
RESEARCH REPORT

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Abstract

This study made use a triangulation research approach including quantitative, qualitative and action research to generate reliable and valid insight into South African consumer associations with three cult brands – Apple, Harley Davidson and Mini Cooper. Taken from a third world country perspective, this study explored the relationship between different economic groups within Cape Town, South Africa act as a starting point to better understand the dynamic that a country’s economic state impacts on the success of cult brands. This study may act as the starting point for future studies conducted on marketing strategies for cult brand or brands moving towards cult status.
1. Introduction

1.1 Background to the Study

This study aims to generate insight into South African consumer associations with cult brands, from a third world country perspective, as a starting point to better understand the dynamic that a country’s economic state impacts on the success of cult brands.

According to Peloza and Hassay (2007), the recent increase in the number of organisations available in the market has led to greater competition between their brands. As a result, funds have become increasingly limited as individuals, the private sector and government, are bombarded with different brands to choose from. Pope, Isely and Asamoah-Tutu (2009) suggested that the use of distinct marketing and advertising strategies would better enable organisations to survive in the modern economy.

Cult brands may be the epitome of excellent branding strategies, acting as meaningful brands and unique lifestyle choices. Cult brands are brands that have an extremely loyal customer base, that is not deterred by competitors, even in times of economic hardship. This in turn lends great support to the cult brand in times of company errors, economic decline, or an increase in the number of competitors within a category. Consumers are loyal to the point that they will actively convince friends and family to support the brand, thereby becoming brand ambassadors themselves. These brands are meaningful and continuously give back to their consumers and the community (Jeffrey, 2017).

While it is difficult to determine the exact point at which a brand achieves cult brand status, there are several brands which are globally understood to have done so such as Ferrari, IKEA, and Apple (Cult Branding Co, 2017). While cult brands range over various categories, most of these are costly luxury brands, unaffordable to lower and middle income bracket individuals and households. It is therefore possible that within the context of a third world country, associations with cult brands may differ due to the limited capital within the country – where most of the population is unable to afford the brand’s products. Most studies of cult brands have been conducted within the context of a first world country, where the standard of living and economic states are more stable and suitable for cult brand purchases. However, cult brands are apparent in many third world countries, such as South Africa. An example of this is the cult brand Harley Davidson. Acting manager of Harley Davidson in 2017, Tygervalley Cape Town,
stated that “Harley Davidson have positively infiltrated the South African market and competes successfully with international stores. The cult following in South Africa is as strong as in other European countries or American states.”.

1.2 Research Problem
This study will use an action research approach to generate reliable and valid insight into South African consumer associations with cult brands. Taken from a third world country perspective, this study could act as a starting point to better understand the dynamic that a country’s economic state impacts on the success of cult brands.

This study will investigate and compare the cult brand associations of three participant groups, from different income brackets, in order to represent the lower, middle and upper economic class households of South Africa, Cape Town. This will enable basic insight to be generated concerning the impact of economic positioning on cult brand associations. This study will make use of action research with a reflection process, mainly due to the large discrepancy in levels of literacy amongst the groups of participants (Maree, 2016).

Action research is frequently used to contribute to knowledge creation, through a participatory character (Ponte, Beijard and Ax, 2004). It forms an interaction between theoretical and practical knowledge, using real-life situations to generate raw, reliable results that give practical evidence for theoretical assumptions, generalizations, or hypotheses, that are further analyzed via a reflection process (Ebersohn, Eloff and Ferreira, 2016).

The purpose of this research is to explore existing associations with cult brands, identifying key concepts that are impacted by economic positioning, and ultimately generating insight into third world consumer associations with cult brands (Denscombe, 2010).

1.3 Relevance of the Study
While several studies have investigated the rise of cult brands and documented the branding strategies employed to achieve cult brand status and remain a cult brand, literature in the context of a third world economy is limited. It is likely that strategies employed in a first world economy may need to be adapted for a third world economy, such as in South Africa where there is an unemployment rate of 26.5% (Stats SA, 2016), as many cult brands are expensive
luxury brands. The unique demographic of South Africans may also impact the success of cult brands, while culture and community dynamics may alter the way in which cult brands are viewed in the mind of the consumer. Current South African brands employing Western or European cult brand strategies, based on European and American consumer-brand associations, may be limiting the potential success of brands, while meaningful brands aiming to achieve cult brand status may benefit by implementing new branding strategies based on specific South African consumer dynamics and associations. In order to adapt current cult branding strategies to better align cult brands with South African consumers’ ideals, research on South African consumer associations with cult brands, and current cult branding strategies, need to be investigated.

Essentially, this study aims to generate insight into South African consumer associations with cult brands, from a third world country perspective. The findings produced by this study may then be used to alter strategies in use by cult brands, and brands wishing to achieve cult brand status, in order to make cult branding strategies more relevant in the South African market and other third world countries. Localized cult branding strategies could help cult brands become more profitable, timeless and meaningful in South Africa.

To the best knowledge of all parties concerned with this study, no other academic study has been conducted on cult brands within a South African context. Further, this study is unaware of any possible conflict of interest that might arise from this study.

1.4 Research Statement
This study thus aims to generate insight into South African consumer associations with cult brands, from a third world country perspective, as a starting point to better understand the dynamic that a country’s economic state impacts on the success of cult brands.

1.5 Research Questions
How does a third world context impact consumer associations with cult brands?
- How do consumer associations with cult brands differ between income brackets?
- How does the brand image of cult brands compare with the brand identity, amongst third world consumers?
- How do South African consumer associations with the three chosen cult brands differ (Harley Davidson, Apple and Mini Cooper)?

1.6 Research Objectives
This study’s primary objective is to explore South African consumer associations with cult brands, from third world perspective, and to gain insight into how these might be affected by economic positioning.

2. Literature Review
This literature review will start by defining the term cult brand, as it appears in previous literature. Having defined cult brands, this review further aims to highlight key themes within existing research on cult brands and branding strategies, moving to focus on third world countries. It will provide an overview of the history of specific cult brands, and extend to highlight current research on cult brand status. Emphasis will be placed on branding strategies in use by cult brands, or associated with cult brand status. Attention will be drawn to research methodologies currently in use, as well as common research mistakes made while investigating consumer associations with cult brands. The review will conclude by highlighting the need for contextual investigation, namely within South Africa as a third world country, and make note of conceptual weaknesses made by previous research studies and articles published.

2.1 Defining a Cult Brand
As the number of products available within an industry increased over the last century, brands surfaced as a method of differentiating a product or service for consumers (Gebauer, Gustafsson and Witell, 2011). In an extreme case of differentiation, a product or service exists outside of the ring of competitors, in that customer loyalty is guaranteed. This is different from normal marketing strategies that encourage returning customers through loyalty programs by providing incentives, such as when banks give out credit cards with additional benefits to loyal customers; in these cases, the incentives can add to marketing costs, reducing overall profit or may be copied by a competitor, reducing the success of the campaign (Dowling and Uncles, 1997). If a case arises where a brand’s customer loyalty is unwavering, the brand is eligible for cult brand status (Summerfield, 2014).
Investopedia (2017) defines a brand as “a distinguishing logo, mark, sentence, symbol or word that identifies a particular product” and a cult brand as “a product or service that has an energetic and loyal customer base.”. It is further suggested that these near fanatical customers could have a personal interest in the success of the brand, such that they could actively promote the brand to other individuals. Cult brands such as Harley-Davidson, Apple and Volkswagen Beetle have managed to build a culture, in which consumers feel the need to belong to. Brand strategist Melanie Wells (2001) stated that a “cult brand seizes the imagination of a small group of consumers who spread the word, make converts, and help turn a fringe product into a mainstream name.”. Witwer (2014) in turn defined cult brands as brands with engagements that depend on “cultural links rather than on product-enhancements, functionality, or emotional appeal alone.”. This suggests that the consumers that make up the base of cult brand consumers have their own culture. Cult brand experts Ragas and Bueno (2002) suggested that there are five elements of a cult brand, and that a brand may be labeled as a cult brand should two or more of the elements be present. The elements are described as: 1 – Superior customer loyalty; 2 – No competitors or substitutes are perceived by consumers; 3 – Customers become integrated into the brand upon purchase; 4 – Sustained loyalty; 5 – Not only a product or service is purchased, but a lifestyle. From these definitions, similarities can be drawn such as an extremely loyal customer base, with a culture particular to that group. This study will make use of the definition by author Sasha Schneiders (2011), who indirectly combines the elements previously mentioned by defining cult brands as brands of products or services where the use of the products become secondary to the symbolism and lifestyle that surrounds the brand, leading to a highly loyal customer base.

There are several terms in use that identify successful brands via specific criteria or definitions. The terms most commonly used in literature include Fad Brands, Trending Brands and Cult Brands. While this review will focus only on cult brands, it is important to differentiate cult brands from fad and trending brands.

