiencies. The different levels of brand loyalty amongst consumers are also important to note, as they contribute to the way in which consumers respond, when faced with an OOS situation of their preferred hair care brand.

This study could also contribute to future academic studies on branding, brand loyalty and customer loyalty, as this study strongly relates to loyalty. This is further explored in the literature review. This study can also contribute to other South Africa brands, which operate in a similar category as hair care brands, as the findings of this study could be used to infer how OOS situations can affect their brands.

1.3. PURPOSE STATEMENT

The purpose of this study is to determine how the majority of consumers in South Africa respond to out-of-stock situations of their preferred fast-moving consumer goods hair care brands, when shopping, and the effect that these out-of-stock situations have on South African FMCG hair care brands and retailers.

1.4. PROBLEM STATEMENT

It is unclear as to how the majority of South African consumers respond to out-of-stock situations of preferred FMCG hair care brands. It is also therefore unclear as to what the impact of these out-of-stock situations is, on FMCG hair care brands and retailers, in South Africa. Out-of-stock situations could cause consumers to respond in different ways and there is the potential that these different responses could have an impact on the success and perceptions of brands and businesses.

Thus the problem being investigated is: How do the majority of South African consumers respond when faced with an out-of-stock situation of their preferred hair care brand and what are the implications of these responses.

1.5. HYPOTHESES AND RESEARCH QUESTIONS

Hypotheses

H1: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch to a competing brand.

H0: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will not switch to a competing brand but rather switch retail store in order to find their preferred brand or postpone the purchase.

Research questions

- What is the most prevalent consumer response to out-of-stock situations of preferred fast-moving consumer goods hair care brands, in South Africa, in order to identify the impact of these situations on brands and retailers?
- Is there is a correlation between age, LSM, and gender, and brand loyalty?
- What drives consumers to purchase a particular hair care brand?
- What is the impact of an out-of-stock situation of a preferred fast-moving consumer goods hair care brand?

1.6. RESEARCH OBJECTIVES

Primary objective

To determine consumer responses to out-of-stock situations of preferred fast-moving consumer goods hair care brands, in South Africa, in order to identify the impact of these situations on brands and retailers.

Sub-objectives

- To determine how the majority of consumers respond to out-of-stock situations of preferred fast-moving consumer goods hair care brands, in South Africa.
- To determine if there is a correlation between age, and gender, and brand loyalty, through determining consumer responses to OOS situations.

- To identify what drives consumers to purchase a particular hair care brand.
- What is the impact of an out-of-stock situation of a preferred fast-moving consumer goods hair care brand?

CHAPTER 2 – LITERATURE REVIEW

2.1. CONCEPTUALISATION

1. Customer-brand relationships - The repeated interactions between a brand and a customer that begin to imitate similar characteristics of relationships between people (PwC, 2011). Customer-brand relationships develop characteristics such as love, connection, interdependence, intimacy, and commitment (PwC, 2011). This concept is important to note as the strength of the relationship between the consumer and the OOS brand, can influence the way in which the consumer responds.

2. Brand loyalty – The willingness of customers to repurchase the same brand (Klopper and North, 2016). Kotler and Keller (2006) define brand loyalty as the extent of consumer faithfulness towards a specific brand which is expressed through repeat purchases. The different levels of brand loyalty amongst consumers are important to note, as they contribute to the way in which consumers respond, when faced with an OOS situation of their preferred hair care brand.

3. Customer loyalty – An action that occurs when consumers choose to use a particular shop or buy one particular product, rather than use other shops or buy products made by other companies (Lovelock, 2011). Customer loyalty has also been defined as the result of consistent positive emotional experiences, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services (Shaw, 2017). In this study, customer loyalty will refer to the loyalty a consumer feels towards a store, synonymously used with store loyalty, and not the loyalty the customer feels towards a hair care brand (brand loyalty).

4. Fast-Moving Consumer Goods (FMCG) – Non-durable items that are purchased and consumed frequently, which have relatively low prices (MBAskool, 2017). FMCG categories include personal and household care and food and beverages. FMCG companies give consumers products that are highly demanded, while developing consumer-brand relationships (Telegraph, 2015). In this study, the focus will be on hair care brands within the FMCG category.

5. Brand – A brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service, as distinct, from those of other sellers (AMA, 2017). A brand is also differentiator which becomes associated with credibility, quality and satisfaction in

the mind of consumers (Business Dictionary, 2017). In this study a brand refers to Fast-Moving Consumer goods hair care brands, which refer to gels, hair sprays, shampoos and conditions. These brands include Pantene, Sunsilk, Organics, Tresemme, VO5, Body on tap, Gliss, Loreal, and Dove.

2.2. LITERATURE REVIEW

In this study, the focus is on South African consumer responses when faced with an out-of-stock situation, of a preferred FMCG hair care brand. This study will look at hair care brands for Caucasian, Indian, Asian and Mixed Race hair, rather than ethnic hair. This is because of the difference in hair care processes, user needs, usage frequency, location availability and product features. Such brands include Pantene, Organics, VO5, TRESemme, Dove, and Loreal, to name a few. These brands offer products in categories of shampoos, conditioners, hair treatments, gels, hair sprays and mousses, which are sold at affordable prices by supermarkets and chemists.

Out-of-stock situations can occur as a result of factors such as delivery delays, ordering inaccuracies, increased demand, and production delays (Olivier, 2008). Typically, the reasons for out-of-stock situations are not communicated to consumers. This can cause a multitude of different consumer responses that could affect a brand or retailer. These possible consumer responses include 1) purchasing a substitute brand, 2) postponing the purchase, and 3) leaving the store and opting to look for the preferred brand at another store (Olivier, 2008). These possible consumer responses will be explored.

In order to determine if an out-of-stock situation, of a preferred hair care brand, has a noticeable effect on a brand and or FMCG retailer, it is necessary to identify what the majority of consumer responses are when faced with an OOS situation of their preferred hair care brand. This study will therefore follow a quantitative approach, in order to determine how the majority of consumers are most likely to respond.

This literature review will analyse available and relevant literature, concerned with consumer responses to out-of-stock situations, of the customers preferred brand. Previous research has been conducted on out-of-stock situations, but no previous research has been found on this topic, within a South African context, and specifically, regarding out-of-stock situations of FMCG hair care brands. This literature review will consider concepts such as branding, brand loyalty, consumer responses, consumer-brand relationships,

FMCG hair care brands in South Africa, consumer purchase behaviour, the consumer decision-making process, and the consumer buying process. These are qualitative concepts which will be analysed through the use of a quantitative questionnaire, in order to gather large amounts of data that can be used to infer how the majority of consumers behave.

2.2.1. Brands and branding

Benefits of brands and branding

According to (Aaker, 1991), a brand is a distinctive name and symbol and includes a unique logo, trademark and packaging design. A brand thus signals the source of the product to the consumer and is a point of differentiation from competitors.

Aaker identified that there are three common functions of branding, a symbolic benefit, an experiential benefit, and a functional benefit (Aaker, 1991). These functions were explored as it was necessary to understand if there was a correlation between a consumers response to an OOS situation of their preferred hair care brand and the functional, symbolic and experiential benefits of the brand.

A symbolic benefit refers to a brand having a unique identity, and that brands are often used and bought as a way to symbolise that a consumer belongs to a specific group. In the industry of hair care brands, this infers that a particular hair care brand can symbolise that a consumer belongs to a particular Living Standards Measurement group, or that they possibly belong to a group of trendy fashion-conscious people. Although one cannot visibly see what hair care brand a particular consumer uses, certain brands can be identified through the scent it leaves on the consumer. The symbolic benefit of a hair care brand could therefore create increased loyalty to a brand, which could affect the way in which a consumer responds when the brand is OOS.

Experiential benefits refer to the way in which a consumer feels when using and purchasing a brand. Experiential benefits of buying a particular hair care brand could include the feeling of being at a top hair salon. Experiential benefits are therefore the way consumers feel when they experience using the brand. When a particular brand is OOS, the consumer is then faced with the option of not being able to have their usual experiential benefits and could potentially opt for the experiential benefits of a substitute brand.

Functional benefits refer to product-related attributes and exactly what the product offers and does for a consumer. In terms of hair care brands, this would be that the brand offers a consumer clean hair, colour staying benefits or shiny hair. This concept is important to note as the functional benefit that the brand offers may be a deciding factor in whether they switch brand, switch store or post-pone the purchase.

Park, Jaworski, and MacInnis (1986) Agree with Aaker, and additionally integrate this idea with Maslow's hierarchy of needs. These authors suggest that brands provide consumers with functional benefits that are associated with product-related attributes, and involve the consumers' desire for problem removal (Park, Jaworski, and MacInnis, 1986). These functional benefits are linked to Maslow's physiological and safety needs as the consumer feels a level of self-confidence and security when purchasing a brand which they are sure offers them the correct functional benefits (Van Auken, 2015).

They further identify that brands provide consumers with experiential benefits, linked to satisfying experiential needs such as sensory, variety, and cognitive stimulation (Aaker, 1991). These experiential benefits are linked to Maslow's social needs. Therefore, if a preferred brand, which is known to offer the consumer the correct experiential benefits, is out-of-stock, the consumers' loyalty towards the brand may diminish due to the fact that that specific brand is unable to contribute to the consumers social needs. Therefore it is necessary to note that due to the correlation between Maslow's hierarchy and the benefits of a brand, an OOS situation can impact the level of brand loyalty and the consumer-brand relationship, and could cause a particular consumer response to an OOS situation of their preferred hair care brand.

Lastly, they state that brands provide consumers with symbolic benefits, which are not related to product attributes, but rather provide consumers with a means of social approval and personal expression, linked to Maslow's esteem needs (Park, Jaworski, and MacInnis, 1986). It can therefore be deduced that brands are not just a means of satisfying a functional need but can be used as a way for a consumer to establish their own identity through the continual use and purchasing of certain brands, and that brands can affect the way consumers feel and act. This contributes to the idea that an out-of-stock situation, of a consumers preferred brand, can affect their actions and can cause consumers to respond in different ways, depending on the different benefits that the consumer usually experiences from the brand. It is thus important to identify what benefits and needs a

brand satisfies, in order to determine the level of response that a consumer might have, when faced with an out-of-stock situation of their preferred hair care brand.

Primary Components of Branding and Brand Image

According to (Holt, 2003), branding is vital in creating a competitive advantage and maintaining customer value. Although there are many aspects to branding, (Holt, 2003) identifies that there are four components, which primarily affect a brand. These components are companies, popular culture, customers and influencers.

Firstly, within these four components, it is the company's duty to provide a channel for the customer to purchase a desired product, and to manage the 4 p's of the marketing mix, which include the product, place, promotion, and price (Martin, 2014). Therefore, when an out-of-stock situation occurs, it can be inferred that the company is not performing correctly. This can affect a consumer's perception of a company and or brand, and can influence a consumer's response to a brand or company at that moment and in the future. This also contributes to the notion that an OOS situation of a preferred hair care brand, can negatively affect customer loyalty towards the store, which is out-of-stock. This concept is important to note as this study also investigates whether the store, or brands, equity is mostly affected by an OOS situation.

Secondly, as said by (D. Holt, 2003) popular culture can influence the representation of a brand. This statement brings up the idea that consumers can be persuaded or encouraged to use a certain brand based on what they see on television, on social media and in magazines. In terms of popular culture influencing the use of particular brands, this influence can come from a brands use of a celebrity brand ambassador, who consumers relate to. Popular culture can also influence a brands reputation through TV and social media; for example, if one of the Kardashians shows their use of a particular hair care brand on TV or Instagram, consumers might be influenced to use that brand in order to have hair like theirs. As consumer choice grows, and popular culture grows, more and more consumers could easily be influenced to use a specific brand. This reasons that a response to an out-of-stock situation of a particular brand can be affected or guided by persuasive popular culture. It also reasons the necessity for determining consumer's responses to out-of-stock situations of preferred brands, as brands and retailers, could both benefit from this knowledge, considering the level of substitutes and influence to potentially support a substitute brand or store, in an OOS situation.

In line with the concept of popular culture affecting brands, influencers can also affect a brand (D. Holt, 2003). Influencers are individuals who have the power to affect purchase decisions due to their, real or perceived, knowledge, authority or position within a peer or reference group (Business Dictionary, 2017). It can be deduced that influencers could affect brand preference, and a consumer response to an out-of-stock situation of a preferred hair care brand. This is not only due to the notion that a consumer could be influenced to respond in the same way in which the influencer responds to the OOS situation, but also in that a seed, to switch brands or retailer, may have already been planted in the mind of a consumer, by an influencer, which could grow when the out-of-stock situation occurs. This deduces that an OOS situation could lead to brand or store switching due to a consumers prior exposure of an influencer.

Lastly, customers affect brands in that they consume products, interact with brands and form opinions of brands and products (D. Holt, 2003). Customer opinions and experiences are often shared with friends and family members and can impact or persuade another customer to respond a certain way to an out-of-stock situation. This suggests that when a consumer is faced with an out-of-stock situation, they might look to other customers for a way to respond.

These components of branding infer that a consumer can be influenced and caused to think, or respond, to an OOS situation of a preferred hair care brand, in a particular way based on the actions of a company, popular culture, influencers and other consumers. For example, if the company does not have the consumers preferred brand in stock, this could cause the consumer great frustration, which could lead them to shopping elsewhere. The consumer could also respond to the OOS situation, by seeing someone with great hair (an influencer) buying another brand in-store, and choose to switch to the influencers brand.

2.2.2. Brand loyalty

Aaker defines brand loyalty as a positive mindset expressed towards a brand, resulting in the sustained purchasing of a brand's products over time (Aaker, 1991). Brand loyalty is a measurement of the attachment that a consumer has to a brand and that the level of brand loyalty reveals how likely, or unlikely, a consumer is to switch brands (Aaker, 1991). Aaker maintains that if consumers buy with little concern for brand name, but rather focus on price, convenience and features, a brand is likely to have low brand equity and low brand

loyalty. This infers that if a consumer has a low level of loyalty towards a brand, they are more likely to respond to an OOS situation by switching brands.

Hoyer, Macinnis and Pieters (2012, 251) agree with Aaker by defining brand loyalty as a consumer buying the same brand repeatedly, because of a strong preference for it. This strong preference could be as a result of the above mentioned symbolic, experiential and functional benefits of a brand. Brand loyalty has also been defined as the positive attitude of the consumer, towards the brand, that results in a consistent consumer preference for the brand over its competitors (Ferrell and Hartline, 2011).

These authors further identify that there are three levels of brand loyalty, namely, brand recognition, brand preference and brand insistence. Within these degrees of brand loyalty, brand recognition is the lowest form of loyalty, where the consumer considers the brand as a purchasing option. Brand preference occurs when a consumer will opt for one brand over its competitors, considering the brand is available. Brand insistence occurs when a consumer will accept no substitute for their preferred brand and will rather go out of their way to find their preferred brand (Ferrell and Hartline, 2011). From this, it can be concluded that if a brand has a strong brand name, it is likely that a brand will have a high level of loyal customers and high brand equity. It is thus also likely that a consumer will be less concerned with the convenience and price of a specific brand, and will be more concerned with remaining brand loyal, when a brand has a strong brand name and high brand equity. This suggests that the level of brand loyalty that a consumer has towards a brand will affect the way in which the consumer responds, when faced with an OOS situation of their preferred brand.

It can also be concluded that when faced with an OOS situation of a preferred hair care brand, a consumer that has a brand preference would be likely to opt for a substitute brand, whereas a consumer that is brand insistent would be likely to shop around until they find their preferred brand or postpone the purchase until their preferred brand is available at their preferred store. This idea will be used to determine if the fore-mentioned brands benefit from brand preference, brand insistence or brand recognition.

