Brand Equity Optimization of Fast Moving Consumer Goods among Retail Chain Stores in South Africa

Kasthuri Poovalingam
Pragasen Pillay

Abstract
This study probes the perceptions of consumers as well as store managers with regard to the branding of fast moving consumer goods in South African retail chain stores. While much research has been conducted on branding, this investigation will focus on the extent to which marketers’ perceptions and consumers’ perceptions converge with a view to maximizing the mutual benefits to be derived from marketing strategies within a contemporary South African environment. The fieldwork for this survey was conducted nationally among store managers based at three major retail groups in South Africa and among consumers living in the province of KwaZulu-Natal. The findings from the literature survey indicate that both local and international companies have realized the potential of investing resources in brand building activities. These findings have provided strong evidence to suggest that building brand equity for fast moving consumer goods impacts positively on the sales and popularity of these products. The findings of the empirical research illustrates that the typical South African consumer has become extremely brand conscious and brand building activities encourage them to purchase these products. The results of both surveys conducted among store managers and consumers provide strong evidence that retail chain store managers and consumers share similar viewpoints with regards to the branding, packaging, pricing, promotions and quality attributes of fast moving consumer goods in terms of optimizing brand equity.
Keywords: Brand equity, Brand equity optimization, branding, fast moving consumer goods, geographic location, perceptions, retail chain stores.

Introduction
The fundamental objective of this investigation is to determine the extent to which the perceptions of South African marketers and consumers converge to promote brand equity in respect of fast moving consumer goods in retail chain stores. Branding and its integral aspects of packaging, pricing, promotion, and the quality of fast moving consumer goods have had a significant impact on the purchasing patterns of consumers in South African retail chain stores. Fast moving consumer goods are typically non-durable products that are consumed over a short period after which they would need to be replaced. According to Brassington and Pettitt (2000:265), these types of products are usually frequently purchased and are low priced, thus, requiring mass distribution and marketing communication focusing on their functional and psychological benefits. Since the onset of democracy, South African consumers are continuously seeking quality, reliability, and consistency in the products that they consume on a daily basis. Moreover, consumers are increasingly experiencing what they perceive as an enhanced image from the consumption and possession of branded products (Formby and Pile 2007:52). These factors translate into opportunities for marketers, especially if the needs and wants of an enterprise’s target market are properly researched and appropriately addressed. Consequently, marketers need to plan and structure the various elements of the marketing mix in order to have the desired effect on their target audiences. The extent to which the optimum synergies accrue to the various chain stores will depend on their emphasis on one or more of the components of the marketing mix. Traditionally, the strategies employed by most marketers have focused on competitive differentiation and the emotional attributes of a brand. Additionally, the contemporary business environment requires a strategic shift in the construction of brand plans as consumers become more discerning in terms of their needs and wants. It is inevitable that a critical component of building brand equity is to ensure consistently brilliant products and services. Keller
Motivation for the Study
The branding of fast moving consumer goods has become an integral part of the lives of consumers not just in South Africa but internationally as well. Consumers are literally confronted with hundreds of brands on a daily basis and are, therefore, spoilt for choice. From a business’s perspective, Doyle (2002:157) believes that brands are central to an entity’s marketing and business strategy. Establishing a brand that has earned the respect and admiration of consumers is of fundamental importance in attempting to build market share and profitability, as well as challenging competitors for market dominance. The viewpoints presented by Barnard and Ehrenberg (1997:21), and Rabuck and Rosenberg (1997:17) who maintain that popular brands that enjoy a great deal of consumer loyalty have a huge and very positive impact on the company’s market share and profitability, is also supported by Doyle (2002:157). Since the marketers of fast moving consumer goods collectively spend billions of rands on the marketing and development of new and existing products each year and since the objective of most marketers of fast moving consumer goods is to maximize the wealth of their shareholders by increasing turnover through innovative marketing campaigns, this study investigates the extent to which the perceptions of South African marketers and consumers converge to promote brand equity in respect of fast moving consumer goods in retail chain stores. The role and impact of branding and its integral aspects of packaging, pricing, promotion and quality will be interrogated to establish how these variables contribute towards this convergence of perceptions which determine the brand equity of fast moving consumer goods. Evidently, the turnover generated from the sales of fast moving consumer goods forms a significant portion of all sales generated by retail chain stores. The information gathered on the branding of fast moving consumer goods will prove useful to store managers in terms of allocating shelf-space to the various brands of fast moving consumer goods. The improvements that should arise in retail chain stores as a result of the better management of the fast moving consumer goods category should provide the consumer with a more pleasurable shopping experience.
The Problem Statement
Since the intangible asset of brand equity provides a company with its competitive advantage and its profitability, it is essential to ensure that brand equity remains at the forefront of strategic marketing management. Exactly what contributes to brand equity for fast moving consumer goods in retail chain stores needs to be ascertained as the first step towards a strategic marketing plan. This leads to the main problem statement, namely,

The extent to which South African marketers’ perceptions and consumers’ perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores needs to be assessed.