Authors in literature often refer to a Fad Brand as a “short lived craze”, created by a mainly emotional need to purchase an idealistic or hyped-up product (Holt, 2008; Knight, 2011; Silbermann, 2016). While fads often reach a wide target market and high level of awareness in the minds of consumers, the brand’s sudden popularity usually only last a few seasons at most (Cohen, 2013). In contrast to this, a Cult brand slowly and steadily builds up a strong,
supportive consumer base and becomes almost timeless as the brand’s reputation grows. One of the most well-documented cases of a Fad Brand being out performed by a cult brand, is the decline in Blackberry sales and consumer support mainly due to the rise of Apple (Lindstrom, 2011). Technology analyst Jeff Dunn (2016) from The Insider reported that while Blackberry became almost instantly popular with the release of its advanced cell phone technology – selling over 50 million devices in 2011 alone, the brand was unable to compete with Apple once it achieved cult status, dropping approximately 20% in market share. The graph below from the Wall and Broadway blog (2015) depicts the fall of blackberry, and clearly illustrates the differences in cult brands and Fad Brands: Fad Brands rise quickly and attract a large consumer base, only to lose that consumer base as suddenly, whereas cult brands slowly build consumer relationships and steadily increase their customer base.

![Graph comparing iPhone and Blackberry shipments](image)

Figure 1. Apple Cult Brand outperforms Blackberry Fad Brand (Wesley, 2015). Graph measures devices sold in units, over annual quarters.

In comparison to a Fad Brand such as a Blackberry, the rise in a Trending Brand’s position in the market is more easily identified and explained. The rises of Trending Brands are often linked to basic consumer needs and lifestyle choices (Cohen, 2013). Trending Brands are similar to cult brands in that they slowly gain consumer appreciation. An example of a Trending Brand is COACH. Over the last decade, the desire for handbags and other accessories designed for specific occasions has increased steadily, resulting in COACH’s stable 19% increase in annual growth rate for over 10 years. Thus COACH acts as a Trending Brand, as it is aided by the trend for occasion-specific accessories. Trending Brands are also often connected to lifestyle choice themes, such as the current drive for healthy living and wellbeing (McCoy, 2017). Thus,
Trending Brands are often found grouped in certain popular industries, whereas cult brands are a single brand that caters for a segment of the consumer market. An example of a wellbeing trending lifestyle habit is seen with the common consumer need to eat healthily. From this lifestyle focus came the rise of gluten-free food products: from 2005 to 2015, general sales for gluten-free food brands have increased $5 billion (Benson, 2017). Other examples of Trending Brands include Stance; clothing retail brand that produces bold, fashionable socks in association with the existing trend of fashion conscious metro men and semi-casual work dress-codes (Forbes, 2016).

To conclude, cult brands are product or service brands that offer a lifestyle and sense of belonging to the brand’s consumers, who are extremely loyal to the brand in question. These are meaningful brands that give back continuously to their community. The brands exist apart from competitors, unique within their industry.

2.2 Theoretical Framework
While there is still much controversy surrounding the term cult brand, as there are many negative associations with the core term “cult”, it remains the most accurate phrase for brands that have exceeded in creating extremely loyal consumer relationships. While the consumers that make up a cult following add great value to the business, providing support for the launch of new products, new branches and brand extensions, a cult brand itself also gives back to its consumers and the greater community. South African brands could benefit greatly by following marketing strategies that would enable the brands to achieve cult status. Further, the South African economy stands to benefit by increasing the success, and indirectly the profits, of cult brands.

2.3. Key Themes
In order to generate a greater understanding of the sphere in which cult brands operate, several key theories and themes will be investigated. These theories make up the basic framework for this investigation.

2.3.1 Tribal Marketing Basis for Cult Brands
The first theme is the theory of tribal marketing. Cova and Cova (2002) suggested that since 2002 most brands have shifted from a Northern marketing approach, where consumers are
exploited as individuals, to a community (tribal) based approach. The tribal marketing approach lies “in offering and supporting a renewed sense of community”. Cult brands are largely based on this approach, as cult branded products or services engage the consumer in a unique lifestyle. Psychiatrist Carl Jung suggested that there is an element of mystery that engulfs members of cult brands. These members come together based on a lifestyle promise and a sense of identity (Bueno and Jeffrey, 2008). An example of this is seen with Apple; purchasing an iPhone or Macbook immediately makes the individual as part of the Apple community. Many Apple devices or programs are not compatible with Android or Microsoft, creating a special community that is portrayed as being sophisticated and elite. In order to create a community based on lifestyle preferences, that South Africans are driven to be a part of, the current societal needs of South Africans need to be investigated.

In a qualitative study performed by Moutinho, Dionisio and Leal (2007)\textsuperscript{1}, tribal consumption behavior was investigated as an indication of cult formation, in order to account for excessive spending behaviour of consumers. The concept of tribal marketing and consumption was investigated within the context of sport, more specifically the surfing culture. The objective of the study was to create a body of knowledge for marketers that use tribal marketing strategies to work with cult consumers.

The study was based on the Theory of Tribal Consumption and moved to analyze how the members of the surfing community associate with brands linked to surfing, as the main focus of their combined, communal behaviour. The study was based on the work of Bernard Cova (1997), a well known professor of marketing from the Bocconi University in Milan. The Theory of Tribal Consumption has also been linked to postmodernism concepts within marketing. The study aims to discover the specific nature and behavior of the surfing community; specifically the attitudes and buying responses of consumers to surfing brands. The study found that surfers collectively showed great awareness of surfing brands; brand awareness forming part of the culture (Moutinho, Dionísio, & Leal; 2007).

The study investigated two sample groups, namely “surfers” and “fans”. In depth interviews were conducted and recorded, making use of high quality video prompts so as to avoid angling

\textsuperscript{1} The case study referred to in section 2.3.1 is referenced as: (Moutinho, Dionísio, & Leal; 2007).
responses from participants with facial cues or responses to statements. Due to the phenomenological nature of the study, a qualitative design was followed. The study further made use of the focus group method, where individuals were video recorded. Video recording was used so as to allow for reflection on the participants’ behaviour and social cue responses. The study also made use of quantitative methods, by including questions which prompted scale-based answers. These enabled comparisons to be drawn between the participant’s responses. This dual methodology is often used where findings might later be used for specific scale measurements of statistical modeling: the findings from the focus groups acted as the basis for future studies.

Participants for the study were gathered from a beach with prominent surfing culture in Portugal. Participants were chosen based on their responses to a filtering question, scripted to prompt in depth responses based on their involvement in the surfing cult. Participants were divided into two groups. The surfing group contained only one female and six male participants, and fell within the age bracket 21 – 27. The fan group contained also one female, but nine male participants. These participants were aged 16 – 26. The study aimed to create both focus groups with similar age brackets, to limit discrepancies in responses due to age. Participants were thanked for their time, and gifted with T-shirts of surfing brands. Participants were not asked scripted questions, but rather prompted by images displayed on power-point slides, projected on screens so as to better stimulate natural responses. Participants were also individually shown images on a laptop screen, and asked to grade their agreeability with the images on a scale from 1 to 20, in order to generate quantitative data. The data recorded confirmed that the surfing culture has formed cult groups, and participants from the fan group stated that they were able to become part of the cult by wearing specific clothing brands that embodied surfing. While beaches may not symbolize a sacred place for surfing cults, results showed that teenagers that entered the sport developed a set of values and beliefs that stayed with them into adulthood.

The study concluded that the surfing culture demonstrates clear characteristics of a cult group. It is interesting to note the demographics of the surfing cult. Both fans and surfing participants stated that while fans are usually both male and female teenagers, surfers are mostly older males. This shows that while an active cult following may be made up of certain demographics, external followers may diverge from those demographics. Interestingly, “the desire for social
recognition seems to be stronger among the fans than among surfers” (Moutinho, Dionisio, & Leal; 2007). While surfers, acting as active members of the cult, were immediately recognized as part of the culture, fans felt the need to wear certain clothing brands and accessories, in order to be recognized as part of the cult. This suggests that there are two parties involved in creating cults: active followers, and those that idolize the cult.

From this study, it is clear that cult groups could exist that are not yet predominantly part of a single brand, but rather that there are several brands that act as identifiers of the cult. The dynamic of the relationship between a cult, and a brand that represents the cult is therefore interchangeable; a specific brand may unify consumers as a cult, or several brands may act as identifiers for a certain cult group previously in existence. If such existing South African cult groups could be recognized, it is possible that a potential cult brand can be identified from the brands that identify the cult. It is also evident that while cults themselves are made up of active members with unifying lifestyle choices and views, there exists another group of followers that may demonstrate admiration, appreciation or idealization of the cult without active involvement.

2.3.2 Cult Brands Benefit Their Fan Communities

The second concept explored by this study is that of benign cults. While both Trending Brands and Fad Brands have positive aspects, only cult brands actively build up their customers. This is because cult brands are based on the concept of benign cults: the relationship between the brand and consumer is beneficial to both parties (Bueno, 2017). Benign cults are known to be inclusive, without cost - there is no initiation or hazing process, as with negative cults (Ross, 2014). Cult brands actively give back to, and support consumers even after the purchase point. Harley Davidson embodies a benign cult, as purchasing a Harley Davidson motorbike immediately makes the individual a part of the HOG (Harley Ownership Group) club. The brand hosts international rallies and touring trips for the club members, bringing the cult following together as a community and creating opportunities to enjoy the purchase better. This study will thus seek to explore how the existing benefits gained by supporting cult brands are received by South African consumers, by evaluating the reasons for brand choice given by participants.
Researchers John W. Schouten and James H. McAlexander from Oxford University, conducted a study on the ethnography of new bikers (1995)\(^2\). This study suggested that brands may act as the basis for interaction between individuals, binding the individuals into a form of community. The study ran over three years, making use of ethnographic research practices. The study emphasized the need for progressive contextualization; researchers (outsiders) had to maintain open mindsets and submerge themselves in the culture in order to better understand the cult members (insiders).