2.2.3. Consumer-brand relationships

Fast-moving consumer goods (FMCG) hair care products include shampoo, conditioner, hair gel, hair spray, hair mousse and hair treatments. In South Africa, these FMCG can be found at retail stores such as Clicks, Pick n Pay, Checkers and Dischem. These products come from brands such as TRESemme, Dove, VO5, Organics, and Pantene.

In order to determine possible consumer responses to out-of-stock situations of preferred hair care brands, it is necessary to understand that consumers form relationships with, and attachments to brands. Consumer-brand relationships are defined as an emotional connection and commitment between the two entities, with a rational expectation of behaviour, from one to the other (Hollebeek, 2011). Hemetsberger (2009) agrees with this idea and acknowledges that a consumers' attachment to a brand can be just as emotional and meaningful as interpersonal relationships.

From the above mentioned concept of consumer-brand relationships, it can be reasoned that the attachment between a consumer and brand could lead to increased commitment, dedication, and loyalty to a preferred brand and its products. This is important to note, as a consumer's response to an out-of-stock situation, of their preferred hair care brand, could therefore be dependent on the relationship and emotional attachment that the consumer has to the brand. When the consumer is faced with an OOS situation of their preferred hair care brand, the consumer could be emotionally driven to respond to the situation, in the same way that a person would respond to an interpersonal situation.

There is currently no research that is specifically on the level of attachment and relationships between consumers and their hair care brands. It is therefore important for this study to identify the level of relationships between South African consumers and their preferred hair care brands and to then determine consumer responses to OOS situations of their preferred hair care brands, with regards to varying degrees of consumer-brand relationships.

Furthermore, it is necessary to recognise that there are six stages of a positive consumer-brand relationship. These six stages are faith, brand experience, satisfaction, service recovery, repeat purchases, and recommendations (Hartman, 2017). Hartman (2017) suggests that a consumer-brand relationship grows stronger and increasingly positive as the relationship moves from a consumer having faith in a brand, to a consumer

recommending a brand over all others. From this, it can be noted that when a consumer is faced with an OOS situation of their preferred hair care brand, the consumer-brand relationship can be damaged due to the notions that the consumer could lose faith in the brand, perceive it as a negative experience, and feel displeased by the situation. These factors can contribute to a consumer's response to an OOS situation in the future, as well as the consumer's future loyalty to the brand.

2.2.4. Consumer responses to out-of-stock situations

A previous research study on consumer responses to out-of-stock situations in retail stores has been conducted in Pakistan. This research looked consumer responses to OOS situations of no particular brand, but rather as a holistic problem that occurs in retail stores. The researcher identified that consumer responses were driven by multiple factors of the decision-making process (Zaidi, 2015). Zaidi (2015) found that in liquor retail stores, product and brand switching was the most prevalent response to an OOS situation.

Although this response was to an OOS situation at a liquor retail store in Pakistan, one could conclude that South African consumers could respond to an OOS situation of a preferred hair care brand similar way. The response of consumers switching brands, does not financially affect the retailer as they are still making a sale, but rather negatively affects a brand in terms of its sales revenue and image. This response can therefore be correlated to customer loyalty of a particular store, rather than to brand loyalty.

A different approach to this matter was taken by Campo and Gijbrecchts (2013). These authors focused on consumer responses to out-of-stock situations, of brands, at a grocery store. These authors determined that consumer responses to OOS situations were product and brand specific (Campo et al, 2013). This study found that OOS situations of low status brands, of products that can be bought in large quantities, caused consumers to postpone the purchase until their preferred brand was in-stock. This response, of a purchase postponement, has the possibility of negatively affecting a retailer. This is due to the possibility of a consumer potentially opting to shop at a different retailer next time, with the thought that another store might be more likely to have their preferred brand. This response, of purchase postponement, correlates with brand loyalty affecting the response, rather than customer loyalty to a particular store.

These factors and outcomes motivate the need to conduct a current and focused study on consumer responses to OOS situations of preferred FMCG hair care brands in South Africa, as this notion suggests that responses will be different, depending on the brands or products in question. It is also important to note that consumers were willing to postpone the purchase of a low status brand, and therefore consumer responses to an OOS situation of a high status brand, are likely to be just as drastic.

In another study conducted by Zinn and Liu (2001), the results of four separate studies were examined to obtain an average result for consumer responses to OOS situations. This study found that 47.35% of respondents would switch from the preferred brand to another available brand, 20.33% of respondents would delay the purchase until their preferred brand is in-stock at their preferred retailer, and 32.3% of respondents would leave the OOS retailer, and opt to look for their preferred brand at another retailer, when faced with an OOS situation (Zinn et al, 2001).

Although this study found that consumers would be most likely to switch brands, when faced with an OOS situation, this study was not based on a particular brand or product type. These results are also not very current, and therefore warrant the need to determine current consumer responses to OOS situations of a particular product, in this case, hair care product brands. Considering the fact consumers can be influenced by negative word-of-mouth, it is important to note that OOS situations can have a negative impact on the future patronage of FMCG retailers (Zinn et al, 2001). This is another reason that there is a need to conduct research on this problem.

One study that disagrees with Zinn and Liu's findings, that consumers are most likely to switch brands, is that of Gruen, Corsten and Bharadwaj (2008). These researchers conducted studies in American and European markets and found that the American consumer responses and European consumer responses to OOS situations differed. This study concluded that globally, store switching followed by brand switching, are the most popular consumer responses to OOS situations (Gruen et al, 2008).

These researchers took this study a step further and identified consumer responses to OOS situations of different product categories. It was found that consumers shopping for food products would most frequently switch to another brand, whilst consumers shopping for non-food products, such as cosmetics and feminine hygiene products, showed a high

willingness to switch to another store in hope of finding their preferred brand (Gruen et al, 2008).

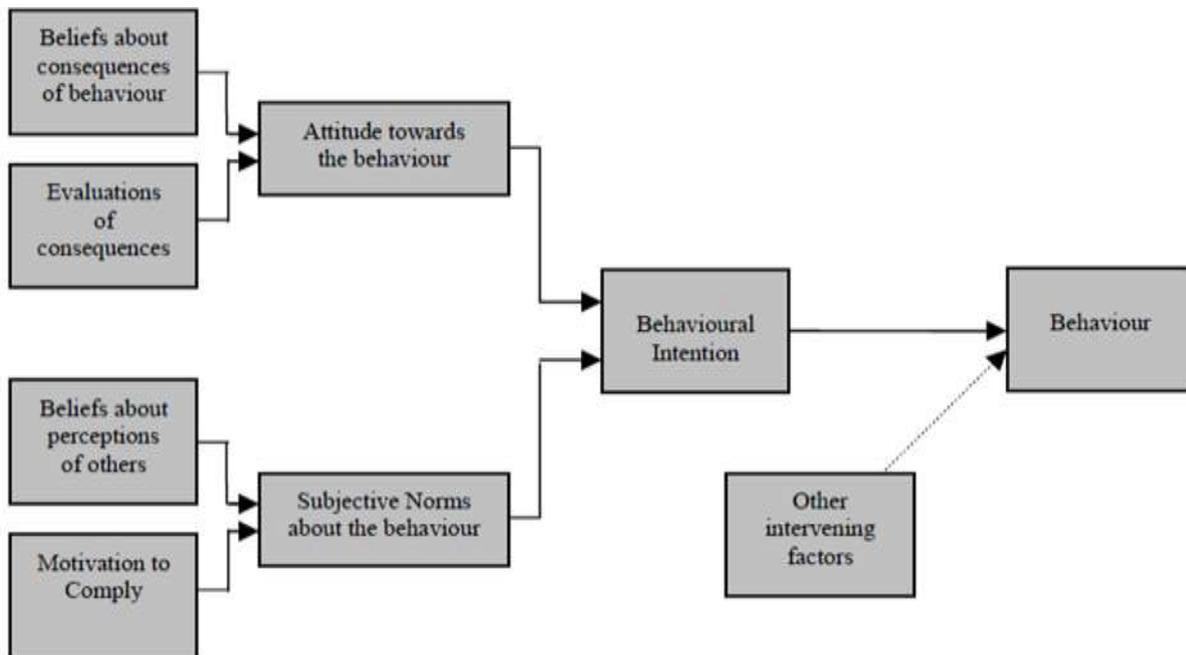
This research most relates to this study, of consumer responses to OOS situation of preferred hair care brands, as hair care brands are closely related to cosmetics and feminine hygiene products, suggesting that the most likely consumer response to this problem would be store switching in order to find the consumers preferred hair care brand.

Sloot, Verhoef and Franses (2005) identified that there are two main categories of consumer responses to out-of-stock situations. These categories are 1) substitution responses, and 2) non substitution responses (Sloot et al, 2005). Substitution responses consist of brand switching, item switching, and category switching (Sloot et al, 2005). Non substitution responses consist of store switching, purchase postponement, and purchase cancellation (Sloot et al, 2005). It can therefore be assumed that consumers will respond to OOS situations, of their preferred hair care brands, in one of these ways.

Although several studies have been conducted on out-of-stock situations, many of these studies are now out of date, warranting the need for a current study on this topic. Previous studies examined in this literature review, have also mostly looked at consumer responses to out-of-stock situations in general, rather than looking at responses to OOS situations of particular products or brands, therefore the majority of these studies do not come to a definitive conclusion that can be applied to all brands and product categories. There are also no previous studies conducted on this problem within a South African context. These are all gaps in research, and further create the need for this study to be carried out.

2.3. THEORETICAL FOUNDATION

2.3.1. The Theory of Reasoned Action



Source: (Fishbein and Ajzen, 1975)

The first theoretical foundation of this study is The Theory of Reasoned Action. This theory predicts that behavioural intent and ultimately behaviour, is caused by two factors: 1) Attitudes, and 2) Subjective norms (Fishbein and Ajzen, 1975). There are two components of attitudes, the first being the evaluation of the consequences of a particular behaviours, and the second being the strength of a belief of a particular consequence of behaviour. The factor of 'attitudes', refers to a consumers attitude towards purchasing a product, or brand. There are also two components of subjective norms, the first being beliefs about the perceptions of others, and the second being the motivation to comply with subjective norms. A subjective norm refers to the power that other people have in influencing a particular consumer's behaviour (Solomon et al, 2006).

Furthermore, this theory suggests that once a consumer has developed an attitude towards a particular behaviour and has considered subjective norms about the behaviour, they will then conclude the way in which they intend to behave or proceed. This intention is then further impacted by other intervening factors which ultimately cause the final behaviour to occur.

2.3.2. Applying the Theory of Reasoned Action to consumer responses to out-of-stock situations of a preferred hair care brand

A consumer's beliefs about the consequences of their behaviour and their evaluations of possible consequences are the first factors that affect a consumer's response to an OOS situation. These factors are primarily based on the consumer's feelings. This is linked to the functional, experiential and symbolic benefits of brands and the way in which these benefits correlate to Maslow's hierarchy of needs.

The consumer could psychologically determine that the consequences of their response could ultimately leave them with a brand which does not provide them with the correct benefits. The consumer would then develop a cognitive belief, and evaluation, of the consequence of their action, which could include: being satisfied or dissatisfied with their selected action. This action would be the way in which they choose to respond to the out-of-stock situation. This cognitive process would determine the consumer's attitude towards a particular action. This attitude could be whether the consumer feels positively, negatively or content with proceeding with a particular response to the OOS situation.

Beliefs about the perceptions of others and the consumer's motivation to comply with subjective norms will be the second factors that affect the consumer's response to an OOS situation. The consumer's beliefs about the perceptions of others could be that the consumer feels that others might perceive them to be within a different social class if they purchase a particular brand or maybe that other will perceive them as not being brand loyal or store loyal if they choose to switch brand or store. The consumer's motivation to comply with subjective norms could include being brand loyal or store loyal. This component relates to the previously explored section on the four primary components of branding and brand image, namely, companies, popular culture, customers and influencers. These factors will impact the customer's behavioural intention.

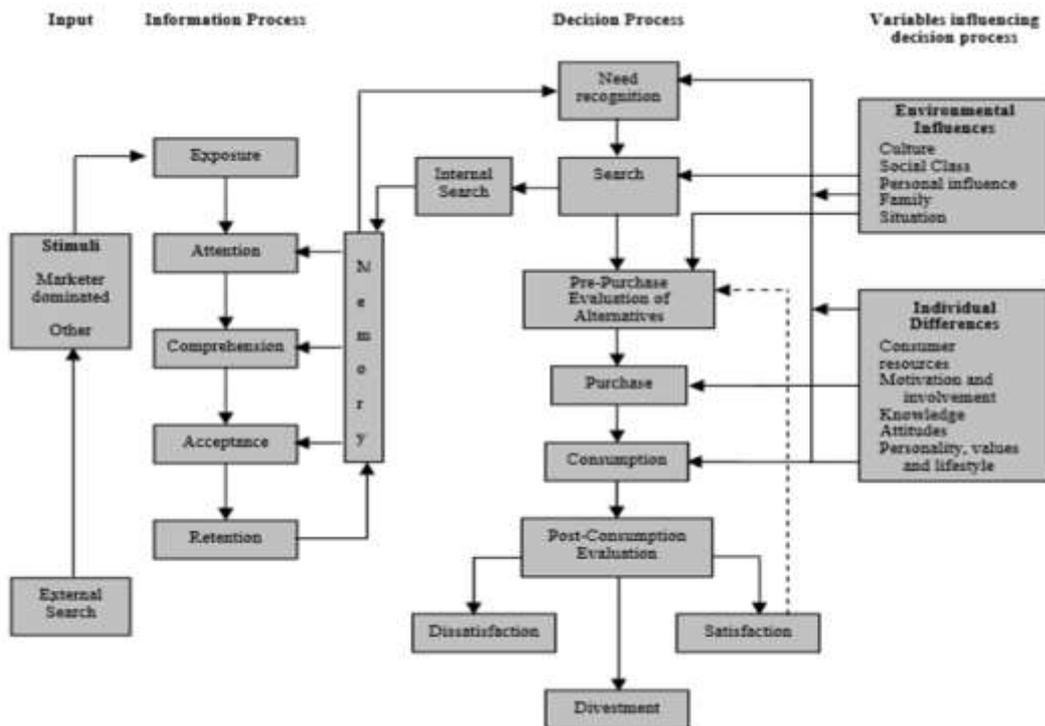
Once a consumer has developed an attitude to, and opinion on, the subjective norms of a particular behaviour, in this case consumer responses to OOS situation, the consumer will then determine their behavioural intention. In this case, the behavioural intention refers to the consumer intending to 1) postpone the purchase, 2) switch brand or 3) switch retailer.

The Theory of Reasoned Action states that other intervening factors affect behavioural intention, and the result is the actual behaviour occurring (Fishbein and Ajzen, 1975).

As previously discussed, popular culture and influencers can be recalled during a purchase decision, acting as an intervening factor. Other intervening factors affecting the response to an OOS situation could include the promotion of a substitute brand, discounts on a previously unaffordable brand and the suggestion to find the preferred brand at a nearby store, made by a family member or friend whilst shopping. These intervening factors could persuade the consumer to continue with their behavioural intention or to behave in another way. For example, the consumer's behavioural intention could be to switch store in order to find their preferred hair care brand 'Pantene', only to find that the store is running a promotion on 'Loreal Elvive' shampoo and conditioner, the consumer is then motivated to discard their behavioural intention of store switching and actually behaves by brand switching.

The Theory of Reasoned Action therefore shows that consumer attitudes, subjective norms and other intervening factors all affect the way in which a consumer behaves, and in this case, the way in which a consumer responds to an OOS situation of their preferred hair care brand.