In attempting to address the main problem statement, it will also be necessary to address the sub-problems as they relate to the extent to which:

- manufacturers and marketers of fast moving consumer goods are confronted with a number of options when formulating marketing strategies to brand their products;
- the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands;
- investing resources in the branding of fast moving consumer goods can contribute positively to brand equity;
- packaging is used by marketers to improve the image and popularity of their products;
- pricing is understood as a strategic marketing tool to improve the sales performance of their products;
- promotion is used by the marketers of fast moving consumer goods to influence the purchasing behaviour of consumers;
- investing in the quality attributes of their products impacts on their market share; and
- demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods in South Africa.
Having outlined the main problem statement and the sub-problems, the objectives of this study are now stated.

**Research Objectives**
The main research objective is to determine:

*The extent to which South African marketers’ perceptions and consumers’ perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores.*

The secondary objectives are as follows:

- to identify the options which manufacturers and marketers of fast moving consumer goods are confronted with when formulating marketing strategies to brand their products;
- to determine if the increased popularity of branded fast moving consumer goods results in consumers choosing manufacturer brands as opposed to house brands;
- to establish whether an investment in the branding of fast moving consumer goods contributes positively to brand equity;
- to determine whether packaging is a valuable tool used by marketers to improve the image and popularity of their products;
- to determine if the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool;
- to assess whether promotion is used by fast moving consumer goods companies to influence the purchasing behaviour of consumers;
- to establish if the marketers’ investment in the quality attributes of their products impacts on their market share; and
- to investigate whether the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods.

**The Main Research Question**
The impact of branding on fast moving consumer goods needs to be explored through a study incorporating both secondary and primary research tools.
which are designed to gather data to respond to the problem statements and objectives discussed above. This discussion then leads us to formulate the main research question as follows:

*Do South African marketers’ perceptions and consumers’ perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores?*

**Subsidiary Research Questions**

In quantifying the impact of branding on the popularity and sales of fast moving consumer goods through retail chain stores, the following questions also need to be posed:

- What options are manufacturers and marketers of fast moving consumer goods confronted with when formulating marketing strategies to brand their products?
- Does the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands?
- Does the investment in resources in the branding of fast moving consumer goods contribute positively to brand equity?
- Is packaging used by marketers to improve the image and popularity of their products?
- Do the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool?
- Are promotions widely used by fast moving consumer goods marketers to influence the purchasing behaviour of consumers?
- Do marketers invest in the quality attributes of their products in order to gain market share?
- Do the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods?

While much research has been done on branding, this investigation will focus on the extent to which marketers’ perceptions and consumers’
perceptions converge with a view to maximizing the mutual benefits to be derived from these strategies from a South African perspective.

**Research Design**
The research methodology used in this study comprises two separate, but complementary sources of data, namely, secondary data and primary research based on two structured questionnaires. One was administered to store managers of South African retail chain stores and the other to consumers that purchase fast moving consumer goods from retail chain stores.

**The Secondary Data**
The findings of numerous international and local researchers together with the viewpoints of successful marketers of fast moving consumer goods in South Africa assisted greatly in establishing the factors that motivate consumers to purchase fast moving consumer products and also contributed to the development of the structured questionnaire employed in this study.

**The Primary Data**
The empirical research involved the collection of primary data through the use of two sets of structured questionnaires, one to a sample of store managers and the other to a sample of consumers. The universe that was sampled in this study consisted of firstly, the total number of store managers employed by the three major chain stores in South Africa and secondly, consumers in KwaZulu-Natal. These two separate samples were presented with similar questionnaires relevant to each set of circumstances. The data from these surveys provided some unique insights into the purchasing patterns of consumers of fast moving consumer goods at retail chain stores in South Africa.

**Limitations of the Study**
In undertaking this research, certain limitations became apparent. These limitations include the following:
The Geographic Location of Store Managers and Consumers
The study consisted of two samples, namely, store managers based in three of the largest retail chain store groups that are located in the various provinces in South Africa and consumers who were only selected from KwaZulu-Natal. While the consumer sample was representative of the various race groups that exist in South Africa, consumers based in other provinces may have different amounts of disposable incomes and attitudes towards fast moving consumer goods to that of the consumers from KwaZulu-Natal.

The Product Selection in the Investigation
The products chosen for this investigation were classified as fast-moving consumer goods that are typically found in retail chain stores which are purchased by consumers as part of their weekly or monthly grocery purchases. The results of this research are, therefore, not applicable to other types of products, for example, shopping goods, specialty goods and unsought goods, even if they are purchased regularly.