The study aimed to analyze and identify key values, social structures and behaviors of the Harley Davidson cult, and attempted to link these to a theoretical framework that models the relationship between subcultures, marketing institutions and brands. The study also compared the findings of the cult to other “self-selecting, consumption-oriented subcultures” (Schouten & McAlexander; 1995).

The methodology used evolved over the three-year period from part time, site specific ethnography into immersion ethnography. This allowed researchers to interact with the cult and produce findings as both outsiders and insiders, emphasizing the effectiveness of progressive contextualization. The study noted that with greater immersion into the cult, greater access to information on the cult was gained. In essence, the researchers needed to demonstrate full commitment to the brand, before they were received by the cult members. While interviews, surveys and observations were continuously accumulated throughout the study and recorded, certain tasks were dependent on the evolution of contextualization: acquiring motorbikes and learning to ride (a prerequisite for cult membership) and attending rallies (an altruistic act by the brand in order to give back to the consumers). Further the researchers made use of photographs in order to replicate lived experiences. The initial methodology intended to interview dealers, riders and corporate decision makers. However, upon emersion into the culture the researchers found that amongst riders there were often sub-groups. Thus the researchers increased the geographical range of the study (from Florida to South Dakota), in order to generate more comprehensive findings. The researchers also interviewed the president and vice president of the organization, along with six dealerships to gain a more wholesome view of the cult brand.

\(^2\) The case study referred to in section 2.3.2 is referenced as: (Schouten & McAlexander; 1995).
As the researchers immersed themselves into the cult brand following, they found that a specific hierarchy exists between Harley Davidson cult members. A member’s position within the hierarchy is dependent on several factors including seniority, knowledge, participation, and riding skills. These values show that an individual is committed to the cult brand, and are actively praised between members. Observational research findings showed that there are also visible indications that can identify cult members, such as tattoos, clothing with the Harley Davidson brand added or embroidered, and motorbike accessories, suggesting that cult members purchase products that represent the brand, even if those products are not supplied by the brand – such as tattoos.

In conclusion, the study found that the community of Harley Davidson cult members benefits all members of the club. The community supports, teaches and protects its members when in congregation at events, races, rallies or social settings. The only barrier to club entry is the ownership of the motorcycle which is often limited by the expense. The study also highlighted that cult members, both active and inactive, may purchase items that represent the brand, due to their lifestyle choices, that might not be a part of the Harley Davidson organization merchandise. Examples of this are T-shirts with the Harley Davidson logo worn by members, but purchased at retail outlets unrelated to the Harley Davidson group – where the brand name acts as part of the design of the shirt.

This study by Schouten & Mc Alexander is comprehensive and has produced reliable findings as previously outlined. The study has been cited over a 1000 times and can be used as evidence for an unrelated cult embodiment – such as when individuals that are not active cult members wear an unbranded T-shirt with the Harley Davidson logo in order to identify themselves as free, rebellious and fun (values of the cult brand).

This study reinforces the need to focus on the specific dynamic of a cult following, in order to understand the need for and appeal of the cult brand better. The Harley Davidson brand stands apart from other biking clubs as members do not need to “prove their worth”, undergo initiation or pay membership fees. As a result, values such as responsibility, community and environmental appreciation are cultivated amongst active cult participants. However, values such as rebelliousness and freedom that are also portrayed by the brand are identifiable to non-
active members as well. The study also demonstrated the importance of contextualization for all research studies.

2.3.3 Values of Cult Brands
The third concept revolves around the values of cult brands. Psychologist and brand strategist Abraham Maslow suggested that cult brands make use of the theory of B-values. These are values that encourage individuals to grow and fulfil greater potential. B-values include, but are not limited to: uniqueness, beauty, goodness, perfection, justice and self-sufficiency. Thus, cult brand followers could be indentified by these values, such as Volkswagen Beetle drivers that embrace uniqueness, beauty and self-sufficiency (Maslow, 1967). It is therefore important to understand which values South African consumers associate with prominent cult brands, and weather the associations are those that the brand is seeking to portray. Further, the study will investigate which values are most appealing to South African consumers, by asking action research participants to explain their rational for their choice brand selection, and weather different economic classes give weight to different values. Where cult brand values resonate with consumers, the values often lead to the love and appreciation of the cult brand followers, which makes the followers exceptionally loyal. Paul Friederichsen describes cult brand status as “a place beyond brand loyalty and even brand advocacy. A place of brand insistence where there are no substitutes. Where the notion of a substitute is flatly rejected [by the consumer].”

Reasons for supporting specific cult brands will be identified amongst South African consumers in order to better understand what values position a brand to be top of mind – and so loved (Maslow, 1967).

Bernard Cova and Stefano Pace (1995) submitted a review to the European Journal of Marketing exploring the theory behind lower valued brands marketing, and how cult branding makes use of this theory. The article, titled “Brand community of convenience products: new forms of customer empowerment – the case “My Nutella The Community”, was first published in 2006 and was the first review to explore a cult brand that is not deemed a luxury brand. The purpose of the review was to analyze the strategies used by companies of mass produced products that had achieved a form of cult status. The study focused on the values attributed to potential cult brands, and the appreciation of consumers. It was found that specific values, such as uniqueness and specialness, encourage cult brand status whereas more basic values such as
affordability and accessibility position the brand as a common brand. This suggests that cult brands need to embody brands that are characteristic of personalities, rather than functionality.

Russell W. Belk and Gülnur Tumbat (2005) investigated the concept of a cult brand, in specific reference to Macintosh (Apple Mac)\(^3\). The researches made use of observations and interviews with Macintosh in order to investigate the religious-like cult behaviour; the brand has become similar to a religion to its believers (consumers). The researchers noted that Microsoft is the leading brand in personal computer sales, while Apple only commands 4% of the market. However, Apple cult followers are extremely loyal and the market percentage grows steadily annually – typical of cult brand growth.

As part of the study’s methodology, 14 in depth interviews were conducted as the basis for qualitative research. Participants were attracted by advertisements placed in Apple stores. The researchers made use of the McCracken (1988) model for long interviews. This method makes use of projective questions that are open ended, so as to encourage full participant engagement. The interviews were video recorded, and later transcribed from further analyses. This allows the interviewer freedom to completely focus on making the participant feel comfortable and open. Further the researchers made use of a constant comparative approach by Miles and Huberman (1984) when analyzing data from video clips, advertisements and blogs.

The study found that several values added to the religious-like cult following of Apple, with specific regards to the Macintosh computer. The brand is seen as heroic, rescuing users from technological struggles with Microsoft and other competitors. The physically aesthetic and textural components also symbolize values of simplicity and beauty.

In conclusion, Mac users religiously support Apple, actively opposing and berating users of competitor brands. While the cult brand has not dominated the market, followers are loyal and offer enough support to make the brand very successful.

The study contains valuable primary research. However the emotive nature of the interview, and lack of an “outside perspective” results in potentially biased or unbalanced research.

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\(^3\) The case study referred to in section 2.3.2 is referenced as: (Belk & Tumbat; 2005).
This study demonstrates how the values that a brand aligns itself with could hinder or propel it towards cult status. It is therefore important to investigate the core values of South African consumer groups, that draw them to specific cult brands.

2.3.4 Cult Brand in Third World Economies

The fourth concept is in relation to the most prominent current cult brands include mainly luxury brands. It is therefore possible that while these brands stand to gain a large consumer base in a first world country, the number of consumers able to afford luxury brands in third world countries is more limited, potentially limiting the success of cult brands. Alternatively, branding and marketing strategies could be altered to make allowance for the dynamics and peculiarities of a third world consumers base. An example of this is seen by Ikea, that has launched successfully in Japan and China.

Ulf Johansson and Asa Thelander (2009) submitted a study to the International Journey of Quality and Service Sciences, regarding amended branding strategies for the cult brand IKEA, to target a third world economy specifically, upon its introduction to China.

The study made use of the Four P Classification System to compare marketing strategies in China with other international outlets. The study also made use of an extensive literature review of Chinese business economics as well as in depth interviews with senior managers. Researchers conducted 10 in depth interviews with Chinese store managers, and summarized the similarities found.

The study found that while initial marketing strategies found some success, by implementing branding strategies specific to the Chinese community, IKEA sales increased drastically. Strategies such as catalogue formatting and window display layout were altered to accommodate Chinese beliefs and values. Chinese strategies were also aimed at a younger generation as young women are more free to make decisions regarding fashion and new trends where older, often married women had to converse with their partners. While the core values

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4 The case study referred to in section 2.3.2 is referenced as: (Johansson & Thelander; 2009).
and services of the brand remained intact, their representation was altered. This allowed consumers to better identify with the values of the brand.

Researchers noted that standardizing findings removed some of the validity of the findings. Other issues arose in that: the success of IKEA following the implementation of adapted marketing strategies could not yet be confirmed at the time of the investigation. However, it was suggested that altering the way in which the cult brand was represented in a third world context directly increased positive associations with the brand.

2.4 Relevance of Literature to Current Study

Each of the previously mentioned studies makes use of qualitative data. The use of in depth interviews creates a basis for understanding the personal motivations of individuals. This enables participants to generate information that the researcher might not have prompted or known about. However, the number of interviews conducted in each case is limited to less than 15 participants. As a result, generalizations are made regarding the target group that a participant represents, affecting the reliability of the findings.