2.3.3. The Engel-Blackwell-Miniard Consumer Decision Model



Source: (Engel, Blackwell and Miniard, 2001)

A second theoretical model that is pertinent to this study is The Consumer Decision Model developed by Engel, Blackwell and Miniard. This model is a revision of the original Engel-Kollat-Blackwell Consumer Decision Model developed in 1968. Different consumer responses to OOS situations can occur as a result of different consumer decisions, indicating the need to consider this model.

The Consumer Decision Model is based on the consumer decision-making process (Engel et al, 2001). The process begins with need recognition followed by information searching, evaluating alternatives, purchase, consumption, post-consumption evaluation, and divestment (Engel et al, 2001). As this is a study of consumer responses to OOS situations of preferred hair care brands, it is only necessary to consider this process in terms of need recognition, information searching, a pre-purchase evaluating of alternatives and the actual purchase. This framework has been selected in order to aid in the formulating of the research instrument.

This model suggests that consumer decisions are influenced by inputs, the information process, environmental influences and individual differences (Engel et al, 2001). In the situation of OOS situations of a consumers preferred hair care brand, this model suggests that a consumers response would be influenced and based on stimuli, the consumers exposure to information, environmental influences such as family and social class, and individual differences such as lifestyle and knowledge.

This further suggests that consumer responses to an OOS situation of a preferred hair care brand would be different from one consumer to another, due to different stimuli that the consumers have been exposed to as well as different environmental influences and individual differences. The need recognition element would refer to a consumer determining that they are out of a particular hair care brand and need to repurchase it.

The second element of the decision process, search, would occur at the store when looking for the preferred brand. The occurrence of an out-of-stock situation would then disrupt the decision-making process and should be shown on the model between search and pre-purchase evaluation. Having determined that the preferred hair care brand is OOS, the consumer would then move on to the pre-purchase evaluation of alternatives, where factors such as functional, symbolic and experiential benefits of substitution alternatives might be considered. This would be referred to as brand switching. If the consumers brand loyalty is high, the consumer could possibly move to another store to

carry out the purchase element of the model or if brand loyalty and customer loyalty are high, the consumer might postpone the purchase element of this model.

2.4. PARADIGM

This study aims to determine South African consumer responses to OOS situations of preferred hair care brands. In order to identify the most frequent response to this problem, this study will be conducted using quantitative methods. This quantitative study will be carried out from a positivistic worldview, as this study aims to discover a causal relationship between out-of-stock situations and consumer responses (Du Plooy-Cilliers et al, 2014). Therefore this study is being conducted on the premise that an out-of-stock situation will cause a consumer to respond by either switching brands, switching store or by postponing the purchase. Discovering this causal relationship and determining a definitive finding of the most frequent consumer response to an OOS situation of a preferred hair care brand, can be used in future, to predict consumer responses to this situation and control future events (Du Plooy-Cilliers et al, 2014). The findings from conducting this quantitative study, from a positivistic perspective, could possibly prevent the occurrences of future OOS situations and therefore benefit brands, retailers and consumers in the future. This could occur, as the findings should suggest who the most affected party is in an OOS situation and therefore, could aid in fixing this problem.

This study will also be conducted through a positivistic perspective, as positivism believes that humans can improve their own world, through education on a particular phenomenon (Du Plooy-Cilliers et al, 2014). In this study, this refers to that the findings of this study will aid brands and retailers in preventing out-of-stock situations, which will ultimately benefit themselves and consumers. Another characteristic of positivistic research is that it records facts in terms of quantities, and numbers, which are processed using statistical techniques (Du Plooy-Cilliers et al, 2014). This study will collect quantitative data from respondents, and will be documented in terms of the quantities of consumers which respond in a particular way, to an OOS situation of a preferred hair care brand.

This study will also be looked at from a socio-psychological perspective. This tradition considers psychological theories and focuses on influences and communication as an interpersonal interaction (Palma, 2015). This tradition focuses on cause-and effect relationships such as consumer responses and out-of-stock situations. The socio-psychological tradition seeks to understand the association between communication,

individual personalities and psychological influences and aims to determine how people will behave and react to certain messages (Littlejohn et al, 2009). This tradition is appropriate for this study as consumer responses have ultimately been found to differ between consumers, often depending on their personal psychological influences and different personalities.

2.5. CONCLUSION

This literature review has considered literature on brands and branding, brand loyalty, consumer-brand relationships, out-of-stock situations, The Theory of Reasoned Action and Lastly, The Consumer Decision Model.

To conclude, Firstly, it was found that there are three main functions of branding, 1) functional benefits, 2) experiential benefits and 3) symbolic benefits. It was noted that these benefits are closely related to Maslow's hierarchy of needs and that a consumer's response to an OOS situation, of their preferred hair care brand, largely depends on the benefits that the brand offers to the consumer and which needs the brand satisfies.

Secondly, the primary components of branding and brand Image were examined. These components are companies, popular culture, customers and influencers. Literature suggested that an OOS situation occurs due to company inefficiencies and can greatly affect a company, whilst consumers' responses to an OOS situation can be motivated, and influenced by, popular culture, trends, celebrities, other customers and influencers.

Brand Loyalty was defined as a positive mindset expressed towards a brand, resulting in the sustained purchasing of a brand's products over time (Aaker, 1991). Literature on brand loyalty identified that there are three levels of brand loyalty, namely, brand recognition, brand preference and brand insistence. It was found that a consumer that has a brand preference would be likely to opt for a substitute brand, whereas a consumer that is brand insistent would be likely to shop around until they find their preferred brand.

Consumer-brand relationships were defined as an emotional connection and commitment between consumers and brands, with a rational expectation of behaviour, from one to the other (L Hollebeek, 2011). Another author agreed with this definition and added that a consumer's attachment to a brand can be just as emotional and meaningful as interpersonal relationships. Literature on consumer-brand relationships found that an OOS situation of a preferred brand can damage a consumer-brand relationship, and that the

response to an OOS situation, of a preferred hair care brand, depends on the level of attachment that the consumer has to their preferred brand.

Previous responses to out-of-stock situations were examined. Several studies were looked at and it was found that common consumer responses to OOS situations were purchase postponement, brand switching and store switching. These responses varied depending on the category of product. Consumers were more likely to switch brands, if a food product was OOS, whereas consumers were more likely to switch store or postpone the purchase, if a non-food product was OOS.

Lastly, two theoretical foundations of this study were analysed. Firstly, The Theory of Reasoned Action showed that consumer attitudes, subjective norms and other intervening factors all affect the way in which a consumer behaves, and in this case, the way in which a consumer responds to an OOS situation of their preferred hair care brand. Secondly, The Consumer Decision Model suggested that possible consumer responses to an OOS situation, of a preferred hair care brand, would differ from one consumer to another depending on the consumers' exposure to stimuli, the information process, environmental influences and individual differences.

CHAPTER 3 – RESEARCH DESIGN AND METHODOLOGY

3.1. RESEARCH DESIGN

This study was conducted using quantitative methods as the purpose of quantitative research is to predict and control future outcomes, explain the significance of quantities, and to generalise the findings obtained from a sample to a population (Du Plooy-Cilliers et al, 2014). This approach was suitable for this study as the purpose of this study was to determine, and predict, how consumers would respond to OOS situations in the future, in order to prevent them from occurring. This approach was also appropriate as data was collected from an accessible sample of South African consumers, which was generalised to the South African population.

This study was also conducted deductively. Through deductive theorising, concepts and assumptions of theories were looked at, followed by the formulation of hypotheses and a research goal. From this, the theories examined were then tested and either confirmed or changed (Du Plooy-Cilliers et al, 2014). This direction of theorising was appropriate for this study as theories, namely, the theory of Reasoned Action and The Consumer Decision Model, had already been examined. Research Hypotheses and objectives had also already been developed.

This study was a predictive and correlational research study as the aim of this study was to ultimately determine how the majority of South African consumers respond to OOS situations of their preferred hair care brands. This was 1) to prevent OOS situations from occurring as a result of raised awareness, on the impact that an OOS situation can have on a brand or business, 2) to encourage brands and retailers to ensure adequate stock is available and 3) to anticipate how South African consumers will respond to these OOS situations, should they occur in the future. Additionally, the aim was also to determine if correlations existed between concepts.

Lastly, this non-experimental study made use of a cross-sectional survey design. This design was used to obtain an overall finding of a phenomenon at only one point in time (Du Plooy-Cilliers et al, 2014). This was appropriate for this study as South African consumers were only asked to complete the questionnaire for this study once, in order to determine how the majority of South African consumers currently respond to out-of-stock situations of preferred hair care brands. A questionnaire was used, as the data collection

instrument, to gather data for this study, as it was the most suitable instrument for gathering numerical or quantitative data. A questionnaire was also suitable for this study as it collected short and current responses, and there was no need for long qualitative responses. This questionnaire was used in order to identify the most common response, in order to deduce how this response affects brands and retailers, in South Africa.

3.2. POPULATION

- Unit of analysis - Individuals
- Target population – All consumers in South Africa
- Accessible population – Consumers in Johannesburg

Population parameters

- Consumers that purchase fast-moving consumer goods hair care products. This was due to the fact that this study was on consumer responses to out-of-stock situations of preferred FMCG hair care brands, rather than hair care brands which are only available at professional salons.
- Consumers that fall within LSM 6-10. This was due to the fact that consumers that fall within this range are less likely to just purchase a brand based on a low price and are more likely to have a particular level of loyalty towards a brand or store, which could affect their response to an OOS situation.
- Consumers who are Caucasian, Asian, Indian, and Mixed race. This was because the focus of this study was on FMCG hair care brands which are not bought from hair salons, differences in user needs, differences in hair care processes, purchase location and purchase frequency.
- Consumers who are male and female. This study collected data from female and male respondents in order to determine if consumer responses, to OOS situations of preferred hair care brands, differed significantly between male and female consumers.
- Consumers aged 20 – 80. This study collected data from respondents aged 20 – 80, in order to determine whether brand and customer loyalty increased with age, which would ultimately affect consumer responses to out of stock situations.
- Consumers that live in Johannesburg. This was due to the fact that consumers outside of Johannesburg did not fall within the accessible population of this study.

3.3. SAMPLING

The data collection instrument, a questionnaire, was administered to 100 respondents. In order to select respondents for this study, non-probability sampling was used. Non-probability sampling was used as it was nearly impossible to access the entire population, due to time and resource constraints (Du Plooy-Cilliers et al, 2014). Another characteristic of non-probability sampling is that every unit in the population does not have an equal chance of being selected (Du Plooy-Cilliers et al, 2014). This was also true for this study, as only units of the population, living in Johannesburg, had a chance of being selected for the study, due to accessibility.

In order to collect data from a sample of the population, multiple non-probability sampling methods were used in order to ensure that enough questionnaires were completed, in order to generalise findings to the population.

The first sampling method which was used was convenience sampling. Convenience sampling is when a sample consists of people that the researcher knows and has quick access to. In terms of convenience sampling, questionnaires were administered to 15 people that were fellow research students, friends and family members, of the researcher.

Following this, these respondents were asked to share the link to the questionnaire with others. This method is referred to as snowball sampling. Snowball sampling occurs when selected sample members, identify other possible sample members, who identify other sample members. Through this method, the sample size grew to a substantial size of 100 respondents.

3.4. INSTRUMENT DESIGN AND METHODOLOGY

A cross-sectional survey was conducted for this study, as it was the most suitable for gathering data on a phenomenon at only one point in time (Du Plooy-Cilliers et al, 2014). This type of survey design requires that data only be collected from respondents once, which was also appropriate for this study.

In order to collect the necessary data for this study, a quantitative questionnaire was designed and distributed to a representative sample of the population. The data collection instrument that was used for data collection was a quantitative questionnaire. The

questionnaire ultimately included closed-ended questions, and multiple choice questions. The Engel-Blackwell-Miniard Consumer Decision Model, discussed in the theoretical framework, was used as a framework to base the questionnaire on. Questions were designed based on elements from this Model, such as the search for information, pre-purchase evaluation of alternatives, environmental influences, individual differences, and purchase decision.

Before the questionnaire was distributed to the sample, a series of pre-tests were conducted with the supervisor of this study, in order to ensure the best questionnaire was designed and distributed to respondents.

After the first questionnaire was drafted, some questions were changed from closed-ended questions and open-ended questions to multiple choice questions, and more questions were added. [See appendix A](#). After these changes had been made the questionnaire was tested again and more changes were made such as changes in the wording of the questions and changes in the wording of the multiple choice answers. [See appendix B](#).

A pilot test was also conducted with four respondents, who fell within the studies' population parameters. This pilot study was conducted in order to ensure that respondents fully understood each question, and to ensure that there was always a suitable multiple choice answer, within the available options. After the pilot study was conducted, graphics were added to one of the questions multiple choice answers. It was then concluded that no more changes needed to be made and the final questionnaire was then designed using Google forms. [See appendix C](#).

The questionnaire was designed in that section A included qualifying questions. For this section, if the respondent answered 'hair salon or other' for question 1, the questionnaire was discarded as they then do not purchase fast-moving consumer goods hair care brands. Secondly, if the respondent answered 'black' to question 2, the questionnaire was also discarded as people of this race follow a different hair care process and often rely on a salon to take care of the hair care process.

Section B included demographical questions, such as gender, age and income. These questions were asked to ultimately determine if there was a correlation between gender, age and Living Standards Measurement, and brand loyalty. Lastly, Section C included questions directly relating to the topic of this study.

3.5. DATA-COLLECTION METHOD

Firstly, In order to administer the questionnaire to the representative sample, a sample needed to be selected. This was done as discussed in the previous section, through the use of convenience sampling, snowball sampling, and judgement sampling.

The data collection process of this study began by the questionnaire being administered to a sample of 15 people, obtained using convenience sampling. The questionnaire was administered to people that researcher knows and had quick access to, including students, friends and family. This questionnaire was constructed using Google Forms. A link to the Google Forms questionnaire was sent to the 15 respondents via email, Facebook and WhatsApp.

Secondly, aligned with convenience sampling, a link to the questionnaire was also posted on the researchers Facebook page, where people that the researcher knows could volunteer to participate in the study by completing the questionnaire online.

After the questionnaire had been administered to people the researcher had quick access to, data was also collected using snowball sampling. Respondents that had already participated in the study were asked to share the digital link to the questionnaire, to other people that they know, using email and social media.

These data collection methods were selected in hope of receiving a minimum of 60 questionnaires. Ultimately, the use of these data collection methods increased the number of respondents for this study to 100 respondents which increased the reliability of the study's findings. **See appendix D.**

3.6 DATA ANALYSIS METHOD

The data collected by the questionnaire, was analysed in order to accept or reject the following hypotheses:

- H1: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch to a competing brand.

- H0: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch retail store in order to find their preferred brand or postpone the purchase.

The data collected for this study was analysed, and reported on, with the use of content analysis and descriptive statistics. Descriptive statistics summarises data in order to answer basic questions (Du Plooy-Cilliers et al, 2014). Some of the analysis methods used include calculating frequency and percentages; identifying the answer which occurred the most frequently, referred to as the mode, and correlation analysis. Results were then displayed using pie charts, distribution tables and bar graphs.

Before the data analysis process began, 28 questionnaires were discarded. These 28 questionnaires were discarded due to them either being incomplete, being completed by a respondent who did not fall within the parameters of the study, or due to the respondent having selected an answer to a qualifying question which aimed to eliminate responses that do not relate to the FMCG industry. 22 questionnaires were discarded after respondents answered 'hair salon' or 'other' to question 1; 4 questionnaires were discarded after respondents answered 'black' to question 2; and 2 other questionnaires were discarded due to being incomplete. This left the researcher with 72 responses that could be analysed. See appendix E.

The data analysis process was as follows:

Question 1: Where do you buy your shampoo, conditioner, hair gel, hair spray or any other hair care products from?