The Sample Chosen for the Investigation
The sample chosen for this investigation consisted of store managers of three of the largest retail groups dealing primarily in fast moving consumer goods. While store managers are expected to have extensive experience in dealing with fast moving consumer goods, brand managers who are able to provide greater insights into the branding, packaging, pricing, promotions and quality aspects were omitted since brand managers are predominantly found at manufacturing companies rather than at retail chain stores. This study focused on 176 stores located throughout South Africa. These retail chain stores are located in well-developed urban areas. No stores located in rural and inaccessible areas were included in this study. Other types of retail establishments such as independent retailers, wholesalers and general dealers that are located in rural areas should also be probed as well as consumers from these areas to gain a more comprehensive understanding of all types of retailers and consumers.
The Significance of Branding in the Market Place

A striking phenomenon in the contemporary business environment is the magnitude and importance of brands in the minds of consumers as well as investors, both locally and internationally. Branding had its roots in the fast moving consumer goods segment through the innovative work of Messrs. Procter & Gamble and Lord Leverhulme. In essence, a valued brand is indicative of trust and goodwill. Nilson (1998:5) and Doyle (2002:157) agree that well-established and successful brands have the unique ability to enhance shareholder wealth not just by capturing new market share but also by retaining existing loyal customers and by increasing a company’s financial performance and long-term competitive position (Mudambi 2002:528). Successful brands, therefore, impact on an entity’s fortunes in three ways, namely, by developing a healthy market share, by maintaining competitive price levels and by ensuring steady cash flows. For this investigation, the following definition by De Chernatony & McDonald (1998:20) encapsulates the essence of a brand:

‘A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs more closely. Furthermore, its success results from being able to sustain these added values in the face of competition’.

Evidently branding is a dynamic and constantly evolving phenomenon that demands a continuous assessment. Perhaps, the best way to take note of the role and importance that brands have taken on is to consider the following quotation by John Stuart, the former chairman of Quaker Oats Ltd.:

‘If this business were to be split up, I would be glad to take the brands, trademarks and goodwill and you could have all the bricks and mortar—and I would fare better than you’ (De Chernatony 2001:3).

There are three basic components that constitute a brand, namely, brand strategy which originates from the position of the brand within the broader portfolio of the entity that has possession of the brand; brand positioning,
where brands are likely to be positioned close to one another in mature markets, while in a new and innovative market, there is likely to be a greater diversity in the features offered by the different brands; and brand personality which relates to the perception which consumers have of the brand in question. There are three types of appeals, namely, sensual, rational and emotional that help to shape the personality of the brand.

**Brand Equity**

Etzel *et al.* (2001:276) and Shiffman and Kanuk (2000:193) view brand equity simply as the value that a brand is able to add to the product it was meant to represent. Keller (1993:8) maintains that brand equity is the differential effect that brand knowledge has on the consumer’s response to the marketing of a brand especially when the consumer possesses favourable, strong and unique brand associations. The Customer-Based Brand Equity (CBBE) model, developed by Keller (2001) illustrates the four sequential aspects, namely, identity, meaning, response and relationships, which represent a ‘branding ladder’. These aspects are further divided into six brand building blocks of salience for identity, performance and imagery for meaning, judgments and feelings for response and at the pinnacle, resonance for relationships. From the marketer’s perspective, brand relationships are the desired step since it results in an intense, active, loyalty relationship between the customers and the brand. De Chernatony and McDonald’s (1998:397) definition that ‘brand equity consists of the differential attributes underpinning a brand which give increased value to the firm’s balance sheet’ is also relevant to this study.

**Brand Equity and Quality**

When developing and sustaining brand equity, an important consideration, according to Etzel *et al.* (2001:277), is to ensure that the product quality is always of a consistent level, in line with consumer expectations. Mowen and Minor (2001:201) further expand upon the issue related to product quality by identifying the following dimensions of quality, namely,

- Performance, which focuses on the extent to which a product is able to satisfy the expectations of the consumer;
Employee interactions, where consumers tend to value qualities in employees such as courtesy and empathy;

Reliability, which refers to the ability of a product to consistently deliver good performance with little or no malfunction;

Durability, where the average life span and overall structure of the product are particularly important when the consumer is planning on using the product for a significant period of time;

Aesthetics, where consumers are quick to pick up on value-added benefits such as well-designed and packaged products or stores that have undergone refurbishments to make them more contemporary or user-friendly; and

Timeliness and convenience, where consumers value timely, efficient and convenient service.