This research study will therefore make use of a mixed methods approach, in the mainly positivist paradigm. Interviews will be conducted as in previous literature; however a greater focus will be placed on targeting a wide number of participants through the use of a survey.

The study will also increase the geographic and demographic reach of previous studies, as it will take place in Cape Town, in order to represent a greater portion of the South African community.

Lastly, this study aims to contextualize research on third world consumer associations with cult brands, by targeting three main sample groups: low income, medium income and high income brackets. Previous studies have also not focused on the discrepancy in income brackets, even though low and middle income consumers might be unable to afford many cult brands.

2.5 Conclusion
In conclusion, it is clear that the values and cultural beliefs of a community enable certain brands to flourish when aligned with these values. These concepts are brought together in the definition of a cult brand outlined by Sasha Schneiders (2011): cult brands are brands of products or services where the use of the product become secondary to the symbolism and lifestyle that surrounds the brand, leading to a highly loyal customer base. However, in order for a brand to position itself within a community, research has to be done on the specific concepts valued by that community. Western and European values may be similar to South African consumer values, as slight discrepancies could inhibit the success of existing cult brands and could limit potential cult brands from achieving cult status.

Thus, it is essential that research is conducted on cult brands in the context of South Africa, so that the findings may be used to better design marketing and branding plans, by incorporating South African contextualization. These amended strategies have the potential to increase the success, market dominance, longevity and profit of cult brands.

3. Research methodology

3.1 Research Paradigm

This study is situated primarily in the positivist paradigm because the researcher wants to determine the relationship between third world consumers, economic background and cult brands. Due to the global positioning of cult brands, this study will make use of a mixed methods approach, based through an empirical approach. In order to fully explore the relationships with cult brands and consumers, the associations and intentions of both parties need to be recognized. Thus, the mixed methods approach will initially be made up of qualitative research – forming an interpretivist paradigm, as the aim is to understand the perception of existing associations, in the form of in depth interviews, as well as quantitative research because budgeting and positioning amongst competitors can be measured via share price or sales made as a starting point for comparisons between the three chosen brands – Harley Davidson, Mini Cooper and Apple, and action research, in order to explore the natural and subconscious effects of these associations – providing evidence unrestrained by the bias of theoretical assumptions (Harwell, 2011).
3.2 Research Design

This research study consists of three phases, namely qualitative data collection, quantitative data collection and action research phases.

Phase 1: Qualitative Data - in depth interviews with cult brand representatives such as store/dealership owners and managers in order to explore the associations of South African consumers from the point of view of the brand. Following this, an academic expert will be interviewed in order to explore academic assumptions around the associations with cult brands in a third world context.

Phase 2: Quantitative Data – a brief analysis of the economic position, success and market share of the chosen cult brands in relation to their international branches. This will allow a basic understanding of the physical impact of a third world country’s economic positioning on cult brands.

Phase 3: Action Research – a physical experiment set up at three geographic locations, chosen to encourage participants from certain income groups to engage in the study – low, middle and high income individuals. While cult brands are often luxury brands, such as Ferrari and Apple, and so only physically available to the upper economic class, the greater society is familiar with these brands (Schridhar, 2011). This would mean that both a successful millionaire and an unemployed man from a township could recognize the brand status of Apple.

An experimental set up should allow the subconscious associations of consumers to be explored, where their immediate, unscripted, unaltered actions can be analyzed to explore whether there is physical evidence for the associations thought to exist by experts and brand employees. In the experiment, plain white T-shirts with three brand logos, and a fourth with a cult brand logo, from a certain category will be displayed for three categories of luxury retail industry; namely digital technology, motor vehicles and motorcycles. Participants will be asked which shirt they would prefer to wear, thereby determining which brand is top of mind, indicating a high score on the love marks scale, and most representative of the individual’s ideals, that has the greatest positive awareness (Roberts, 2005). Following this, a reflection will take place, whereby participants are asked to explain why they chose a specific shirt, in order
to explore whether logical reasoning and emotional response are synonymous when consumers associate with the cult brands, or whether discrepancies exist between the theory and physical evidence.

Following the reflection process, results from the three samples groups will be compared and insights obtained regarding the influence of economic positioning. Action research is often used for research studies exploring perceptions of low income individuals, as poor literacy levels inhibit other research methodologies such as questionnaires or interviews, for reasons such as language barriers or the inability to read/write and inaccessibility to technology. This type of research (action research) removes almost any bias from the research process on behalf of the researcher as well as provides information on the raw, subconscious level of their associations with cult brand. Shelley Ploos (2017) from Vizeum Agency states that “behaviour is the best indication of purchase intent”. Paul Friederichsen describes cult brand status as “a place beyond brand loyalty and even brand advocacy. A place of brand insistence where there are no substitutes. Where the notion of a substitute is flatly rejected [by the consumer].” (Maslow, 1967). This suggests that when brands achieve cult brand status, reason and logic for choice are transcended to pure emotional value. This emotionally based choice will likely be noted as participants are asked to explain the reason for their choice of T-shirt, and brand.

3.3 Population

The unit of analyses in each Phase of this study refers to the individuals under investigation:

- Phase 1: An academic expert on cult brands, and managers/owners from each place of purchase for the three cult brands selected – Harley Davidson, Mini Cooper and Apple.
- Phase 2: No individuals under investigation.
- Phase 3: Individuals from the geographic location of the V and A Waterfront, representative of high income individuals in Cape Town; individuals from the geographic location of Tygervalley Mall, representative of middle income individuals in Cape Town; and individuals from the geographic location of The Cape Town Train Station and CBD for lower income consumers.

The target and accessible population in each Phase of this study refers to the individuals under investigation:
• Phase 1: Academic expert on cult brands from Cape Town, South Africa with a keen understanding of cult brand associations; and managers/owners from a place of purchase for the three cult brands selected, with extensive knowledge on the cult brand intended associations with consumers.

• Phase 2: No individuals under investigation.

• Phase 3: Due to the large awareness of cult brands, the brands are globally understood to be acknowledged by all members of society, and not just active cult members (Moutinho, Dionísio, and Leal; 2007). Thus the individuals chosen for Phase 3 of the study can be selected randomly, provided they are from a certain income bracket, which the geographic location of the study will filter for.

The population parameters in each Phase of this study refers to the individuals under investigation:

• Phase 1: Academic expert on cult brands from AAA School of Branding, and managers/owners from a place of purchase for the three cult brands selected – Harley Davidson dealerships in Tygervalley, Mini Cooper in and iStore in the V and A Waterfront.

• Phase 2: No individuals under investigation.

• Phase 3: Individuals from the geographic location of the V and A Waterfront, representative of high income individuals in Cape Town; individuals from the geographic location of Tygervalley Mall, representative of middle income individuals in Cape Town; and individuals from the geographic location of The Cape Town Train Station and CBD for the lower income group.

3.4 Sampling

This study will make use of non-random, convenience sampling as the researcher is limited by geographic and literacy limitations, and time restrictions. Thus, all sampling will occur in Cape Town, South Africa.

The sample size will include:

• Phase 1: An academic expert and cult brand representative per cult brand.

• Phase 2: No individuals under investigation.
- Phase 3: 100 high income individuals, 100 middle income individuals, and 100 low income individuals in Cape Town. South African economist Justin Visagie states that the middle economic class can be described as a household of four persons, and earns a total income between R6,000 and R40,000 per month, after tax reductions (Businesstech, 2016). Thus for the purpose of this study, it is estimated that low income households earn less than R6,000, and high income households/individuals earn more than R40,000 monthly.

3.5 Data-collection method

The data collection methods will vary depending on the specific Phase in the study:

- Phase 1: In depth interviews will be conducted with an academic expert; and a cult brand representative per cult brand. This interview process will follow a conversational style, in order to encourage the participant to feel comfortable and express themselves fully. However, as these interviews will ask predominantly fact and reasoning questions, this should create a more professional, serious undertone. The researcher will ensure that all questions remain broad focused so as to allow the participant to relax and feel comfortable with the process, creating a more natural flow of information that increases reliability. All questions will be clear and simple, yet open ended so as to avoid creating confusion, and generating engaging dynamic answers. This encourages participants to give meaningful opinions and ideas, unimpeached by the researcher. Leading questions will be avoided, so as to minimise bias and maintain a high level of truthfulness. Double-barrel questions will be avoided, as participants often become confused, or only answer a section of the question. Thus information might be lost that could have been helpful (Maree, 2016).

- Phase 2: Quantitative Data Collection - Data will be collected from reliable financial reports on the cult brand’s performances over the last three years, in order to compare profitability and market share between different countries, where possible. This information will also be taken from company results (Apple Newsroom, 2017; Harley-davidson.com, 2017; Rolls-royce.com, 2016).
• Phase 3: During the action stage of the experimental process, participants’ T-shirt preference, and therefore brand preference, will be recorded. Following this, during the reflection process, participants will be asked to briefly explain their choice. These explanations will be accurately transcribed verbatim, and not recorded - as individuals may be hesitant/unwilling to be visually recorded, thereby maximizing the number of participants willing to participate in the study. The greater the number of participants, the more representative the sample is of that income group within Cape Town, South Africa and therefore the more valid and reliable the study results would become (du Plooy-Cilliers et al, 2014).