This was a qualifying question. Through colour coding, if the respondent selected that they purchase their preferred hair care brand from a hair salon, the answer was highlighted and the questionnaire was discarded, as this study is on FMCG hair care brands, which are bought at supermarkets and chemists. A total of 22 questionnaires were discarded as the respondents answered 'hair salon' or other. After these questionnaires were discarded, the remaining data was analysed through: firstly, tallying the frequency of each response option, secondly, calculating these tally's as percentages and then identifying the mode.

Question 2: What racial group do you belong to?

This question was also a qualifying question. As stated in the population parameters, it was required that respondents were either Caucasian, Indian, Asian or Mixed race. Through colour coding, questionnaires where respondents selected 'black' were highlighted and discarded. A total of 4 questionnaires were excluded from this study as a result of this question. This question was firstly analysed by: tallying the frequencies of answers, calculating these as percentages, and then by identifying the mode.

Question 3: What is your gender?

This question was asked in order to determine if there was a correlation between gender and store and brand loyalty. In order to determine this, from this point in the data analysis, male and female questionnaires were analysed separately. Firstly, all the male responses were analysed, and then all female responses were analysed. This question on its own however was analysed by: tallying the frequency of answers, and calculating these as percentages.

Question 4: What is your average monthly household income?

This question was asked to aid in determining if there was a correlation between Living Standards and brand and store loyalty. This question was analysed by: tallying the frequency of answers, calculating these as percentages and then determining the mode.

Question 5: Which age category do you fall within?

This question was asked in order to determine whether there was a correlation between age and brand and store loyalty. Therefore from this point, having already divided the questionnaires into male and female groups, the questionnaire responses were then grouped according to age as well. In order to analyse this question: the frequency of answers were tallied, then these were calculated as percentages, and then the mode was identified.

Question 6: What most describes your level of brand loyalty towards your preferred hair care brand?

This question was asked to determine the level of brand loyalty amongst respondents. The options to this question measured brand loyalty on a scale of 1 to 5. In descending order, 'I will never use another brand' was the highest level of brand loyalty, and 'I would definitely buy another brand' was the lowest level of brand loyalty. Additionally, using the table

below, the results of this question were correlated with gender in order to determine if there was a correlation between gender and brand loyalty of hair care brands.

Table 5.5.2: *The correlation between gender and brand loyalty*

Brand loyalty	1. I will never use another brand	2. I would prefer to use my usual brand	3. I would need to be convinced to buy another brand	4. I would consider buying another brand if it offered me the right benefits at the right price	5. I would buy another brand
Total Males: 29	14%	17%	17.5%	24%	27.5%
Total Females: 43	5%	30%	14%	28%	23%

Firstly, frequencies were tallied, then these were converted into percentages of males and females, then the modes in both the female and males categories were identified.

Question 7: If you are shopping for hair care products and your preferred hair care brand is out of stock, how are you most likely to respond?

This question was asked in order to accept or reject the hypotheses of the study and to determine the impact that an out-of-stock situation can have on a brand or retailer. This question was analysed in terms of age and gender. Firstly frequencies were tallied, secondly, they were calculated as percentages, then the modes were identified through the use of correlation tables.

Question 8: How often do you experience an out-of-stock situation, when shopping for your preferred hair care brand?

This question was asked to determine the frequency of the impact of an OOS situation, on a brand or retailer. This question was analysed in terms of frequency, percentages, and identifying the mode.

Question 9 - How does/would an out-of-stock situation make you feel?

This question was asked to determine the impact that an out-of-stock situation could have on the customer-brand relationship. This question was analysed in order to suggest how often consumer-brand relationship are affected by OOS situations of FMCG hair care

brands, and therefore what impact the OOS situation has on the consumer-brand relationship. For this question the frequencies were tallied, percentages were calculated, the mode was identified, and a correlation table was used to analyse this question in terms of gender.

Question 10 - Who do you feel this way towards?

This question was asked in order to determine who is primarily affected by an OOS situation of preferred FMCG hair care brands. This question was analysed through calculating percentages, frequencies, and determining the mode.

Question 11 - Where do you most frequently buy your hair care products from?

This question was asked to determine the stores where out-of-stock situations may be frequently occurring. In order to analyse this question frequencies were tallied, then percentages were calculated and then the mode was identified.

Question 12 – What is your preferred hair care brand?

This question was asked in order to determine brand preference amongst respondents. It was also asked in order to determine market share of hair care brands in South Africa. Firstly, frequencies were tallied, and then percentages were calculated.

Question 13 – Select all the hair care products you buy

This question was asked in order to determine the extent of damage, to a brand, as a result of OOS situations. Firstly frequencies were tallied, and then percentages were calculated.

Question 14 – Which factor most describes what influences your decision to buy a particular hair care brand?

This question was asked in order to determine whether functional, symbolic or experiential benefits of brands are more important to consumers. In order to determine this firstly, frequencies were tallied, secondly, percentages were calculated, and then the mode was determined.

Question 15 - Where do you primarily get influenced from, with regards to your decision to buy a particular hair care brand?

This question was asked in order to determine what the biggest marketing influence is on consumers' decision-making when buying hair care brands. This question was also analysed in terms of frequency, percentage and mode.

4.2. VALIDITY AND RELIABILITY

In order to ensure the reliability of this study, 100 questionnaires were distributed and completed, which is a substantial representative sample. This was done in order to ensure the findings of the study's sample could be generalised to the study's population.

Secondly, it was ensured that the research tool was reliable and valid. This was done, firstly, by conducting a pre-test and pilot study, where the data collection instrument (questionnaire) was administered to a small segment of the sample population in order to insure that respondents properly understand all questions, and that all errors and problems with the data collection instrument could be resolved before it was administered to the actual sample respondents.

Thirdly, the researcher, and the research supervisor for this study, carefully designed and modified the data collection instrument several times, in order to filter out unnecessary questions and to insure that the questionnaire included questions that would provide the study with all necessary data.

To ensure inter-rater reliability of the study, the same questionnaire was administered to all the respondents. This was to ensure external validity also, as if another researcher were to administer the same questionnaire to other sample members of the population, the results should remain consistent.

ETHICAL CONS

CHAPTER 4 - FINDINGS AND INTERPRETATIONS

4.1 INTRODUCTION

This chapter will show the results of the research instrument in the form of findings. The findings of all questionnaire questions will be displayed using pie charts, bar graphs and tables. Furthermore, additional tables, pie charts and bar graphs will be used to show the correlation between concepts such as age, gender, LSM, brand loyalty, and store loyalty. Following the graphical representation of each finding will be an interpretation of what the finding means in relation to the research topic, research questions and the hypotheses of this study.

4.2 FINDINGS AND INTERPRETATIONS

4.2.1 Section A - Qualifying questions

Question 1: Where do you buy your shampoo, conditioner, hair gel, hair spray or any other hair care products from?

This was a qualifying question. A total of 22 questionnaires were discarded as the respondents answered 'hair salon' or other.

Figure 4.1: Purchase locations of hair care brands



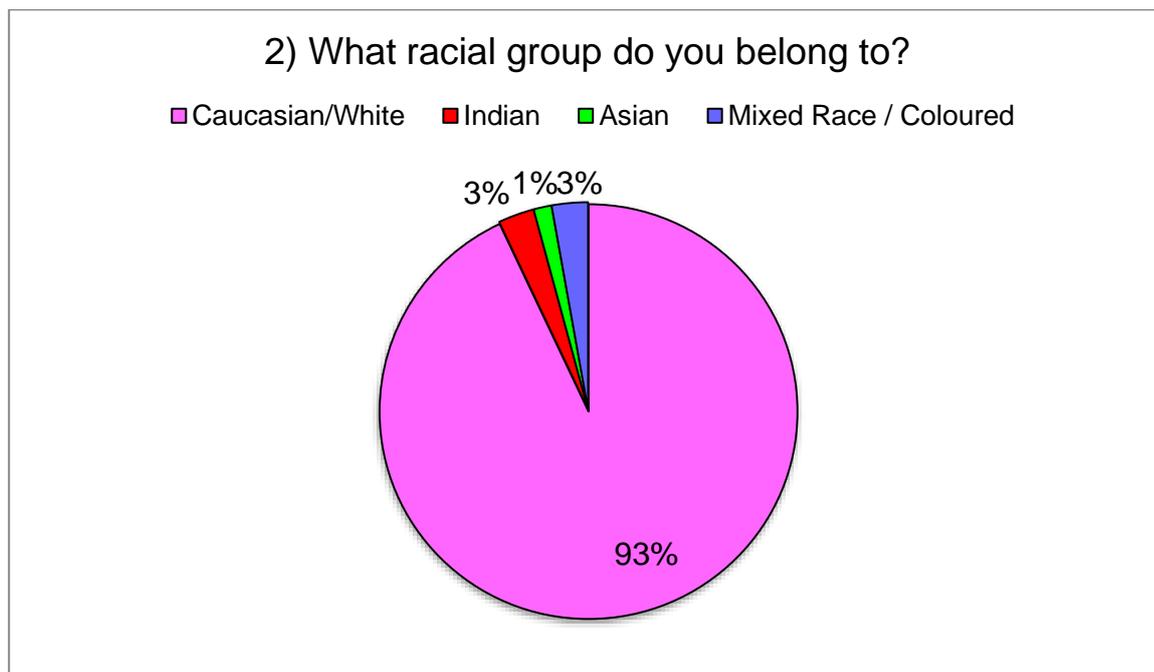
The final result of this question was that 74% of respondents purchase their preferred hair care brands from supermarkets such as Pick n Pay and Checkers. Secondly, 26% of respondents said they purchase their preferred hair care brands from chemists such as Clicks and DisChem.

Ultimately, this shows that supermarkets are the most preferred locations to purchase hair care brands from and then during the decision making process, when searching for a brand, consumers are most likely to go to a supermarket. Additionally, when out-of-stock situations of hair care brands occur, supermarkets are the stores that would be mostly losing out on a sale.

Question 2: What racial group do you belong to?

Figure 4.2: Race

This was also a qualifying question. A total of 4 questionnaires were discarded after respondents answered 'black' to this question.



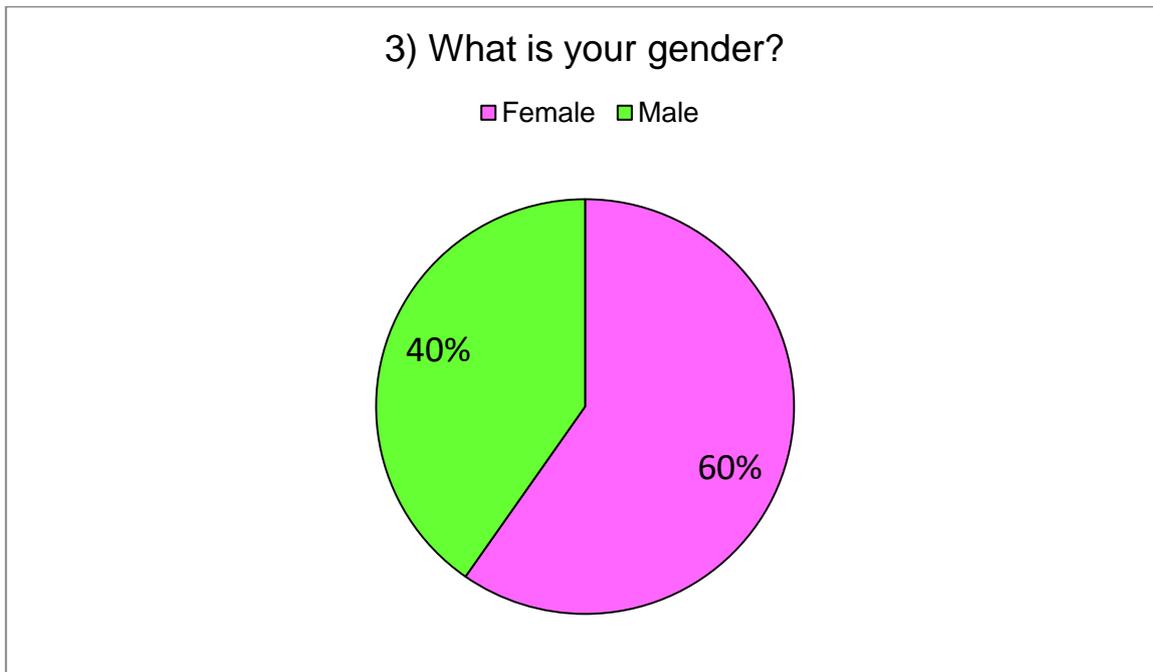
The results of this question, after discarded questionnaires, was that 93% of respondents were Caucasian (white), being the largest ethnic group. Secondly, 3% of respondents were Indian; and 3% of respondents were mixed race (coloured). Lastly, only 1% of respondents were Asian.

4.1.2 Section B - Demographic questions

Question 3: What is your gender?

This question was asked to order to determine if a correlation exists between age and other concepts such a brand loyalty. From the respondents of this study, 60% of respondents were female and 40% of respondents were male. The responses to this question are later used for the findings of other questions.

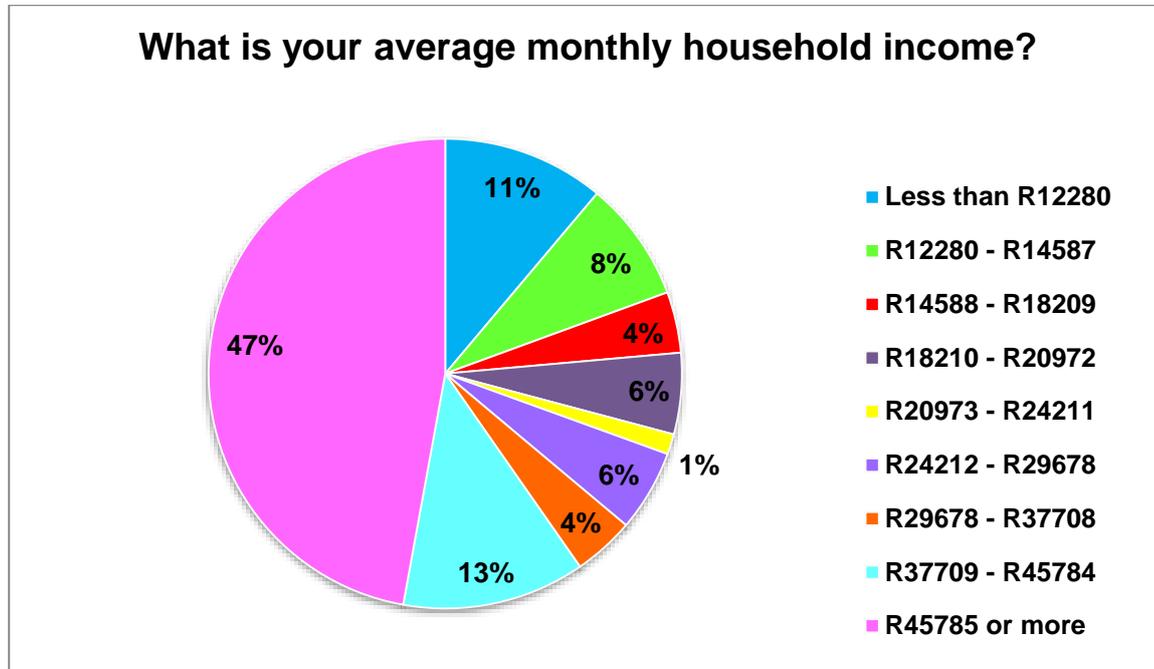
Figure 4.3: Gender



Question 4: What is your average monthly household income?

This question was asked to aid in determining if there was a correlation between Living Standards and brand and store loyalty.