Brands, which enjoy favourable equity, are able to earn good returns for their shareholders and promote brand loyalty among consumers. Brand loyalty is a concept that is of fundamental importance to all stakeholders in the business entity and deserves a significant amount of resources to ensure future success. This argument is supported by Hoyer and MaCinnis (2001:108) who point out that a brand loyal consumer market provides a steady base from which to build good profits. Jobber (2001:230) suggests that this attempt to generate better returns on investment is dependent on an entity being able to ensure that its target market maintains loyalty towards its brand or portfolio of brands. Investing in a brand can yield rich rewards in terms of premium pricing, wide distribution and sustaining optimum sales and profits through brand loyalty. Jobber (2001:232) suggests that seven factors should be considered when attempting to build a successful brand, namely, quality, positioning, repositioning, well-blended communications, being first, having a long-term perspective and focusing on internal marketing.

**Brand Equity Optimization**

In order to optimize brand equity, marketers must integrate five key variables into their respective market offerings, namely, branding, packaging, pricing, promotions and quality. Investing resources in a brand invariably results in
rich rewards (Keller 2003). Baldinger and Rubinson (1996:22) conducted research on 27 brands to establish the importance of brand loyalty on the purchasing behaviour of consumers as well as the impact that brand loyalty has on the market share of the brand. The findings of this research indicate that brands that were well known for their quality attributes had a strong following and these users were not willing to switch to competitor brands. Moreover, the money that the owners of these brands invested in building their respective brands was recouped through growth in market share. Brands are instantly recognized by their packaging and promotions and acknowledged in terms of their quality and pricing strategy (Baldinger and Rubinson 1996:22).

Packaging
Packaging that provides convenience, protection, durability and attractiveness will always prove to be popular among consumers who can instantly recognize a brand because of its packaging. This argument is supported by Waterschoot and Van den Bulte (1992:90), who maintain that a strong brand with its dynamic product packaging is a crucial and indispensable part of the marketing mix which influences the purchasing decisions of consumers.

Pricing
The price of a product needs to be carefully aligned to the value perceptions that consumers attach to the brand in their minds. It is critical that the price is acceptable to the target market. Grewal, Monroe and Krishnan (1998:46) conducted research into consumers’ perceptions of price with regards to their beliefs of value for money in the exchange process. Their findings indicate that the price of a product has a direct impact on the fortunes of the product being sold. Consumers have internal reference prices which are used as a benchmark to evaluate the price of products. Their suggestion to marketers of fast moving consumer goods is to ensure that the price of the product is communicated to emphasize the value and unique features of the product that will help differentiate it from the offerings of competitors. The findings of Chang and Wildt (1994:16-27) are supported by the findings of Grewal et al. (1998:46), who also believe that consumers have a perception of the quality of the product in their minds and it is this perception that determines whether
the target market will be happy with paying the asking price for the product in question.

Promotions
Promotions have become a key instrument in maintaining brand equity. Advances in technology have assisted marketers to create more innovative and creative promotional messages. Wansink and Ray (1992:9-15) identify the two major objectives of promotions as being to get consumers to choose the brand and then to consume the brand. The most effective way to build the popularity of the brand, according to Anschuetz (1997:65), is to advertise as effectively as possible. Popular brands have been able to become part of the culture of the target market.

Quality
Delivering consistently good quality is a crucial requirement to optimizing brand equity. No consumer will remain loyal to a brand that fails to provide an acceptable level of quality when used on repeated occasions. It is also crucial to integrate quality and other features of the product to achieve a more impactful market offering. Langer (1994:RC-2), in presenting a discussion on the emerging trends in the contemporary business environment, emphasizes the importance of using the packaging and quality attributes of a product as a strategic marketing tool with which to differentiate one’s product and maximize sales. Apart from ensuring that branding, packaging, pricing, promotions and quality are innovatively incorporated into the market offering, it is also imperative that marketers also ensure that each of these elements complement each other to optimize brand equity. Consumers are looking for all five elements to be abundantly present in fast moving consumer goods. Therefore, the key to optimizing brand equity is to ensure that the needs and wants of one’s target market are appropriately addressed through the correct blend of branding, packaging, pricing, promotions and quality (Blythe 2006: 89).

Results of the Empirical Study
The extent to which the researchers were able to answer the research questions is the extent to which the objectives of the study were met, is the
extent to which the problems have been answered. In attempting to address
the key question whether ‘South African marketers’ perceptions and
consumers’ perceptions converge to promote brand equity in respect of fast
moving consumer goods in retail chain stores,’ an evaluation of the findings
of each of the subsidiary questions identified in this investigation is
necessary before an assessment may be made.