3.6 Data Analyses Method
As the study involves a mixed methods approach, qualitative and quantitative data analysis methods will be used. While a mixed methods approach is taken, this study also incorporates triangulation in an attempt to increase overall validity and trustworthiness. This allows for quantitative support for qualitative research (McMillan and Schumacher, 2001).

• The qualitative data will be gained from the interviews conducted in Phase One. These interviews will be voice recorded, so as to maintain an environment where the speaker is comfortable to engage and not perturbed by performing under a video setting. The information will then be transcribed verbatim, and analysed for key findings. Comparisons will be drawn between the information and then further analysed for any similarities between the cult brands. By noting what the intended associations are from the perspective of the brands, the results obtained from Phase 3 (participant’s reflections will also be voice recorded and transcribed for analyses) will clearly show if these associations are true reflections of what consumers feel, as the overall design of the study follows an inductive line of reasoning. The results from this study may comment on the efficacy of the brand strategies employed by the cult brands, in a third world context. A report will be written on the insights, containing all findings generated by the study. Conclusions will be drawn from this information, and presented in the final research document (du Plooy-Cilliers et al, 2014).

• Phase 2 will generate quantitative data. This data will be analysed and visually represented in the form of graphs, such as histograms and bar graphs, depicting market
share, sales and profitability between the cult brands, and their international store branches\(^5\).

- While Phase 3 will also generate qualitative data (discussed in Phase 1), the quantitative data will be analysed. The T-shirt preferences of each participant will be counted, and Anovas will be run to remove outliers, highlight any discrepancies and establish patterns within the data. This data will then be represented diagrammatically using bar charts and histograms where suitable.

From the visual representation of the data, it will be clear whether the physical evidence for cult brand associations is synonymous with the intended associations put forward by the brand employees. These associations will be further supported by the insights gained from interviews with the cult brand expert obtained in Phase 1 and a brief analysis on the economic results of the cult brands. This study will therefore provide useful information highlighting the true associations of South African consumers from Cape Town, with cult brands, as representative of third world associations with cult brands.

4. Research Considerations

4.1 Validity, Reliability & Trustworthiness

This study follows a mixed methods approach, and as a result the qualitative sections are screened for validity, reliability and trustworthiness, whereas the quantitative sections are more concerned with validity and reliability. These aspects are important so as to ensure the credibility, and meaningfulness of the study. In this report, reliability refers to the consistency of a set of results, while validity refers to whether an experimental set up will deliver results that meet the objectives of a study, while trustworthiness is made up of credibility, transferability, dependability and confirmability (du Plooy-Cilliers et al, 2014).

All quantitative data will be made valid and reliable in Phase 2 by only using information obtained from several relevant, credible financial sources. The data obtained in Phase 3 will be recorded, and relevant algorithms used to ensure results are reliable and valid. The large sample

\(^5\)The extent of the results from Phase 2 are largely dependent on the openness and co-cooperativeness of the cult brand store managers. However, certain information is easily accessible such as annual reports to shareholders and JSE listings.
group will ensure that the data collected is representative of the whole group being studied (Maree, 2016).

The researcher will further uphold internal and external validity, and use a confidence interval of 95%, allowing for accurate conclusions to be drawn that may act as generalizations for the entire population being studied.

4.2 Ethical Considerations

In order to ensure that the researcher is as ethical as possible while conducting the study, the researchers will treat all study participants, data collection methods, data analyses methods and general research layout in an ethical manner at all times.

All participants to the study do so willingly, informed of the academic nature and purpose of the study, and may choose to withdraw from the study at any time. During Phase 1 of the study, the expert and cult brand representatives will be treated professionally with respect and dignity. Due to the objectives of this study being to understand and explore what associations cult brands aim to evoke in consumers, no personal information will be required from the participants during Phase 1. The participants will provide information from their academic or professional capacity, rather than their personal psyche, thus no sensitive or personal information will be disclosed. This would increase the ethical standpoint of the study significantly, as the ethical considerations are clear for professional behavior. During Phase 2, only secondary research is conducted based on financial results and data. Thus the nature of this phase of the study is objective rather than subjective. Finally in Phase 3, all participants will be approached with respect and dignity, and informed of the nature of the study. Only one question is asked of the participants in order to minimize effects of literacy level, cultural background or emotional strain on all income groups. Thus, all groups are treated in the same manner (du Plooy-Cilliers et al, 2014).

Confidentiality of participant involvement will be upheld at all times by the researcher, and no personal details will be disclosed. All participants will be made aware of the purpose and role of the study, and no deception will occur when handling participant or resulting data. The researcher will not alter, misuse or falsify results at any point in the study. Any bias is removed from the study during the quantitative procedures, and purposefully limited during the
qualitative phases by creating professional interviews that request facts and figures from brand representatives and professionals, and objective opinions from cult brand experts. All data will be interpreted objectively, and screened by the supervisor to ensure that any bias is eliminated from the study where reasonably possible, specifically in relation to qualitative data analysis (Maree, 2016).

4.3 Limitations of the Study

Several limitations to the study exist.

- Phase 1: Experts may be more informed on some of the cult brands selected than others. Cult brand representatives may be unwilling to disclose certain facts on company and brand information.
- Phase 2: Financial results may be more readily available for one of the cult brands selected than the others. Financial results may not align with the information gained from Phase 1. This may complicate data analysis procedures.
- Phase 3: Certain income groups may be more or less likely to participate than others. Not all participants may not be truly representative of the economic group they represent. However, this is difficult to monitor without significant decreasing the number of participants to the study and without creating offence to participants. Language and literacy levels may impact participation levels, or understanding of certain income groups.

4.4 Anticipated Contribution of the Study

This study aims to create insight into consumer associations with cult brands, from a third world context. Thus this study will provide key concepts in the starting point for further research to be conducted regarding the efficacy of cult brand identity, marketing and communications in third world countries. Indirectly, the information obtained through this study may encourage cult brand to review marketing decision processes for third world countries, leading to increased meaningfulness and profitability.

The results obtained from this study may benefit the cult brands involved, by commenting on the possible discrepancy between intended consumer association and true consumer association.
The study may also explore the extent to which cult brand associations are rational, thoughtful and logical or emotional, intuitive and subconscious.

This study may highlight the need for further research into cult brands, consumer associations with cult brand and the impact of economic positioning on these associations.

5. Findings and Discussion

This chapter consists of an in-depth analysis of the data collected in Phases 1, 2 and 3, hereafter referred to as Phase 1 (Qualitative Data) Phase 2 (Quantitative Data) and Phase 3 (Action Research).

5.1 Introduction to Data Analysis

- Phase 1 – Qualitative Data Analysis of interviews with a cult brand expert and cult brand representatives: The data collected during interviews was voice recorded and transcribed for analysis, unless otherwise stated due to participant preference. During interviews with Apple and Harley Davidson representatives, requests were made by the participants not to be recorded. In these cases, notes were taken during the interviews instead. All the data collected during this phase was analysed through an interpretative approach. The responses obtained from all cult brand representative sources were screened for similarities and differences, and noted accordingly. The data was then analysed for trends and patterns observed between the cult brands. Recurring trends and patterns were grouped into themes and so categorized together. The aim was to examine the information obtained from cult brand representatives and group this with the information obtained from the cult brand expert. The information obtained from the cult brand expert was used to gain a broad understanding of cult brands in South Africa, and to further gain insight into the discrepancies found between the different consumer income groups’ associations with the cult brands.

- Phase 2 – Quantitative Data Analysis: The data collected during this phase was analysed through a positivist approach. Annual sales obtained from company reports were investigated for Apple, Harley Davidson, and Mini Cooper. These sales results were then screened for trends and patterns pertaining to the developed or emerging
markets in which they were supplied. Comparisons were drawn amongst the three cult brands, in order to deduce general trends for cult brands.

- Phase 3 – Action Research: The data collected during this phase was analysed through a mainly positivist approach. Study participants across all economic groups felt noticeably uncomfortable with being recorded, and regularly refused to participate in the study if they were asked to be recorded. Further, study participants became frustrated with any questions following the initial association with their chosen brand across the three categories, as it increased the length of the interruption into their day. Thus, the approach was altered so as to limit the perceived reluctance to participate in the study, by only asking study participants what their branded T-shirt preference was. Any additional commentary, opinion or information supplied by the participant was manually recorded along with the preference results. These results were then grouped together into income categories and the percentage of participants that gave the same responses was calculated to obtain a statistic that could be generalized across the represented group.

5.2 Research Findings and Discussion

5.2.1 Phase 1 – Qualitative Data Findings and Discussion

Four in depth interviews were conducted. A representative from each cult brand investigated was interviewed, and a cult brand expert from AAA School of Advertising (Cape Town) was interviewed. See Appendix E for interview transcripts.

5.2.1.1 Cult Brand Expert Interview

From the interview with cult brand expert Charles Maggs, it is clear that South Africans feel the need to keep up with the rest of the world. There is a shared feeling of aspiration, and wanting to move up on the LSM scale. Cult brands, due to their iconic reputation allows South Africans, and potentially any third world consumer to feel above their current status.

In response to a question on gender profiling cult brands, Maggs stated that “[w]hen I think back to when I was a kid, a friend of mine’s mum drove a mini, not her dad. And that is true of the brand, while Apple is much more gender diverse.” This suggests that while some cult brands are perceived to be unisex, others may have clear masculine or feminine properties, and so may appeal more strongly to a male or female cult following.
In regard to the lower economic class’s inability to access certain cult brands due to physical limitations such as cost or location, Maggs suggested that many cult brands such as Apple had been designed to have a future feel to the product. This future is shared by all consumers, and so once a lower economic class employee does view a cult brand, either physically or through advertising, the product is part of the aspiration towards a brighter future.