Figure 4.4: Living Standards Measurement

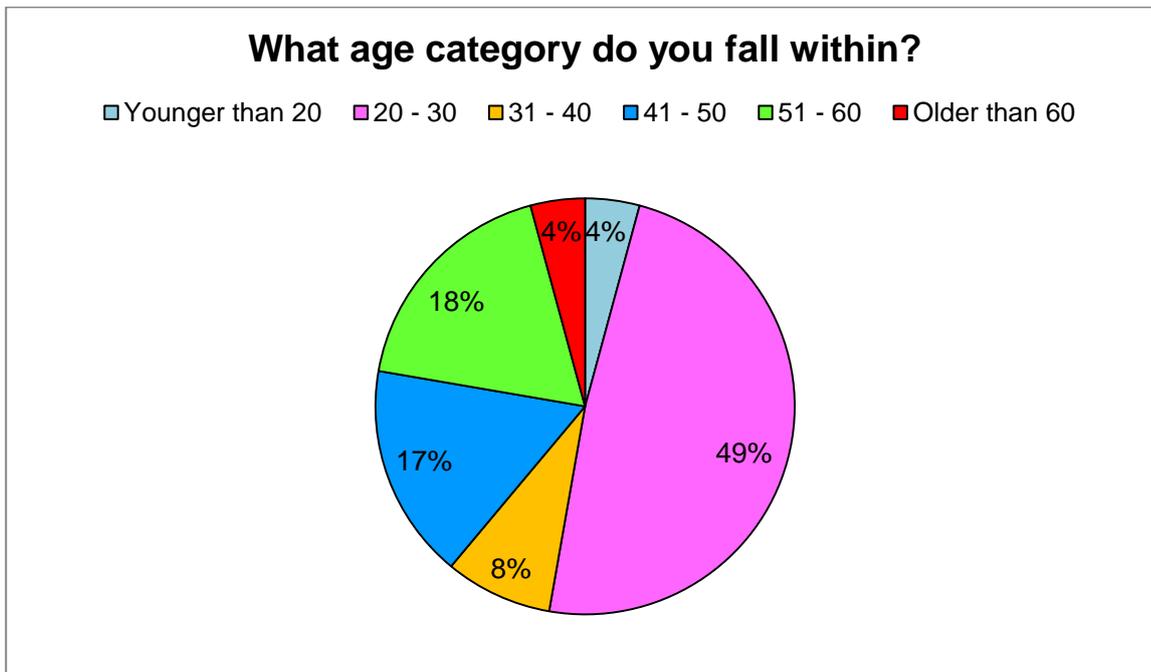


A majority of 47% of respondents have an average monthly household income of R45785 or more. According to the SAARF LSM descriptors, these respondents fell within the high LSM 10 category. The second most significant income level to note is that 13% of respondents fell within the low LSM 10 category. Thirdly, 11% of respondents fell within LSM 1-6. Following this, in descending order was low LSM 7 with 8% of respondents; low LSM 8 and low LSM 9, both with 6% of respondents; high LSM 7 and high LSM 9, both with 4% of respondents; and high LSM 8 with only 1% of respondents. The responses to this question are further used to identify if a correlation exists between LSM and concepts such as brand loyalty.

Question 5: Which age category do you fall within?

This question was asked in order to determine whether there was a correlation between age and brand and store loyalty. The results of this question are further used for findings of other questions.

Figure 4.5: Age



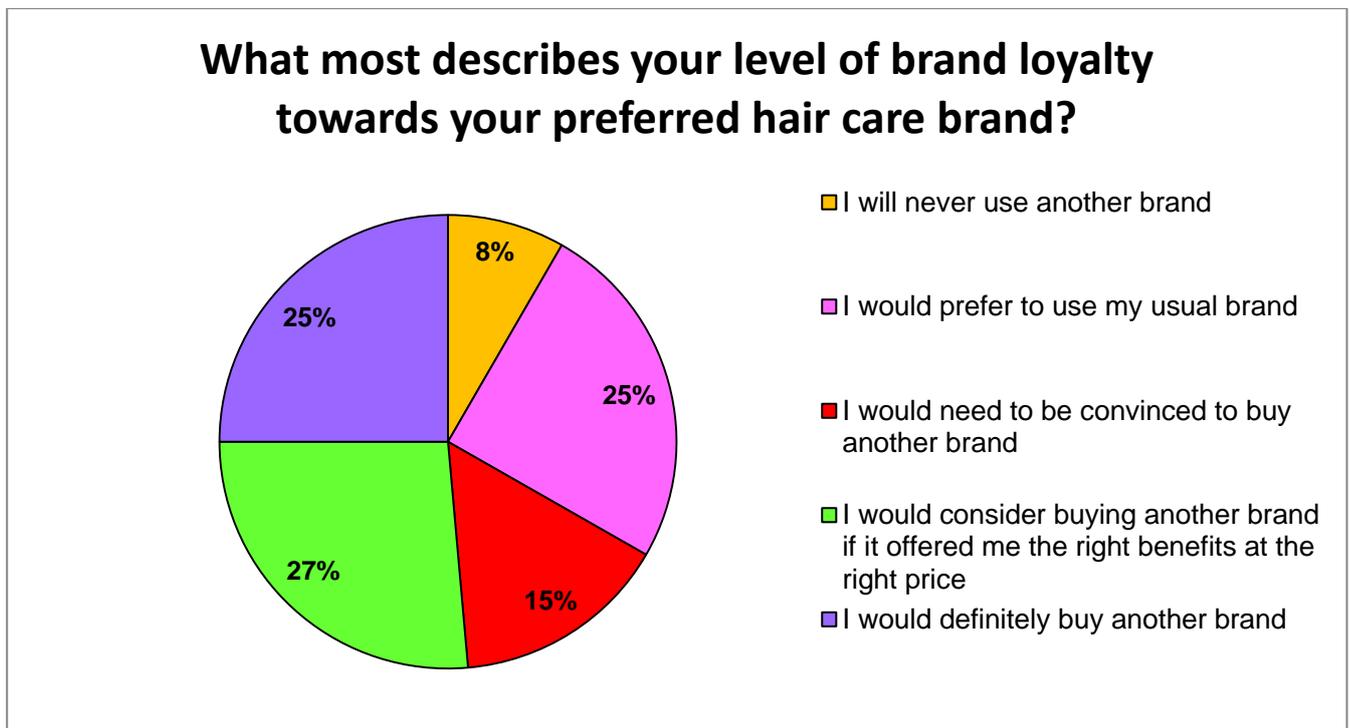
Firstly, 49% of respondents were aged 20-30; Secondly, 18% of respondents were aged 51-60; Thirdly, 17% of respondents were aged 41-50; Fourth, 8% of respondents were aged 31-40; and lastly, 4% of respondents were younger than 20 or older than 60.

4.1.3 Section C

Question 6: What most describes your level of brand loyalty towards your preferred hair care brand?

This question was asked to determine the level of brand loyalty amongst respondents. In descending order, 'I will never use another brand' was the highest level of brand loyalty, and 'I would definitely buy another brand' was the lowest level of brand loyalty.

Figure 5.5.1: Levels of brand loyalty towards preferred hair care brands



A majority of 27% of respondents said they would consider buying another brand if it offered them the correct benefits at the correct price. This shows that brand loyalty is low, and the functional benefits and price outweigh brand loyalty, in the case of FMCG hair care brands. The level of brand loyalty towards FMCG hair care brands is therefore closely linked to Maslow's physiological and safety needs.

According to Hoyer et al (2012), 52% (the green 27% and the blue 25%) of respondents' brand loyalty, towards their preferred hair care brand, falls within the 'brand recognition' category. These authors state that brand recognition is the lowest form of brand loyalty, and that it occurs when consumers would consider purchasing another brand.

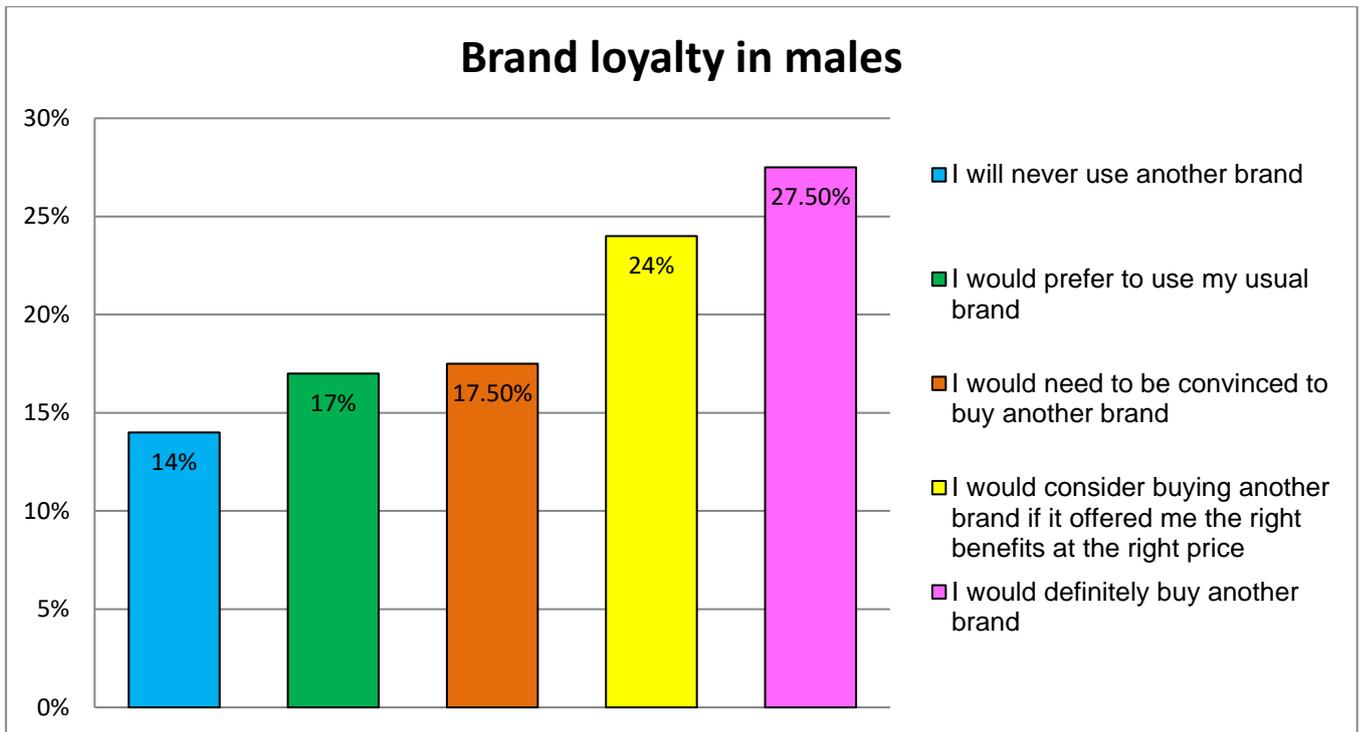
It is also important to note that a close 40% (the pink 25% and the red 15%) of respondents said that they would prefer to use their usual brand, or would need to be convinced to purchase another brand. According to Hoyer et al (2012), these consumers' level of brand loyalty is classified as 'brand preference', where they would prefer to be loyal to their preferred brand, but would consider switching.

Lastly, only 8% of respondents selected that they would never buy another brand. According to Hoyer et al (2012), these consumers' brand loyalty is categorised as 'brand insistent'. These consumers will accept no substitute for their preferred brand.

Adding the two most brand loyal answer percentages together, 33% of respondents are brand loyal; and adding the 2 most disloyal answer percentages together, 52% of respondents are not brand loyal. From this, it can be inferred that hair care brands need to undertake brand loyalty building strategies in order to improve the loyalty consumers feel towards their brands. It is also important to note that the majority of respondents identified that price and benefits of a hair care brand are important factors to them, when deciding what hair care brand to purchase.

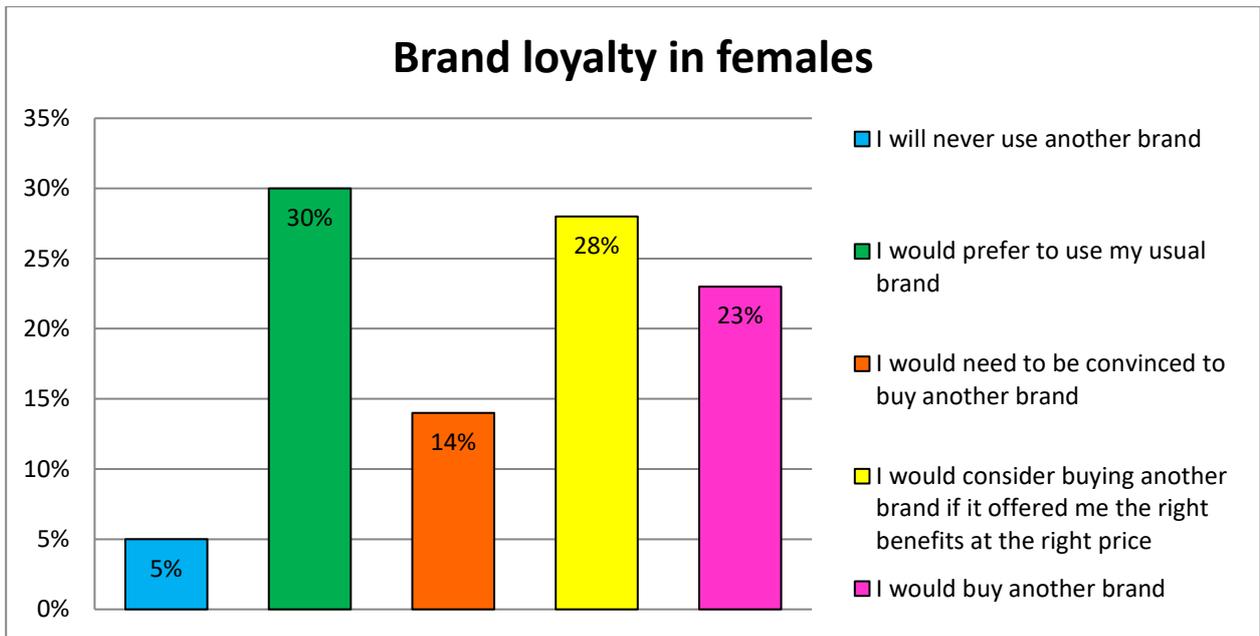
This question was then further analysed in terms of gender and age, in order to identify if there is a correlation between age and brand loyalty, and gender and brand loyalty existed.

Figure 5.5.3: Brand Loyalty categories for males



From this, it can be seen that males are not particularly brand loyal, as the majority of male respondents selected that they would either consider buying another brand if it offered them the right benefits at the right price, or would definitely buy another brand. It is also important to note that majority of male respondents' level of brand loyalty falls within the 'brand recognition' category. This is the lowest level of brand loyalty.

Figure 5.5.4: Brand loyalty categories for females



From this graph, it can be seen that the majority of females selected that they would prefer to buy their usual brand. However, cumulatively, the majority of women are actually just as brand disloyal as men. 51% of woman said that they would consider buying another brand if it offered them the right benefits at the right price, or that they would definitely buy another brand. Therefore the majority of women respondents (55%) also fall within the 'brand recognition' category of brand loyalty. Looking at the male and female findings for this question, there appears to be no correlation between gender and brand loyalty towards FMCG hair care brands in South Africa.

This question was also further analysed in terms of age, in order to identify if a correlation exists between age and the categories of brand loyalty.

Table 5.5.3: The correlation between age and categories of brand loyalty

Brand loyalty	1. I will never use another brand (brand insistence)	2. I would prefer to use my usual brand (brand preference)	3. I would need to be convinced to buy another brand (brand preference)	4. I would consider buying another brand if it offered me the right benefits at the right price (brand recognition)	5. I would definitely buy another brand (brand recognition)
Younger than 20	-	1	-	1	1
20 – 30	2	8	3	10	12
31 - 40	-	2	2	1	1
41 – 50	1	4	3	3	1
51 – 60	2	2	3	3	3
Older than 60	1	1	-	1	-

From this table, it can be noted that the majority of 20 – 30 year olds are not brand loyal, as they primarily selected they would consider buying another brand or would definitely buy another brand. These consumers therefore fall within the ‘brand recognition’ category.