Subsidiary Question 1: *What options confront manufacturers and marketers of fast moving consumer goods when formulating marketing strategies to brand their products?*

In attempting to answer the question detailed above, the literature review
reveals a consensus among both academics and marketing practitioners that
investing in a brand can yield rich rewards in terms of premium pricing, wide
distribution and sustaining optimum sales and profits through brand loyalty.
Jobber (2001:232) suggests that seven factors should be considered when
attempting to build a successful brand, namely, quality, positioning,
repositioning, well-blended communications, being first, having a long-term
perspective and focusing on internal marketing. Closely aligned to the
generally accepted viewpoint of investing in the brand is the belief that the
packaging of a product can also be a powerful tool in the marketing of fast
moving consumer goods. According to Boone and Kurtz (2004:356) the
packaging of a product should serve essentially three basic benefits, namely,
protection against pilferage and damage; complement the branding of the
product; and generate cost savings. Consumers of fast moving consumer
goods expect these features to be abundantly evident in the products that they
choose to consume on a regular basis and are quick to switch brands if these
features are not consistently incorporated into the product. In essence the
packaging of a product should perform the role of a silent sales-person. In
addition, marketers must always carefully consider the role and impact of
pricing when combined with other critical variables. Invariably, the price of a
product is determined by the amount of money that the target audience is
prepared to pay for the product. The cost of producing the product will then
be carefully calculated to ensure that it is still possible to earn a healthy
profit margin by charging a suitable price. Some markets will allow premium
pricing while it might not be possible to charge such high prices in other markets. Therefore, the costs of production must always be in relation to the price dictated by the market. The price of the product is also affected by its stage in the product life cycle. In the decline stage, marketers will need to drop prices and profit margins to ensure that the product remains competitive. In addition, the price of the product could be determined by means of product-line pricing which differentiates among a variety of different grades of products. Another determinant of price relates to consumer perceptions of the product. Consumers can, sometimes, attach a particular value or importance to a brand that they do not attach to other brands or products. Agres and Dubitsky (1996:21) maintain that a brand name assures the consumer of consistent quality and superior value. The consumer is, therefore, willing to be brand-loyal to the manufacturer and accept the price of the product that is being charged. This has been confirmed in this study as well, where consumers expect to pay higher prices for their favourite brands as indicated by the p significance value of 0.000. Marketers can sometimes use price as a method of positioning their products in the minds of consumers. For example, house brand fast moving consumer goods could be positioned on the basis of value for money while another premium manufacturer branded product can be positioned on the basis of superior quality that justifies their charging a higher price. Investing money in building the brand will help yield rich dividends in the longer-term and help position the product in the minds of consumers despite the higher price.

Many fast moving consumer goods are distributed through a traditional distribution channel, that is, from the manufacturer to the wholesaler, to the retailer and finally to the consumer. There are many parties in this distribution channel and the costs of the distribution will need to be built into the price of the product and, ultimately, all of these distribution costs must be recovered from the consumer. Despite this, the price will need to be competitive and profitable. The promotional mix consists of a variety of personal and non-personal communication techniques intended to increase the purchase of branded goods. These two basic forms of promotion are usually integrated into a coherent plan to achieve a company’s marketing objectives. Boone and Kurtz (2004:499) believe that while personal selling is really about face-to-face contact with the customer, non-personal promotion is composed of advertising, sales promotion, direct
marketing, public relations, guerrilla marketing and sponsorships. In this modern technological era, personal selling can also be conducted over the telephone, through video conferencing, and through interactive computer links between the buyer and the seller. Advertising is particularly effective in communicating to audiences that are geographically dispersed. ‘As brands progress through the product life cycle, managers plan to allocate proportionately less of their marketing communications budget to advertising, and more to consumer and trade promotions. In addition, lower relative price brands and family brands typically receive an allocation that emphasizes sales promotion relative to advertising’ (Low and Mohr 2008). In addition, research conducted by Flynn, Goldsmith and Eastman (1996:137), indicate that marketers should not underestimate the power of opinion leaders, who have the power to sway consumer perceptions and purchase intention. While advertising is a powerful marketing tool, consumers place more trust in a reliable source. Word-of-mouth communication too, combined with an effective advertising campaign, can be used not only to encourage brand loyalty but also to promote increased consumption of a brand.

The study confirms the 1970 PIMS study (Wikipedia 2008) that there is a positive correlation between promotions and branded products where the p significance value was 0.000, while the Pearson correlation coefficient was 0.540, suggesting that promotions are significant to consumers when they purchase brands. The PIMS study, however, did not focus on fast moving consumer goods (Wikipedia 2008). While the literature study has been able to address the different marketing strategies that are generally utilized for the purposes of marketing fast moving consumer goods, the empirical study which focused on contemporary South African consumers, proved valuable in determining the extent to which branding, packaging, pricing, promotions and quality can optimize brand equity and, thus, lead to brand loyalty.