Maggs suggested that the mystique around a cult following was part of the allure of cult brands. People want to feel a part of it. It is also essentially that a brand offers something distinctively unique from competitors. For Harley Davidson it is the patented sound, for Apple the crisp user experience, and for Mini Cooper status gained from having the first trans mounted engine, alongside the contemporary body work.

Finally, Maggs indicated that while cult brands such as Harley Davidson and Mini Cooper are more inaccessible than Apple for the lower economic class, the lack of reliable and efficient public transport increases their appeal to the aspirational consumer. However, Apple’s main competitor Samsung has started to design products similarly to Apple, with a futuristic approach and focus on user experience. As a result, the Samsung cellphone has become an affordable replacement for the Apple Iphone for the lower economic class, as seen by the results later depicted in Phase 3.

5.2.1.2 Harley Davidson Brand Representative Interview
Charl Bester, sales manager of Harley Davidson Tygervalley, stated that while Harley Davidson did as well in the South African market as the European Market, sales generally comprised of merchandise sold. This is likely due to the reduced wealth in South Africa as a developing country. Following this, Bester indicated that the HOG group is the main appeal for many prospective clients. “The bike itself does not give freedom, it’s the rallies that HOG organizes where people feel free” stated Bester. Theses rallies move through countries such as South Africa and indirectly act as advertising for the cult brand as other individuals on the road observe the group of bikers travelling along highways. It is likely for this reason that the lower economic class have heard of Harley Davidson, and can appreciate the brand without actually being able to use or afford the branded products, as seen in the results depicted in Phase 3.
5.2.1.3 Apple Brand Representative Interview

During the interview with Ryan Arendse, it was made clear that Apple standardizes all communication, across all marketing platforms. While the brand cannot control other branded stores such as WeFix or retailers such as Deons or Incredible Connection, the original Istore is marketed, set up and operated the same in all countries. Arendse could make no comment or the economic position of consumers in South Africa on the success of the brand.

5.2.1.4 Mini Cooper Brand Representative Interview

From the interview with Mini Product Genius, Francis Gersbach, it was made clear that while most consumers who own Mini Coopers are women, the brand targets all individuals as potential consumers. While young women may be attracted to the brand because of the pop culture attributes, such as the screening of Mini Cooper in the The Italian Job film, older gentlemen in turn are attracted to Mini Cooper because of an element of nostalgia, as they identify with The Beatles who drove a Mini Cooper, or because they themselves once drove a Mini Cooper.

Gersbach indicated that sales in South Africa are mainly limited to the perception that Mini Cooper is too expensive. However, the Mini Cooper is still less expensive than many of its competitors such as the Audi A class. However, the effects of this perception are masked by the credibility that BMW manufacturing offers the Mini Cooper in South Africa. From the results observed later in Phase 3, it is clear that the lower economic class rally behind BMW and this support may be leveraged to increase the appeal of the Mini Cooper.

5.2.2 Phase 2 – Quantitative Data Findings and Discussion

Apple sales continue to increase steadily annually as the company maintains effort to extend its reach across the globe. Sales regions are split into China, the Americas, Europe, Japan and the Rest of Asia Pacific. While 2016 saw an increase in sales, regions made up of mostly developing countries such as Taiwan and Thailand that make up the Chinese Region and African countries that make up approximately third of the European region, saw the rate of increase subdue from 2014 and 2015 (Apple. Inc, 2017). This is mainly due to consumers opting for less expensive competitors, such as Vivo, OPPO and Huawei. Similar results have been observed in South Africa. The top five selling smartphone brands in South Africa include Samsung, in first position, followed by Apple, though market share decreased by 11% in 2016. The remaining brands in the top five that have taken up the 11% are OPPO, Huawei and another
Chinese brand, Xiaomi (Business Tech, 2017). These brands are more affordable than Apple, while still offering the smartphone experience to users. In cash strapped developing economies, technology analysts such as Jeff Dunn (2017) estimate upcoming brands such as Huawei and OPPO to take an even greater percentage of the market share in 2018.

While Harley Davidson has dominated market share in the United States of America (hereafter referred to as the US), the brand experienced a global decrease in sales from 2008 - 2015. This was mainly due to an aging demographic. As a result, marketing strategies were employed to target new demographics and the brand aimed to open 120 – 200 new stores outside of the US (Coronation, 2017). However, similarly to Apple, Harley Davidson experienced a decline in sales in geographic regions mainly made up of developing countries over the period from 2015 - 2017 third quarter. Sales for Africa and China decreased by 3.1% and 4.7% accordingly, while sales for the US increased by approximately 10% (Csimarket.com, 2017). However, while new motor cycle sales decreased in South Africa in 2016, sales for motorcycle accessories increased to 21% of total sales (South African Market Insights, 2017).

The rights to the Mini Cooper, as part of the Rover Group, were bought by BMW in 1994 (Bmwgroup.com, 2017). As a result, while the Mini Cooper is a Cash Cow brand, very little information regarding sales or market share is available to the public under the holding company BMW. However, in a similar position to both Apple and Harley Davidson, Mini Cooper sales have decreased over the last five years from 45 000 units sold in 2012 to under 40 000 units sold in 2016 (Cain, 2017). This continues the pattern of decreased spending on luxury items noted globally.

The current global recession that occurred due to mass consumer spending on luxury goods and services alongside risky mortgages, has had a dramatic impact on consumer spending patterns (Hausman and Johnston, 2014). During the last two decades, general spending patterns have altered from excessive spending on luxury items to a greater focus being placed on quality and value (Kastanakis and Balabanis, 2012). A greater emphasis is also placed on planning for the future through saving and investing, as opposed to portraying wealth through spending (Bartels and Urminsky, 2015). As a result, luxury item sales have decreased throughout many industries. However, the reputation of cult brands reduces the effects of the recession significantly as consumers remain loyal through difficult economic times. While sales decrease
alongside those of competitor brands, cult brands have mostly retained customer loyalty and therefore retained market share across industries (Dion and Mazzalovo, 2016). Even though cult brands offer high quality products, cult branded products have great emotional appeal, and offer a positive and enjoyable lifestyle beyond the functionality of the product. It is likely that this optimistic emotional appeal remains attractive to consumers, even during periods of reduced economic growth such as the current recession, allowing cult brands to enter “hibernation” phases where sales decrease while maintaining market share. It should be noted however, that in geographical regions where unemployment is high (such as developing countries), consumers are unable to financially express their loyalty to cult brands and thus could turn to competitor brands (Heinonline.org, 2014). This could account for the decrease in cult brand sales and market share in third world countries, such as South Africa.

5.2.3 Phase 3 – Action Research Findings and Discussion
Action research was conducted at four geographical locations spanning three income brackets. The Victoria & Alfred Waterfront was used to source 200 participants from the upper economic class, the Tygervalley Waterfront (100 participants) and Cavendish Square (100 participants) were used to source 200 participants for the middle economic class and the Cape Town Train Station and surrounding CBD were used to source 200 participants for the lower economic class. Each participant was shown three sets of four T-shirt designs and asked which T-shirt they would wear.

5.2.3.1 Preferred Consumer Associations with Motor Cycle Brands
When asked which T-shirt the upper economic class would wear amongst motor cycle brands, Harley Davidson was the distinctive preferred brand. 96% of participants indicated their immediate association with the cult brand - Harley Davidson. This association was equally shared by both male and female participants. Interestingly, many female participants commented that they did not like motor cycles, yet showed a clear preference for the cult brand amongst competitors: Yamaha, Kawasaki and Honda.
When asked which T-shirt the middle economic class would wear amongst motorcycle brands, Harley Davidson remained the distinctive preferred brand. 91% of participants indicated their immediate association with Harley Davidson. This association was again equally shared by both male and female participants. Seven participants made it known to the researcher that they owned motor cycles from the competitor brands: Yamaha, Kawasaki and Honda. However, three of the seven still indicated a preference for the Harley Davidson branded T-shirt.

Figure 2. Graph to show the preferred associations of the upper economic class with motorcycle brands.

Figure 3. Graph to show the preferred associations of the middle economic class with motorcycle brands.
When asked which T-shirt the lower economic class would wear amongst motor cycle brands, the preference for Harley Davidson (42%) was closely followed by Honda (29%). In many cases, participants were unfamiliar with the Harley Davidson logo and some struggled to read the brand name due to the more complex font. As a result, several participants who heard the brand name spoken aloud after the initial question was asked and their preference indicated, would often ask to alter their response. Due to the nature of this study and its focus on emotional and sub-logical association, only the initial indicated preference was recorded for results purposes. Male and female participant results showed no significant discrepancies.

![Lower Economic Class Associations With Motor Cycle Brands](image)

Figure 4. Graph to show the preferred associations of the lower economic class with motorcycle brands.