Secondly, the majority of 31 – 40 year olds are somewhat brand loyal, as they primarily selected that they would prefer to use their usual brands or that they would need to be convinced to switch. These consumers fall within the ‘brand preference’ category.

Thirdly, the majority of 41 – 50 year olds are also somewhat brand loyal, as they primarily selected that they would prefer not to switch or would need to be convinced to switch. These consumers also fall within the ‘brand preference’ category.

The majority of 51 – 60 year olds are brand loyal as they primarily fell within the highest two categories of brand loyalty, namely, brand insistence and brand preference.

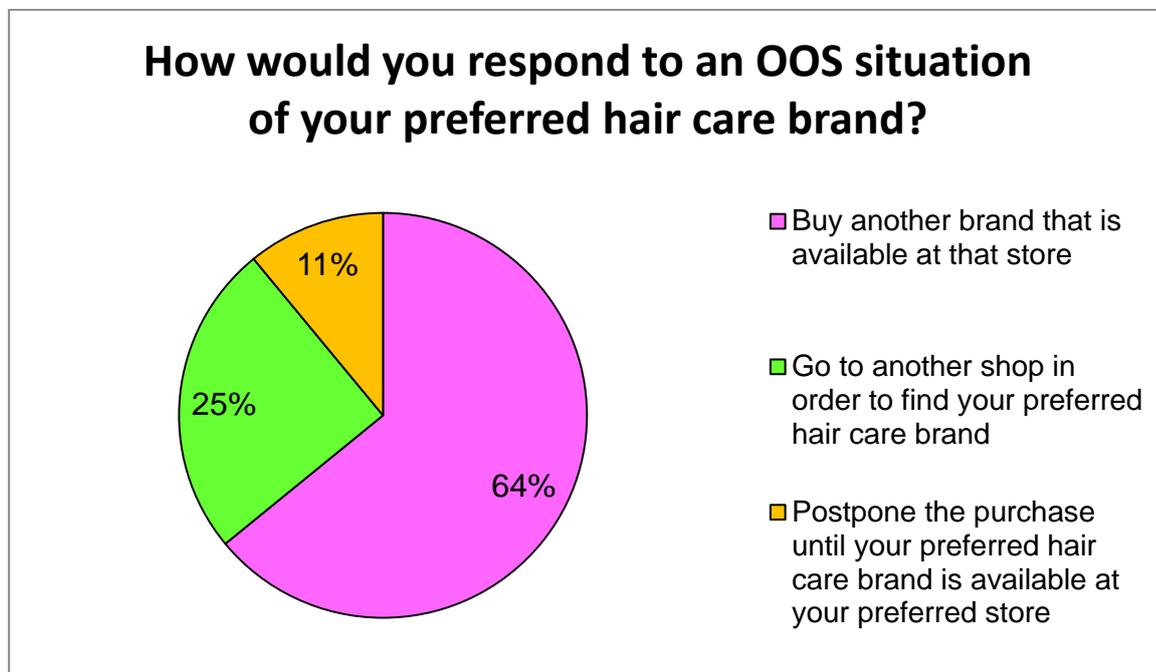
Lastly, respondents older than 60 are brand loyal as they primarily fell within the highest two categories of brand loyalty, namely, brand insistence and brand preference. Therefore,

it can be concluded that there is somewhat of a correlation between age and the categories of brand loyalty, as brand loyalty appears to increase with age.

Question 7: If you are shopping for hair care products and your preferred hair care brand is out of stock, how are you most likely to respond?

This question was asked in order to accept or reject the hypotheses of the study and to determine the impact that an out-of-stock situation can have on a brand or retailer. This question was also analysed in terms of age, gender, and LSM in order to identify if any correlation exists between these concepts.

Figure 4.7: Responses to out-of-stock situations of FMCG hair care brands



Firstly, the majority of respondents, 64%, identified that when faced with an out-of-stock situation of their referred hair care brand, they would simply buy another brand that is available at that store. Secondly, 25% of respondents identified that they would go to another shop in order to find their preferred hair care brand, showing that these consumers are brand loyal to their preferred hair care brand, as they would shop around in order to find it. Lastly, 11% of respondents identified that they would postpone the purchase until they could find their preferred brand at their preferred store, showing that these consumers are brand and store loyal.

In comparison to previous studies conducted on OOS situations, the results of this study are most closely related to the findings of Zinn and Liu (2001). These researchers found that the majority of consumers would switch brand; secondly, they would switch store; and lastly, they would postpone the purchase. These findings are the same as the findings of this study. However, in Zinn and Liu's study, the respective results were 47, 35%, 32.3% and 20.33%, and in this study, the respective results were 64%, 25% and 11%. This shows that in South Africa brand loyalty is lower and store loyalty is lower.

This question was then further analysed in terms of gender, in order to identify if a correlation exists between brand loyalty, store loyalty, and gender.

Table x – The correlation between brand loyalty, store loyalty, and gender

	A. Switch brand	B. Switch store	C. Postpone purchase
Female: 43	23 (54%)	13 (30%)	7 (16%)
Male: 29	18 (62%)	8 (28%)	3 (10%)

According to Table X, 62% of male respondents said they would switch to another brand, whilst only 54% of female respondents said they would switch to another brand. This shows that more males are not brand loyal, compared to females. Additionally, 28% of male respondents said they would switch store in order to find their preferred brand, whilst 30% of females said they would switch store. This shows again, that a higher percentage of females are brand loyal. Lastly, 10% of males said they would postpone the purchase, whilst 16% of females said they would postpone the purchase, showing that more females are both brand and store loyal, in comparison to the male respondents.

This question was further analysed in order to determine if there is a correlation between age, store loyalty, and brand loyalty.

Table x – The correlation between brand loyalty, store loyalty, and age

	A. Switch brand	B. Switch store	C. Postpone purchase
Younger than 20 (3)	3 (100%)	-	-
20 – 30 (36)	25 (69.5%)	7 (19.5%)	4 (11%)
31 – 40 (6)	-	4 (67%)	2 (33%)
41 – 50 (11)	5 (45.5%)	5 (45.5%)	1 (9%)
51 – 60 (13)	7 (54%)	4 (31%)	2 (15%)
Older than 60 (3)	1 (33.3%)	1 (33.3%)	1 (33.3%)

According to the table above, 100% of respondents younger than 20 said that they would switch brand, showing this age group is not brand loyal. Secondly, 69.5% of respondents aged 20 – 30 also said they would switch brands, showing that the majority of this age group is also not brand loyal. Thirdly, the most frequent response amongst respondents aged 31 – 40 was that they would switch store, making this age group more brand loyal than the previous two. The most frequent responses amongst respondents aged 41 - 50 were equally, that they would both switch brand and switch store, making this irrelevant. The most frequent response amongst respondents aged 51 – 60 was that they were more likely to switch. The responses for respondents older than 60 were all equal. From these findings, there appears to be no correlation between age and brand and store loyalty as the majority of all age groups mostly selected that they would switch brand.

This question was further analysed in order to determine if there is a correlation between living standards and brand and store loyalty.

Table X: The correlation between LSM and brand and store loyalty.

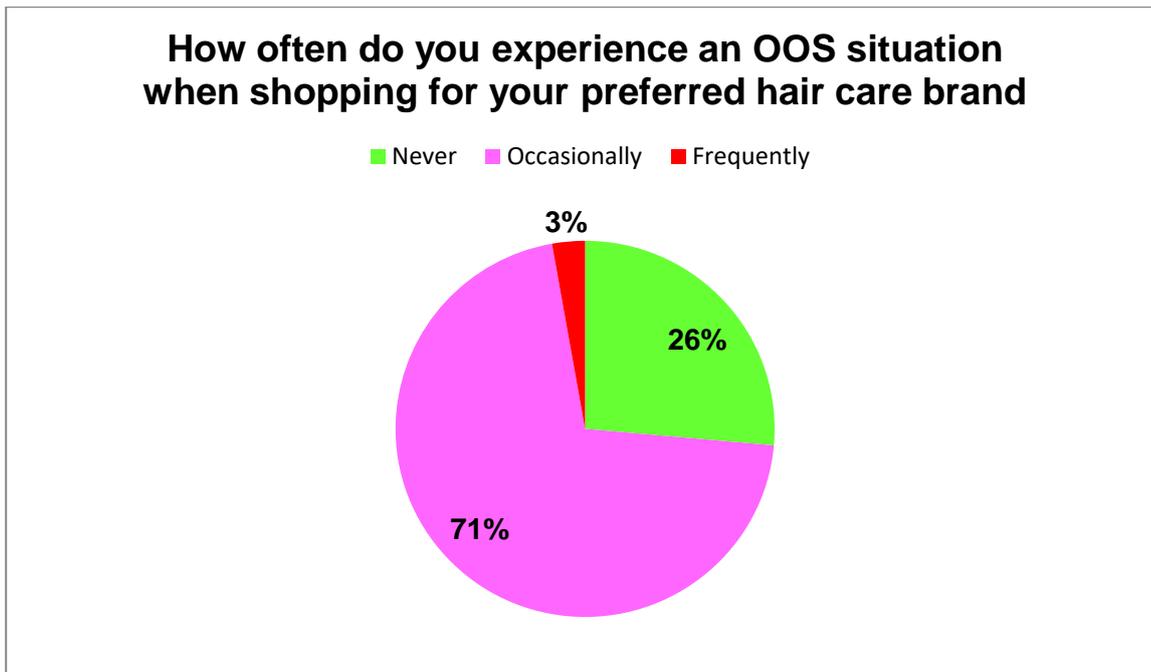
72	a. Switch brand	b. Switch store	c. Postpone the purchase
1. LSM 1-6	4	2	2
2. LSM 7 low	5	1	
3. LSM 7 high	2		1
4. LSM 8 low	4		
5. LSM 8 high		1	
6. LSM 9 low	2	2	
7. LSM 9 high	2	1	
8. LSM 10 low	3	2	3
9. LSM 10 High	19	11	4

According to the above table, throughout all LSM categories except LSM high 8 and LSM 9 low, the majority of respondents said that they would switch to another brand if their preferred hair care brand was OOS. Therefore it can be concluded that no correlation exists between living standards and levels of brand and store loyalty.

Question 8 - How often do you experience an out-of-stock situation, when shopping for your preferred hair care brand?

This question was asked to determine the frequency of the impact of an OOS situation, on a brand or retailer.

Figure 4.8: Frequency of out-of-stock situations of FMCG hair care brands



According to this graph, 71% of respondents occasionally experience OOS when shopping for preferred hair care brands, and 3% of respondents frequently experience these OOS situations, and 26% of consumers never experience these OOS situations. From these results there are a significant number of consumers who occasionally experience OOS situations of FMCG hair care brands. Based on the literature of Hollebeek (2011), these OOS situations can damage the consumer-brand relationships between these consumers and their preferred hair care brand. Therefore the fact that 71% of consumers occasionally experience OOS of their preferred hair car brands, means that there could be repeated damage to these consumer-brand relationships.

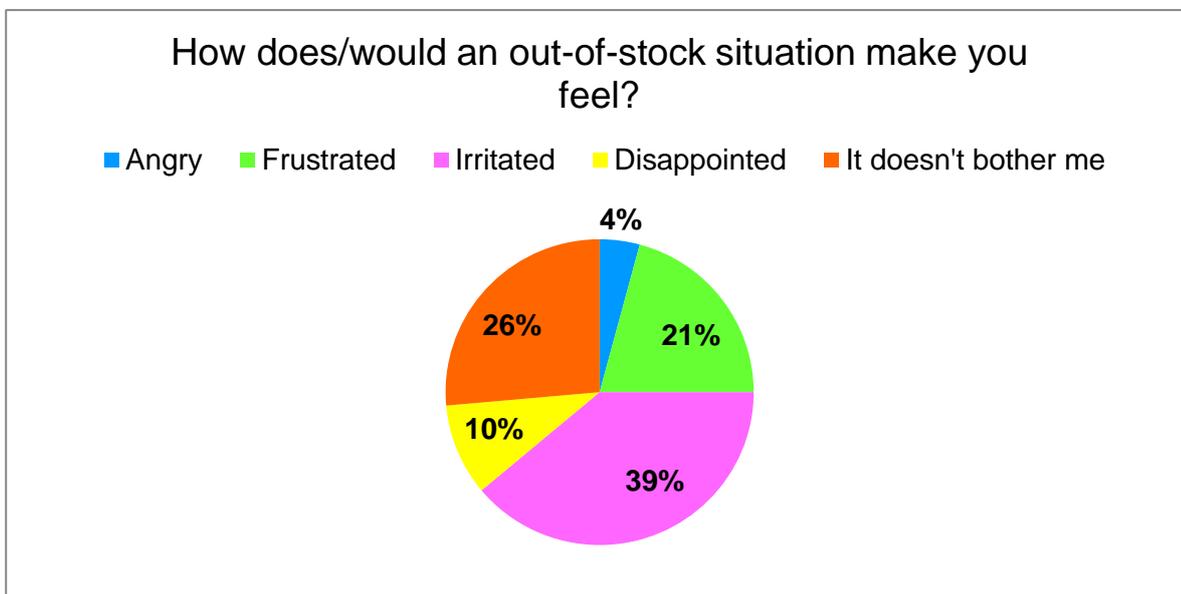
When one of these occasional OOS situations occur, these consumers may somewhat lose their commitment or attachment to their preferred hair care brand. Furthermore, according to literature by Hartman (2017), the impact of these OOS situations may cause

a consumer to experience satisfaction from another brand and ultimately lose faith in their preferred brand. Additionally, when even one OOS situation occurs, the consumer is being given the opportunity to try another brand, which they could land up permanently switching to or recommending to others (Hartman, 2017).

Question 9 - How does/would an out-of-stock situation make you feel?

This question was asked to determine the impact that an out-of-stock situation can have on the customer-brand relationship, and to suggest how often a consumer-brand relationship is affected by an OOS situation.

Figure 4.9: Feelings about OOS situation of a preferred FMCG hair care brand



According to the above graph, 74% of respondents said that OOS situations of their preferred hair care brands make them irritated, disappointed, frustrated or angry, whilst only 26% of respondents said that these OOS situations don't actually bother them. This shows that a significant number of consumers feel a negative emotion towards these OOS situations. Therefore, considering the high percentage of these situations occasionally occurring, there is a likelihood that consumers develop feelings of anger, frustration, irritation and disappointment towards their preferred hair care brands, or stores, each time they experience one of these OOS situation. This can increasingly damage these consumer-brand relationships.

This question was further analysed in order to determine if there is a correlation between gender and the level of negative emotion they feel towards an OOS situation.