Subsidiary Question 2: Does the increased popularity of branded fast moving consumer goods result in consumers choosing manufacturer brands as opposed to house brands?
From the results achieved, it is apparent that both store managers and consumers prefer manufacturer brands as opposed to house brands. Consumers’ preference for manufacturer brands as opposed to house brands extends to all five variables under investigation, namely, branding, packaging, pricing, promotions and quality. These results are detailed in the subsequent discussion.

- In both the surveys conducted among store managers as well as among consumers, manufacturer brands result in a higher rate of sales. When store managers were asked if manufacturer brands result in a quicker rate of sale, 73.30% of the sample agreed that manufacturer brands provided a higher rate of sales while 66.40% of the consumer sample agreed that they would choose manufacturer brands without any hesitation.
- Manufacturer brands are also viewed by both store managers and consumers as having more innovative packaging, since 75.00% of the sample of store managers agreed that house brands would enjoy a much higher rate of sales if their packaging contained more user-friendly features while 75.80% of the consumer sample believed that house brands would attract greater sales if their packaging contained more user-friendly features.
- Store managers and consumers believe that house brands are generally more competitively priced than manufacturer brands but this is not always a strong enough argument to convince people to choose house brands instead of manufacturer brands. When store managers were probed about the pricing of manufacturer brands versus house brands, 76.20% of the sample agreed that house brands were cheaper than manufacturer brands while 57.80% of the consumer sample agreed that house brands were cheaper than manufacturer brands. Well-established manufacturer brands should not attempt to compete with house brands purely on price as this will have a negative effect on the brand’s future fortunes. However, premium brands risk losing their market share and share value if they lower the prices of their products.
- The findings of Rabuck and Rosenberg (1997:17) are further supported by Anschuetz (1997:63), who maintains that a brand that
is more popular at one point of the distribution chain is generally more popular at every other point in that distribution chain. The popular brands are not only purchased by a greater number of people but they are also purchased more often on average than less popular brands.

- It has also emerged from the empirical study that both store managers and consumers firmly believe that promotions impact on both the sales and popularity of fast moving consumer goods, that is, 94.90% of store managers and 66.40% of consumers believe that the promotional support directed towards manufacturer brands increases both the popularity and the rate of sales of these products in store.

It is evident from the empirical study that consumers certainly value the effort that manufacturers invest in the branding, packaging, pricing and promotions of their fast moving consumer goods. However, it has also emerged from the empirical study that consumers perceive that manufacturer brands are of a superior quality to house brands, that is, 73.90% of store managers and 69.60% of consumers believe that manufacturer brands provide superior quality to house brands. The findings of this investigation indicate that brands that were well-known for their quality attributes, had a strong following and their users were not willing to switch to competitor brands.

Subsidiary Question 3: Does the investment in resources in the branding of fast moving consumer goods contribute positively to brand equity?

A majority, that is, 91.50% of store managers agree that branding has a positive impact on the sales of their fast moving consumer goods while 62.70% of the consumers believe that branding has a positive impact on the sales of fast moving consumer goods. It is also interesting to note that, from the t-test results, both store managers and consumers of different gender groups agree that branding impacts positively on the market share and profitability of fast moving consumer goods. This finding is also evident in the ANOVA results, where both store managers and consumers of different race groups also agree that branding impacts positively on the market share.
and profitability of fast moving consumer goods. These findings indicate that investing resources in brand building initiatives results in increased market share, profitability and brand equity. The results obtained in the empirical study support the research conducted by Keller (2003), who highlighted the importance of having a strong and well-liked brand. Two critical components in building a brand are trust and customer satisfaction. The chosen brand of the fast moving consumer product is linked to the perception that the consumer has of the brand being marketed. A favourable perception, especially with regard to the brand being able to deliver consistent quality, is likely to encourage the consumer to purchase the product on a regular basis.

Subsidiary Question 4: do marketers to improve the image and popularity of their products use packaging?

A majority, that is, 84.60% of store managers, agree that packaging has a positive impact on sales while 75.80% of consumers believe that packaging has a positive impact on the sales of fast moving consumer goods. These findings indicate that packaging is an effective tool that can be used by marketers to improve the image and popularity of their products. These results compare well with the results achieved by Langer (1994: RC2), who, in presenting a discussion on the emerging trends in the contemporary business environment, emphasizes the importance of using packaging as a strategic marketing tool with which to differentiate one’s product and maximize sales. These value-added features can be physically incorporated into a product through innovative and dynamic packaging.

Subsidiary Question 5: Do the marketers of fast moving consumer goods understand the importance of pricing as a strategic marketing tool?