5.2.3.2 Preferred Consumer Associations with Cellphone Brands

When asked which T-shirt the upper economic class would wear amongst cellphone brands, Apple was the distinctive preferred brand. 70% of participants indicated their immediate association with the cult brand - Apple. Many consumers who participated in the study found the activity to be humorous and would laugh aloud when the noticed Apple in the selection of brands. Participants showed visible signs of enjoying the activity and often asked question regarding the results or purpose of the study. There was no significant difference between male and female preferences.
When asked which T-shirt the middle economic class would wear amongst cellphone brands, Apple remained the preferred brand. 68% of participants indicated their immediate association with Apple, 2% less than the upper economic class. In contrast to this, consumers’ preferences for Samsung increased with 3%. There was no significant difference between male and female preferences. A study participant commented “While I prefer the design of the Samsung shirt, I’m an Apple girl.”. This suggests that while the design of the various brand logos are noted by consumers, it is brand loyalty that has a greater impact on T-shirt preference.
When asked which T-shirt the lower economic class would wear amongst cellphone brands, Samsung surged ahead of Apple. 52% of participants indicated their immediate association with Samsung, while only 38% of participants indicated a preference for Apple. Further, Sony Ericson increased in recorded preference by 10%. Thus, the results for the lower economic class differ significantly from those observed for the middle and upper economic classes. There was no significant difference between male and female preferences.
5.2.3.3 Preferred Consumer Associations with Motor Car Brands

In this study, the findings regarding the cult brand Mini Cooper differed to those of Apple and Harley Davidson as Mini Cooper was perceived by study participants and the cult brand expert to be a feminine car. Thus a weak relationship was observed between participant preference for Mini Cooper and the different economic classes, when the data was viewed holistically. However, by dissecting the data into gender groups, a clear trend emerged similar to that of the other cult brands investigated. As a result, while this study will include data from both male and female participants regarding their preference for motor car brands, it will only focus on the results obtained from female participants.

Figure 8. Graph to show the difference in gender preferences for cult brand Mini Cooper.

It is interesting to note, however, that reduced wealth appears to coincide with an increased preference for the Mini Cooper brand amongst men. Due to time constraints, no further investigation was done regarding this trend. Thus hereafter, only data regarding female participants is shown. See Appendix C for a complete set of data.
When upper economic class female participants were asked which T-shirt they would wear amongst motor car brands, Mini Cooper was the distinctive preferred brand. 92% of participants indicated their immediate association with the cult brand in the set – Mini Cooper.

Figure 9. Graph to show the preferred associations of the female upper economic class with motor car brands.

When asked which T-shirt the female middle economic class would wear amongst motor car brands, Mini Cooper remained the preferred brand at 74% preference. Audi amounted to approximately a sixth of the preference for Mini Cooper, at 12%, surpassing Fiat which held a greater percentage amongst the upper economic class.
When asked which T-shirt the female lower economic class would wear amongst motor car brands, the cult brand was placed third in regards to female preference. BMW was the most preferred brand at 37%, closely followed by Audi at 32%.

Figure 10. Graph to show the preferred associations of the female middle economic class with motor car brands.

Figure 11. Graph to show the preferred associations of the female lower economic class with motor car brands.
6. Conclusion

6.1 Evaluation Introduction

This study aimed to generate insight into South African consumer associations with cult brands, from a third world country perspective, as a starting point to better understand the dynamic that a country’s economic state impacts on the success of cult brands. The study made use of a triangulation approach, in order to investigate the relationship between consumers and cult brands from a brand, consumer, objective expert, and financial point of view.

6.2 Research Questions Answered

*How do consumer associations with cult brands differ between income brackets?*

This study concludes that while the middle and lower economic classes live in a state of aspiration and desire to surpass their current social status, functionality is still important as the affordability of luxury products decreases. This is seen by Samsung outcompeting Apple for preference amongst the lower economic class, as the more affordable and accessible brand. It is also seen by the slightly lowered preference (1-6%) of the middle economic class for cult brands as opposed to the high preference displayed by the upper economic class; while Harley Davidson was preferred by 97% of the upper economic class, it received slightly lower (91%) preference by the middle economic class. Similar results were seen for Apple, where 71% of the upper economic class expressed preference for the cult brand, and saw a 3% drop for the middle economic class. While these decreases are not substantial, they mark a clear trend – affordability and accessibility to a product does play a role in a consumer’s association with a brand, even with highly loyal consumers of cult brands.

*How does the brand image of cult brands compare with the brand identity, amongst third world consumers?*

While both Harley Davidson and Mini Cooper representatives indicated a different marketing approach across countries, Apple maintains a stringent uniform marketing approach. According to Apple representative Ryan Anderse, this could be because “Apple is everywhere, already.,” meaning that the brand is sold through many retailers to consumers on mass. Thus the need to target specific consumers is lessened significantly. In the case of Harley Davidson, financial results coupled with the statements made by brand expert Charles Maggs, shows that in third world countries, even cult brands have to adapt to the economic state of consumers.
Harley Davidson accommodates this by producing more affordable branded merchandise in stores, and offering motor cycle owners riding experiences through rallies free of cost. Mini Cooper, in direct contrast to this, has recently rebranded in an attempt to become viewed as more professional. This can be seen by the new black and white logo, as opposed to the previous set of bright colours and textiles.

How do South African consumer associations with the three chosen cult brands differ?
This study thus shows that South African consumers associate differently with each of the cult brands. Each cult has their own appeal to new consumers, adding to the mystique of the cult brand. While Harley Davidson represents freedom, a perhaps illusive concept to the lower economic class who are trapped by their limited finances resulting in the lowered preference observed during the action research phase, Apple represents innovation – a more tactile concept but more easily mimicked by Samsung, and Mini Cooper remains largely camouflaged behind the name of BMW. It is therefore clear that cult brands are not above marketing, and may be greatly advantaged through extensive research into the economic state of the country’s community which it is targeting.

6.3 Ethical Implications & Specific Limitations of the Study
By making use of a triangulation approach, bias was minimized through the study as all perspectives were considered, and used as a way to evaluate the findings from the different Phases in the study. All ethical considerations were followed as laid out in section 4.2.

- Charls Maggs (cult brand expert) had extensive knowledge on all of the cult brands investigated, and was able to supply valuable information on each. However, as only one cult brand expert was available to be interviewed, this created a one dimensional flow of knowledge.
- The financial results of Harley Davidson and Apple were more readily available than for Mini Cooper. This made it difficult to compare the financial success of the cult brands. All financial results aligned with the information gathered during other Phases of the study.
- All economic classes/groups participated equally, however the Action Research Phase had to be shortened to avoid inconveniencing participants. Language and literacy levels
could have impacted the results of the study due to poor literacy skills of the lower economic group

6.5 Significance of the Study and Future Studies
As previously stated, literature in the context of a third world economy is limited. This study found that strategies employed in a first world economy may need to be adapted for a third world economy, such as in South Africa where consumers and poorer. The specific aspirational nature of South Africa lends great support to cult brands and should be further targeted by cult brands in order to better understand the community. Current South African brands employing Western or European cult brand strategies, based on European and American consumer-brand associations, may be limiting the potential success of brands, while meaningful brands aiming to achieve cult brand status may benefit by implementing new branding strategies based on specific South African consumer dynamics and associations.

The findings produced by this study could be used as a starting point for future studies on altering strategies in use by cult brands, and brands wishing to achieve cult brand status, in order to make cult branding strategies more relevant in the South African market and other third world countries. Localized cult branding strategies could help cult brands become more profitable, timeless and meaningful in South Africa.
7. Works Cited


Shelly Ploos, guest lecturer at Vega School Cape Town, 130 Strand street, 10:28am, 22 July 2017.


Appendix A – Study Timeline

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<td>Submission of Chapter 3 (Research Methodology)</td>
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<td>Submission of Chapter 5 (Analysis and Findings)</td>
<td>27 September 2017</td>
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<td>Submission of draft research report</td>
<td>3 October 2017</td>
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<tr>
<td>Submission of final research report for assessment</td>
<td>16 October 2017</td>
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Figure I. Table to show the study time table.
Appendix B – Action Research Design

Which T-shirt would you wear?

Which T-shirt would you wear?
Which T-shirt would you wear?

Fig II. Working T-shirt designs for Phase 3 - Action Research.

Extract from Section 3.2.

While cult brands are often luxury brands, such as Ferrari and Apple, and so only physically available to the upper economic class, the greater society is familiar with these brands (Schridhar, 2011). This would mean that both a successful millionaire and an unemployed man from a township will recognize the brand status of Apple. An experimental set up will allow the subconscious associations of consumers to be explored, as their immediate, unscripted, unaltered actions can be analyzed to explore whether there is physical evidence for the associations thought to exist by experts and brand employees. In the experiment, participants will be asked which shirt they would prefer to wear, thereby determining which brand is top of mind, indicating a high score on the love marks scale, and most representative of the individual’s ideals, that has the greatest positive awareness (Roberts, 2005). This type of research removes almost any bias from the research process on behalf of the researcher as well as providing information on the raw, subconscious level of their associations with cult brand. Shelley Ploos (2017) from Vizeum Agency states that “behavior is the best indication of purchase intent”. Paul Friederichsen describes cult brand status as “a place beyond brand loyalty and even brand advocacy. A place of brand insistence where there are no substitutes. Where the notion of a substitute is flatly rejected [by the consumer].” (Maslow, 1967). This
suggests that when brands achieve cult brand status, reason and logic for choice are transcended to pure emotional value. This will likely be noted as participants are asked to explain the reason for their choice of T-shirt, and brand.
Appendix C – Interview Transcripts

1. Cult Brand Expert Interview

Cult Brand Expert: Charles Maggs
Email: Charles@aaaschool.ac.za

Why would the lower economic class follow/be attracted to cult brands, if most are luxury brands?