Table X: The correlation between emotional responses and gender

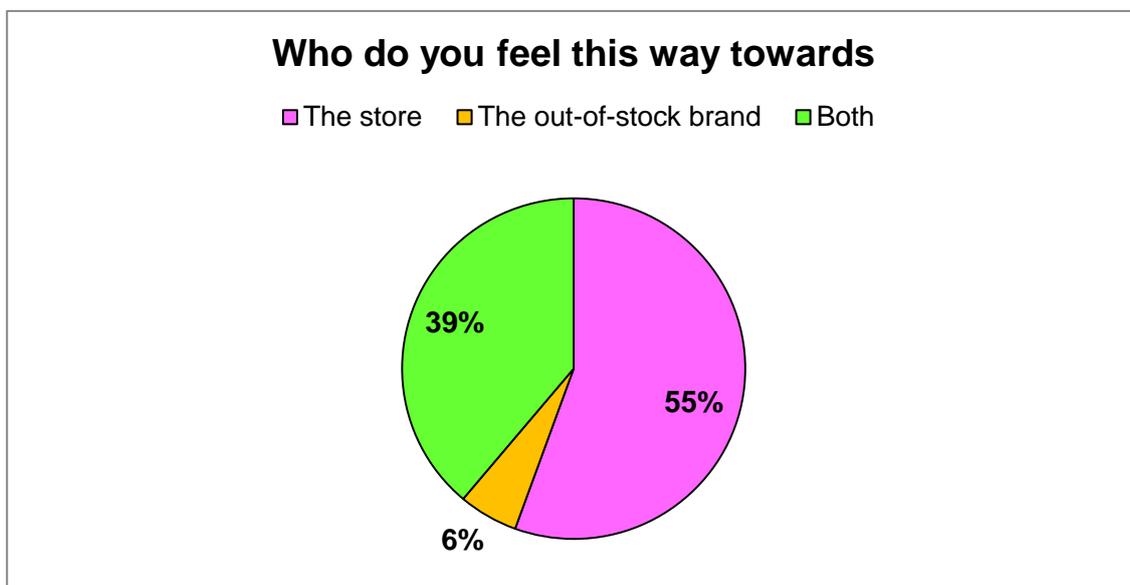
	Angry	Frustrated	Irritated	Disappointed	Not bothered
Male (29)	3 (10%)	3 (10%)	9 (31%)	2 (7%)	12 (42%)
Female (43)	-	12 (28%)	19 (44%)	5 (12%)	7 (16%)

According to the above table, the majority (42%) of male respondents said that they are not bothered by OOS situations of their preferred hair care brands. This speaks to males being not particularly brand loyal. However, the majority (44%) of female respondents said that OOS situations of their preferred hair care brands make them irritated. According to Hemetsberger (2009) a consumers' attachment to a brand can be just as emotional and meaningful as interpersonal relationships. This therefore shows that females have a stronger emotional attachment to their preferred hair care brands as their response to these OOS situations is more emotionally driven.

Question 10 - Who do you feel this way towards?

This question was asked in order to determine who is primarily affected by an OOS situation of preferred FMCG hair care brands.

Figure 4.10: Who is affected by OOS of FMCG hair care brands

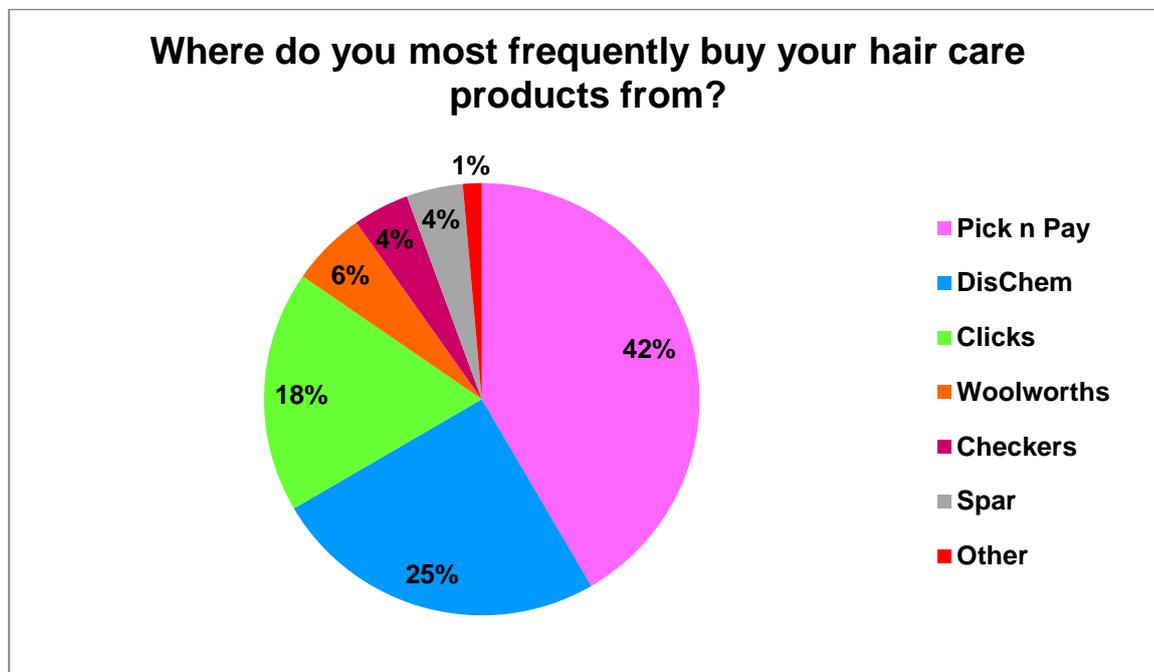


According to figure 4.10, 55% of respondents said that they feel either angry, frustrated, disappointed or irritated towards the store they are shopping at when faced with an out-of-stock situation of their preferred hair care brand. Therefore the consumer-brand relationship between the consumer and the store is most predominantly affected by these OOS situations, and potentially, the loyalty these consumers feel towards the store could also be affected. Secondly, 39% of respondents said they feel either angry, frustrated, disappointed or irritated towards both the store and the OOS brand. Therefore there are also a significant number of hair care brand and consumer relationships being damaged by these OOS situations. Ultimately, despite who is actually responsible for an OOS situation of FMCG hair care brands, both FMCG retail stores and FMCG hair care brands are being negatively impacted by these OOS situations.

Question 11 - Where do you most frequently buy your hair care products from?

This question was asked to determine the stores where out-of-stock situations may be frequently occurring.

4.11: Most frequented stores



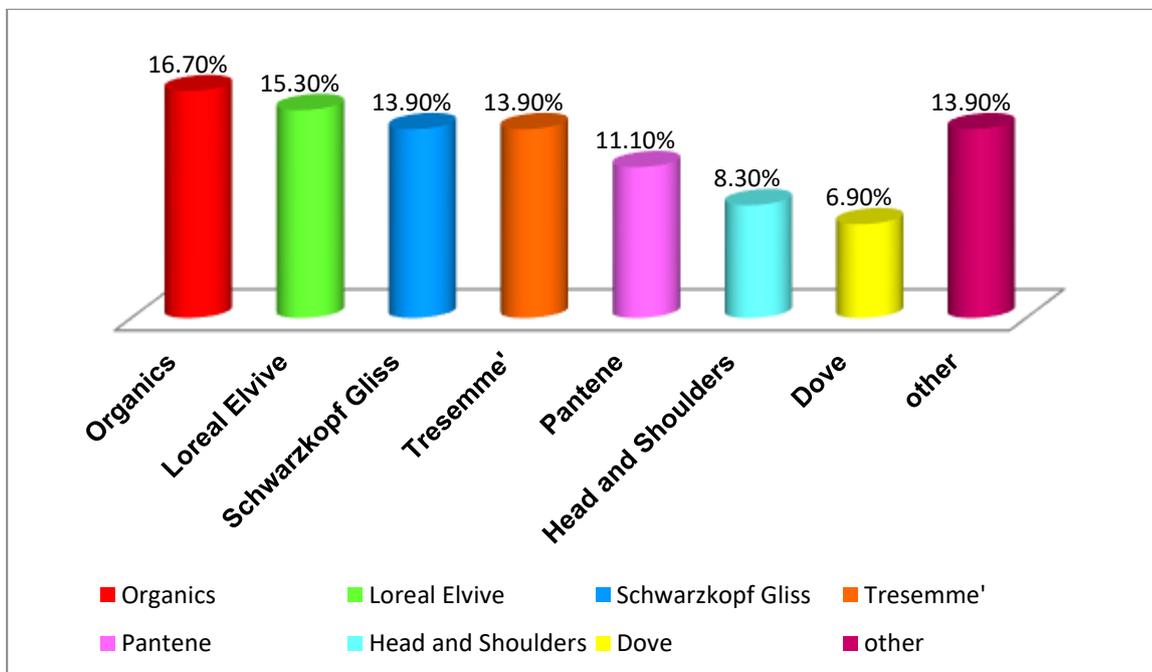
According to this graph, 42% of respondents identified that they most frequently purchase their preferred hair care brands from Pick n Pay. Secondly, 25% of respondents identified that they most frequently buy their preferred hair care brands from Dischem. Thirdly, 18%

of respondents identified that they most frequently purchase their preferred hair care brands from Clicks. Lastly, 6% answered Woolworths, 4% answered Checkers and Spar and 1% answered other. Considering the results of question 7, that 71% of respondents occasionally experience OOS situations, it could be noted that these occasional experience might be occurring at Pick n Pay, Dischem, and Clicks, as these are the stores most frequented by respondents.

Question 12 – What is your preferred hair care brand?

This question was asked in order to determine brand preference amongst respondents. It was also asked in order to determine market share of hair care brands in South Africa.

Figure 4.12: Preferred hair care brands



According to Figure X, the majority of available hair care brands have a similar level of market share as brand preference percentages are similar between the above shown brands. Due to available FMCG hair care brands all having a similar market share percentage, it is important that brands maintain their consumer-brand relationships in order to remain competitive. Additionally, it is important that these brands take the necessary steps to ensure that stores have sufficient stock of their brands in order to maintain their market share.

Question 13 – Select all the hair care products you buy

This question was asked in order to determine the extent of damage to brand as a result of OOS situations.

4.13: Hair care products purchased by respondents

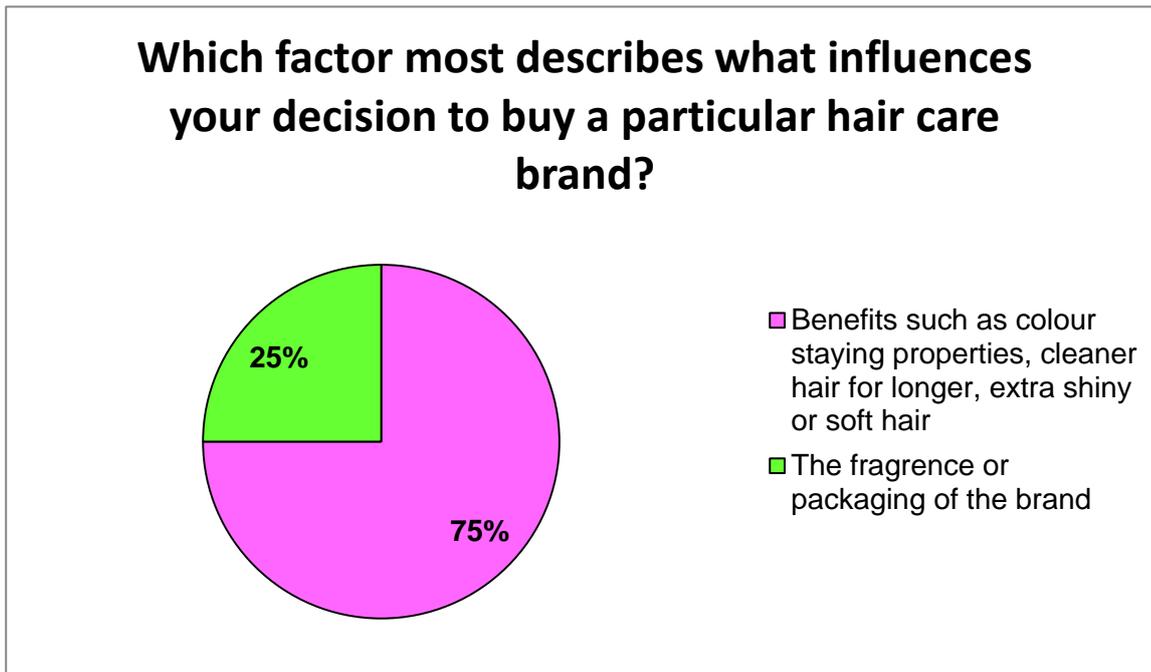


98.60% and 94.40% of respondents identified that they buy shampoo and conditioner from their preferred hair care brand. Additionally, 20.8% of respondents identified that they also buy styling products and treatments from their preferred hair care brands. It can therefore be concluded that when an OOS situation occurs, and a consumer opts to switch brand, a brand could lose out on a sale of a shampoo and conditioner or additionally of styling products and treatments.

Question 14 – Which factor most describes what influences your decision to buy a particular hair care brand?

This question was asked in order to determine whether functional, symbolic or experiential benefits of brands are more important to consumers. The data collected from this question could aid in assisting brands with what benefits they need to communicate to consumers.

4.14: Influencing factors of purchase decision for hair care brands



75% of respondents identified that benefits, such as colour staying properties, cleaner hair for longer, extra shiny hair and extra soft hair, most influence their decision to purchase a particular hair care brand. According to Aaker (1991) these benefits are described as functional benefits. Therefore functional benefits primarily influence a consumers' purchase decision when purchasing FMCG hair care brands. According to Park et al (1986), functional benefits are closely linked to Maslow's physiological and safety needs. From this, it can be concluded that hair care brands primarily satisfy consumers physiological and safety needs. It is likely that this is due to hair care brands aiding consumers in feeling and smelling clean. Hair care brands also therefore need to ensure that they communicate the functional benefits of their brands, in order to influence consumers.

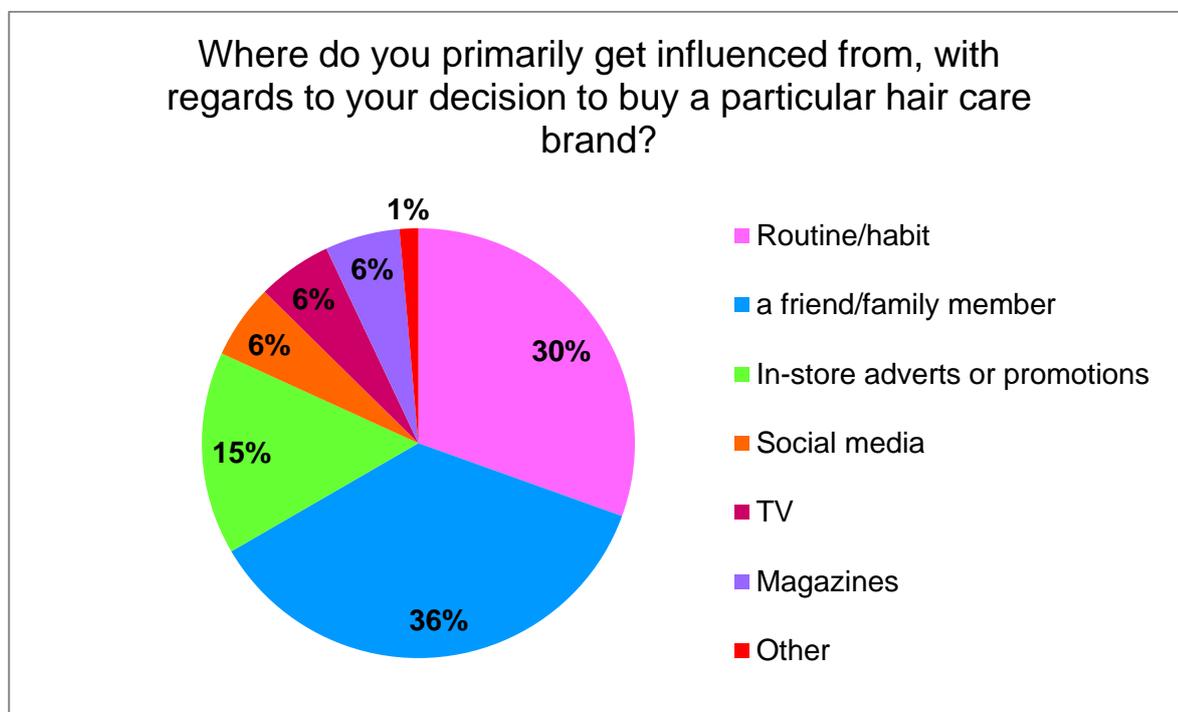
25% of respondents identified that the product fragrance or packaging of the brand most influences their decision to purchase a particular FMCG hair care brand. According to Aaker (1991), these benefits are described as experiential benefits. Experiential benefits are linked to sensory and cognitive stimulation. Therefore secondary to functional benefits, for a quarter of respondents, experiential benefits most influence their decision when purchasing hair care brands. According to Park et al (1986) experiential benefits are closely linked to Maslow's social needs. Therefore, for consumers who purchase a brand based on the experiential benefits of the brand, when their preferred hair care brand is

OOS, these consumers social needs could potentially be less fulfilled. Due to these findings, it is also evident that hair care brands need to give attention to the packaging and fragrance of their products, in order to influence consumers.

Question 15 - Where do you primarily get influenced from, with regards to your decision to buy a particular hair care brand?

This question was asked in order to determine what the biggest marketing influence is on consumers' decision-making when buying hair care brands. This question was also analysed in terms of frequency, percentage and mode.

Figure 4.15: Environmental and Intervening factors that affect purchase decision



36% of respondents selected that they are primarily influenced by a friend or family member, when making a purchase decision on a FMCG hair care brand. Therefore, word of mouth is the most effective form of marketing for FMCG hair care brands. Secondly, a close 30% of respondents selected that Routine or habit influences their purchase decision, when shopping for FMCG hair care brands. From this it can be concluded that consumers go with what they know and trust. Thirdly, 15% of respondents identified that there are primarily influenced by in-store advertising, when shopping for FMCG hair care brands. From this it can be noted that, according to The Engel-Blackwell-Miniard Consumer Decision Model, these 15% of respondents pre-purchase evaluation of

alternatives takes place in-store and therefore it is vital that in-store marketing communications are effective and efficient, and that the functional and symbolic benefits of FMCG hair care brands are explicit.

CHAPTER 5 – CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

This quantitative study was conducted to determine how consumers respond when encountering an OOS situation of their preferred FMCG hair care brand. The research questions will now be answered, the hypotheses will then be accepted or rejected, and finally the research problem will be addressed. In addition to this, recommendations and conclusions will be made.

5.2. THE RESEARCH QUESTIONS, HYPOTHESES, AND RESEARCH PROBLEM

5.2.1. Hypotheses

This study was ultimately conducted in order to accept or reject the following hypotheses:

- H1: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch to a competing brand.
- H0: When faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch retail store in order to find their preferred brand or postpone the purchase.

Based on the findings of question 7, that 64% of respondents selected that when an OOS situation of their preferred hair care brand occurs, they would buy another brand that is available at that store, the majority of respondents identified that they would switch brands. Therefore the H1 hypothesis 'when faced with an out-of-stock situation, of a preferred FMCG hair care brand, South African consumers will switch to a competing brand', is accepted and the H0 hypothesis is rejected.

5.2.2. Research questions

This study was also conducted in order to answer the following research questions:

1. What is the most prevalent consumer response to out-of-stock situations of preferred fast-moving consumer goods hair care brands, in South Africa, in order to identify the impact of these situations on brands and retailers?

To conclude, the most prevalent consumer response to OOS situations of FMCG hair care brands in South Africa is that the majority of consumers would switch brands and purchase a competing hair care brand. Based on the fact that these consumers are still purchasing from the same store, the stores revenue is unaffected, however due to the fact that many consumers answered that they blame the store for these OOS situations, the store could be affected in terms of brand image.

Furthermore, this response primarily affects the brand that is OOS. This brand could be affected in terms of loss of market share, diminished brand loyalty, and diminished brand equity.

2. Is there is a correlation between age, LSM, and gender, and brand loyalty?

Due to the responses of question 5, males and females both primarily selected that they would either consider buying another brand or that they would definitely buy another brand. This showed that there was no correlation between gender and brand loyalty. Secondly, through correlating age and brand loyalty it is concluded that there is somewhat a correlation between age and brand loyalty, as it appears that brand loyalty slightly increases with age, although this increase was not very significant.

Due to the responses of question 7, it is concluded that a higher percentage of females are more brand and store loyal in comparison to males, however the differences in percentages are minimal, and therefore it is still concluded that there is no correlation between gender and brand loyalty. Secondly, it is also still concluded that there is also no correlation between age and brand loyalty, as the majority of all age groups selected that they would switch to another hair care brand. Lastly, there is also no correlation between living standards and brand loyalty, as the majority of all LSM groups selected that they would switch brands, and therefore brand loyalty did not increase or decrease with living standards.

3. What drives consumers to purchase a particular hair care brand?

Firstly, it is concluded that functional benefits, such as colour staying properties, cleaner hair for longer, and soft hair, primarily drive consumers to purchase a particular hair care brand. Second to functional benefits, is that experiential benefits such as sensory or visual benefits (packaging and fragrance) also drive a consumers' decision to purchase a particular hair care brand.

Secondly, it is concluded that friends or family members also drive a consumer to purchase a particular hair care brand. This could be as these people are trusted influencers. Second to friends and family members, is that habit or routine drives a consumers' decision to purchase a particular hair care brand.

4. What is the impact of an out-of-stock situation of a preferred fast-moving consumer goods hair care brand?

Firstly, OOS situations impact the relationships between consumers and their preferred hair care brands, as these situations may result in a consumer feeling disappointed, frustrated, angry or irritated by the OOS brand.

Secondly, the impact is also that hair care brands brand equity and market share is also affected by these OOS situations as consumers most frequently opt to purchase a competing brand. This is detrimental to the OOS brand as the consumer may opt to permanently switch brand after trying a competing brand.

Thirdly, there is also an impact on retail stores, such as supermarkets and chemists, when an OOS situation of a FMCG hair care brand occurs. This impact is due to consumers blaming both the store and the brand for the OOS situation. The impact on this could be lost consumer confidence in the store, which could ultimately lead the consumer to frequent a different store in the future, in order to minimise the change of encountering an OOS situation. Therefore the impact to the store could be in terms of revenue loss and in terms of diminished brand image.

5.2.3. The research problem

This study was also ultimately conducted in order to solve the research problem:

That it was unclear as to how the majority of South African consumers respond to out-of-stock situations of preferred FMCG hair care brands. It was also therefore unclear as to what the impact of these out-of-stock situations is, on FMCG hair care brands and retailers, in South Africa. Thus the problem being investigated was: How do the majority of South African consumers respond when faced with an out-of-stock situation of their preferred hair care brand and what are the implications of these responses.

To conclude, the majority of South African consumers switch to another brand when faced with an OOS situation of their preferred hair care brand. Furthermore, the implications of

these responses is that hair care brands, supermarkets and chemists may lose market share, brand equity, and brand image as a result of these occurrences. Additionally, consumer-brand responses are also damaged by these OOS situations.

5.3. SUMMARY OF THE RESEARCH AND RECOMMENDATIONS

In terms of brand loyalty towards FMCG hair care brands, the majority of consumers were classified as brand recognisers. A recommendation as a result of this is that hair care brands should undertake loyalty building campaigns and strategies in order to increase brand loyalty towards their brands, as this category is the lowest form of brand loyalty, and is comprised of consumers who would consider purchasing another brand.

No significant correlation exists between males and females and their levels of brand loyalty, or between different age groups and their levels of brand loyalty. Consumers also show low brand loyalty towards hair care brands in general. There is also no correlation between living standards and brand and store loyalty. Due to brand loyalty being low for FMCG hair care brands, consumers do not become increasingly loyal to their preferred brands over time, or when their living standards increase. FMCG hair care brands could develop personalised packaging or functional benefits for different age categories in order to improve loyalty amongst different age groups.

Many consumers occasionally encounter OOS situations of hair care brands and feel irritated, frustrated, disappointed or angry at the store, and the out-of-stock brand. Brands could implement logistics programs with their stockists to ensure that all stockists have sufficient stock of their brands, in order to prevent OOS situations from negatively impacting the brand and stores reputations. Females are more emotionally affected by OOS situations of their preferred hair care brands and therefore strategies should be undertaken in order to improve consumer-brand relationships between hair care brands and female consumers. The most frequented stores are Pick n Pay, Clicks, and DisChem, when consumers are shopping for hair care brands and market share is similar between all FMCG hair care brands. Functional benefits and family and friends primarily influence a consumers' decision to purchase a particular hair care brand. Due to consumers primarily choosing a hair care brand based on its functional benefits, hair care brands should develop strategies in order to increase differentiation between themselves and their competing brands.

5.4. CONCLUSION

To conclude, chapter 1 discussed that the background, history, and gaps in research on out-of-stock situations. It also included the rationale that the results of this study could improve hair care brands and retail stores knowledge on the results and impacts of OOS situations occurring. This study was ultimately conducted in order to determine how consumers would respond to these OOS situations and if correlations exist between brand loyalty, age, LSM, and gender.

Chapter 2, the literature review, introduced concepts such as consumer-brand relationships, brand loyalty, customer loyalty, FMCG, and brands. Furthermore previous literature on the benefits of brands, the components of brand image, brand loyalty, consumer-brand relationships, and consumer responses to OOS situations was reviewed. Two theoretical foundations were analysed in order to guide this study. The two theories were The Theory of Reasoned Action and The Consumer Decision Model. These theories aided in the development of the research instrument and in the analysis of the data collected. It was discussed that this study followed a positivist worldview and the purpose of was to discover correlations and cause-and-effect relationships.

Chapter 3, the research design and methodology, it was discussed that the research design of this study was quantitative research, conducted deductively. This study was conducted as a cross-sectional survey as the phenomenon was only researched at one specific point in time. The population and population parameters were also defined. This led to the exclusion of questionnaires answered by people who did not purchase FMCG hair care brands and people who did not fall within the racial parameters of this study. Additionally, respondents were identified through the use of non-probability sampling methods, specifically, convenience sampling, and snowball sampling. Before the questionnaire was distributed to respondents, a pre-test and pilot study were conducted, adding to the validity and reliability of this study. Data was then collected through the use of a Google Forms questionnaire and a shareable digital link to the questionnaire. Ultimately 100 questionnaires were completed of which 28 were discarded due to qualifying questions and the population parameters of this study. The data was then analysed through the use of descriptive statistics, namely, tally tables, percentages, the mode, and correlation tables.

In Chapter 4, findings and interpretations, each questionnaire question was graphically represented. It was ultimately found that South African consumers mostly switch to another hair care brand when their preferred brand is out-of-stock, as a result of low brand loyalty and all hair care brands having similar functional benefits. It was also found that no absolute correlations were found between age, gender, LSM and brand loyalty.

5.4. ANTICIPATED CONTRIBUTION

The anticipated contribution of this study is to solve a business problem, namely out-of-stock situations of hair care brands, in South Africa. By determining how the majority of consumers in South Africa respond to out-of-stock situations of their preferred FMCG hair care brands, and the effect that these out-of-stock situations can have on retailers and brands, the anticipated contribution of this study is firstly to aid FMCG retailers and brands with stock management. This contribution can be realised, firstly, by increasing the awareness of the effect of OOS situations on retailers and brands, and secondly, by suggesting what improvements could be made, in terms of brand benefits, in order to minimise the impact of OOS situations. Another anticipated contribution of this study is to benefit consumers. It has been suggested in previous literature that OOS situations can be annoying to consumers, and therefore the findings of this study could be used as preventative literature to minimize the occurrence of OOS situations. This could reduce the impact that these situations have on consumers and their shopping experiences.

Another anticipated contribution of this study is to aid future researchers in studies on brand loyalty, customer loyalty or OOS situations, as even though this study is on consumer responses to out-of-stock situation, their responses to these situations stem from the level of loyalty the consumer feels towards their preferred brand and or retailer.

This study also aims to determine how and, from where, consumers are influenced to buy a particular brand. As well as to determine what benefits the majority of consumers focus on when selecting a brand to purchase. This data can contribute to the management of brands, as the listed hair care brands in the questionnaire can use this data to adapt their marketing, advertising and branding strategies.

5.5. ETHICAL CONSIDERATIONS

5.3.1. Ethical considerations for the researcher

To make sure that this study is carried out ethically, it will be ensured that the researcher does not falsify information in any way (Du Plooy-Cilliers et al, 2014). This will be ensured by making the questionnaires available to academic supervisors and lecturers at Vega School, if requested. The respondents will be made aware that the questionnaires will be available to academics at Vega School.

Another ethical consideration of this study is the distorting of results. This refers to interpreting data to make it suit the study, instead of interpreting it for the actual meaning of the question (Du Plooy-Cilliers et al, 2014). This will be ensured by the researcher, as the research for this study is supervised by an academic supervisor who could identify any distortions.

The third ethical consideration of this study is bias. Bias can be challenging to identify as most researchers are unaware that they are being biased through the collection and interpreting of data (Du Plooy-Cilliers et al, 2014). In an attempt to minimise bias, the researcher will collect data using multiple sampling methods. Sample respondents will be selected through multiple methods and therefore data will not only be collected from a particular group of people.

The fourth ethical consideration of this study is the misuse of information. It will be ensured that information from this study is not misused as the data collected for this study will not be used for any other reasons other than for the purpose of this study.

It will also be ensured that inappropriate research methods are not used, as respondents will purely be asked to complete a questionnaire and will not be exposed to anything inappropriate.

Lastly, in terms of possibly distributing questionnaires to consumers in FMCG retail stores, store managers will be asked for clearance to collect data from consumers before the questionnaires are distributed. Ethical clearance will also be approved by Vega School before data collection takes place.

5.3.2. Ethical considerations for respondents

Firstly, all respondents will be informed that they are completing a questionnaire for the purposes of a Vega Research module assignment. All respondents will be required to consent to participating in this study and will be asked to complete an informed consent form.

In terms of collecting data from respondents, all respondents will be informed that they do not have to provide any form of identification attached to their responses. Additionally, no embarrassing questions will be asked, no respondents will be forced to participate in the study, and it will be ensured that the questionnaire only takes a maximum of 10 minutes to complete. As this study is on OOS situations, no sensitive topics or information will be discussed.

Additionally, to ensure data collection is ethical, no incentives will be provided to respondents, in an attempt to persuade them to participate. All respondents must voluntarily participate in this study. Harm to respondents will also be avoided as respondents will be asked to complete a written questionnaire, rather than to vocalise their responses, and no sensitive questions will be asked.

Lastly, all respondents will be assured that their identities will remain anonymous as no respondent will be required to provide the researcher with their name or to write their name on their completed questionnaire.

5.6. LIMITATIONS AND DELIMITATIONS

Some limitations of this study included limited human resources, time constraints, and limited access to the population of the study. Firstly, time constraints for this study exist as it has to be completed before the Vega submission data. Secondly, this study can only be carried out by one researcher, due to the Vega School instructions. Lastly, the entire population of this study cannot be accessed due to limited time and human resources, as well as due to the researcher being situated in Johannesburg; therefore a limitation of this study is not being able to gather data from an adequately sized representative sample, in order for findings to be accurately generalised.

Delimitations of this study include 1) only collecting data from Caucasian respondents, 2) only collecting data on fast-moving consumer goods hair care brands, 3) using non-

probability sampling methods. Firstly, data will only be collected from Caucasian respondents as different hair care brands are used by consumers of different races due to their different hair types and needs. Secondly, data will only be collected regarding fast-moving consumer goods hair care brands, due to the likelihood that the purchase occasion of this is more frequent. Lastly, non-probability sampling will be used to select respondents and therefore not all units of the population have an equal chance of being selected for this study.

CHAPTER 6 - REFERENCE LIST

CHAPTER 7 - ANNEXURES

7.1. QUESTIONNAIRES

7.2. ETHICS CLEARANCE LETTER

7.3. ORIGINALITY REPORT