A majority, that is, 89.80% of store managers agree that pricing has an impact on sales while 67.20% of consumers believe that pricing has a positive impact on the sales of fast moving consumer goods. From the results achieved through the inferential statistical tests, it is evident that pricing is viewed by both store managers and consumers as a critical tool that has a direct impact on the sales performance of fast moving consumer goods.
These findings indicate that pricing is an effective tool that can be used by marketers to influence the sales performance and popularity of their products and are consistent with the findings of Grewal, Monroe and Krishnan (1998:46), who conducted research into consumers’ perceptions of price with regards to their beliefs of value for money in the exchange process. Their findings indicate that the price of a product has a direct impact on the fortunes of the product being sold. Consumers have internal reference prices and these reference prices are used as a benchmark to evaluate the price of products. Their suggestion to marketers of fast moving consumer goods is to ensure that the price of the product is communicated to emphasize the value and unique features of the product that will help differentiate it from the offerings of competitors. In addition, marketers need to be fully aware of the quality perceptions that consumers have of their products and link the price to the perceptions that consumers have of the product. The findings of Chang and Wildt (1994:16-27) are supported by the findings of Grewal, Monroe, and Krishnan (1998:46), who also believe that consumers have a perception of the quality of the product in their minds. This perception determines whether the target market will be happy with paying the asking price for the product in question.

Subsidiary Question 6: Are promotions widely used by fast moving consumer goods marketers to influence the purchasing behaviour of consumers?

An overwhelming majority, that is, 92.70% of store managers agree that promotions have an impact on sales while 70% of consumers believe that promotions have a positive impact on the sales of fast moving consumer goods. These findings, from the quantitative analysis of the data, indicate that promotions are an effective tool that can be used by marketers to influence the sales of their products and support the findings of Wansink and Ray (1992:9-15) who concluded their investigation by pointing to the fact that consumer promotions do influence both current users to consume more of the brand and also encourage new users to try the brand for the first time. Focusing on unique and innovative packaging attributes of the product through consumer promotions will also have a favourable impact on consumer purchasing behaviour.
Subsidiary Question 7: Do marketers invest in the quality attributes of their products in order to gain market share?

A majority, that is, 91.50% of store managers agree that quality has an impact on sales while 70.50% of consumers believe that quality has a positive impact on the sales of fast moving consumer goods. These findings indicate that quality is an effective tool that can be used by marketers to influence the sales of their products. The inferential statistics indicate that both store managers and consumers view quality as a vital ingredient when contemplating a purchase.

Subsidiary Question 8: Do the demographic variables of age, gender, home language, race group, level of education and work experience have an impact on the purchasing behaviour of consumers of fast moving consumer goods in South Africa?

The ANOVA test results reveal that there is a difference among store managers belonging to different age groups on the impact of branding on the sales of fast moving consumer goods because the p significance value is 0.002, which is below 0.05. This means that store managers belonging to different age groups have different perceptions towards the role of branding in terms of being able to influence the rate of sales of fast moving consumer goods. There is however no significant difference among the different age groups on the impact of packaging, pricing, promotions and quality on the sales of fast moving consumer goods. This means that different age groups have similar perceptions towards packaging, pricing, promotions and quality. There is also no significant difference among consumers of different age groups on the impact of branding, packaging, pricing, promotions and quality on the sales of fast moving consumer goods since the p significance values are all above 0.05. This means that different age groups have similar perceptions towards branding, packaging, pricing, promotions and quality. In the t-test conducted to determine the perceptions of male and female store managers on the impact of branding, packaging, pricing, promotions and quality on the purchasing behaviour of fast moving consumer goods, the p significance values are above 0.05. These findings reveal that there is no significant difference between gender groups towards these variables.
Therefore, the conclusion is that in both samples, that is, of store managers and consumers, there is no difference between males and females with regards to their perceptions of fast moving consumer goods. There is also no significant difference among respondents that speak a different home language regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05. This finding means that store managers that speak different home languages share similar perceptions regarding branding, packaging, pricing, promotions and quality. No significant difference exists among store managers belonging to different races regarding their perceptions of branding, packaging and pricing since the p significance values are above 0.05. There is a difference in terms of their perceptions regarding promotions and quality since the p significance values are below 0.05. In addition, there is also a difference among store managers’ perceptions regarding packaging and promotions since the p significance values are below 0.05. No significant difference exists among consumers belonging to different race groups towards the impact of pricing and promotions on the sales of fast moving consumer goods since the p significance values are above 0.05. This finding means that different race groups have similar perceptions towards pricing and promotions. The ANOVA test results also reveal that there is a significant difference among the different race groups towards the impact of branding, packaging and quality on the sales of fast moving consumer goods since the p significance values are below 0.05. There is no significant difference among store managers and among consumers of differing educational levels regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05.

There is also no significant difference among store managers of varying lengths of service regarding the impact of branding, packaging, pricing, promotions and quality in terms of the marketing of fast moving consumer goods since the p significance values are all above 0.05. This finding means that, even though store managers vary in terms of their experience, there is no difference in their perceptions regarding the impact of branding, packaging, pricing, promotions and quality on the marketing of fast moving consumer goods.
Kasthuri Poovalingam and Pragasen Pillay

**Pearson’s Correlation Coefficient**

The Pearson’s Correlation Matrix was utilized to determine the strength and direction of the relationship between the different variables being investigated. The results obtained for both the store managers’ survey and the consumers’ survey are presented in Table 1.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>STORE MANAGERS SURVEY</th>
<th>CONSUMERS SURVEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding &amp; Packaging</td>
<td>Pearson’s = 0.323</td>
<td>Pearson’s = 0.572</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.000</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Branding &amp; Pricing</td>
<td>Pearson’s = -0.268</td>
<td>Pearson’s = 0.334</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.000</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Branding &amp; Promotions</td>
<td>Pearson’s = 0.126</td>
<td>Pearson’s = 0.540</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.096</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Branding &amp; Quality</td>
<td>Pearson’s = 0.151</td>
<td>Pearson’s = 0.693</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.045</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Packaging &amp; Pricing</td>
<td>Pearson’s = -0.007</td>
<td>Pearson’s = 0.494</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.931</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Packaging &amp; Promotions</td>
<td>Pearson’s = 0.332</td>
<td>Pearson’s = 0.588</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.000</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Packaging &amp; Quality</td>
<td>Pearson’s = 0.030</td>
<td>Pearson’s = 0.618</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.690</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Pricing &amp; Promotions</td>
<td>Pearson’s = 0.074</td>
<td>Pearson’s = 0.458</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.332</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Pricing &amp; Quality</td>
<td>Pearson’s = -0.262</td>
<td>Pearson’s = 0.497</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.000</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
<tr>
<td>Promotions &amp; Quality</td>
<td>Pearson’s = 0.058</td>
<td>Pearson’s = 0.631</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) = 0.446</td>
<td>Sig. (2-tailed) = 0.000</td>
</tr>
</tbody>
</table>

Table 1 indicates that there is a significant relationship between branding and the integral aspects of packaging, pricing, promotions and quality with regards to consumers’ perceptions of fast moving consumer goods. These results are also consistent with the results achieved for the store managers’ survey. Therefore, all five variables, namely, branding, packaging, pricing, promotions and quality share a significant relationship and all five variables must be adequately addressed in any marketing plan to ensure that the product satisfies the needs and wants of the target market. The findings of the research illustrate that the typical South African consumer has become
extremely brand conscious with regards to the purchase of fast moving consumer goods. A significant percentage, (62.70%) of consumers agreed that brand building activities result in higher sales and encourage them to purchase the product. The findings from the consumer survey were supported by 94.40% of store managers who agreed that building brand equity results in increased sales and popularity for the product concerned. Consumers have a preference for manufacturer branded products. Feedback from consumers illustrates the point that house brands are selected primarily because they are cheaper. Manufacturer brands are viewed as having the most innovative packaging, excellent promotional support and consistently good quality. These findings are also supported by store managers who believe that manufacturer brands clearly lead the way in terms of brand building activities, packaging innovation, promotional support and quality. This study has been able to quantify the perceptions of consumers towards the marketing of fast moving consumer goods and also establish the perceptions of store managers towards the marketing of fast moving consumer goods. 

The empirical survey together with the literature survey confirms the key question that South African marketers’ perceptions and consumers’ perceptions converge to promote brand equity in respect of fast moving consumer goods in retail chain stores. The results of both surveys illustrates that retail chain store managers and consumers share similar viewpoints with regards to the branding, packaging, pricing, promotions and quality attributes of fast moving consumer goods in terms of optimizing brand equity.

**Conclusions**

This study has focused on contemporary South African consumers as well as contemporary retail chain store managers with regards to the purchasing of branded fast moving consumer goods and its impact on brand equity. Previous studies have focused on a South African market place that was dominated by purchasing patterns that were dictated by the demographic variables of the consumer due to the legacy of apartheid. This study, however, has demonstrated that the purchasing patterns of consumers are not dictated by apartheid era demographics but rather by disposable income and an appreciation of the marketing mix elements that combine effectively and synergistically to optimize brand equity.
References
Brand Equity Optimization of Fast Moving Consumer Goods...


Kasthuri Poovalingam
School of Management Studies
University of KwaZulu-Natal
Durban, South Africa.
Poovalingamk@ukzn.ac.za

Pragasen Pillay
Sugar Manufacturing Company
Durban, South Africa.