“It comes down to people being aspiration. No matter what pint you are on, on the LSM scale, you want to consume beyond it. It’s a force of Capitalism. No matter how wealthy you are, you consume beyond your means. When you have a brand that is well packaged and delivered, it become very appealing. Apple being the most obvious one.”

How is it that many lower economic class families have heard of the cult brands, such as Harley Davidson, but cannot read the name or have never seen the logo?

“I think Harley Davidson has lodged itself into popular culture. Ever since the 60s and 70s. An example of this is Easy Rider, Terminator is also on a Harley. Example of retrospective pop references to Harley.

“If you think of media as a war, the loudest media wins the wall. Harley is embedded in pop culture, and Hollywood movies we consume the most as part of our culture. You don’t get Kawasaki or Honda in American movies. They are not presented in an iconic way.”

“What Harley represents is that you’ve arrived in some way. It’s a surrogate horse, for the urban cowboy. For men it almost conforms their masculinity which is something Kawasaki and Honda cannot do.”

Mini Cooper appears to be linked to femininity, according to some interview participants, can you elaborate on this?

“When I think back to when I was a kid, a friend of mine’s mum drove a mini, not her dad. And that is true of the brand, while Apple is much more gender diverse.”

Apple has a very small market share, so then what is it about Apple (the presentation maybe or user experience?) that makes it so special and how is that communicated to people who do not have the product or cannot get/afford it?
“I guess… Apple used to be very obscure. Prior to the Iphone 15-20 years ago only creatives had apple. Ipod was their breakthrough product. Steve Jobs imaged the product that people never knew they wanted. He imagined the future in a way. The way it was packaged defines the future. Done with the Iphone as well. We in South Africa are trying to build modernity across all income groups, so we are aspirational. We have people wanting to live contemporary lives. Samsung is getting there, but is not there yet. The outer design, look and fell is as important as the functionality of the product.”

Moving on from that, looking at Mini Cooper, while it is a luxury product it is accessible to anyone for any occasion. So it’s that ability to feel luxury in a more accessible form. What do you think about this?

“I think the Harley may be a bit of an outlier here, CEO’s on weekends like to take a drive. But then again, many normal people use Harley to commute every day. But Apple is efficient and Mini Cooper is your daily ride. Both are more elegant and fun than their competitors.”

How do you think the club access of Mini Cooper and HOG adds to consumers wanting to be a part of it?

“It adds to the mystique and feeds the ego (Harley). In regards to the mini, it has always been nice to drive. It was the first to have a trans mounted engine, and so defined the laws for small cars in the modern age. The Harley has this too, it is like a living machine. Both offer such unique things in their fields.”

Why are South Africans so attracted to lifestyle products such as cult brands?

“South Africans are so far from everyone else, we just want to feel a part of something global. We want to be counted and feel like we belong. That’s why we spend more on our groceries even than we should – such as Woolworths. We are aspirational and just want a greater lifestyle. For so long South Africa was a pit stop for the rest of the world, and we are still getting over that.”

“Also, modes of transport are very important for South Africans as we don’t have good public transport. Possibly more so for Johannesburg than Cape Town, but certainly still in Cape Town. People are very aspirational with their modes of transports. It’s all psychological.”
2. Harley Davidson Representative Interview
Sales Manager: Charl Bester
Email: charl@hd-tygervalley.co.za
Preferred not to be recorded.

- Harley Davidson does as well in South Africa as in Europe and America, per dealership. However, there are fewer dealerships.
- Harley Davidson is a club. But all you need for access is a bike. There is no membership fee. No rules for entry. Access is undeniable.
- All dealerships have a bar/barista area where members often come to socialize. No other motorbike dealerships in South Africa have this. Sunday afternoons find consumers gathering up to 200 people at a dealership to socialize.
- Harley Davidson is no longer seen as a toy for old men. The brand released smaller engines for everyday commuting that are on par with the costs for Honda or BMW in the same line. These smaller bikes do very well in South Africa, as they are more affordable.
- Even when people are not looking to buy a new bike, they will enter the store to look at or buy merchandise. Many South African dealerships make up most of their sales in merchandise.
- The brand does not concern itself with items produced by other entities with the Harley Davidson logo on it. “Bikers will always buy the real merchandise as they need to re-enforced fabric or special gear. Everyone else is just showing they support what the brand stand for- freedom and pushing the limits”.
- Harley Davidson are great supporters of community projects. There are weekly drives as well as participation projects. An example of this is Locks for Love, where hair is donated to cancer patients for wigs.
3. Apple Representative Interview

Store Manager: Ryan Arendse
Email: ryan.arendse1@myistore.co.za
Preferred not to be recorded.

- Apple is marketed the same across all international stores. Apple merchandise is placed in store on white countertops or in white cupboards while other merchandise is placed on grey countertops or in grey cupboards.
- Apple tends to avoid using traditional media as it is seen as old, while the brand stands for new innovation.
- The special software that connects all Apple products makes users feel like they are part of an elitist club. While most South Africans will only have a few pieces that fit together, many Americans will have a product from each range of Apple.
- The demand for new products is constant, while old products are still purchased. For many, receiving their first Ipod is as exciting as the latest Iphone release would be to another.
- No information was given regarding the success of Apple in third world countries, or on competitor brands.
4. Mini Cooper Representative Interview

Mini Product Genius: Francis Gersbach
Email: francis.gersbach@minidealer.co.za

Mini Cooper, when compared to other cars in the same line such as the Fiat 500 and Audi A class, is quite expensive, so why would it do so well in a cash strapped third world country?

“The mini has come under the BMW banner. So people see it as a car that is of high quality. The Fiat 500, is unfortunately still a fiat and not on the same level. The mini has a rockstar status, so people see it as the car of the Beetles, even the Queen could wear it if she wanted to.”

How would you compare the Mini to the rest of the BMW range?

“I think a Mini does not have aa social ceiling. Where a BMW does. If you own a BMW, you always want to go further a buy a better one. Then when you get to the top you may want a Ferrari. A mini is not like that. nothing compares to a mini. While you may still have the Ferrari as your weekend car, you will still use a Mini as your everyday car. The same guy wont have a BMW 1 series and a Ferrari. “

Why do you think that in the upper economic class it is mostly women that support the Mini Cooper brand?

“I think women are more likely to appreciate something that is aesthetically pleasing to them. Whereas guys sometimes purchase things based on what other people think. So if you buy a car as a guy, if you want it to be fast then you want it to look fast too. But mini’s don’t necessarily look fast, even though they are. They may look softer than the body of a BMW. That is the perception. For example a woman will buy a nice pair f shoes today and a nice pair of shoes tomorrow. She does not care what people think, she just thinks they are nice shoes. So for women it’s not always about what the car does, it’s also what the car looks like and feels like.”
What age group mostly comes in to purchase Mini Coopers?
“18 and up. There is no limit. There are people that will buy cars at 85. Even the men, because now they are older and don’t care what people think anymore. I had a older client who bought a mini because he had first owned one in 1959, and he had always had that conection to mini.”
“There was a stage that people would stop driving Minis when they had kids, because the family wouldn’t fit. But now we cover that we have the four seaters, so people can still drive the mini even if they have two kids.”
“So there is no set age group or even gender. The strangest people will sometimes buy a mini, much to my surprise. It’s an emotive car, it’s about how you feel about it.”

How do you think Mini Cooper does in a South African market compared to an American and European market?
“I think they do equally well. Maybe we don’t have as strong a marketing side but people do still look up to the brand. It’s taken some knocks, like the racing incidents where people were killed in Minis, like the famous DJ. It threw us off a bit but not too much. Fir us it has always been popular. The perception that it is too expensive is the main deterrent. Basically the perception that it is a mini and so it is small, and should be that expensive. But these days, it is still cheaper as a BMW, but it is on the same par as a BMW. People buy a one bedroom flat in Camps Bay for the same price as a five bedroom house in Table View. It’s just about what you want.”

From an advertising point of view, do you advertise or set up differently to other countries?
“I think South Africa needs to be different, for our history. South African advertising can be more quirky and we can laugh at ourselves, whereas in Germany it is all about functionality and in America they want to know about the safety features. Here in SA, we can put mirror covers on with the South African flags for the world cup, and car sales go up. We are the Nandos car brand, without being too political.”
“Every market is different. If you sit down with certain people at a table you act one way, and when you sit down at another table you act a different way, but you’re still you.”
Appendix D – Raw Data for Phase 3

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Figure III. Table to show the raw data collected from Phase 3 – Action Research.
Appendix E – Raw Data for Phase 3

Figure IV. Table to show the preference for cult brands across economic classes from a holistic view.
Figure V. Table to show the preference for cult brands across economic classes with consideration to the gender of the cult following.
ETHICAL CLEARANCE LETTER

Your research proposal and ethical considerations were reviewed by your supervisor and moderated by the campus research panel.

☐ Your research proposal posed no significant ethical concerns. We hereby provide you with ethical clearance to proceed with your research methodology.

OR

☐ Your research proposal posed the following minor concern:
☐ Please mention how your research design will address this issue:

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued.

We wish you all the best with your research!

Supervisor Name:

Supervisor Signature:

Campus Anchor Name:

Campus Anchor Signature: